Agro Tech Foods Limited

7th August, 2018

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

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

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

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, we hereby submit the Annual Report of Agro Tech Foods Limited for the financial year 2017-2018 as approved by the shareholders in the Annual General Meeting held on 26th July, 2018.

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 2018



Making the food India loves.

Agro Tech Foods Limited

Board of Directors

Directors	Jill Ann Rahman (DIN 07693684)	Chairperson
	Steven Lee Harrison @ (DIN 07491599)	
	Denise Lynn Dahl (DIN 07583110)	
	Hendrik Gerhardus Myburgh * (DIN 07938406)	
	Lt Gen D B Singh (DIN 00239637)	
	Sanjaya Kulkarni (DIN 00102575)	
	Arun Bewoor (DIN 00024276)	
	Narendra Ambwani (DIN 00236658)	
	Veena Vishindas Gidwani (DIN 06890544)	
	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 & Procurement
	Gulshan Gandhi *	Head of Research, Quality & Innovation
	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	Jyoti Chawla*	
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. 66650240, Fax No. 27800947 CIN No. L15142TG1986PLC006957	
Registrars & Share Transfer Agents	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032	

@ Mr. Steven Lee Harrison has resigned as Director on 31st July, 2017
Mr. Satish Kumar Singh has resigned as Vice President – Research, Quality & Innovation on 31st October, 2017

* Ms. Jyoti Chawla has been appointed as Company Secretary with effect from 26th July, 2017
Mr. Hendrik Gerhardus Myburgh has been appointed as Director with effect from 25th October, 2017
Mr. Gulshan Gandhi has been promoted as Head of Research, Quality & Innovation with effect from 1st June, 2018

NOTICE TO MEMBERS

Notice is hereby given that the Thirty First Annual General Meeting of the Members of Agro Tech Foods Limited will be held on Thursday, the 26th July, 2018 at 10.00 A.M. at Hotel Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad - 500 016, Telangana, India to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year Ended 31st March, 2018, 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, 2018.
3. To appoint a Director in place of Ms. Denise Lynn Dahl who retires by rotation and being eligible, offers herself 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. Jill Ann Rahman, a Director of the Company, who has been appointed in the casual vacancy arising out of the resignation of Ms. Anna Elizabeth Biehn, who vacates office at this Annual General 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 Rs.1,00,000/- has been received by the Company. Ms. Jill Ann Rahman 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. Jill Ann Rahman be and is hereby appointed as Director of the Company pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the Articles of Association of the Company, whose period of office shall be liable to retire by rotation."

6. To appoint Mr. Hendrik Gerhardus Myburgh, an Additional Director of the Company, who vacates office at this Annual General 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. Mr. Hendrik Gerhardus Myburgh has filed his consent pursuant to the provisions of section 152 of the Companies Act, 2013 to act as Director, if appointed.

   "RESOLVED that Mr. Hendrik Gerhardus Myburgh be and is hereby appointed as Director of the Company pursuant to Section 152 and other applicable provisions of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and pursuant to the Articles of Association of the Company, whose period of office shall be liable to retire by rotation."

7. 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 2018-19, be paid remuneration as set out in the Statement annexed to the Notice convening this Meeting".

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to Section 20 of the Companies Act, 2013 (hereinafter referred to as 'the Act') and other applicable provisions, if any, read with Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the members be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address, or by such electronic or other mode prescribed under the Act and desired by Member(s) on each case, from time to time.

   RESOLVED FURTHER that upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge from that member in advance, a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode provided such request along with the requisite fee has been duly received by the Company at least one week in advance of the dispatch of document by the Company.

   RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 19th July, 2018 to Thursday, 26th July, 2018 (both days inclusive). Share Transfers received in order by 6.00 p.m. on 18th July, 2018, will be in time to be passed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid within 30 days of the approval of the shareholders at this Annual General Meeting to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 19th July, 2018, or to their mandatees. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as on 18th July, 2018, as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

NOTES:

1. In accordance with the Provisions of Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Explanatory Statement in respect of item Nos. 5 to 8 being items of Special Business is annexed.

2. A Member entitled to attend and vote on a poll is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member. Proxies in order to be effective must be received by the Company not less than forty eight hours before the Annual General Meeting. Proxy form is enclosed towards the end of the notice.

   A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.

3. Members are requested to bring their copies of the Reports and Accounts to the Meeting.

4. 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, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as substituted by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote on the resolution proposed to be passed at AGM by electronic means. The Members, whose names appear in the Register of Members / List of Beneficial Owners as on Wednesday, 18th July, 2018, 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 Monday, 23rd July, 2018 and will end at 5.00 P.M. on Wednesday 25th July, 2018. The Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed M/s. Tumuluru & Company, Company Secretaries Firm, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

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 financial year 2017-18 including the Notice for the 31st Annual General Meeting is being sent through electronic mode only to members whose email addresses are registered with the Company / Depository Participant(s), unless any member has requested for a physical copy of the report. For Members who have not registered their email addresses, physical copies of the Annual Report for financial year 2017-18 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, 2011 will be due for transfer to the Investor Education and Protection Fund of the Central Government ('IEPF') on 1st September, 2018, pursuant to the provisions of Section 124 of the Companies Act, 2013. In respect of the said unclaimed dividend, it will not be possible to entertain claims received by Karvy Computershare Private Limited, Registrar and Share Transfer Agents after 1st September, 2018.

    Details of unclaimed dividend in respect of the financial year ended 31st March, 2011 and up to and including the financial year ended 31st March, 2017 are available on the Company's website www.atfoods.com under Investor Relations.

    The unclaimed shares pertaining to the year 2010-11 will also be transferred to IEPF of the Central Government on or before 1st October, 2018.

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 102(1) OF THE COMPANIES ACT, 2013 AND THE LISTING REGULATIONS

Item No. 5

Ms. Jill Ann Rahman was appointed as Director under section 161(4) of the Companies Act, 2013 with effect from 18th January, 2017 in the casual vacancy caused by the resignation of Ms. Anna Elizabeth Biehn pursuant to Article 129 of the Articles of Association of the Company and she holds office up to the date of this Annual General Meeting till which, Ms. Anna Elizabeth Biehn in whose vacancy she is appointed would have held office. Notice under Section 160 of the Companies Act, 2013 along with the requisite deposit of ₹ 1,00,000/- has been received from a member proposing the appointment of Ms. Jill Ann Rahman as a Director of the Company whose period of office shall be liable to retire by rotation. Ms. Jill Ann Rahman has given 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. Jill Ann Rahman 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

Mr. Hendrik Gerhardus Myburgh was appointed as an Additional Director of the Company on 25th October, 2017 pursuant to Section 161(1) 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 ₹ 1,00,000/- has been received from a member proposing the appointment of Mr. Hendrik Gerhardus Myburgh as a Director of the Company whose period of office shall be liable to retire by rotation. Mr. Hendrik Gerhardus Myburgh has given his 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 :

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

Your Directors recommend the Resolution for your approval.

Item No. 7

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 2018-19 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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

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.

Item No. 8

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same to him by post or by registered post or by speed post or by courier or by delivering it at his office or address, or by such electronic or other mode as may be prescribed. However, proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the company at its Annual General Meeting ('AGM').

Since the cost of dispatch may vary from time to time and depending on the mode of dispatch, your directors recommends to approve a sum equivalent to the estimated actual expenses of delivery of the documents through a particular mode, if any request has been made by any member for delivery of such documents to him through such mode of service, be taken to cover the cost of such delivery.

None of the Directors or Key Managerial Personnel including their relatives is concerned or interested, financial or otherwise, in the said resolution.

Your Directors recommend the Resolution for your approval.

Dated: 25th April, 2018

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

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.

Ms. Jill Ann Rahman

Jill Rahman has more than 20 years of progressive brand building and P&L leadership experience with blue chip brands at Kraft Foods, Newell Rubbermaid and currently Conagra Brands. She has extensive experience in building brand strategies, innovation and leading P&L's for growth. In her current role as President of International for Conagra Brands, Jill leads a team of professionals in Canada, Mexico, India and Chicago across an $850 million portfolio. Her business responsibility is comprised of four business models: 1) local operations in Canada and Mexico, 2) global export, 3) joint venture partnerships in Mexico and Philippines, 4) an India affiliate. She sits on the boards of the joint ventures and the affiliate, Verde Valle (Mexico), Hunt's Universal Robina Corp (Philippines) and Agro Tech Foods Limited (India).

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

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

Her DIN is 07693684

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

Directorship:

Hunts Universal Robina Corporation, Phillippines

Verde Valle, Mexico

Chairman of Board Committees

None

Member of Board Committees

None

Shareholding in the Company:

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

Mr. Hendrik Gerhardus Myburgh

Hendrik Gerhardus Myburgh is Vice President of Research & Development for Conagra Brands. In this role, Hendrik leads the International Research and Development team and oversees product development for more than 55 iconic and emerging brands across the company's portfolio. With 25 years of management experience in a global FMCG environment spanning four continents, Hendrik has a proven track record of setting and executing R&D strategies, rolling out global innovation and technology programs, and implementing processes and governance to support such initiatives.

Prior to joining Conagra Brands, Hendrik worked for PepsiCo for over 14 years, holding various R&D roles including leading Tropicana North America and Naked Emerging Brands R&D teams, developing technology and innovation roadmaps for the company's global Fruit & Vegetable business and representing R&D on the inaugural PepsiCo Global Nutrition Group leadership team. From 2005 to 2010 at PepsiCo, he was based in Dubai and the United Kingdom as head of R&D for South Asia, Middle East and Africa, covering many anchor markets around the world.

Before joining PepsiCo, Hendrik held several R&D roles at Tiger Brands and Premier Foods in South Africa.

Hendrik holds an honors B.S. in food science (cum laude) from the University of Stellenbosch (South Africa) and an M.B.A. from Reading University (UK). He served in the South African Defence Force as Lieutenant.

His DIN is 07938406

Companies (other than Agro Tech Foods Limited) in which Hendrik Gerhardus Myburgh holds Directorship and Committee Membership:

Directorship:

None

Chairman of Board Committees

None

Member of Board Committees

None

Shareholding in the Company:

Hendrik Gerhardus Myburgh does not hold any equity shares in the Company.

Attendance record of the Directors seeking appointment/ re-appointment

Directors	Number of Meetings	
	Held	Attended
Denise Lynn Dahl	4	3
Jill Ann Rahman	4	3
Hendrik Gerhardus Myburgh	1	0

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, 2018.

1. PERFORMANCE OF THE COMPANY

1.1 Results

Your Company's performance for the year ended 31st March, 2018 is as follows:

(₹ Millions)

	2017-18	2016-17
Net Sales	**8,106.31**	8,060.03
Other Income*	**19.78**	24.37
Total Income	**8,126.09**	8,084.40
Operating Expenses	**7,459.51**	7,476.17
PBDIT	**666.58**	608.23
Depreciation	**174.72**	165.11
Interest	**2.53**	44.45
Profit before Tax & exceptional item	**489.33**	398.67
Exceptional item	**-**	42.09
Profit Before Tax (PBT)	**489.33**	440.76
Taxes	**172.85**	167.79
Profit After Tax (PAT)	**316.48**	272.97
Other Comprehensive income	**(0.03)**	1.27
Total Comprehensive income	**316.45**	274.24

*Includes other operating revenue

Net Sales for the year were 1 % higher than Prior Year with the Foods share of our business increasing by 300 basis points to 24.4% of the total business. The Foods business reached a new high of Rs.197 crore with a 15% growth over Prior Year driven by continued strong growth in *Sundrop Peanut Butter* and robust growth in *Act II Bagged Snacks*. Excluding channels which had tax exemption prior to the implementation of GST, the growth in the Foods business was closer to 20% reflecting the continued solid progress being made by the Company to be amongst India's best performing most respected Foods Companies. PBT was up 11% vs PY and PAT was up 16% vs PY.

1.2 Key Indicators

Due to the implementation of GST and consequent pass on of benefits accrued due to replacement of Service Tax, the Gross Margin and A&P figures for the year are not comparable with Prior Year. Accordingly the key indicators given below relate to EBITDA.

(₹ Millions)

	2017-18	2016-17
EBITDA (Rs MM)	**666.58**	608.23
EBITDA%	**8.2%**	7.5%

EBITDA increased by 0.7% vs. FY'17 with EBITDA% improving by 70 basis points. The drivers of EBITDA improvement remain the enhancement of Operating Leverage as we gain scale in the Foods business of the Company and increase capacity utilizations to benefit from the significant investments already made. The primary drag on EBITDA margin remains the Edible Oils business the materiality of which is steadily decreasing as we continue to build the Foods business with strong moats and consequent margin opportunities.

2. DIVIDEND

Given the continued strong cash flow of the Company relative to the limited ongoing Capital Expenditure of the Company, your Directors are pleased to recommend a Dividend of ₹ 2.50 per equity share of the face value of ₹ 10 each for the year ended 31st March, 2018 subject to the approval of the shareholders at the Annual General Meeting to be held on 26th July, 2018.

(₹ Millions)

		2017-18	2016-17
STATEMENT OF RETAINED EARNINGS			
a)	**At the beginning of the year**	**2,374.86**	2,157.03
b)	Add: Profit for the year	**316.48**	272.97
c)	Add: Other Comprehensive Income (net of tax)	**(0.03)**	1.27
e)	Less: Dividends*	**46.49**	46.49
f)	Less: Dividends Distribution Tax	**9.92**	9.92
g)	**At the end of the year**	**2,634.90**	2,374.86

*Dividend given to Agro Tech ESOP Trust excluded of ₹ 2.25 mm.

3. RESPONSIBILITY STATEMENT

The Directors confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

4. CORPORATE GOVERNANCE

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

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

In line with the requirements of 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

With increased information flows driven by the growth of the internet the Food industry continues to witness a high level of Innovation with existing and new players addressing both niche and mass segments. In trade terms this has meant that at the top end there are a number of smaller emerging players seeking to build businesses addressing more niche consumers through trade support and on line availability, while at the bottom end there are a number of players seeking to build mass businesses with the promise of profits delivered by scale and the opportunity to up-trade consumers into packaged goods using the wholesale channels.

Your Company recognizes this and the need to have capabilities which enable us to win in both of these segments and doing so profitably while building a robust retailing based distribution network and working with our trade partners to have a win-win interface.

7. OPPORTUNITIES AND THREATS:

With continued economic progress we expect to see strong robust growth in the Food Industry and we believe we are well poised to capture our share of this growth in a profitable manner.

On the product side we see the emergence of consumers seeking both healthy and premium indulgence options and by ensuring that our portfolio includes offerings which address these consumers we are well placed to seize this opportunity. The launch of *Act II Diet Pop* and *Act II Caramel Bliss* in FY'18 are examples of our intention to fully capture these opportunities in the Snacks business.

At the same time there will also still exists a huge opportunity in consumption amongst the emerging Indian Middle Class at a base consumption level seeking a broader variety in their existing food regimen in an affordable manner. It is this segment that we will be tapping with the increased distribution of *Act II Ready to Cook Popcorn, Sundrop Peanut Butter & Act II Nachoz*.

And last but not the least will be the continued growth at the Bottom of the Pyramid driven by the momentum of a Billion people earning higher wages which while not immediately profitable in the near term will be a vital carrier in distribution terms besides establishing our brands amongst the future middle class of the country with the promise of scale based profitability where we have chosen to play with *Act II* in Western Snacks and *Sundrop* in Indian Snacks.

We believe that the ability to compete at all levels of the Pyramid will be vital to continued strong profitable growth and to successfully harness the opportunities while warding off competitive threats.

8. STATE OF THE COMPANY'S AFFAIRS:

Your Company's philosophy continued innovation built on in house manufacturing and competitive advantage has ensured that we ended the year with a strong position in most of the categories we have entered. While we do not subscribe to any retail audit, basis external category estimates of market size we believe we have ended FY'18 with 90%+ of the Popcorn Category, 55% of the Peanut Butter Category and 25%+ of the Tortilla Chips Category. These are strong market share positions reflecting our ability to build categories and successfully hold share while also having the ability to gain share in other small but fast growing categories leveraging our brand strength and distribution capabilities.

As stated in last year's Director's Report we closed FY'17 with 5 plants in India. In FY'18 your Company

made considerable progress in the construction of our 6th plant in India located at Chittoor which will be operational in FY'19. While the commencement of production at these plants involves both additional capital and operating expenditure in the initial years, they immediately reduce the freight to market as evidenced in Ready to Eat Popcorn where primary freight has reduced from c 28% in the early days to 13% in FY'18 and we estimate will be less than 10% when all 7 plants are operational placing us in a strong competitive position both in terms of cost to service the market and in terms of responding to market dynamics.

The expansion of the product portfolio together, appointment of Feet on Street on company payroll and distributed manufacturing has considerably increased our ability to appoint new distributors and increase coverage. In FY'18 we increased the Feet on Street on company payroll from 386 to 502 enabling us to drive both wholesale and retail distribution of our product and in turn increasing the number of active Distributors from 600 in April 2017 to 925 in March 2018. Our estimate is that as of end FY'18 we would have a retail coverage of c 400,000 outlets. While still some distance away from our goal of 1 MM stores this reflects that we have come a long way from our estimated 60,000 stores in FY'08.

Your Company will continue to leverage the investments made both in portfolio expansion and distribution expansion to drive growth in both the Snacks & Spreads categories while maintaining a strong position in the Edible Oils category. In addition we will also leverage the distribution capabilities that we have built to capture brand adjacencies which enable us to grow Revenues & Profits with limited incremental investments in Distribution and Manufacturing.

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:

Revenues from the Snacks business increased by 6% in FY'18 across channels and by 10%+ excluding Tax Exempt Channels. *Ready to Eat Popcorn* was the fastest growing business recording a growth of 150% propelling *Total Bagged Snacks* to a growth of 40%+. This was made possible by a multi plant network which enabled us to respond faster to the market with reduced transit times, both of which are critical components of managing a low shelf life business. *Ready to Cook Popcorn* recorded a growth of 6% outside of the Tax Exempt Channels driven by Distribution Expansion, Display Investments & Media Support.

In addition to the strategic Western Snacks business your Company further extended the Sundrop brand into Indian Snacks with the launch of Peas. In FY'19 we will be further extending both the *Act II* and *Sundrop* brands into additional Snack products all of which, consistent with our manufacturing philosophy, will be made at our own plants.

9.2 Spreads:

Revenues from the Spreads business of the Company increased by 64% in FY'18 driven by volume growth coming from additional sizes in Peanut Butter. The significantly higher volumes also enabled higher capacity utilizations and in turn enabled the Category to register strong margin increases. We are currently in the process of enhancing capacity with relatively small investments which will enable us to support further strong growth levels expected in FY'19.

9.3 Edible Oils:

In FY'18, Revenues from the Sundrop Edible Oils business were lower by 2% vs PY reflecting largely the absence of any price increases during the year. Revenues for the Crystal brand were also 1% lower than PY. We will continue to manage the Edible Oils category with minimal investments which enable us to support strong growth of the Foods business.

10. RESEARCH, QUALITY & INNOVATION (RQI)

In FY'18 your Company successfully introduced Act II Diet Pop addressed towards consumers looking for healthy snacking options in Popcorn with the intention to use this platform over time for other Snacking options as well. Also introduced in FY'18 was Act II Caramel Bliss a highly indulgent premium Popcorn product targeting consumers looking for premium indulgence with a willingness to pay for high quality products.

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

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

As of end FY'18 your Company had increased the Feet on Street employed to 502 up from 386 at the end of

FY'17. This significant number has enabled us to drive aggressively the Foods business which registered revenues of Rs.197 crore in FY'18.

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

13. 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, 2018 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)

Your Company has continued to drive the Corporate Social Responsibility program under Poshan where we provide Peanut Butter to under nourished children. Major focus area for implementation of this program is Bharuch district in Gujarat, where our Peanut Butter factory is situated. Apart from Gujarat, the program is also under implementation in Delhi, Hyderabad, Kashipur and Kolkata where our offices and factories are located. Spending for the year behind the program remained lower than the 2% goal and lower than Prior Year due to disruptions in the Anganwadi network through which the program is executed. This disruption is now over and in FY'19 we expect to increase our spending as we progress towards our goal of 2% of average Net Profit of last three financial years to be spent behind CSR activities.

As per the Companies Act, 2013 as amended by Companies (Amendment), Act, 2017, all Companies having net worth of ₹500 crore or more, or turnover of ₹1,000 crore or more or a net profit of ₹5 crore or more during the preceding three financial years 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, Mr. Steven Lee Harrison@, Ms. Denise Lynn Dahl, Ms. Jill Ann Rahman and Mr. Hendrik Gerhardus Myburgh* as its Members. The Committee is responsible for formulating and monitoring the CSR Policy of the Company. The CSR Policy of the Company, as approved by the Board of Directors is available on the Company's

Website:http://www.atfoods.com/templates/home_tpl/pdf/other_info/ATFL%20CSR%20POLICY.pdf. The program Poshan also received the 2014 South Asia Platinum SABRE Award for Corporate Social Responsibility.

@ Mr. Steven Lee Harrison resigned as Member on 31st July, 2017

* Mr. Hendrik Gerhardus Myburgh has been appointed as Member on 25th October, 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

Your Company has reached an important threshold level with the Foods business now accounting for about a quarter of our Revenues and achieving some scale at a level of close to ₹ 200 crore. This puts us in a strong position to work towards our next goal of taking the Foods business to 50% of our Revenues and transforming the Company away from being a commodities dependent organization to being a powerful branded Foods player and being amongst India's Best Performing Most Respected Food Companies.

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, Ms. Denise Lynn Dahl retires by rotation and being eligible, offers herself for re-appointment. A brief profile of Ms. Denise Lynn Dahl is given in the notice of the 31st Annual General Meeting.

Mr. Steven Lee Harrison has resigned as Director of the Company. The Directors placed on record their appreciation of the valuable services rendered and wise counsel given by Mr. Steven Lee Harrison during his tenure of Office as Director.

Mr. Hendrik Gerhardus Myburgh was appointed as an Additional Director of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 as amended and Article 130 of the Articles of Association of the Company. He holds office up to the date of the ensuing Annual General Meeting.

A brief profile of Mr. Hendrik Myburgh is given in the notice of the 31st 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 other than remuneration as such director or having transaction not exceeding ten per cent of their total income or such amount as may be prescribed with the company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

d. none of their relatives -

   (i) is holding any security of or interest in the company, its holding, subsidiary or associate company during the two immediately preceding financial years or during the current financial year:

   Provided that the relative may hold security or interest in the company of face value not exceeding fifty lakh rupees or two per cent of the paid-up capital of the company, its holding, subsidiary or associate company or such higher sum as may be prescribed;

   (ii) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors, in excess of such amount as may be prescribed during the two immediately preceding financial years or during the current financial year;

   (iii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company, for such amount as may be prescribed during the two immediately preceding financial years or during the current financial year; or

   (iv) has any other pecuniary transaction or relationship with the company, or its subsidiary, or its holding or associate company amounting to two per cent or more of its gross turnover or total income singly or in combination with the transactions referred to in sub-clause (i), (ii) or (iii).

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 ensuing Annual General Meeting.

23. MEETINGS OF THE BOARD

The Board of Directors met 4 times during the period April to March in the year 2017-2018 on the following dates:

1. 3rd May, 2017
2. 26th July, 2017
3. 25th October, 2017
4. 16th January, 2018

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 the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Lt. Gen. D.B. Singh, an Independent Director, is the Chairman of the Committee while Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Denise Lynn Dahl and Ms. Veena Gidwani are its Members. The Charter of the Committee is in line with the requirements of Section 177 of the Companies Act, 2013 and the relevant clauses of the Listing Regulations.

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

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. BSR & 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. BSR & 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), 2014. The Report given by the Auditors, M/s. BSR & 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 2017-18. 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'18 the number of sales staff on the rolls of the Company were 502.

Your company's wholly owned subsidiary Agro Tech Foods (Bangladesh) Pvt. Ltd has commenced 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'19.

In FY'19 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 2017-18 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, 2018 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 Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. 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.

8. In terms of provisions of Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, ₹ 0.43 Million (as on 31st March, 2018) of unpaid /unclaimed dividends will be transferred to Investor Education and Protection Fund.
9. During the year the Company has transferred 136407 unclaimed shares to IEPF account on 27th December, 2017. The detailed list of unclaimed shares transferred to IEPF Authority is available in the Company's website www.atfoods.com

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: 25th April, 2018

ANNEXURES TO DIRECTOR'S REPORT

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

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

1. CONSERVATION OF ENERGY

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

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

2. TECHNOLOGY ABSORPTION

In FY'18 your Company continued to use Technology to drive Competitive Advantage and provide high quality food products to our consumers. This included the launch of the Zero Added Fat Microwave Popcorn designed to give consumers a healthy option of snacking in an easy to use format and launch of Sundrop Peaz in the popular Indian snacks segment. Your Company also invested in a second line of tortilla chips at the Unnao facility.

3. RESEARCH & DEVELOPMENT (R&D)

Your Company has spent about ₹18.86 Million this year towards Research and Development totaling to about 0.23% of the Company's turnover. Specific areas in which R & D was carried out by the Company include development of Extruded Snacks, Savory Peanuts, launch of Tortilla Chips and new flavors of Ready to Eat Popcorn and Indian snacks.

4. FOREIGN EXCHANGE EARNINGS AND OUTGO (Accrual basis)

	₹ MM
Foreign Exchange earned in terms of inflows	12.43
Foreign Exchange outgo in terms of outflows	29.06

On Behalf of the Board

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

Dt: 25th April, 2018.

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 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18:

S.No.	Name of the Director/KMP and Designation	Remuneration of Directors / KMP for Financial year 2017-18 in ₹	% age increase in the remuneration in the FY 2017-18	Ratio of the remuneration of each Director to the median remuneration of the employees
1.	Ms. Jill Ann Rahman Chairperson	-	-	-
2.	Ms. Denise Lynn Dahl Non-Executive Director	-	-	-
3.	Mr. Steven Lee Harrison Non-Executive Director	-	-	-
4.	Mr.Hendrik Gerhardus Myburgh Non-Executive Director			
5.	Lt. Gen. D B Singh Non-Executive Director	1,315,000	8.45%	2.63:1
6.	Mr. Sanjaya Kulkarni Non-Executive Director	1,315,000	8.45%	2.63:1
7.	Mr. Narendra Ambwani Non-Executive Director	1,315,000	8.45%	2.63:1
8.	Mr. Arun Bewoor Non-Executive Director	1,315,000	8.45%	2.63:1
9.	Ms. Veena Gidwani Non-Executive Director	1,315,000	8.45%	2.63:1
10.	Mr. Sachin Gopal* Managing Director & CEO	28,505,384	-	57.01:1
11.	Mr. Arijit Datta Chief Financial Officer	5,941,963	3%	Not Applicable
12.	Ms. Jyoti Chawla** Company Secretary	871,755	-	Not Applicable

* Comparative details of Mr. Sachin Gopal are not being provided as he was not the Managing Director for full year in previous year.

** Ms. Jyoti Chawla was appointed as Company Secretary on 26th July, 2017 and hence comparison is not being provided.

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 11% in the median remuneration of employees;
- There were 463 permanent employees on the rolls of Company as on 31st March , 2018;
- The Company follows a practice of bench marking the salaries of positions in similar Companies and adjusts the salaries of employees to make those competitive in the market. Other factors considered for salary revision are salary inflation in the market, reward for performance and retention risk. The average increase in the remuneration of employees was 7% reflecting the efforts put in by the employees for a steady growth in the core consumer foods business by 16 % and overall business grew by 1%.
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 12% whereas the increase in the managerial remuneration for the

same financial year was 5%. Both increase are in line with the market bench marking and there are no exceptional circumstances and increases for managerial remuneration.

- There was nil 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, 2018

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*	58	B.A., MBA	Managing Director & CEO	02.04.2007	36	28,505,384	0.19	Procter & Gamble
2.	N Narasimha Rao	58	B.Sc., Master of Personnel Mgmt.	Sr VP HR & Corporate Communications	24.07.2006	32	15,586,075	-	Reliance Infocom
3.	Asheesh Kumar Sharma	48	B.Sc., PGDBM	VP- Marketing	02.07.2007	25	11,802,339	-	Gillete India Ltd
4.	Nilesh Agarwal	41	B.Com, PGDBM	Head of Sales	08.06.2008	20	8,784,448	-	Print-O-Graphics
5.	Dharmesh Kumar Srivastava	54	M.Tech. MBA	VP Supply Chain	08.07.2008	28	4,746,671	-	Procter & Gamble
6.	Arijit Datta	40	M.Com, CA	Chief Financial Officer	01.11.2006	14	5,941,963	-	Eveready Industries India Ltd.
7.	Sanjay K Srivastava	49	B.Sc., B.Tech.	Head of Manufacturing	12.06.2000	27	5,775,624	-	Siel Food & Fertilizers Industries
8.	Lalit Vij	55	B.Com, MBA ICWA	Head of Procurement and Packing Material	16.04.2005	25	5,629,149	-	Siel Food & Fertilizers Industries
9	Krishna Mohan Dubey	54	B.Sc.PGDMM	General Manager Sales – East	03.06.2010	26	5,583,406	-	Veetee Fine Foods Limited
10.	Rikesh Ramesh Kotwal	35	BE Civil, MBA	General Manager Sales-West	23.04.2012	14	3,589,328	-	Wipro Consumer Care

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
1	Satish Kumar Singh	52	M.Sc., M.Tech	VP Research, Quality and Innovation	09.01.2006	27	6,554,926	-		31-10-2017

*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 Superannuation Funds, rent/allowance paid for providing residential accommodation and where it is not possible to ascertain the actual expenditure incurred by the Company in providing a perquisite, the monetary value of such perquisites calculated in accordance with the Income Tax Act, 1961, and rules made there under.

On Behalf of the Board

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Dt: 25th April, 2018

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

(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, 2018 (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, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of
   a) Foreign Direct Investment
   b) Overseas Direct Investment and
   c) External Commercial Borrowings (not applicable during the Audit period)

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; Not Applicable for the Audit Period

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; Not Applicable for the Audit Period

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and Not Applicable for the Audit Period

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable for the Audit Period

vi. We further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test- check basis, the Company has complied with the following laws applicable specifically to the Company:

(a) Food Safety and Standards Act, 2006

(b) Agricultural Produce Grading and Marking Act, 1937

(c) Legal Metrology Act, 2009

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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 ₹ 1.64 Million towards Corporate Social Responsibility representing 0.39% of its average net profits made during the three-immediate preceding financial years. 2% of the average net profits of the three preceding financial years are ₹ 8.44 Million.

for **Tumuluru & Company**
Company Secretaries

Tumuluru Krishna Murty
Partner
FCS NO. 142
C. P. No. 1293

Place : Hyderabad

Date : 25th April, 2018

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. Major focus area for implementation of this program is Bharuch district in Gujarat, where our Peanut Butter factory is situated. Apart from Gujarat, the program is also under implementation in Delhi, Hyderabad, Kashipur and Kolkata where our offices and factories are located. Over the last 5 years of its implementation we have deployed this program for the entire Bharuch district in Gujarat covering about 50,000 children with some excellent results on improving the nutrition levels of children covered under the program. 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. Mr. Steven Lee Harrison@
7. Ms. Denise Lynn Dahl
8. Ms. Jill Ann Rahman
9. Mr. Hendrik Gerhardus Myburgh*

@ Mr. Steven Lee Harrison resigned as Member on 31st July, 2017

* Mr. Hendrik Gerhardus Myburgh has been appointed as Member on 25th October, 2017

Financial Details:

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

₹ Millions

Particulars	
Average net profit of the company for last three financial years	422.25
Prescribed CSR Expenditure (2% of the average net profit as computed above)	8.44
Details of CSR spent during the financial year :	
Total amount to be spent for the financial year	8.44
Total amount spent during the year (0.39% of avg. net profit)	1.64
Amount unspent	6.80

Details of amount spent on CSR activities during the financial year 2017-18

CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1)Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget)	Amount spent on the projects	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
Poshan: Under this program, we are providing Peanut Butter as additional nutritious supplement to the children at Anganwadis and schools.	Malnutrition and hunger eradication	The program is currently running in the Bharuch district of Gujarat , Delhi, Kolkata in West Bengal, Hyderabad in Telangana, Vijayawada in Andhra Pradesh and Kashipur in Uttarakhand and is being extended to several states in India on a progressive basis.	8.44 Million	1.64 million	1.64 million	Entire amount spent directly by the Company

The Poshan program is designed to address malnourishment amongst children, working with Government Anganwadi's and Child Malnourishment Treatment Centers using Peanut Butter which is a rich source of protein and highly effective to fight malnutrition. Major focus area for implementation of this program is Bharuch district in Gujarat, where our Peanut Butter factory is situated. Apart from Gujarat, the program is also under implementation in Delhi, Hyderabad, Kashipur and Kolkata where our offices and factories are located. However, spending was lower at 0.39% due to disruptions in the Anganwadi network through which the program is executed. This disruption is now over and in FY'19 we expect to increase our spending as we progress towards our goal of 2% of average Net Profit of last 3 years to be spent behind CSR activities

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

Dt: 25th April, 2018.

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 2018							For the year ended 31 March 2018 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	Turn-over/ Total Income	Profit/ (loss) before tax	Tax expense/ (gain)	Profit for the year	Other comprensive income	Total comprensive income for the year	Proposed Dividend	% of Share holding	Country
1	Sundrop Foods India Private Limited	INR MM		20.00	-	20.22	53.42	13.20	-	126.62	10.87	3.06	7.81	(0.16)	7.65	-	100.00	India
2	Agro Tech Foods (Bangladesh) Pvt. Ltd.	INR MM	Refer note (a)	116.54	-	(13.79)	103.79	1.04	-	0.24	(10.67)	(3.73)	(6.94)	-	(6.94)	-	100.00	Bangladesh
		Taka MM		150.00	-	(17.75)	133.59	1.34	-	0.30	(13.55	(4.74)	(8.81)	-	(8.81)	-		
3	Sundrop Foods Lanka (Private) Limited	INR MM	Refer note (b)	20.93	-	(5.37)	17.70	2.15	-	0.91	(1.80)	(0.22)	(1.58)	-	(1.58)	-	100.00	Sri Lanka
		LKR MM		50.00	-	(12.84)	42.30	5.14	-	2.17	(4.29)	(0.52)	(3.77)	-	(3.77)	-		

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Notes:

a) The exchange rate used to convert Taka to Rupees "0.7769404087/Taka" for Agro Tech Foods (Bangladesh) Pvt. Ltd. balance sheet items.

b) The exchange rate used to convert LKR to Rupees "0.4185151084/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 2018

[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	76
2.	Others-Processed food products	107	24

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 1/4/2017				No. of Shares held at the end of the year 31/3/2018				% 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	2,418,053	3,000	2,421,053	9.93	2,061,332	400	2,061,732	8.46	-1.47
b) Banks / FI	12,255	-	12,255	0.05	17,752	-	17,752	0.07	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1,234,197	800	1,234,997	5.07	1,590,814	300	1,591,114	6.53	1.46
h) Foreign Venture Capital Funds	-	-	-	-					
i) Others (specify)	-	-	-	-					
Sub-total (B)(1):-	3,664,505	3,800	3,668,305	15.05	3,669,898	700	3,670,598		0.01
2. Non-Institutions									
(a) Bodies Corporate	2,211,050	12,116	2,223,166	9.12	2278468	5757	2,284,225	9.37	0.25
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakhs	2,079,130	390,525	2,469,655	10.13	2,117,671	253,684	2,371,355	9.73	-0.40
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakhs	2,134,416	-	2,134,416	8.76	2,027,606	-	2,027,606	8.32	-0.44

(c) Others (specify)									
- Clearing Members	6,499	-	6,499	0.03	30,793	-	30,793	0.04	0.01
- Foreign Banks	-	200	200	-	-	-	-	-	-
- Non Resident Indians/ NRI Repatriable	112,721	1,100	113,821	0.47	136,008	200	136,208	0.56	0.09
- NBFCs Registered with RBI	11,005	-	11,005	0.05	10,000	-	10,000	0.04	-0.01
- Alternate Investment Fund	-	-	-	-	75,000	-	75,000	-	-
- IEPF	-	-	-	-	136,407	-	136,407	-	-
- Other Trust	1,500	-	1,500	0.01	1,500	-	1,500	0.01	
Trusts	1,124,078	-	1,124,078	4.61	1,008,953	-	1,008,953		-
Sub-total B(2)	**7,680,399**	**403,941**	**8,084,340**	**33.18**	**7,822,406**	**259,641**	**8,082,047**		
Total Public Shareholding (A) = B(1) + B(2)	**11,344,904**	**407,741**	**11,752,645**	**48.23**	**11,492,304**	**260,341**	**11,752,645**		**-**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**23,961,523**	**407,741**	**24,369,264**	**100.00**	**24,108,923**	**260,341**	**24,369,264**		**0.50**

(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

(iii) Change in Promoters' Shareholding (please specify, if there is no change) for Financial Year 01.04.2017 to 31.03.2018.

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 01.04.2017					
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 31.03.2018					

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 01.04.2017					
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 31.03.2018					

v) Shareholding of Directors and Key Managerial Personnel:

For each of the Directors and Key Managerial Personnel

1	**Ms. Veena Vishindas Gidwani - Director**	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017		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 31.03.2018		500	0.002	500	0.002

2	**Mr. Sachin Gopal - Managing Director & CEO**	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017		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 31.03.2018		45,672	0.19	45,672	0.19

3	**Mr. Arijit Datta - Chief Financial Officer**	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017		-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
As at 31.03.2018		-	-	-	-

4	**Ms. Jyoti Chawla - Company Secretary**	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year 01.04.2017		-	-	-	-
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):					
As at 31.03.2018		-	-	-	-

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 01.04.2017				
(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
Change in Indebtedness during the financial year				
Addition	472,528,701	-	-	472,528,701
Reduction	648,773,254			648,773,254
Net Change	(176,244,553)	-	-	(176,244,553)
Indebtedness at the end of the financial year 31.03.2018				
(i) Principal Amount	-	-	-	-
(ii)Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	-	-	-

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director

Sl. No.	Particulars of Remuneration	Name of Managing Director – Mr. Sachin Gopal	Total Amount
1.	Gross Salary- (a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	27,024,450	27,024,450
	(b) Value of perquisites u/s 17 (2) of the Income Tax Act, 1961	113,918	113,918
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission		
	- As % of Profit		
	- Other, specify		
5.	Others- Employer contribution to Provident Fund	1,367,016	1,367,016
	Total (A)	28,505,384	28,505,384
	Ceiling as per the Act		

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

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	925,000	925,000	925,000	925,000	925,000	4,625,000
	Commission	390,000	390,000	390,000	390,000	390,000	19,50,000
	Others, please specify	-	-	-	-	-	-
	Total (1)	1,315,000	1,315,000	1,315,000	1,315,000	1,315,000	6,575,000
2.	Other Non-Executive Directors						
	Fee for attending board meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B) = (1+2)	1,315,000	1,315,000	1,315,000	1,315,000	1,315,000	6,575,000

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Jyoti Chawla (CS) *	Arijit Datta (CFO)	
1.	Gross Salary- a) Salary as per provisions contained in the section 17(1) of the Income Tax Act, 1961	845,159	5,496,599	6,341,758
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	2,046	247,424	249,470
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-		-
2.	Stock Option	-		-
3.	Sweat Equity	-		-
4.	Commission			-
	- As % of Profit			
	- Other, specify	-		-
5.	Others -			
	Employer contribution to Provident Fund	24,550	197,940	222,490
	Total	871,755	5,941,963	6,813,718

* Jyoti Chawla was appointed as Company Secretary and Compliance Officer w.e.f. 26th July, 2017.

VII. Penalties / Punishment/Compounding offences:

There were no penalties / punishment / compounding of offences for the year ending 31st March, 2018.

AGRO TECH FOODS LIMITED

Shareholding pattern of top 10 Shareholders - Report Between 31/03/2017 AND 31/03/2018

			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	3/31/2017
	IN300394	15926090	CAG TECH MAURITIUS LIMITED				FPB	0	0	12616619	3/31/2018
2	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	0	0	1124078	3/31/2017
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	31231	0	1092847	12/8/2017
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	12513	0	1080334	12/15/2017
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	26595	0	1053739	12/22/2017
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	2700	0	1051039	12/29/2017
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	7280	0	1043759	2/2/2018
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	23265	0	1020494	2/16/2018
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	0	14195	1034689	2/23/2018
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	4216	0	1030473	3/9/2018
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	21520	0	1008953	3/30/2018
	IN300020	11547235	AGRO TECH ESOP TRUST				EMW	0	0	1008953	3/31/2018
3	IN303786	10001099	SBI EMERGING BUSINESSES FUND				MUT	0	0	1100000	3/31/2017
	IN303786	10001099	SBI EMERGING BUSINESSES FUND				MUT	0	0	1100000	3/31/2018
4	IN301549	18652179	M3 INVESTMENT PRIVATE LIMITED				LTD	0	0	1061266	3/31/2017
	IN301549	18652179	M3 INVESTMENT PRIVATE LIMITED				LTD	0	0	1061266	3/31/2018
5	IN300360	20014183	JHUNJHUNWALA RAKESH RADHESHYAM				PUB	0	0	942700	3/31/2017
	IN300360	20014183	JHUNJHUNWALA RAKESH RADHESHYAM				PUB	125000	0	817700	12/22/2017
	IN300360	20014183	JHUNJHUNWALA RAKESH RADHESHYAM				PUB	0	0	817700	3/31/2018
	IN305099	20000213	RAKESH JHUNJHUNWALA				PUB	0	0	11000	3/31/2017
	IN305099	20000213	RAKESH JHUNJHUNWALA				PUB	0	0	11000	3/31/2018
6	IN300167	10081207	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	CAP FUND			MUT	0	0	868241	3/31/2017
	IN300167	10081207	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	CAP FUND			MUT	0	10000	878241	7/14/2017
	IN300167	10081207	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL	CAP FUND			MUT	0	0	878241	3/31/2018
7	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	0	681260	3/31/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	9153	690413	5/19/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	34700	725113	5/26/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	24131	749244	6/2/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	41490	790734	6/9/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	3957	794691	6/23/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	13611	808302	6/30/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	423	808725	7/7/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	1441	810166	7/21/2017
	IN300142	10712060	PARI WASHINGTON INDIA MASTER FUND, LTD.				FPI	0	0	810166	3/31/2018
8	IN300360	20014601	JHUNJHUNWALA REKHA RAKESH				PUB	0	0	424559	3/31/2017
	IN300360	20014601	JHUNJHUNWALA REKHA RAKESH				PUB	0	0	424559	3/31/2018
	IN303559	10009464	REKHA JHUNJHUNWALA				PUB	0	0	75000	3/31/2017
	IN303559	10009464	REKHA JHUNJHUNWALA				PUB	0	0	75000	3/31/2018

AGRO TECH FOODS LIMITED

Shareholding pattern of top 10 Shareholders - Report Between 31/03/2017 AND 31/03/2018

			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	101659	3/31/2017
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	8378	0	93281	9/1/2017
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	2976	0	90305	9/8/2017
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	908	0	89397	9/15/2017
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	10055	0	79342	9/22/2017
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	15	0	79327	9/29/2017
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	79327	0	0	12/8/2017
	IN300126	11218597	ICICI PRUDENTIAL CHILD CARE PLAN - GIFT PLAN				MUT	0	0	0	3/31/2018
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	0	0	333153	3/31/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	0	6394	339547	6/9/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	16592	0	322955	7/14/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	9331	0	313624	11/10/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	8378	0	305246	11/17/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	749	0	304497	11/24/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	13349	0	291148	12/1/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	291148	0	0	12/8/2017
	IN303786	10004771	ICICI PRUDENTIAL MULTICAP FUND				MUT	0	0	0	3/31/2018
10	IN302269	14448478	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	0	400000	3/31/2017
	IN302269	14448478	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	200000	0	200000	8/4/2017
	IN302269	14448478	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	200000	0	0	8/11/2017
	IN302269	14448478	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	0	0	3/31/2018
	IN304158	10018140	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	0	0	3/31/2017
	IN304158	10018140	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	200000	200000	8/4/2017
	IN304158	10018140	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	200000	400000	8/11/2017
	IN304158	10018140	RAKESH JHUNJHUNWALA	REKHA JHUNJHUNWALA			PUB	0	0	400000	3/31/2018
11	IN300167	10059939	EAST SAIL				FPI	0	0	381887	3/31/2017
	IN300167	10059939	EAST SAIL				FPI	0	0	381887	3/31/2018

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) Regulations, 2015, the Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2018

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	Mr. Steven Lee Harrison @	Non-Executive	None	-	-	-	-
2	Mr. Hendrik Gerhardus Myburgh *	Non-Executive	None	-	-	-	-
3	Ms. Denise Lynn Dahl	Non-Executive	None	-	-	-	-
4	Ms. Jill Ann Rahman	Chairperson	None	-	-	-	-
5	Lt. Gen. D.B. Singh	Independent	None	-	-	-	-
6	Mr. Sanjaya Kulkarni	Independent	None	1	3	1	2
7	Mr. Arun Bewoor	Independent	None	1	2	1	3
8	Mr. Narendra Ambwani	Independent	None		5	-	4
9	Ms. Veena Vishinidas Gidwani	Independent	None	-	-	-	-
	Executive						
10	Mr. Sachin Gopal	Executive	None	-	-	-	-

@ Mr. Steven Lee Harrison has resigned as Director on 31st July, 2017.

* Mr. Hendrik Gerhardus Myburgh has been appointed as Director on 25th October, 2017.

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

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

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

B) Non-Executive Directors' compensation and disclosures

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

None of the Directors are related to each other, the Key Managerial Personnel or their relatives. Also, none of the

Non-Executive Directors, except Ms. Veena Vishindas Gidwani who holds 500 shares, hold any shares or convertible 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 2017-18 with dates and attendance of Directors:

Four Board Meetings were held during the Financial Year 2017-2018. They were held on 3rd May, 2017, 26th July, 2017, 25th October, 2017 and 16th January, 2018.

The attendance record of each Director was as under:

Sl.No.	Name of Director	No. of Board Meetings held	No. of Board Meetings attended	Attendance of last AGM
1.	Lt. Gen. D.B. Singh	4	4	Yes
2.	Mr. Sanjaya Kulkarni	4	4	Yes
3.	Mr. Arun Bewoor	4	4	Yes
4.	Mr. Narendra Ambwani	4	4	Yes
5.	Ms. Veena Vishindas Gidwani	4	4	Yes
6.	Mr. Steven Lee Harrison @	4	0	No
7.	Ms. Denise Lynn Dahl	4	3	No
8.	Ms. Jill Ann Rahman	4	3	No
9	Mr. Hendrik Gerhardus Myburgh *	4	1	NA
10.	Mr. Sachin Gopal	4	4	Yes

(AGM - Annual General Meeting)

@ Mr. Steven Lee Harrison has resigned as Director on 31st July, 2017

* Mr. Hendrik Gerhardus Myburgh has been appointed as Director on 25th October, 2017.

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 and their revised version have been made effective from 1st October, 2017. Agro Tech Foods Limited complies with the mandatory Standards fully.

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

v) Independent Directors' Meeting

During the year, the Independent Directors met on 16th January, 2018 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, 2018.

For Agro Tech Foods Limited
Sachin Gopal
Managing Director & CEO

Date: 25th April, 2018

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) Regulations 2015. Lt. Gen. D.B. Singh, an Independent Director, is the Chairman of the Committee while Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Denise Lynn Dahl and Ms. Veena Vishindas Gidwani are its Members. The Managing Director & CEO, Chief Financial Officer, the Internal Auditors and the Statutory Auditors attend the Meetings by invitation. Ms. Jyoti Chawla, Company Secretary acts as Secretary to the Committee.*

The Committee met 4 times during the year 2017-2018 on 2nd May, 2017, 25th July, 2017, 24th October, 2017 and 16th January, 2018.

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. Arun Bewoor	4	4
4	Mr. Narendra Ambwani	4	4
5	Ms. Veena Vishindas Gidwani	4	4
6	Ms. Denise Lynn Dahl	4	3

* Ms. Jyoti Chawla appointed as Company Secretary on 26th July, 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, Ms. Jill Ann Rahman and Mr. Hendrik Gerhardus Myburgh* are its Members.

Sl. No.	Name of Director	No. of Meetings held	No. of Meetings attended
1	Lt. Gen. D.B. Singh	3	3
2	Mr. Sanjaya Kulkarni	3	3
3	Mr. Arun Bewoor	3	3
4	Mr. Narendra Ambwani	3	3

5	Ms. Veena Vishindas Gidwani	3	3
6	Mr. Steven Lee Harrison @	3	-
7	Ms. Denise Lynn Dahl	3	2
8	Ms. Jill Ann Rahman	3	2
9	Mr. Hendrik Gerhardus Myburgh*	3	-

@ Mr. Steven Lee Harrison has resigned as Director on 31st July, 2017.

* Mr. Hendrik Gerhardus Myburgh has been appointed as Director on 25th October, 2017.

The Nomination and Remuneration Committee Meetings were held thrice during the year 2017-18 on 3rd May, 2017, 25th July, 2017 and 25th October, 2017 to consider the

1. Evaluation of Board and their Committees thereof etc.
2. Appointment of Ms. Jyoti Chawla as a Company Secretary & Compliance Officer of the Company
3. Appointment of Mr. Hendrik Gerhardus Myburgh as Director. Most of the Committee Members were present during the Meeting.

Remuneration policy

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

Remuneration paid/payable to Managing Director & CEO for the year ended 31st March, 2018:

(in ₹)

Name of Director	Sitting Fees	Salary & Bonus	Contribution to PF and other funds	Other perquisites and allowances	Total
Mr. Sachin Gopal	Nil	16,518,116	1,480,934	10,506,334	28,505,384

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.

Board Evaluation

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

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

III. SUBSIDIARY COMPANIES

The Company has three wholly owned subsidiaries, Sundrop Foods India Private Limited, Agro Tech Foods (Bangladesh) Private Limited and Sundrop Foods Lanka (Private) Limited. During the year 2017-18, Sundrop Foods India Private Limited has continued to

perform the role of aiding the expansion of distribution and display of your products. This is a non-material and unlisted Company. Agro Tech Foods (Bangladesh) Private Limited has been incorporated on 8th April, 2012 and the Company has commenced its operations in December, 2017. This is an unlisted Company. Sundrop Foods Lanka (Private) Limited has been incorporated on 27th January, 2015. The establishment of this subsidiary has enabled the Company to build scale in Sri Lanka and benefit from the economic growth of a neighboring emerging market. This is an unlisted Company. The policy for determining material subsidiaries is posted on the website of the Company 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 9 directors, majority being Non Executive and Independent Directors. Lt. Gen. D.B. Singh an Independent Director, is the Chairman of the Committee while, Ms. Denise Lynn Dahl, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Vishindas Gidwani, Ms. Jill Ann Rahman, Mr. Sachin Gopal, Mr. Hendrik Gerhardus Myburgh, Mr. Arijit Datta and Ms. Jyoti Chawla are its Members.

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

The Risk Management Committee Meeting was held during the year 2017-18 on 16th January, 2018.

The attendance record of members is as under:

@ Mr. Steven Lee Harrison has resigned as Director on 31st July, 2017.

*Mr. Hendrik Gerhardus Myburgh has been appointed as Director on 25th October, 2017 and Ms. Jyoti Chawla has been appointed as a Member on 26th July, 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 IndAS- 24 "Related Party Disclosures"), is set out in Notes to Accounts under serial number 39 forming part of the standalone, IndAS Financial Statements.. These transactions are not likely to have any conflict with the Company's interests.

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

The details of transactions with related parties are placed before the Audit Committee and the Committee has reviewed the same for the year ended 31st March, 2018.

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

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, 2018, 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, 2018 are disclosed in Note 44 in Notes to the standalone IndAS financial statements.

(f) Shareholders Information

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

(ii) Share Transfer Committee

The present Members of the Committee are Company Secretary and Compliance Officer of the Company, and the General Manager of M/s. Karvy Computershare Private Limited, the Registrars and Share Transfer Agents. Committee met 25 times during the year 2017-2018. All the applications for share transfers received during the year 2017-2018 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 2017-2018. All queries have been resolved to the satisfaction of the shareholders/investors. The Committee focuses on the strengthening of investor relations. The status on compliances is reported to the Board as an agenda item.

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

Investor Communications:

The Company received communications during the financial year ended 31st March, 2018 and none of the communications received were pending as on that date.

	Received	Redressed	Pending
Shareholders/Investors	387	387	-
Stock Exchanges	-	-	-
Securities and Exchange Board of India	-	-	-
Depositories	-	-	-
Court/Dept of Company Affairs/Custodians	-	-	-
Total	**387**	**387**	**-**

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	46	11.89
Transmission of shares	13	3.36
Issue of duplicate share certificates / indemnity Duplicates	13	3.36
Dematerialisation of shares	-	-
Others*	315	81.39
Total	**387**	**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 25th April, 2018.

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 by Conagra Brands Inc., where she is employed.

ii) Shareholder rights

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

iii) Separate posts of Chairperson and Chief Executive Officer

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

iv) Reporting of Internal Auditor

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

4. GENERAL BODY MEETINGS

Annual General Meetings

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

Year	Venue	Date	Time
2016-2017	The Manohar, Old Airport Exit Road,Begumpet, Hyderabad-500016, Telangana	26th July, 2017	10.00. a.m.
2015-2016	The Manohar, Old Airport Exit Road, Begumpet, Hyderabad-500016, Telangana	27th July, 2016	10.00. a.m.
2014-2015	The Manohar, Old Airport Exit Road, Begumpet, Hyderabad-500016, Telangana	24th July, 2015	10.00. a.m.

Special Resolution related to :

Year

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

2015-2016 (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.

2014-2015 (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) Authorisation 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.

There are no special resolution passed during the last three years 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 National Stock Exchange of India Limited & BSE Limited. There have been no issues of non-compliance, penalties or strictures imposed on the Company by the Stock Exchanges/SEBI/Statutory authority, on any matter relating to the capital markets, during the last three years.

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

6. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Date and Time	:	26th July, 2018 at 10.00 A.M.
Venue		Hotel Green Park, 7-1-25, Green Lands, Begumpet Hyderabad - 500 016, Telangana, India

B. Financial Year 2018-19

First quarter results	:	July, 2018
Half yearly results	:	October, 2018
Third quarter results	:	January, 2019
Annual results	:	April, 2019

C. Dates of Book Closure : 19th July to 26th July, 2018 (both days inclusive)

D. Dividend payment date : within 30 days of the approval of the shareholders at the ensuing AGM on 26th July 2018

E. Listing on Stock Exchanges : The Company's equity shares are listed on BSE Limited (BSE), Pheroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 and National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051. The listing fees for the year 2017-18 has been paid to BSE and NSE.

F. Stock Code :

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

G. Stock Price Data

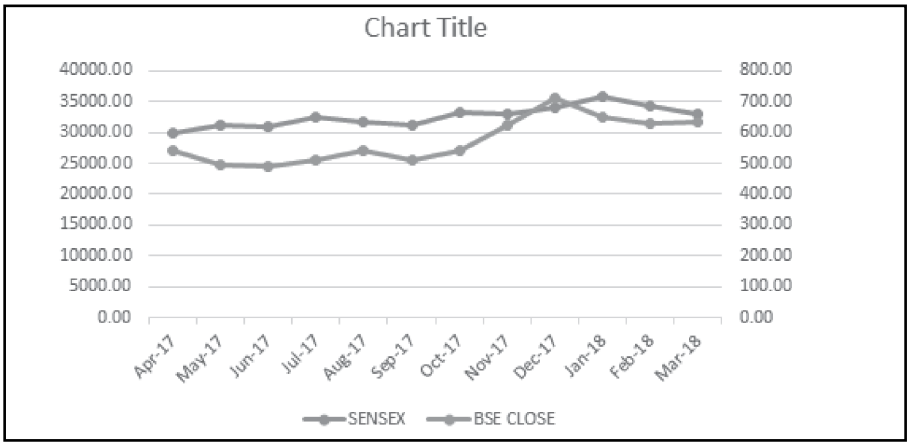
Monthly High/Low quotation of shares traded on Bombay Stock Exchange Limited, (BSE) and National Stock Exchange of India Limited (NSE) for 2017-2018 is given below:

Year	Month	The Stock Exchange Bombay*			National Stock Exchange*			Total volumes BSE & NSE (Nos)
		High ₹	Low ₹	Volumes (Nos)	High ₹	Low ₹	Volumes (Nos)	
2017	April	580.00	522.05	20,998	574.50	522.00	106,077	127,075
2017	May	559.00	480.05	52,996	556.90	485.85	156.790	209,786
2017	June	522.00	485.00	44,713	504.10	486.00	95,382	140,095
2017	July	584.70	487.05	53,551	572.00	492.95	331,175	384,726
2017	August	553.35	500.00	21,911	554.60	502.00	150,332	172,243
2017	September	557.75	505.00	15,249	555.00	503.05	132,876	148,125
2017	October	553.00	501.00	33,209	553.40	503.00	231,959	265,168
2017	November	630.15	515.25	147,283	631.10	516.15	1,351,670	1,498,953
2017	December	755.90	580.40	281,543	768.00	578.15	723,047	1,004,590
2018	January	815.00	641.60	63,321	814.70	639.10	436,219	499,540
2018	February	690.00	599.00	32,464	688.95	602.00	190,288	222,752
2018	March	675.95	620.00	29,421	675.00	622.00	199,722	229,143

* Source: Websites of BSE and NSE

H. Stock Performance

Graph – BSE Sensex vs. share price from April'17 to March'18



* 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 Share Transfer Agents (Both Physical and Depository).

J. Share Transfer System

The applications for transfer of shares received by the Company in physical form are processed and registered within 20 days of receipt of the documents valid in all respects. After such processing, the duly transferred share certificates shall be despatched to transferee who lodged the shares for transfer. Shares under objection are returned within a week's time. The Share Transfer Committee meets generally thrice in a month to consider the transfer applications and other proposals.

K. Shareholding Pattern

The distribution of shareholding as on 31st March, 2018 was as under:

Range	No. of Shareholders	% of total Shareholders	No. of shares held	% of shareholding
1- 5000	13,116	93.84	1,213,279	4.98
5001-10000	432	3.09	341,245	1.40
10001-20000	208	1.49	312,058	1.28
20001-30000	56	0.40	141,926	0.58
30001-40000	39	0.28	137,947	0.57
40001-50000	19	0.14	89,837	0.37
50001-100000	44	0.31	324,589	1.33
100001 & Above	63	0.45	21,808,383	89.49
TOTAL	**13,977**	**100.00**	**24,369,264**	**100.00**

The categories of Shareholding as on 31st March, 2018 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		
Bank/Financial Institutions,	1,727,322	7.09
Insurance Companies and Mutual Funds	2,079,484	8.53
Directors and their relatives	46,172	0.19
Other Bodies Corporates	2,294,225	9.42
General Public	5,605,442	23.00
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 24,108,923 equity shares forming 98.93% of the total paid up equity share of 24,369,264 stands dematerialised. All requests for dematerialisation of shares are processed within the time frame of 1–4 days time.

M. Plant Locations

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

N. Address for correspondence

The addresses for correspondence are as under:

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

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

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. Jill Ann Rahman	Hunts Universal Robina Corporation, Philippines	Director	-	-	-
		Verde Valle, Mexico	Director	-	-	-
2	Ms. Denise Lynn Dahl	Verde Valle, Mexico	Director	-	-	-
3	Mr. Steven Lee Harrison@	-	-	-	-	-
4	Mr. Hendrik Gerhardus Myburgh *	-	-	-	-	-
5	Lt. Gen. D.B. Singh	-	-	-	-	-
6	Mr. Sanjaya Kulkarni	TPL Plastech Limited	Chairman	TPL Plastech Limited	Audit Committee	Chairman
					Nomination and Remuneration	Chairman
		Indian- Direct Equity Advisors Pvt. Ltd	Director			
		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
					Investor Grievance	Member
		Aspire Home Finance Corporation Limited	Director		Nomination and Remuneration	Chairman
7	Mr. Arun Bewoor	BASF India Limited	Director	BASF India Limited	Audit Committee	Member
		Jasmine Concrete Exports Pvt. Ltd.	Chairman		CSR Committee	Member
					Stakeholders Relationship	Member
		Underwater Services Company Limited	Chairman			
		Eternis Fine Chemicals Limited (Formerly Hindustan Polyamides and Fibres Limited)	Director	Jasmine Concrete Exports Pvt. Ltd.	Audit Committee	Chairman
					Nomination and Remuneration	Chairman
					CSR Committee	Member
				Underwater Services Company Limited	Audit Committee	Chairman
					Nomination and Remuneration	Chairman
					CSR Committee	Member

Sl. No.	Name of the Director	Other Directorships		Other Committee Membership		
		Name of the Company	Position	Name of the Company	Committee	Position
				Eternis Fine Chemicals Limited (Formerly Hindustan Polyamides and Fibres Limited)	Audit Committee Nomination and Remuneration CSR Committee	Member Member Member
8	Mr. Narendra Ambwani	Godrej Consumer Products Limited	Director	Godrej Consumer Products Limited	Audit Committee Nomination and Remuneration CSR Committee	Member Chairman Member
		RPG Life Sciences Limited	Director			
		UTV Software Communications Limited	Director			
		India Games Limited #	Director	RPG Life Sciences Limited	Stakeholders Relationship	Member
		Parag Milk Foods Limited	Director	UTV Software Communications Limited	Audit Committee Nomination and Remuneration	Member Member
		Disney Broadcasting (India) Ltd #	Director			
		Zeus Career & Performance Coach Pvt. Ltd.	Director & Chairman	India Games Limited #	Audit Committee Nomination and Remuneration CSR Committee	Member Member Member
		Genx Entertainment Limited #	Director			
				Parag Milk Foods Limited	CSR Committee Audit Committee	Member Member
				Disney Broadcasting (India) Ltd. #	Audit Committee Nomination and Remuneration CSR Committee	Chairman Member Chairman
				Genx Entertainment Limited #	Audit Committee Nomination and Remuneration CSR Committee	Member Member Member
		Fino Payment Bank Limited	Additional Director	Fino Payment Bank Limited	Nomination & Remuneration, Information Technology Asset Liability Management	Member Member Chairman
9	Ms. Veena Vishindas Gidwani	-	-	-	-	-
	Executive Director					
10	Mr. Sachin Gopal	-	-	-	-	-

@ Mr. Steven Lee Harrison has resigned as Director on 31st July, 2017.

* Mr. Hendrik Gerhardus Myburgh has been appointed as Director on 25th October, 2017.

\# Mr. Narendra Ambwani has resigned as Director of India Games Limited on 30th June, 2017, Genx Entertainment Limited on 18th November, 2017, and Disney Broadcasting (India) Limited on 10th March, 2018.

INDEPENDENT AUDITOR'S CERTIFICATE ON THE CORPORATE GOVERNANCE REPORT

To
The Members of Agro Tech Foods Limited

1 This Certificate is issued in accordance with the terms of our engagement letter dated 20 October 2017.

2 Agro Tech Foods Limited ('the Company') requires Independent Auditor's Certificate on Corporate Governance as per the Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period 1 April 2017 to 31 March 2018.

Management's Responsibility

3 The preparation of the Corporate Governance Report is the responsibility of the Management of the Company along with the maintenance of all its relevant supporting records and documents. The Management is also responsible for ensuring that the Company complies with the requirements Regulation 17-27, Clauses (b) to (i) of Regulations 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2017 to 31 March 2018. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance report and applying an appropriate basis of preparation.

Auditor's Responsibility

4 Pursuant to the requirements of the Listing Regulations, our responsibility is to certify whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the period 1 April 2017 to 31 March 2018.

5 We have examined the compliance of the conditions of Corporate Governance by the Company for the period 1 April 2017 to 31 March 2018 as per Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and Paragraphs C, D and E of Schedule V of the Listing Regulations. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Ind AS 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 Service Engagements.

Conclusion

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

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

Restrictions on Use

This Certificate is issued solely for the purpose of complying with Regulations 17-27, Clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations for the period 1 April 2017 to 31 March 2018 and may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 116231W/W-100024

Vikash Somani
Partner
Membership Number: 061272

Place: Gurugram
Date: 25 April 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRO TECH FOODS LIMITED

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Agro Tech Foods Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (including other comprehensive income), the statement of changes in equity, the statement of cash flow for the year then ended, and summary of the significant accounting policies and other explanatory information (collectively referred to as the 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS 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 of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS 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 of the standalone Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind As 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 standalone Ind AS 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 Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 (financial position) of the Company as at 31 March 2018, its profit (financial performance including other comprehensive income), changes in equity 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 the 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.
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 including other comprehensive income, the statement of changes in equity 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 Ind AS financial statements comply with the Ind AS prescribed under Section 133 of the Act, read with relevant Rules issued thereunder;
   e) on the basis of the written representations received from the directors as on 31 March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, 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 2018 on its financial position in Note 34 to the standalone Ind AS 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; and
      iv. the disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone financial statements for the year ended 31 March 2017 have been disclosed.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration Number:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 25 April 2018

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

The Annexure A referred to in the Independent Auditor's Report of even date, on the standalone Ind AS financial statements, to the Members of Agro Tech Foods Limited ('the Company') for the year ended 31 March 2018. 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 4 on fixed assets to the standalone Ind AS 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, Goods and Service tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Goods and Service tax, Sales-tax, Service tax, Duty of customs, Duty of excise, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no dues of Goods and Service tax and Duty of custom which have not been deposited with appropriate authorities on account of any dispute. According to the information and explanations given to us, the following dues of Income- tax, Sales tax, Service tax, Duty of excise, Value added tax and Entry tax have not been deposited by the Company on account of disputes:

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS 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
Bihar Sales Tax Act, 1981	Sales Tax	0.62	2001 – 2002	Joint Commissioner of Commercial Taxes (Appeals) - Central Division, Patna
Delhi Sales Tax Act, 1975 and Central Sales Tax Act, 1956	Sales Tax and CST	0.95	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
Gujarat Sales Tax Act, 1970	Sales Tax	0.12	1998 – 1999	Deputy Commissioner of Sales Tax (Appeals), Ahmedabad
		0.12	1999 - 2000	Sales Tax Appellate Tribunal, Ahmedabad
The Rajasthan Entry Tax-Goods Act, 1999	Entry Tax	36.86	2002 – 2004	Tax Board, Ajmer
The Assam Value Added Tax Act, 2003 and Central Sales Tax Act, 1956	Value Added Tax and Central Sales Tax	0.36	2009 – 2010	Superintendent of Taxes, UNIT D, Guwahati
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	Central Excise and Service Tax Appellate Tribunal, 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
Central Excise Act, 1944	Excise Duty	2.00	2015-2016	Central Excise and Service tax Appellate Tribunal, Ahmedabad
West Bengal Value Added Tax Act, 2003	Value Added Tax	4.17	2014-2015	Commissioner of Commercial Taxes, Kolkata
Central Sales Tax Act, 1956	Central Sales Tax	5.68	2013-2014	Additional Commissioner, Commercial Taxes, Ghaziabad
The Rajasthan Entry Tax - Goods Act, 1999	Entry Tax	5.47	2008–2009	Appellate Authority III, Commercial Tax, Jaipur
Income-tax Act, 1961	Income-tax	14.67	AY 2010-2011	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	28.31	AY 2011-2012	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	16.59	AY 2012-2013	Income Tax Appellate Tribunal, Hyderabad
Income-tax Act, 1961	Income-tax	10.96	AY 2013-2014	Income Tax Appellate Tribunal, Hyderabad

*net of deposits

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

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to its bankers. The Company does not have any loan or borrowings from any financial institution or government, nor has it issued any debentures during the year.

(ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in Note 39 to the standalone Ind AS financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transaction with the directors or person connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration Number:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 25 April 2018

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS 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 2018 in conjunction with our audit of the standalone Ind AS 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, both 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 judgement, 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

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

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 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 2018, 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 Number:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 25 April 2018

BALANCE SHEET AS AT 31 MARCH 2018

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

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	4	**1,606.71**	1,602.91	1,406.19
Capital work-in-progress	4	**149.05**	161.41	359.15
Intangible assets	5	**240.05**	271.01	297.45
Financial assets				
(i) Investments	6	**159.96**	159.96	159.96
(ii) Non-current loans	7	**42.63**	18.29	16.66
Other non-current assets	8	**303.62**	270.60	223.25
Total non-current assets		**2,502.02**	2,484.18	2,462.66
Current assets				
Inventories	10	**942.10**	1,161.01	1,455.76
Financial assets				
(i) Trade receivables	11	**499.36**	394.39	431.35
(ii) Cash and cash equivalents	12	**70.15**	7.57	11.31
(iii) Bank balances other than (ii) above	12	**221.86**	6.63	6.35
(iv) Other financial assets	13	**16.26**	0.34	0.25
Other current assets	14	**146.71**	68.27	107.65
Total current assets		**1,896.44**	1,638.21	2,012.67
Total assets		**4,398.46**	4,122.39	4,475.33
Equity and liabilities				
Equity				
Equity share capital	15	**243.69**	243.69	243.69
Other equity	16	**3,157.00**	2,817.53	2,577.56
Total equity		**3,400.69**	3,061.22	2,821.25
Liabilities				
Non-current liabilities				
Provisions	17	**12.66**	13.74	15.71
Deferred tax liabilities, net	31	**137.27**	113.92	56.85
Total non-current liabilities		**149.93**	127.66	72.56
Current liabilities				
Financial liabilities				
(i) Borrowings	18	**-**	176.21	940.01
(ii) Trade payables	19	**690.81**	565.73	462.43
(iii) Other financial liabilities	20	**53.78**	61.15	53.55
Other current liabilities	21	**36.97**	64.62	58.93
Provisions	22	**66.28**	65.80	66.60
Total current liabilities		**847.84**	933.51	1,581.52
Total liabilities		**997.77**	1,061.17	1,654.08
Total equity and liabilities		**4,398.46**	4,122.39	4,475.33
Significant accounting policies	3			

See accompanying notes to the standalone financial statements

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

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

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Sale of products	23	**8,106.31**	8,060.03
Other operating revenues	23	**10.99**	22.14
		8,117.30	8,082.17
Other income	24	**8.79**	2.23
Total income		**8,126.09**	8,084.40
Expenses			
Cost of materials consumed	25	**4,135.30**	4,043.12
Purchase of stock-in-trade	26	**1,281.83**	1,342.62
Changes in inventories of finished goods and stock-in-trade	27	**(27.24)**	(57.91)
Employee benefit expenses	28	**450.21**	440.56
Finance costs	29	**2.53**	44.45
Depreciation and amortisation expense	4 & 5	**174.72**	165.11
Other expenses	30	**1,619.41**	1,707.78
Total expenses		**7,636.76**	7,685.73
Profit before exceptional items and tax		**489.33**	398.67
Exceptional items	48	**-**	42.09
Profit before tax		**489.33**	440.76
Tax expense	31 (a)	**172.85**	167.79
Profit for the year (A)		**316.48**	272.97
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurement of the net defined benefit obligation		**(0.04)**	1.95
Income-tax relating to those items	31 (b)	**0.01**	(0.68)
Other comprehensive income for the year (B)		**(0.03)**	1.27
Total comprehensive income for the year (A+B)		**316.45**	274.24
Earnings per share (nominal value of ₹ 10 each)	37		
Basic [in ₹]		**13.60**	11.74
Diluted [in ₹]		**13.60**	11.74
Significant accounting policies	3		

See accompanying notes to the standalone financial statements

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

Vikash Somani
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DIN 00239637

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	**489.33**	440.76
Adjustments for:		
Depreciation and amortisation expense	**174.72**	165.11
Loss/(profit) on sale/ retirement of property, plant and equipment, net	**0.33**	(0.32)
Gain on sale of investments in mutual funds	**(2.29)**	-
Interest income	**(6.50)**	(1.91)
Finance costs	**2.53**	44.45
Share based payment expenses	**14.15**	22.14
Provision for doubtful advances, (net)	**-**	(5.00)
Provision for doubtful debts, (net)	**-**	2.15
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**(104.97)**	34.81
Decrease in inventories	**218.91**	294.75
(Increase) in loans and other financial assets	**(38.39)**	(1.63)
(Increase)/decrease in other current and non-current assets	**(68.46)**	43.91
Increase in trade payables and other financial liabilities	**120.08**	118.23
(Decrease) in other current and non current provisions	**(0.65)**	(0.82)
(Decrease)/ increase in other current and non current liabilities	**(32.89)**	5.68
Cash generated from operations	**765.90**	1,162.31
Income taxes paid, net	**(150.98)**	(154.03)
Net cash inflow from operating activities	**614.92**	1,008.28
Cash flows from investing activities		
Payments for property, plant and equipment	**(175.01)**	(138.51)
Proceeds from sale of property, plant and equipment	**0.77**	0.95
Interest received	**4.64**	1.83
Gain on sale of investments in mutual funds (net)	**2.29**	-
Investment in bank deposits (having original maturity of more than 3 months)	**(215.23)**	(0.28)
Net cash used in investing activities	**(382.54)**	(136.01)

CASH FLOW STATEMENT (Continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from financing activities		
Repayment of short term loans to banks, net	**(150.00)**	(719.38)
Sale of treasury shares	**65.28**	-
Dividend paid (including dividend distribution tax)	**(56.34)**	(56.32)
Finance costs paid	**(2.53)**	(44.45)
Net cash used in financing activities	**(143.59)**	(820.15)
Net increase in cash and cash equivalents	**88.79**	52.12
Cash and cash equivalents at the beginning of the financial year	**(18.64)**	(70.76)
Cash and cash equivalents at end of the year	**70.15**	(18.64)

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

Particulars	As at 31 March 2018	As at 31 March 2017
Cheques on hand	**1.44**	2.56
Balances with banks		
-in current accounts	**22.52**	4.82
Deposits with maturity less than three months	**46.19**	0.19
Cash credit and overdraft balances	**-**	(26.21)
Balances as per statement of cash flows	**70.15**	(18.64)

See accompanying notes to the standalone financial statements

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

for **Agro Tech Foods Limited**
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Director
DIN 00239637

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

Statement of changes in equity

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

Particulars	Equity share capital	Other Equity						Total equity attributable to equity holders of the Company
		Reserves and surplus						
		General Reserve	Securities premium	Retained earnings	Treasury Shares	Share options outstanding account	Agro Tech ESOP Trust (ATET) reserve	
Balance as at 1 April 2016	**243.69**	**127.05**	**721.29**	**2,157.03**	**(571.33)**	**141.12**	**2.40**	**2,821.26**
Changes in equity for the year ended 31 March 2017								
Dividends (including corporate dividend tax)	-	-	-	(56.41)	-	-	-	(56.41)
Employee Share based payment (Refer note 15(e))	-	-	-	-	-	22.14	-	22.14
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	1.27	-	-	-	1.27
Profit for the year	-	-	-	272.97	-	-	-	272.97
Balance as at 31 March 2017	**243.69**	**127.05**	**721.29**	**2,374.86**	**(571.33)**	**163.26**	**2.40**	**3,061.23**
Changes in equity for the year ended 31 March 2018								
Dividends (including corporate dividend tax)	-	-	-	(56.41)	-	-	-	(56.41)
Employee Share based payment (Refer note 15(e))	-	-	-	-	-	14.15	-	14.15
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(0.03)	-	-	-	(0.03)
Profit on sale of shares transferred by Trust	-	-	-	-	-	-	6.77	6.77
Sale of treasury shares during the year	-	-	-	-	58.51	-	-	58.51
Exercise of share options	-	17.37	-	-	-	(17.37)	-	-
Profit for the year	-	-	-	316.48	-	-	-	316.48
Balance as at 31 March 2018	**243.69**	**144.42**	**721.29**	**2,634.90**	**(512.82)**	**160.04**	**9.17**	**3,400.70**

See accompanying notes to the standalone financial statements

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

for **Agro Tech Foods Limited**
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DIN 00239637

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

1 Reporting entity

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

2 Basis of preparation

A. Statement of compliance

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

The standalone financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first standalone financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 45.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 25 April 2018.

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

B. Functional and presentation currency

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

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the standalone financial statements is included in the following notes:
- Note 33 - leases: whether an arrangement contains a lease; and
- Note 33 - lease classification;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- Note 43 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 32 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

- Note 4 - useful life of property, plant and equipment.

- Note 5 - useful life of intangible assets and impairment of intangible assets having indefinite useful life.

- Notes 6, 7, 11 and 13 - impairment of financial assets.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

E. Measurement of fair values

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

The Company has an established internal control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IndAS, including the level in the fair value hierarchy in which these valuations should be classified.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

- Note 15 (e) - share-based payments;

- Note 44 - financial instruments.

3. Significant accounting policies

(a) Property, plant and equipment

i. Recognition and measurement

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

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as on 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 45).

iii. Subsequent expenditure

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

iv. Depreciation

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

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

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

Freehold land is not depreciated.

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

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

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

(b) Intangible assets

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

i. Amortisation

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

The estimated useful lives are as follows:

Asset	Useful life
Computer software*	5 to 10 years

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see Note 45)

(c) Impairment

(i) Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

(ii) Non -financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to

amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognised for the asset in prior years.

(d) Leases

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

For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind AS 101 First-time adoption of Indian Accounting Standard. For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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

As a lessee Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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

(e) Inventories

Inventories are valued at the lower of weighted average cost (including prime cost, excise duty

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

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

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

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

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

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

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

(f) Financial instruments

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Financial assets

Financial assets carried at amortised cost

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

Financial assets at fair value through other comprehensive income.

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the financial statements

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

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

(g) Revenue recognition

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of consideration due to the present value if the payment exceeds beyond normal credit terms. Revenue is recognised when significant risk and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Recognition of dividend income, interest income or expense:

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

Interest income or expense is recognised using effective interest method.

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

a. the gross carrying amount of financial asset; or

b. the amortised cost of financial liability.

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

(h) Foreign currencies

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

monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

(i) Income-tax

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

i. Current tax

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

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

ii. Deferred tax

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

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

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

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

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

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

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

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

(j) Provisions and contingent liabilities

i. General

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when

appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities

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

iii. Onerous Contracts

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

(k) Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are

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

iv. Voluntary retirement scheme benefits

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

(l) Share-based payments

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

(m) Cash and cash equivalents

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

(n) Earnings per share

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

(o) Cash flow statement

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

(p) Borrowing costs

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

(q) Treasury Shares

The Company has created an Employee Welfare Trust – Agro Tech ESOP Trust ('ATET') for implementation of the schemes that are notified or may be notified from time to time by

the Company under the plan, providing share based payment to its employees. ATET purchases shares of the Company out of funds borrowed from the Company. The Company treats ATET as its extension and shares held by ATET are treated as treasury shares. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit on sale of treasury shares by ATET trust is recognised in ATET reserve.

(r) Recent accounting pronouncements

Ind AS issued but not yet effective:

On 28 March 2018, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

1. Ind AS 115 - Revenue from Contracts with Customers

2. Ind AS 21 - The effect of changes in Foreign Exchange rates

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Sale of goods

For the sale of goods, revenue is currently recognised when related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods.

For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.

Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

ii. Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect

of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company has completed an initial assessment of the potential impact of the amendment on the financial statements. There is no material impact of adoption of clarification on the financial statements.

Note 4 - Property, plant and equipment and capital work-in-progress

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

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Depreciation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Freehold land	97.29	-	-	97.29	-	-	-	-	97.29
Buildings	577.09	11.26	-	588.35	15.79	21.66	-	37.45	550.90
Roads	38.66	0.61	-	39.27	3.40	4.60	-	8.00	31.27
Plant and equipment	676.28	117.61	-	793.89	48.68	52.89	-	101.57	692.32
Laboratory equipment	20.08	0.44	0.01	20.51	2.89	2.92	-	5.81	14.70
Furniture and fixtures	75.56	3.13	-	78.69	8.63	9.08	-	17.71	60.98
Office equipment	32.28	3.56	0.02	35.82	8.82	8.42	-	17.24	18.58
Electrical equipment	91.05	8.11	-	99.16	12.08	12.90	-	24.98	74.18
Computer & data Process	106.97	3.94	1.07	109.84	28.17	25.50	-	53.67	56.17
Leasehold improvements-buildings	9.48	-	-	9.48	1.94	1.94	-	3.88	5.60
Leasehold improvements-electrical equipment	3.99	-	-	3.99	1.30	1.30	-	2.60	1.39
Leasehold improvements-furniture & fittings	8.42	-	-	8.42	2.54	2.5	-	5.09	3.33
Total	1,737.15	148.66	1.10	1,884.71	134.24	143.76	-	278.01	1,606.71
Add: Capital work-in-progress									149.05
Grand Total									1,755.76

Description	Gross carrying amount				Accumulated depreciation				Carrying amounts (net)
	Deemed cost as at 1 April 2016	Additions	Disposals	As at 31 March 2017	Deemed cost as at 1 April 2016	Depreciation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Freehold land	97.29	-	-	97.29	-	-	-	-	97.29
Buildings	339.78	237.31	-	577.09	-	15.79	-	15.79	561.30
Roads	20.18	18.48	-	38.66	-	3.40	-	3.40	35.26
Plant and equipment	627.64	48.83	0.19	676.28	-	48.68	-	48.68	627.60
Laboratory equipment	19.87	0.21	-	20.08	-	2.89	-	2.89	17.19
Furniture and fixtures	71.22	4.34	-	75.56	-	8.63	-	8.63	66.93
Vehicles	0.05	-	0.05	-	-	-	-	-	-
Office equipment	30.51	1.79	0.02	32.28	-	8.82	-	8.82	23.46
Electrical equipment	88.33	2.73	0.01	91.05	-	12.08	-	12.08	78.97
Computer and data Process	89.43	17.90	0.36	106.97	-	28.17	-	28.17	78.80
Leasehold improvements-buildings	9.48	-	-	9.48	-	1.94	-	1.94	7.54
Leasehold improvements-electrical equipment	3.99	-	-	3.99	-	1.30	-	1.30	2.69
Leasehold improvements-furniture and fittings	8.42	-	-	8.42	-	2.54	-	2.54	5.88
Total	1,406.19	331.59	0.63	1,737.15	-	134.24	-	134.24	1,602.91
Add: Capital work-in-progress	359.15								161.41
Grand Total	1,765.34								1,764.32

Note 5 - Intangible assets

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

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Amortisa-tion for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Trademarks (Refer note "a" below)	**122.16**	**-**	**-**	**122.16**	**-**	**-**	**-**	**-**	**122.16**
Computer software	**179.72**	**-**	**-**	**179.72**	**30.87**	**30.96**	**-**	**61.83**	**117.89**
Total	**301.88**	**-**	**-**	**301.88**	**30.87**	**30.96**	**-**	**61.83**	**240.05**

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	Deemed cost as at 1 April 2016	Additions	Disposals	As at 31 March 2017	As at 1 April 2016	Amortisa-tion for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Trademarks (Refer note "a" below)	122.16	-	-	122.16	-	-	-	-	122.16
Computer software	175.29	4.43	-	179.72	-	30.87	-	30.87	148.85
Total	297.45	4.43	-	301.88	-	30.87	-	30.87	271.01

Note:

(a) Trademarks represent the purchase consideration paid for the brand viz 'Sundrop'. As estimated by the Management, this trademark has an indefinite useful life. Hence, the same is not amortised as per Ind AS 36 "Impairment of Assets" and only tested for impairment. Also refer note 34.

Note 6 - Non-current investments

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

Particulars	Units/ Nos.				Amount			
	Face value per share / unit	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
At cost less provision for other than temporary impairment							
Trade Investments - Unquoted							
Investments in equity instruments of wholly owned subsidiaries (fully paid)							
Sundrop Foods India Private Limited	₹ 10 each	**2,000,000**	2,000,000	2,000,000	**20.00**	20.00	20.00
Agro Tech Foods (Bangladesh) Pvt. Ltd*	BDT 10 each	**15,000,000**	15,000,000	15,000,000	**116.01**	116.01	116.01
Sundrop Foods Lanka (Private) Limited	LKR 10 each	**5,000,000**	5,000,000	5,000,000	**23.95**	23.95	23.95
					159.96	159.96	159.96
Aggregate value of unquoted investments					**159.96**	159.96	159.96

* Includes Nil (31 March 2017: Nil; 1 April 2016: 5,000,000 equity shares) share application money pending for allotment.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Note 7 - Non-current loans			
Security deposits			
Unsecured, considered good	**42.63**	18.29	16.66
Unsecured, considered doubtful	**0.56**	0.56	0.56
Less: Allowance for doubtful deposits	**(0.56)**	(0.56)	(0.56)
	42.63	18.29	16.66
Note 8 - Other non-current assets			
Unsecured			
Considered good:			
Capital advances	**41.53**	5.26	1.03
Advances other than capital advances			
Advances with Government, public bodies and others	**99.41**	108.71	107.54
Other advances	**17.59**	17.59	17.59
Prepaid rent	**63.20**	63.89	64.58
Income tax-assets (net)*	**81.89**	75.15	32.51
Considered doubtful:			
Advances with Government and public bodies	**6.12**	6.12	6.12
Other advances	**22.62**	22.62	27.62
Less: Allowance for doubtful advances	**(28.74)**	(28.74)	(33.74)
	303.62	270.60	223.25
*Also refer note 31			
Note 10 - Inventories^			
Raw materials	**468.99**	723.02	1,082.23
Goods-in-transit-raw materials	**3.37**	0.01	0.08
Packing materials	**83.85**	84.63	81.56
Goods-in-transit-packing materials	**9.12**	3.82	0.27
Finished goods	**345.89**	312.42	257.91
Goods-in-transit-finished goods	**25.00**	31.90	29.64
Stock-in-trade	**5.88**	5.21	4.07
	942.10	1,161.01	1,455.76

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

The write down of inventories to net realisable value during the year amounted to ₹ 7.21 (31 March 2017: reversal of ₹ 2.37). The write down is included in cost of materials consumed or changes in inventories of finished goods and stock-in trade.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Note 11 - Trade receivables			
Unsecured, considered good	**499.36**	394.39	431.35
Considered doubtful	**51.29**	51.89	49.74
Less: Allowance for doubtful debts	**(51.29)**	(51.89)	(49.74)
	499.36	394.39	431.35
Information about the Company's exposure to credit and currency risk, loss allowances related to trade receivables are disclosed in Note 44.			
Note 12 - Cash and bank balances			
Cash and cash equivalents:			
Cheques on hand	**1.44**	2.56	6.29
Current accounts	**22.52**	4.82	4.84
Fixed deposits	**46.19**	0.19	0.18
	70.15	7.57	11.31
Other bank balances:			
Unpaid dividend accounts	**3.26**	3.19	3.10
Fixed deposits*	**218.60**	3.44	3.25
	221.86	6.63	6.35
* Includes margin money deposits ₹ 0.60 (31 March 2017 ₹ 3.44, 1 April 2016 ₹ 3.25)			
Note 13 - Other financial assets			
Interest accrued	**2.21**	0.34	0.25
Other receivable	**14.05**	-	-
	16.26	0.34	0.25
Note 14 - Other current assets			
Advances other than capital advances			
Unsecured, considered good			
Advances with Government, public bodies and others	**112.30**	20.48	17.73
Other advances	**32.91**	42.38	48.40
Prepaid rent	**0.69**	0.69	0.69
Other receivables*	**0.81**	4.72	40.83
Unsecured, considered doubtful			
Other advances	**11.70**	11.70	11.70
Less: Provision for doubtful advances	**(11.70)**	(11.70)	(11.70)
	146.71	68.27	107.65

* Includes receivable from related party as disclosed under note 39.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Note 15 - Share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
Equity shares	**250.00**	250.00	250.00
25,000,000 (31 March 2017: 25,000,000, 1 April 2016: 25,000,000), equity shares of ₹ 10 each par value			
Preference shares			
1,000,000 (31 March 2017: 1,000,000, 1 April 2016: 1,000,000), Cumulative redeemable preference shares, ₹ 100 each par value	**100.00**	100.00	100.00
	350.00	350.00	350.00
Issued			
Equity shares			
24,372,139 (31 March 2017: 24,372,139, 1 April 2016: 24,372,139), equity shares of ₹ 10 each par value	**243.72**	243.72	243.72
	243.72	243.72	243.72
Subscribed and fully paid-up			
Equity shares fully paid			
24,369,264 (31 March 2017: 24,369,264, 1 April 2016: 24,369,264), equity shares of ₹ 10 each fully paid up	**243.69**	243.69	243.69
	243.69	243.69	243.69

Rights, preferences and restrictions attached to the equity shares:

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

Notes:

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	**Amount in ₹ millions**	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Holding company						
CAG Tech (Mauritius) Limited*	**12,616,619**	**126.17**	12,616,619	126.17	12,616,619	126.17
	12,616,619	**126.17**	12,616,619	126.17	12,616,619	126.17

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	**% holding**	Number of shares	% holding	Number of shares	% holding
CAG Tech (Mauritius) Limited*	**12,616,619**	**51.77**	12,616,619	51.77	12,616,619	51.77

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

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	**Amount in ₹ millions**	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Opening balance at the beginning of the reporting year	**24,369,264**	**243.69**	24,369,264	243.69	24,369,264	243.69
Shares issued during the year	-	-	-	-	-	-
Closing balance at the end of the reporting year	**24,369,264**	**243.69**	24,369,264	243.69	24,369,264	243.69

(d) During the five previous financial years ended 31 March 2018, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) Share based payments

The Company instituted the "Agro Tech Foods Limited Employee Stock Option Plan' ("Plan") to grant equity based incentives to its eligible employees. The Company has established a trust called the Agro Tech ESOP Trust ("Trust") to implement the Plan. The Company has given advance to the "Trust" for purchase of the Company's shares and advance outstanding as at 31 March 2018 is ₹ 502.38 (₹ 558.00 as at 31 March 2017 and ₹ 560.35 as at 1 April 2016).

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

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

Stock option activity under the plan was as follows :

Movement in the options under the scheme as below :

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Options outstanding at the beginning of the year	**972,140**	1,074,692
Options granted during the year	**-**	-
Options exercised during the year	**(115,125)**	-
Options forfeited during the year	**(52,028)**	(102,552)
Shares under option at the end of the year	**804,987**	972,140

Fair value measurement:

The fair value of the employee share based payment is determined using the Black Scholes model on the date of grant. No new grants have been issued during the year ended 31 March 2018 and 31 March 2017. The Company has availed exemption given under Ind AS 101 and has not applied the fair value to the equity instruments that were vested before the date of transition to Ind AS.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Note 16 - Other equity

Particulars	General reserve	Securities premium	Retained earnings	Treasury Shares	Share options outstanding account	Agro Tech ESOP Trust (ATET) reserve	Total
Balance as at 1 April 2016	127.05	721.29	2,157.03	(571.33)	141.12	2.40	2,577.56
Additions:							
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	1.27	-	-	-	1.27
Net profit after tax transferred from the statement of profit and loss	-	-	272.97	-	-	-	272.97
Employee Share based payment (Refer note 15(e))	-	-	-	-	22.14	-	22.14
	127.05	**721.29**	**2,431.27**	**(571.33)**	**163.26**	**2.40**	**2,873.94**
Deductions:							
Dividends	-	-	46.49	-	-	-	46.49
Dividend distribution tax	-	-	9.92	-	-	-	9.92
Balance as at 31 March 2017	**127.05**	**721.29**	**2,374.86**	**(571.33)**	**163.26**	**2.40**	**2,817.53**
Balance as at 1 April 2017	127.05	721.29	2,374.86	(571.33)	163.26	2.40	2,817.53
Additions:							
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	(0.03)	-	-	-	(0.03)
Sale of treasury shares by the "Trust"	-	-	-	58.51	-	-	58.51
Profit on sale of treasury shares by the "Trust"	-	-	-	-	-	6.77	6.77
Net profit after tax transferred from the statement of profit and loss	-	-	316.48	-	-	-	316.48
Employee Share based payment (Refer note 15(e))	-	-	-	-	14.15	-	14.15
Exercise of share options	17.37	-	-	-	(17.37)	-	-
	144.42	**721.29**	**2,691.31**	**(512.82)**	**160.04**	**9.17**	**3,213.41**
Deductions:							
Dividends	-	-	46.49	-	-	-	46.49
Dividend distribution tax	-	-	9.92	-	-	-	9.92
Balance as at 31 March 2018	**144.42**	**721.29**	**2,634.90**	**(512.82)**	**160.04**	**9.17**	**3,157.00**

Nature and purpose of other reserves

General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Agro Tech ESOP Trust (ATET) reserve

Profit on sale of treasury shares by Agro Tech ESOP Trust is recognised in ATET reserve.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Dividends

The following dividends were declared and paid by the Company during the year.

Particulars	As at 31 March 2018	As at 31 March 2017
₹ 2 per equity share (31 March 2017: ₹ 2) to equity shareholders	**46.49**	46.49
Dividend distribution tax (DDT) on dividend to equity shareholders	**9.92**	9.92
	56.41	56.41

After the reporting dates dividend of ₹2.50 (31 March 2017: ₹2) per equity share were proposed by the Directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Note 17 - Non-current provisions			
Provision for employee benefits	-	-	-
Compensated absences	**12.66**	13.74	15.71
	12.66	13.74	15.71
Note 18 - Borrowings			
Loans (secured)*			
Loans repayable on demand from banks			
Overdrafts and cash credit	**-**	26.21	82.07
Other loans from banks			
Working capital loan	**-**	150.00	400.00
Buyers credit	**-**	-	457.94
	-	176.21	940.01

*Secured by hypothecation of inventories and trade receivables.

Information about Company's exposure to interest rate, currency and liquidity risks related to borrowings is included in note 44.

Note 19 - Trade payables			
Total outstanding dues of micro and small enterprises (Refer note below)	**-**	-	-
Total outstanding dues of other than micro and small enterprises	**690.81**	565.73	462.43
	690.81	565.73	462.43

Note:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the standalone financial statements based on information received and available with the Company and has been relied upon by the auditors.

Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The Company has not received any claim for interest from any supplier under the said Act.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:			
- Principal	-	-	-
- Interest	-	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

Information about Company's exposure to currency and liquidity risks related to the trade payable is included in note 44.

Note 20 - Other financial liabilities

Payables for purchase of property, plant and equipment	**7.36**	9.81	5.81
Unclaimed dividends*	**3.26**	3.19	3.10
Payroll related liabilities	**35.36**	40.74	21.40
Other liabilities	**7.80**	7.41	11.80
Foreign exchange forward contracts	**-**	-	11.44
	53.78	61.15	53.55

* Investor education and protection fund shall be credited when due.

Information about Company's exposure to currency and liquidity risks related to the above financial liabilities is included in note 44.

Note 21 - Other current liabilities

Advance from customers	**17.23**	13.63	12.32
Statutory liabilities (including provident fund, tax deducted at source and others)	**14.48**	50.99	46.61
Current tax liabilities, (net)	**5.26**	-	-
	36.97	64.62	58.93

Note 22 -Provisions

Provision for employee benefits			
Gratuity (Refer note 43)	**5.22**	3.52	9.21
Compensated absences	**5.57**	4.60	3.40
Others			
Related to indirect tax matters	**55.49**	57.68	53.99
	66.28	65.80	66.60

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 23 - Revenue from operations		
Sale of products	**8,106.31**	8,060.03
Other operating revenues		
Miscellaneous income	**10.99**	22.14
	8,117.30	8,082.17
Note 24 - Other income		
Gain on property, plant and equipment discarded/ sold (net)	**-**	0.32
Gain on sale of investments in mutual funds	**2.29**	-
Interest income	**6.50**	1.91
	8.79	2.23
Note 25 - Cost of materials consumed		
Opening stock		
Raw materials	**723.03**	1,082.31
Packing materials	**88.45**	81.83
Add: Purchases		
Raw materials	**3,314.50**	3,136.86
Packing materials	**574.65**	553.59
Less: Closing stock		
Raw materials	**472.36**	723.02
Packing materials	**92.97**	88.45
	4,135.30	4,043.12
Note 26 - Purchase of stock-in-trade		
Stock-in-trade	**1,281.83**	1,342.62
	1,281.83	1,342.62
Note 27 - Changes in inventories of finished goods and stock-in-trade		
Opening inventory		
Finished goods	**344.32**	287.55
Stock-in-trade	**5.21**	4.07
Less : Closing inventory		
Finished goods	**370.89**	344.32
Stock-in-trade	**5.88**	5.21
(Increase)/ decrease in inventory	**(27.24)**	(57.91)
Note 28 - Employee benefit expenses		
Salaries, wages and bonus	**382.70**	371.74
Contribution to provident and other funds (Refer note 43)	**31.60**	25.17
Employee share based payment expense	**14.15**	22.14
Staff welfare expenses	**21.76**	21.51
	450.21	440.56

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 29 - Finance costs		
Interest expense	**2.53**	44.45
	2.53	44.45
Note 30 - Other expenses		
Consumption of stores and spares	**26.34**	15.29
Excise duty	**7.21**	33.08
Power and fuel	**39.88**	29.49
Processing charges	**60.79**	50.96
Rent (Refer note 33)	**242.21**	249.80
Rates and taxes	**25.29**	48.30
Repairs and maintenance:		
- Machinery	**7.62**	9.04
- Buildings	**0.18**	0.19
- Others	**21.80**	19.91
Insurance	**11.56**	11.11
Printing and stationery	**2.83**	3.25
Software expenses	**24.25**	26.30
Communication expenses	**21.67**	25.03
Travelling expenses	**67.17**	64.18
Auditors' remuneration (Refer note 36)	**5.89**	6.83
Outward freight	**323.44**	291.66
Brokerage/ commission	**45.60**	52.73
Distribution expenses	**218.28**	198.94
Legal and professional charges	**77.77**	74.49
Advertisement and sales promotion	**324.21**	412.76
Royalty	**24.90**	27.28
Provision for doubtful advances	**-**	(5.00)
Provision for doubtful debts	**-**	2.15
Loss on property, plant and equipment discarded/ sold (net)	**0.33**	-
Advances written off	**-**	5.00
Loss on foreign currency transactions, (net)	**0.71**	0.63
Bank charges	**0.81**	1.23
Miscellaneous expenses	**38.67**	53.15
	1,619.41	1,707.78
Note 31 - Income-tax		
(a) Amounts recognised in statement of profit and loss		
Tax expense for the year		
Current tax	**169.79**	136.88
Income-tax in respect of earlier years	-	14.54
	169.79	151.42
Deferred tax charge	**3.06**	16.37
	172.85	167.79
(b) Amounts recognised in other comprehensive income		
Current tax	**(0.01)**	0.68
	(0.01)	0.68

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	**489.33**	440.76
Tax using the Company's domestic tax rate @ 34.608% (2017 @ 34.608%)	**169.35**	152.54
Tax effect of:		
Income-tax in respect of earlier years	**-**	14.54
Employee share based expense	**4.90**	7.66
Weighted deduction on research and development expenditure	**(2.66)**	(7.17)
Others	**1.26**	0.22
	172.85	167.79

(d) Recognised deferred tax assets and liabilities:

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities)/ Asset, net	
	As at 31 March 2018	As at 31 March 2017	**As at 31 March 2018**	As at 31 March 2017	**As at 31 March 2018**	As at 31 March 2017
On provision for doubtful advances, trade receivables and other assets	**28.81**	29.02	**-**	-	**28.81**	29.02
On expenditure allowed on payment basis	**12.09**	13.74	**-**	-	**12.09**	13.74
Property, plant and equipment	-	-	**171.84**	170.64	**(171.84)**	(170.64)
Other items	**-**	-	**6.33**	6.33	**(6.33)**	(6.33)
MAT credit entitlement	-	20.28	**-**	-	**-**	20.28
	40.90	63.04	**178.17**	176.97	**(137.27)**	(113.92)

(e) Movement in temporary differences

Particulars	As at 1 April 2016	Recognised in statement of profit and loss	Recognised in OCI	Utilisation of MAT	As at 31 March 2017
On provision for doubtful advances, trade receivables and other assets	28.27	0.75	-	-	29.02
On expenditure allowed on payment basis	14.11	(0.37)	-	-	13.74
Property, plant and equipment	(154.08)	(16.56)	-	-	(170.64)
Other items	(6.14)	(0.19)	-	-	(6.33)
MAT credit entitlement	60.99	-	-	(40.71)	20.28
	(56.85)	**(16.37)**	**-**	**(40.71)**	**(113.92)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

(e) Movement in temporary differences (continued)

Particulars	As at 1 April 2017	Recognised in statement of profit and loss	Recognised in OCI	Utilisation of MAT	As at 31 March 2018
On provision for doubtful advances, trade receivables and other assets	29.02	(0.21)	-	-	28.81
On expenditure allowed on payment basis	13.74	(1.65)	-	-	12.09
Property, plant and equipment	(170.64)	(1.20)	-	-	(171.84)
Other items	(6.33)	-	-	-	(6.33)
MAT credit entitlement	20.28	-	-	(20.28)	-
	(113.92)	**(3.06)**	**-**	**(20.28)**	**(137.27)**

(f) The following table provides the details of income-tax assets and income-tax liabilities

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax assets (net)	**81.89**	75.15	32.51
Current tax liabilities, (net)	**5.26**	-	-
	76.63	75.15	32.51

Note 32 Contingent liabilities and commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**23.44**	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	**296.37**	447.92	394.64
- Other matters, under dispute	**0.50**	0.50	33.40

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 amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial conditions. The Company has accrued appropriate provision wherever required.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Note 33 Operating leases

(i) The Company leases warehouses and office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating lease was ₹ 49.99 (31 March 2017 : ₹ 49.94) and under non-cancellable portion was ₹ 24.54 (31 March 2017: ₹ 26.08) inclusive of maintenance and other charges, which has been disclosed as rent.

(ii) The Company has certain cancellable arrangements with contract packers (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 167.68 (31 March 2017: ₹ 173.78) in respect of obligation under operating leases have been recognised in the statement of profit and loss. Management has concluded that it is impracticable to separate lease and non-lease payment. The lease payment disclosed in this note also includes non-lease payments.

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating lease are as under:

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Due within one year	**10.81**	17.92	17.61
Due later than one year and not later than five years	**27.14**	30.56	41.51
Later than five years	**54.63**	62.02	68.99
	92.58	110.50	128.11

Note 34 Intangible assets - Trademark

Trademark represents the purchase consideration paid for brand viz. "Sundrop".Sundrop brand has an indefinite useful life is measured at cost and are not subject to amortisation, but tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. On the balance sheet date, the Management reassesses the value of brand through an independent valuer to ensure that the recoverable amount of the asset is not lower than its carrying amount. Key assumptions used in the estimation of the recoverable amount are set out below.

Particulars	**As at 31 March 2018**	As at 31 March 2017
Pre tax discount rate	**25.60%**	24.40%
Terminal growth rate	**1.00%**	1.00%

The management believes that any reasonable possible change in the key assumptions that would not cause the carrying amount to exceed the recoverable amount of the asset.

Note 35 Details of current and non-current investments purchased and sold

(i) Details of non-current investments purchased and sold during the year:

Particulars	Face value per unit	As at 1 April 2017	Purchased during the year	Sold during the year	As at 31 March 2018
Trade investments - Unquoted					
Investments in equity instruments (fully paid)					
Subsidiaries					
Sundrop Foods India Private Limited	**INR 10**	**20.00**	**-**	**-**	**20.00**
Agro Tech Foods (Bangladesh) Pvt. Ltd.	**BDT 10**	**116.01**	**-**	**-**	**116.01**
Sundrop Foods Lanka (Private) Limited	**LKR 10**	**23.95**	**-**	**-**	**23.95**
		159.96	**-**	**-**	**159.96**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

(ii) Details of non-current investments purchased and sold during the previous year:

Particulars	Face value per unit	As at 1 April 2016	Purchased during the year	Sold during the year	As at 31 March 2017
Trade investments - Unquoted					
Investments in equity instruments (fully paid)					
Subsidiaries					
Sundrop Foods India Private Limited	INR 10	20.00	-	-	20.00
Agro Tech Foods (Bangladesh) Pvt. Ltd.	BDT 10	116.01	-	-	116.01
Sundrop Foods Lanka (Private) Limited	LKR 10	23.95	-	-	23.95
		159.96	**-**	**-**	**159.96**

(iii) Details of current investments purchased and sold during the year:

Particulars	As at 1 April 2017	Purchased during the year	Profit on sale of Investment	Sold during the year	As at 31 March 2018
Non-Trade investments - Quoted					
Investment in the mutual funds					
HDFC Liquid Fund-Regular Plan-Growth	**-**	**398.00**	**2.01**	**400.01**	**-**
HDFC Floating Rate Income Fund A/C Short Term Plan-Growth	**-**	**46.00**	**0.28**	**46.28**	**-**
	-	**444.00**	**2.29**	**446.29**	**-**

Note: There were no current investments purchased and sold during the year ended 31 March 2017.

Note 36 Auditors' remuneration (excluding applicable taxes):

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
As Auditor		
Statutory audit	**2.76**	2.76
Tax audit	**0.20**	0.20
Limited review	**0.73**	0.73
Fees for certification	**1.21**	1.51
Others	**0.42**	0.42
Reimbursement of expenses	**0.57**	0.32
	5.89	5.94

Note 37 Earnings per equity share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Net profit attributable to the equity shareholders	**316.48**	272.97
Weighted average number of equity shares outstanding of ₹ 10 during the year		
Basic outstanding shares	**24,369,264**	24,369,264
Less: Weighted average shares held with the Agro Tech ESOP Trust	**1,099,228**	1,124,078
(b) Weighted average shares used for computing basic EPS	**23,270,036**	23,245,186
Add: Dilutive effect of stock options	**3,680**	-
(c) Weighted average shares used for computing diluted EPS	**23,273,716**	23,245,186
(d) Basic earnings per share (₹) (a/b)	**13.60**	11.74
(e) Diluted earnings per share (₹) (a/c)	**13.60**	11.74

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Note 38 Segmental information

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on analysis of various performance indicators by industry classes. The operating segment of the Company has been identified as "Foods" as the CODM reviews the business performance at an overall Company level as one segment.

Information about major customers

Revenue for the year ended 31 March 2018 and 31 March 2017 were from customers located in India. Customers include private distribution entities. Revenue from specific customers exceeding 10% of total revenue for the years ended 31 March 2018 and 31 March 2017 were as follows:

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Amount	**Percent**	Amount	Percent
One customer	**1,196**	**14.74%**	1,432	17.71%

Note 39 Related parties

Relationships	Name of related parties
1. Ultimate holding company	Conagra Brands Inc.(formerly known as ConAgra Foods Inc.)
2. Holding company	CAG-Tech (Mauritius) Limited
3. Subsidiary companies	Sundrop Foods India Private Limited Agro Tech Foods (Bangladesh) Pvt. Ltd. Sundrop Foods Lanka (Private) Limited
4. Fellow subsidiary companies	ConAgra Foods Export Company,Inc. ConAgra Foods S.R.L
5. Key Management Personnel (KMP)	
Managing Director & Chief Executive Officer	Mr. Sachin Gopal, Managing Director & CEO (w.e.f. 1 July 2016) and President & CEO (till 30 June 2016)
Whole-time director	Dr. Pradip Ghosh Chaudhuri (retired w.e.f 30 June 2016)
Chief Financial Officer	Mr.Arijit Datta
Company Secretary	Ms. Jyoti Chawla (appointed w.e.f 26 July 2017) Mr. Phani K Mangipudi (resigned w.e.f 31 January 2017)
Independent Directors	Lt.Gen.D.B.Singh Mr.Sanjaya Kulkarni Mr.Arun Bewoor Mr.Narendra Ambwani Ms.Veena Vishindas Gidwani
6. Post-employment benefit trusts	Agro Tech Foods Management Staff Gratuity Fund Agro Tech Foods Non-Management Gratuity Fund Agro Tech Foods Provident Fund Agro Tech Foods Superannuation Fund

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

(a) Related party transactions during the year

Particulars	Relationship	For the year ended 31 March 2018	For the year ended 31 March 2017
Sundrop Foods India Private Limited	Subsidiary		
Recovery of expenses		**-**	0.02
Distribution service received from subsidiary		**130.91**	111.55
Sundrop Foods Lanka (Private) Limited	Subsidiary		
Sale of materials		**1.46**	-
Agro Tech Foods (Bangladesh) Pvt. Ltd.	Subsidiary		
Issue of credit note		**-**	5.52
Purchase of materials		**0.23**	-
ConAgra Foods Export Company, Inc.	Fellow subsidiary		
Purchase of materials		**-**	1.40
Conagra Brands Inc.(formerly known as ConAgra Foods Inc.)	Ultimate holding company		
Royalty		**24.11**	23.73
Recovery of expenses		**3.27**	3.90
Income earned on services rendered		**5.55**	17.32
CAG-Tech (Mauritius) Limited	Holding company		
Dividend (on payment basis)		**25.23**	25.23
Key Managerial Personnel Compensation	Key Management Personnel		
Short-term employee benefits*		**33.37**	38.20
Post-employment defined benefits*		**1.95**	2.52
Sitting fees and commission to independent directors		**6.58**	6.45
Agro Tech Foods Management Staff Gratuity Fund	Post-employment benefit trusts		
Contribution during the year		**3.52**	9.20
Agro Tech Foods Provident Fund	Post-employment benefit trusts		
Contribution during the year		**32.87**	31.98
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts		
Contribution during the year		**6.83**	6.66

*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 also excludes gratuity of ₹ 3.18 lakh paid to KMP retired/ resigned during the year ended 31 March 2017. Share-based compensation expense allocable to key management personnel is not included in the remuneration disclosed above.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

(b) Related party balances as at balance sheet date

Particulars	Relationship	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Receivable from related parties				
Agro Tech Foods (Bangladesh) Pvt. Ltd.	Subsidiary	**-**	-	10.32
Sundrop Foods Lanka (Private) Limited	Subsidiary	**0.81**	-	3.55
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate Holding Company	**-**	4.51	26.96
Agro Tech Foods Provident Fund	Post-employment benefit trusts	**-**	-	9.22
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts	**-**	-	0.10
Payable to related parties				
Agro Tech Foods Management Staff Gratuity Fund	Post-employment benefit trusts	**5.22**	3.52	9.20
Agro Tech Foods Provident Fund	Post-employment benefit trusts	**1.16**	2.21	-
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts	**0.56**	0.54	-
Sundrop Foods India Private Limited	Subsidiary	**47.38**	36.25	31.75
ConAgra Foods Export Company, Inc.	Fellow subsidiary Company	**-**	0.16	0.16
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company	**3.33**	3.33	3.20
Key Managerial Personnel Compensation	Key Managerial Personnel	**5.69**	7.48	-
Independent Directors	Independent Directors	**3.20**	3.20	2.81

Note (a): The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by the auditors.

Note 40 Corporate social responsibility

During the year, the Company has spent ₹ 1.64 for Social welfare program called "Poshan". The program which is designed to address malnourishment amongst children, works with Government Anganwadi's and Child Malnourishment Treatment Centers using Peanut Butter which is a rich source of protein and highly effective to fight malnutrition. The amount includes allocable manufacturing overhead and it represents about 0.39% (31 March 2017: 0.98%) of last 3 years average profit. This amount is booked under the head of miscellaneous expenses and charged to the statement of profit and loss.

Gross amount required to be spent by the company during the year : ₹ 8.44 (31 March 2017: ₹ 9.23)

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Amount spent other than for construction/ acquisition of any asset	**1.64**	4.52
(ii) Amount accrued and not paid	**-**	-
	1.64	4.52

Note 41 Research and development expenses

Revenue expenditure on research and development is expensed as incurred. Capital expenditure incurred on research and development ('R&D') is capitalised as 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 2018	For the year ended 31 March 2017
Capital expenditure	**-**	-
Revenue expenditure	**18.86**	24.12
	18.86	24.12

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Note 42 Capital management

The Company's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the Company monitors the return on capital, as well as the level of dividends of equity share holders. The Company aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of Company's capital management, capital includes issued capital and all other equity reserves and debt includes short-term working capital demand loan.

The Company monitors capital on the basis of the following gearing ratio

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Total Debt	**-**	176.21	940.01
Total Equity	**3,400.69**	3,061.22	2,821.25
Debt to equity ratio	**-**	6%	33%

Note 43 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.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

b) The following table sets out the particulars of the employee benefits as required under the Ind AS 19- Employee Benefits.

i) The amounts recognised in the balance sheet and the movements in the de fined benefit obligation over the year for Gratuity are as follows:

Particulars	31 March 2018			31 March 2017		
	Present value of obligation	**Fair value of plan assets**	**Net Liability/ (asset)**	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
Opening balance	**51.33**	**47.81**	**3.52**	49.91	40.70	9.21
Current service cost	**5.26**	**-**	**5.26**	5.30	-	5.30
Interest cost	**3.36**	**-**	**3.36**	3.49	-	3.49
Expected returns	**-**	**3.44**	**(3.44)**	-	3.33	(3.33)
Total amount recognised in statement of profit and loss	**8.62**	**3.44**	**5.18**	8.79	3.33	5.46
Remeasurements						
(Gain)/loss from change in financial assumptions	**(1.53)**	**-**	**(1.53)**	1.18	-	1.18
Experience (gains)/ losses - experience	**1.24**	**-**	**1.24**	(1.16)	-	(1.16)
Return on plan assets, greater/ less than discount rate	**-**	**(0.33)**	**0.33**	-	1.97	(1.97)
Total amount recognised in other comprehensive income	**(0.29)**	**(0.33)**	**0.04**	0.02	1.97	(1.95)
Contributions	**-**	**3.52**	**(3.52)**	-	9.20	(9.20)
Benefit paid	**(6.71)**	**(6.71)**	**-**	(7.39)	(7.39)	-
Closing Balance	**52.95**	**47.73**	**5.22**	51.33	47.81	3.52

ii) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Provident Fund are as follows:

Particulars	31 March 2018			31 March 2017		
	Present value of obligation	**Fair value of plan assets**	**Net Liability/ (asset)**	Present value of obligation	Fair value of plan assets	Net Liability/ (asset)
Opening balance	**295.17**	**324.53**	**(29.36)**	276.60	286.56	(9.96)
Current service cost	**11.06**	**-**	**11.06**	9.88	-	9.88
Interest cost	**20.38**	**-**	**20.38**	26.97	-	26.97
Expected returns	**-**	**20.38**	**(20.38)**	-	26.97	(26.97)
Total amount recognised in statement of profit and loss	**31.44**	**20.38**	**11.06**	36.85	26.97	9.88
Remeasurements						
Actuarial (gain)/ loss experience	**(2.23)**	**-**	**(2.23)**	(3.87)	-	(3.87)
Actuarial gain/ (loss) on plan assets	**-**	**(14.56)**	**14.56**	-	15.53	(15.53)
Total amount recognised in other comprehensive income	**(2.23)**	**(14.56)**	**12.33**	(3.87)	15.53	(19.40)
Contributions	**22.87**	**32.87**	**(10.00)**	22.10	31.98	(9.88)
Transfer in	**0.20**	**0.20**	**-**	1.78	1.78	-
Benefits paid	**(16.32)**	**(16.32)**	**-**	(38.29)	(38.29)	-
Closing Balance*	**331.13**	**347.10**	**(15.97)**	295.17	324.53	(29.36)

* The Company has not recognised an asset amounting to ₹ 15.97 (31 March 2017: ₹ 29.36, 1 April 2016: ₹ 9.96) as there are no future economic benefits available to the Company in the form of reduction in future contribution or a cash refund.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

iii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	Gratuity			Provident Fund		
	31 March 2018	31 March 2017	1 April 2016	**31 March 2018**	31 March 2017	1 April 2016
Discount rate	**7.65%**	7.20%	7.55%	**7.64%**	7.25%	7.61%
Expected rate of return on plan assets	**8.00%**	8.00%	8.00%	**8.55%**	8.65%	8.80%
Salary escalation rate	**7.00%**	7.00%	7.00%	**7.00%**	7.00%	7.00%

Discount rate : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets : This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate : The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Details of Plan Assets

Particulars	Gratuity			Provident Fund		
	31 March 2018	31 March 2017	1 April 2016	**31 March 2018**	31 March 2017	1 April 2016
Government of India securities	**-**	-	-	**31.89%**	24.33%	21.55%
PSU bonds	**-**	-	-	**45.88%**	51.51%	52.84%
Special deposits	**-**	-	-	**3.07%**	3.03%	3.31%
State Government securities	**-**	-	-	**19.16%**	21.13%	22.30%
Fund managed by ICICI Prudential Life Insurance Company Limited*	**100%**	100%	100%	**-**	-	-
Total	**100%**	100%	100%	**100%**	100%	100%

*The Company makes annual contribution to the ICICI Prudential Life Insurance Company Limited.

v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Particulars	**As at 31 March 2018**	As at 31 March 2017
Provident Fund		
A. Discount rate		
a. Discount rate - 100 basis points	**340.11**	303.47
b. Discount rate +100 basis points	**330.16**	293.32
B. Interest rate guarantee for planned asset		
a. Rate - 100 basis points	**330.16**	293.32
b. Rate +100 basis points	**339.66**	302.91
Gratuity		
A. Discount rate		
a. Discount rate - 100 basis points	**56.46**	55.02
b. Discount rate +100 basis points	**49.85**	48.07
B. Salary increase rate		
a. Rate - 100 basis points	**49.80**	48.04
b. Rate +100 basis points	**56.44**	54.99

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

vi) Maturity profile of defined benefit obligation

Particulars	Gratuity		Provident Fund	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Year 1	**14.35**	9.22	**30.07**	28.10
Year 2	**4.33**	6.57	**45.53**	42.55
Year 3	**2.88**	4.12	**24.79**	23.17
Year 4	**5.59**	2.63	**20.39**	19.06
Year 5	**3.24**	5.83	**52.09**	48.69
Year 6 to 10	**25.22**	22.70	**137.15**	128.17

Note 44 Financial instruments - fair values and risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivative for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2018, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments	6	-	-	159.96	-	159.96	-	-	-	-
Non-current loans	7	-	-	42.63	-	42.63	-	-	-	-
Trade Receivables	11	-	-	499.36	-	499.36	-	-	-	-
Cash and cash equivalents	12	-	-	70.15	-	70.15	-	-	-	-
Bank balances (other than cash and cash equivalents)	12	-	-	221.86	-	221.86	-	-	-	-
Other financial assets	13	-	-	16.26	-	16.26	-	-	-	-
		-	**-**	**1,010.22**	**-**	**1,010.22**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value										
Trade payables	19	-	-	-	690.81	690.81	-	-	-	-
Other financial liabilities	20	-	-	-	53.78	53.78	-	-	-	-
		-	**-**	**-**	**744.59**	**744.59**	**-**	**-**	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments	6	-	-	159.96	-	159.96	-	-	-	-
Non-current loans	7	-	-	18.29	-	18.29	-	-	-	-
Trade Receivables	11	-	-	394.39	-	394.39	-	-	-	-
Cash and cash equivalents	12	-	-	7.57	-	7.57	-	-	-	-
Bank balances (other than cash and cash equivalents)	12	-	-	6.63	-	6.63	-	-	-	-
Other financial assets	13	-	-	0.34	-	0.34	-	-	-	-
		-	**-**	**587.18**	**-**	**587.18**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value										
Trade payables	19	-	-	-	565.73	565.73	-	-	-	-
Borrowings	18	-	-	-	176.21	176.21	-	-	-	-
Other financial liabilities	20	-	-	-	61.15	61.15	-	-	-	-
		-	**-**	**-**	**803.09**	**803.09**	**-**	**-**	**-**	**-**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2016, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Investments	6	-	-	159.96	-	159.96	-	-	-	-
Non-current loans	7	-	-	16.66	-	16.66	-	-	-	-
Trade receivables	11	-	-	431.35	-	431.35	-	-	-	-
Cash and cash equivalents	12	-	-	11.31	-	11.31	-	-	-	-
Bank balances (other than cash and cash equivalents)	12	-	-	6.35	-	6.35	-	-	-	-
Other financial assets	13	-	-	0.25	-	0.25	-	-	-	-
		-	**-**	**625.88**	**-**	**625.88**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value		-	-	-	-	-	-	-	-	-
Foreign exchange forward contracts	20	-	-		11.44	11.44	-	11.44	-	11.44
		-	**-**	**-**	**11.44**	**11.44**	**-**	**11.44**	**-**	**11.44**
Financial liabilities not measured at fair value										
Trade payables	19		-	-	462.43	462.43	-	-	-	-
Borrowings	18	-	-	-	940.01	940.01	-	-	-	-
Other financial liabilities	20	-	-	-	42.11	42.11	-	-	-	-
		-	**-**	**-**	**1,444.55**	**1,444.55**	**-**	**-**	**-**	**-**

The fair value of cash and cash equivalents, bank balances, investments, trade receivables, trade payables, borrowings, other financial assets and liabilities approximate their carrying amount largely due to short-term nature of these instruments. The Company's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

The fair valuation of derivative financial assets are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Financial risk management

The Company has exposure to the following risks arising from financial instruments:

i. Credit Risk

ii. Liquidity Risk

iii. Market Risk

Risk Management framework:

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's risk management policy is set by the Risk Management Committee. The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their industry, trading history with the Company and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Company' s exposure to credit risk for trade receivables by type of counterparty is as follows:

Movement in the allowance for impairment in trade receivables

Particulars	**31 March 2018**	31 March 2017	1 April 2016
Opening balance	**51.89**	49.74	48.79
Changes in allowance for impairment in trade receivables	**(0.60)**	2.15	0.95
Net remeasurement of loss allowance	**51.29**	51.89	49.74

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Company's reputation.

The Company monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018, 31 March 2017 and 1 April 2016:

Particulars	As at 31 March 2018		
	Less than 1 year	**1-2 years**	**2 years and above**
Non-derivative financial liabilities			
Trade payables	**690.81**	**-**	**-**
Other financial liabilities	**53.78**	**-**	**-**
	744.59	**-**	**-**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2017		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	565.73	-	-
Borrowings	176.21	-	-
Other financial liabilities	61.15	-	-
	803.09	**-**	**-**

Particulars	As at 1 April 2016		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Derivative financial liabilities:			
Forward exchange forward contracts	11.44	-	-
Non-derivative financial liabilities			
Trade payables	462.43	-	-
Borrowings	940.01	-	-
Other financial liabilities	42.11	-	-
	1,455.99	**-**	**-**

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Since, the Company does not have any borrowings having floating rate of interest, hence there is no Interest rate risk.

Currency risk

The Company is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of Company. The functional currency of the Company is INR and maximum sales transactions are denominated in INR itself. Foreign currency transactions are mainly denominated in USD.

Exposure to currency risk

The following is the nominal value of outstanding derivative contracts entered into by the Company for hedging currency and interest rate related risks as at:

Particulars	**As at 31 March 2018**		As at 31 March 2017		As at 1 April 2016	
	Foreign Currency (Buy) (USD)	**Amount in ₹ millions**	Foreign Currency (Buy) (USD)	Amount in ₹ millions	Foreign Currency (Buy) (USD)	Amount in ₹ millions
Short-term borrowings	**-**	**-**	-	-	6,943,076	460.81
Trade payables	**-**	**-**	90,963	6.14	-	-

The particulars of un-hedged foreign currency exposure as at balance sheet date is as under

Particulars	**As at 31 March 2018**		As at 31 March 2017		As at 1 April 2016	
	Foreign Currency (USD)	**Amount in ₹ millions**	Foreign Currency (USD)	Amount in ₹ millions	Foreign Currency (USD)	Amount in ₹ millions
Other current liabilities	**-**	**-**	622	0.04	-	-
Trade payables	**137,026**	**8.92**	-	-	-	-
Trade receivables	**30,148**	**1.96**	33,908	2.20	10,943	0.73
Other current assets	**-**	**-**	64,500	4.18	202,296	13.43

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Sensitivity Analysis:

The profit or loss is sensitive to foreign exchange gain/ loss as a result of changes in foreign exchange rates.

Particulars	Impact on profit after tax		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Foreign exchange rate - Increases by 5%	**(0.35)**	0.32	0.71
Foreign exchange rate - Decreases by 5%	**0.35**	(0.32)	(0.71)

Note 45 Explanation of transition to Ind AS

As stated in Note 2A, the Company has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1 Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

2 Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of the above exemption.

3 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

4 Share-based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share based payment transactions. The standard addresses three type of transactions: equity settled, cash settled and with cash alternatives. A first time adopter is encouraged to apply this standard to:

(i) equity instruments that vested before the date of transition to Ind AS.

(ii) liabilities arising from share based payment transactions that were settled before the date of transition to Ind AS.

The Company has availed this exemption and has not applied the fair value to the equity instruments that were vested before the date of transition to Ind AS.

B. Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the standalone financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability for decommissioning cost.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Reconciliation of balance sheet items

		As at date of transition 1 April 2016			As at 31 March 2017		
	Notes to first time adoption	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current Assets							
Property, plant and equipment	1	1,468.46	(62.27)	1,406.19	1,664.49	(61.58)	1,602.91
Intangible assets	7	297.45	-	297.45	264.57	6.44	271.01
Capital work-in-progress		359.15	-	359.15	161.41	-	161.41
Financial assets							
(i) Investments		159.96	-	159.96	159.96	-	159.96
(ii) Non-current loans	2, 3	580.44	(563.78)	16.66	579.81	(561.52)	18.29
Other non-current assets	1,3	158.69	64.56	223.25	206.73	63.87	270.60
Total non-current assets		**3,024.15**	**(561.49)**	**2,462.66**	**3,036.97**	**(552.79)**	**2,484.18**
Current Assets							
Inventories		1,455.76	-	1,455.76	1,161.01	-	1,161.01
Financial assets							
(i) Trade receivables		431.35	-	431.35	394.39	-	394.39
(ii) Cash and cash equivalents	2	8.89	2.42	11.31	5.26	2.31	7.57
(iii) Bank balances other than (ii) above		6.35	-	6.35	6.63	-	6.63
(iv) Other financial assets		0.25	-	0.25	0.34	-	0.34
Other current assets	1, 4	113.08	(5.43)	107.65	67.59	0.69	68.27
Total current assets		**2,015.68**	**(3.01)**	**2,012.67**	**1,635.22**	**3.00**	**1,638.21**
Total Assets		**5,039.83**	**(564.50)**	**4,475.33**	**4,672.18**	**(549.79)**	**4,122.39**
Equity and Liabilities							
Equity							
Equity share capital		243.69	-	243.69	243.69	-	243.69
Other equity	A, 5	3,123.90	(546.34)	2,577.56	3,354.81	(537.28)	2,817.53
Total Equity		**3,367.59**	**(546.34)**	**2,821.25**	**3,598.50**	**(537.28)**	**3,061.22**
Non-current Liabilities							
Provisions		15.71	-	15.71	13.74	-	13.74
Deferred tax liabilities, net	11	50.71	6.14	56.85	107.59	6.33	113.92
Other non-current liabilities	6	17.66	(17.66)	-	17.28	(17.28)	-
Total non-current Liabilities		**84.08**	**(11.52)**	**72.56**	**138.61**	**(10.95)**	**127.66**
Current Liabilities							
Financial liabilities							
(i) Borrowings	4	956.54	(16.53)	940.01	176.21	-	176.21
(ii) Trade payables		462.43	-	462.43	565.73	-	565.73
(iii) Other financial liabilities	4,6	43.66	9.89	53.55	62.71	(1.56)	61.15
Other current liabilities		58.93	-	58.93	64.62	-	64.62
Provisions		66.60	-	66.60	65.80	-	65.80
Total current Liabilities		**1,588.16**	**(6.64)**	**1,581.52**	**935.07**	**(1.56)**	**933.51**
Total liabilities		**1,672.24**	**(18.16)**	**1,654.08**	**1,073.68**	**(12.51)**	**1,061.17**
Total Equity and Liabilities		**5,039.83**	**(564.50)**	**4,475.33**	**4,672.18**	**(549.79)**	**4,122.39**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Reconciliation of total comprehensive income

	Notes to first time adoption	Year ended 31 March 2017 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue From Operations				
Sale of products	8	8,043.19	16.84	8,060.03
Other operating revenues		22.15	(0.01)	22.14
		8,065.34	**16.83**	**8,082.17**
Other income	1, 9	1.52	0.71	2.23
Total income		**8,066.86**	**17.54**	**8,084.40**
Expenses				
Cost of materials consumed		4,059.37	(16.25)	4,043.12
Purchases of stock- in-trade		1,342.62	-	1,342.62
Changes in inventories of finished goods and stock-in-trade		(57.91)	-	(57.91)
Employee benefit expenses	5, 9	416.47	24.09	440.56
Finance costs	4	45.48	(1.03)	44.45
Depreciation and amortisation expense	1, 7	172.24	(7.13)	165.11
Other expenses	1, 2, 3, 6, 8, 10	1,672.83	34.95	1,707.78
Total expenses		**7,651.10**	**34.63**	**7,685.73**
Profit/ (loss) before exceptional items and tax		**415.76**	**(17.09)**	**398.67**
Exceptional items		42.09	-	42.09
Profit/(loss) before tax		**457.85**	**(17.09)**	**440.76**
Tax expense	11	168.28	(0.49)	167.79
Profit for the year (A)		**289.57**	**(16.60)**	**272.97**
Other comprehensive income	9			
Items that will not be reclassified subsequently to statement of profit or loss				
Remeasurement of the net defined benefit obligation		-	1.95	1.95
Income tax relating to those items		-	(0.68)	(0.68)
Other comprehensive income for the year (B)		**-**	**1.27**	**1.27**
Total comprehensive income for the year (A+B)		**289.57**	**(15.33)**	**274.24**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

A) Reconciliation of total equity :

Particulars	As at 31 March 2017	As at 1 April 2016
Total equity as per previous GAAP	3,598.50	3,367.59
Adjustments		
Fair valuation of security deposits	(0.54)	(0.46)
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	18.83	19.22
Mark to market adjustment of derivative contracts	-	(1.03)
Consolidation of Agro Tech ESOP Trust	(555.68)	(557.93)
Reversal of amortisation on intangible assets with indefinite useful lives	6.44	-
Deferred tax on above adjustments	(6.33)	(6.14)
Total equity as per Ind AS	**3,061.22**	**2,821.25**
Decrease in total equity	**(537.28)**	**(546.34)**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

B) Reconciliation of total comprehensive income

Particulars	For the year ended 31 March 2017
Profit after tax as per previous GAAP	289.57
Reversal of amortisation on intangible assets with indefinite useful lives	6.44
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	(0.39)
Additional rental (compensation)/ income due to fair valuation rental deposits recognised on a straight line basis over lease term	(0.08)
Employee stock option scheme compensation expense recognised at fair value	(22.14)
Mark to market adjustment of derivative contracts	1.03
Tax effect of the above adjustments	(0.19)
Total comprehensive income as per Ind AS	**274.24**

C) Notes to the reconciliation

1 Property, plant and equipment (PPE)

Under the previous GAAP, land was specifically scoped out from the scope of AS 19 Leases, hence leasehold land was grouped under plant, property and equipment and the respective amortisation charge was disclosed as depreciation charge in the statement of profit or loss. There is no such exclusion under Ind AS 17, hence the Company has reclassified leasehold land from plant, property and equipment to prepaid rent, with a corresponding amortisation charge debited to rent expense.

2 Consolidation of Agro Tech ESOP Trust ('Trust')

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

The Consolidation of the "Trust" financials statements with that of the Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the Trust deed. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit/ loss on sale of treasury shares by "Trust" is recognised in ATET reserve.

Items adjusted owing to the "Trust" consolidation include:

(a) Treasury shares

Upon consolidation, the investment in the Company's equity shares made by "Trust" is debited to the Company's equity as treasury shares amounting to ₹ 571.33 as at 31 March 2017 (₹ 571.33 as at 1 April 2016).

(b) ATET Reserve

The income of the "Trust" till date comprising of profit on sale of treasury shares, forms a part of ATET Reserve amounting to ₹ 2.40 as at 31 March 2017 (₹ 2.40 as at 01 April 2016)

(c) Other non-current financial assets

Loans advanced to the "Trust" is eliminated on consolidation amounting to ₹ 558.00 as at 31 March 2017 (01 April 2016: ₹ 560.35) forming part of non-current assets in previous GAAP.

3 Security deposits

Under the previous GAAP, interest free lease security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

4 Derivative asset

Ind AS 21 requires derivative financial instrument such as forward contract to be marked to market on the reporting date and recognise the resultant gain or loss in the statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

5 Share based payment

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

6 Rent straight lining liability

Under Ind AS, if the payment to the lessor is structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, then the rent expenses are not recognised on a straight-line basis. Accordingly Company has reversed straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation.

7 Intangible assets

As per Ind AS 38, Intangible Assets having an indefinite life are not amortised and tested annually for impairment. Accordingly Company has reversed the amortisation charged on the Trademarks for the year ended 31 March 2017.

8 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented as part of other expenses in the statement of profit and loss.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

10 Lease arrangement

Under the previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Lease.

11 Deferred tax charge/ benefit

The (decreased)/ increased the deferred tax assets and liabilities are on account of the adjustments made on transition to Ind AS.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

Note 46 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 are as below:

Particulars	SBNs	Other demonetization 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 Economics Affairs number S.O.3407 (E), dated the 8 November 2016.

Note 47 During the year ended 31 March 2018 no material foreseeable loss (31 March 2017: Nil) was incurred for any long-term contract including derivative contracts.

Note 48 Exceptional income of ₹ 42.09 during the year ended 31 March 2017 represents interest on Income-tax related to Assessment Year 1997-1998 which was adjudicated in the favour of the Company.

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

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

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AGRO TECH FOODS LIMITED

Report on the Audit of Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Agro Tech Foods Limited ('the Holding Company') and its subsidiaries (collectively referred to as 'the Group'), which comprise the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity, the consolidated statement of cash flow for the year then ended, and summary of the significant accounting policies and other explanatory information (collectively referred to as the 'consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the state of affairs (consolidated financial position), profit or loss (consolidated financial performance) (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant Rules issued thereunder.

The respective Board of Directors of the Companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of 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 consolidated Ind AS 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 of the consolidated Ind AS financial statements 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 Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS 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 Ind AS 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 Ind AS financial statements.

We are responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (continued)

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

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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS 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 (consolidated financial position) of the Group as at 31 March 2018, their profit (consolidated financial performance including other comprehensive income), their consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements and financial information of two subsidiaries incorporated outside India, whose financial statements and financial information reflect total assets of ₹ 121.50 million and net assets of ₹ 118.30 million as at 31 March 2018, total revenues of ₹ 1.14 million and net cash outflows amounting to ₹ 13.99 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The financial statement of the subsidiaries incorporated outside India as drawn up in accordance with the generally accepted accounting principles of the respective countries ('the local GAAP') have been audited by other auditors duly qualified to act as auditors in those countries. The Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the aforesaid subsidiaries, is based on the reports of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated Ind AS 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 and financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(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 Ind AS financial statements;

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS 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, the consolidated statement of changes in equity 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 Ind AS financial statements;

   (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act, read with relevant Rules issued there under;

   (e) on the basis of the written representations received from the directors of the Holding Company and its Subsidiary Company incorporated in India as on 31 March 2018, and taken on record by the Board of Directors of the Holding Company and its subsidiary company incorporated in India, none of the

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (continued)

directors of the Group's companies incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

(f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; 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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position in Note 30 to the consolidated Ind AS financial statements;

ii. the Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018;

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.

iv. the disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated Ind AS financial statements for the year ended 31 March 2017 have been disclosed.

for **B S R & Associates LLP**
Chartered Accountants
ICAI Firm's Registration Number:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 25 April 2018

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS 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 Ind AS financial statements of the Company as of and for the year ended 31 March 2018, 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, both 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 judgement, 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

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS (continued)

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 2018, 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 Number:116231W/W-100024

Vikash Somani
Partner
Membership No: 061272

Place: Gurugram
Date: 25 April 2018

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

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

Particulars	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Assets				
Non-current assets				
Property, plant and equipment	4	**1,691.91**	1,694.79	1,424.32
Capital work-in-progress	4	**152.39**	164.23	434.44
Intangible assets	5	**240.05**	271.01	297.45
Financial assets				
(i) Non-current loans	6	**44.24**	19.95	18.39
Other non-current assets	7	**306.26**	273.02	224.23
Total non-current assets		**2,434.85**	2,423.00	2,398.83
Current assets				
Inventories	8	**945.25**	1,161.01	1,457.04
Financial assets				
(i) Trade receivables	9	**499.98**	394.39	431.35
(ii) Cash and cash equivalents	10	**86.27**	36.97	62.71
(iii) Bank balances other than (ii) above	10	**221.86**	6.63	6.35
(iv) Other financial assets	11	**16.53**	0.96	0.47
Other current assets	12	**149.05**	69.89	95.55
Total current assets		**1,918.94**	1,669.85	2,053.47
Total assets		**4,353.79**	4,092.85	4,452.30
Equity and liabilities				
Equity				
Equity share capital	13	**243.69**	243.69	243.69
Other equity	14	**3,153.09**	2,819.52	2,582.20
Total equity		**3,396.78**	3,063.21	2,825.89
Liabilities				
Non-current liabilities				
Provisions	15	**16.40**	15.82	16.66
Deferred tax liabilities, net	29	**128.32**	108.99	52.22
Total non-current liabilities		**144.72**	124.81	68.88
Current liabilities				
Financial liabilities				
(i) Borrowings	16	**-**	176.21	940.01
(ii) Trade payables	17	**647.45**	531.65	432.75
(iii) Other financial liabilities	18	**57.49**	64.75	58.29
Other current liabilities	19	**40.45**	65.85	59.73
Provisions	20	**66.90**	66.37	66.75
Total current liabilities		**812.29**	904.83	1,557.53
Total liabilities		**957.01**	1,029.64	1,626.41
Total equity and liabilities		**4,353.79**	4,092.85	4,452.30
Significant accounting policies	3			

See accompanying notes to the consolidated financial statements

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

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

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations			
Sale of products	21	**8,105.77**	8,060.03
Other operating revenues	21	**10.99**	22.14
		8,116.76	8,082.17
Other income	22	**9.44**	3.12
Total income		**8,126.20**	8,085.29
Expenses			
Cost of materials consumed	23	**4,135.49**	4,044.36
Purchase of stock-in-trade	24	**1,282.69**	1,342.63
Changes in inventories of finished goods and stock-in-trade	25	**(28.65)**	(57.91)
Employee benefit expenses	26	**539.72**	506.75
Finance costs	27	**2.53**	44.45
Depreciation and amortisation expense	4 & 5	**179.51**	165.18
Other expenses	28	**1,527.32**	1,635.11
Total expenses		**7,638.61**	7,680.57
Profit before exceptional items and tax		**487.59**	404.72
Exceptional items	46	**-**	42.09
Profit before tax		**487.59**	446.81
Tax expense	29 (a)	**171.96**	170.13
Profit for the year (A)		**315.63**	276.68
Other comprehensive income			
Items that will not be reclassified subsequently to statement of profit or loss			
Remeasurement of the net defined benefit obligation		**(0.27)**	1.68
Income-tax relating to those items	29 (b)	**0.08**	(0.59)
Items that will be reclassified subsequently to statement of profit or loss			
Foreign currency translation reserve		**(4.89)**	(6.18)
Other comprehensive income for the year (B)		**(5.08)**	(5.09)
Total comprehensive income for the year (A+B)		**310.55**	271.59
Earnings per share (nominal value of ₹ 10 each)	34		
Basic [in ₹]		**13.56**	11.90
Diluted [in ₹]		**13.56**	11.90
Significant accounting policies	3		

See accompanying notes to the consolidated financial statements

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
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DIN 00239637

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2018

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flow from operating activities		
Profit before tax	**487.59**	446.81
Adjustments for:		
Depreciation and amortisation expense	**179.51**	165.18
Loss/(gain) on sale/ retirement of property, plant and equipment, net	**0.33**	(0.32)
Gain on sale of investments in mutual funds	**(2.29)**	-
Interest income	**(7.15)**	(2.80)
Finance costs	**2.53**	44.45
Share based payment expenses	**14.15**	22.14
Provision for doubtful advances, (net)	**-**	(5.00)
Provision for doubtful debts, (net)	**-**	2.15
Change in operating assets and liabilities		
(Increase)/decrease in trade receivables	**(105.59)**	34.81
Decrease in inventories	**215.76**	296.03
Increase in loans and other financial assets	**(38.34)**	(1.55)
(Increase)/decrease in other current and non-current assets	**(69.16)**	30.18
Increase in trade payables and other financial liabilities	**110.92**	112.74
Increase/ (decrease) in other current and non-current provisions	**0.84**	0.46
(Decrease)/ increase in other current and non current liabilities	**(30.66)**	6.12
Cash generated from operations	**758.44**	1,151.40
Income taxes paid, net	**(154.87)**	(156.81)
Net cash inflow from operating activities	**603.57**	994.59
Cash flows from investing activities		
Payments for property, plant and equipment	**(173.25)**	(141.34)
Proceeds from sale of property, plant and equipments	**0.77**	0.95
Gain on sale of investments in mutual funds (net)	**2.29**	-
Interest received	**5.63**	2.31
Deposits matured/ (placed) (having original maturity of more than 3 months)	**(215.23)**	(0.28)
Net cash used in investing activities	**(379.79)**	(138.36)

CONSOLIDATED CASH FLOW STATEMENT (continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Cash flows from financing activities		
Repayment of short term loans to banks, net	**(150.00)**	(719.38)
Sale of treasury shares	**65.28**	-
Dividend paid (including dividend distribution tax)	**(56.34)**	(56.32)
Finance costs paid	**(2.53)**	(44.45)
Net cash used in financing activities	**(143.59)**	(820.15)
Net increase in cash and cash equivalents	**80.19**	36.08
Cash and cash equivalents at the beginning of the financial year	**10.76**	(19.36)
Exchange differences on translation of foreign currency	**(4.68)**	(5.96)
Cash and cash equivalents at end of the year	**86.27**	10.76

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

Particulars	As at 31 March 2018	As at 31 March 2017
Cheques on hand	**1.44**	2.56
Balances with banks		
-in current accounts	**33.19**	24.82
Deposits with maturity less than three months but less than twelve months	**51.64**	9.59
Cash credit and overdraft balances	**-**	(26.21)
Balances as per statement of cash flows	**86.27**	10.76

See accompanying notes to the consolidated financial statements

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

for **Agro Tech Foods Limited**
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Sachin Gopal
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Director
DIN 00239637

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

Consolidated Statement of changes in equity

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

Particulars	Equity share capital	Other Equity							Total equity attributable to equity holders of the Company
		Reserves and surplus							
		General Reserve	Securities premium	Retained earnings	Treasury Shares	Foreign currency translation reserve	Share options outstanding account	Agro Tech ESOP Trust (ATET) reserve	
Balance as at 1 April 2016	**243.69**	**127.05**	**721.29**	**2,152.28**	**(571.33)**	**9.39**	**141.12**	**2.40**	**2,825.90**
Changes in equity for the year ended 31 March 2017									
Dividends (including dividend distribution tax)	-	-	-	(56.41)	-	-	-	-	(56.41)
Employee share based payment (Refer note 13(e))	-	-	-	-	-	-	22.14	-	22.14
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	1.09	-	-	-	-	1.09
Profit for the year	-	-	-	276.68	-	-	-	-	276.68
Foreign currency translation reserve	-	-	-	-	-	(6.18)	-	-	(6.18)
Balance as at 31 March 2017	**243.69**	**127.05**	**721.29**	**2,373.64**	**(571.33)**	**3.21**	**163.26**	**2.40**	**3,063.22**
Changes in equity for the year ended 31 March 2018									
Dividends (including dividend distribution tax)	-	-	-	(56.41)	-	-	-	-	(56.41)
Employee share based payment (Refer note 13(e))	-	-	-				14.15	-	14.15
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	-	(0.19)	-	-	-	-	(0.19)
Profit on sale of shares transferred by Trust	-	-	-	-	-	-	-	6.77	6.77
Sale of treasury shares during the year	-	-	-	-	58.51	-	-	-	58.51
Exercise of share options	-	17.37	-	-	-	-	(17.37)	-	-
Profit for the year	-	-	-	315.63	-	-	-	-	315.63
Foreign currency translation reserve	-	-	-	-	-	(4.89)	-	-	(4.89)
Balance as at 31 March 2018	**243.69**	**144.42**	**721.29**	**2,632.67**	**(512.82)**	**(1.68)**	**160.04**	**9.17**	**3,396.79**

See accompanying notes to the consolidated financial statements

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

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

Sachin Gopal
Managing Director & CEO
DIN 07439079

Arijit Datta
Chief Financial Officer

Place: Gurugram
Date: 25 April 2018

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

Jyoti Chawla
Company Secretary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 Reporting entity

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

The Consolidated Financial Statements of the Company for the year ended 31 March 2018 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'.

2 Basis of preparation

A. Statement of compliance

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

The consolidated financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group's first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cashflows of the group is provided in Note 42.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 25 April 2018.

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

B. Functional and presentation currency

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

C. Basis of measurement

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

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

D. Use of estimates and judgements

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

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

Judgements

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

- Note 31 - leases: whether an arrangement contains a lease; and
- Note 31 - lease classification;

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2019 is included in the following notes:

- Note 40 - measurement of defined benefit obligations: key actuarial assumptions;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 4 - useful life of property, plant and equipment.
- Note 5 - useful life of intangible assets and impairment of intangible assets having indefinite useful life.
- Notes 6, 9 and 11 impairment of financial assets.

E. Measurement of fair values

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

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

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements on IndAS, including the level in the fair value hierarchy in which these valuations should be classified.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

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

- Note 13 (e) - share-based payments;
- Note 41 - financial instruments.

3. Significant accounting policies

(a) Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii. Transactions eliminated on consolidation

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iii. Subsidiaries considered in the consolidated financial statements:

Name of the Company	Country of Incor poration	Ownership interest (in %)		
		As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Subsidiary companies:				
Sundrop Foods India Private Limited	India	100.00	100.00	100.00
Agro Tech Foods (Bangladesh) Pvt. Ltd	Bangladesh	100.00	100.00	100.00
Sundrop Foods Lanka (Private) Limited	Srilanka	100.00	100.00	100.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

iv. Principles of consolidation

These consolidated financial statements have been prepared by consolidation of the financial statements of the Company and its subsidiaries on a line-by-line basis after fully eliminating the inter-Company transactions.

(b) Property, plant and equipment

i. Recognition and measurement

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

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

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable.

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as on 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 42).

iii. Subsequent expenditure

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

iv. Depreciation

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

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

Freehold land is not depreciated.

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

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

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

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

(c) Intangible assets

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

i. Amortisation

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

The estimated useful lives are as follows:

Asset	Useful life
Computer software*	5 to 10 years

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

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

ii. Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (see Note 42)

(d) Impairment

(i) Financial assets

The Group recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in profit or loss.

(ii) Non -financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(e) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the date of inception is deemed to be 1 April 2016 in accordance with Ind AS 101 First-time adoption of Indian Accounting Standard. For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

is reduced as the payments are being made and an imputed finance cost on the liability is recognised using incremental borrowing rates

As a lessee

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

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

(f) Inventories

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

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

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

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

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

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

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

(g) Financial instruments

i. Recognition and initial measurement

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

ii. Classification and subsequent measurement

Financial Assets

Financial assets carried at amortised cost

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

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

Financial liabilities

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

Investment in subsidiaries

Investment in subsidiaries are carried at cost in the financial statements

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the statement of profit and loss.

iv. Offsetting

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

(h) Revenue recognition

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of consideration due to the present value if the payment exceeds beyond normal credit terms. Revenue is recognised when significant risk and rewards of ownership have been transferred to the buyer, recovery of consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

Recognition of dividend income, interest income or expense:

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

Interest income or expense is recognised using effective interest method.

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

a. the gross carrying amount of financial asset; or

b. the amortised cost of financial liability

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

longer credit impaired, then calculation of interest income reverts to gross basis.

(i) Foreign currencies

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

(j) Income-tax

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

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set-off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

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

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

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

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

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

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

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

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

(k) Provisions and contingent liabilities

i. General

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax

rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities

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

iii. Onerous Contracts

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

(l) Employee benefits

i. Short-term employee benefits

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

ii. Post-employment benefits

Defined contribution plans

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

Defined benefit plans

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

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

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

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

iii. Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31st March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

iv. Voluntary retirement scheme benefits

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

(m) Share-based payments

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

(n) Cash and cash equivalents

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

(o) Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

(p) Cash flow statement

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

(q) Borrowing costs

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

(r) Recent accounting pronouncements

Standards issued but not yet effective:

On 28 March 2018, the Ministry of Corporate Affairs ("MCA") vide the Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

1. Ind AS 115 - Revenue from Contracts with Customers
2. Ind AS 21 - The effect of changes in Foreign Exchange rates

Ind AS 115, Revenue from Contracts with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognised. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The quantitative impact of adoption of Ind AS 115 on the financial statements in the period of initial application is not reasonably estimable as at present.

i. Sale of goods

For the sale of goods, revenue is currently recognised when related risks and rewards of ownership are transferred. Revenue is recognised at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods. Under Ind AS 115, revenue will be recognised when a customer obtains control of the goods. For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made. Under Ind AS 115, revenue will be recognised for these contracts to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. As a consequence, for those contracts for which the Company is unable to make a reasonable estimate of return, revenue is expected to be recognised sooner than when the return period lapses or a reasonable estimate can be made. A refund liability and an asset for recovery will be recognised for these contracts and presented separately in the balance sheet.

ii. Transition

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Ind AS 21 – The effect of changes in Foreign Exchange rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company has completed an initial assessment of the potential impact of the amendment on the financial statements. There is no material impact of adoption of clarification on the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 4 - Property, plant and equipment and capital work-in-progress

Reconciliation of carrying amount

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

Description	Gross carrying amount					Accumulated depreciation				Carrying amounts (net)
	As at 1 April 2017	Exchange (gain) /loss on opening balance	Addi-tions	Dis-posals	As at 31 March 2018	As at 1 April 2017	Depreciation for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Freehold land	114.60	(0.70)	-	-	113.90	-	-	-	-	113.90
Buildings	629.44	(2.16)	12.28	-	639.56	15.82	24.25	-	40.07	599.49
Roads	38.66	-	0.61	-	39.27	3.40	4.60	-	8.00	31.27
Plant and equipment	698.12	(0.93)	118.19	-	815.38	48.72	55.00	-	103.72	711.66
Laboratory equipment	20.08	-	0.44	0.01	20.51	2.89	2.92	-	5.81	14.70
Furniture and fixtures	75.90	(0.01)	3.27	-	79.16	8.63	9.15	-	17.78	61.38
Office equipment	32.35	-	3.58	0.02	35.91	8.82	8.44	-	17.26	18.65
Electrical equipment	91.05	-	8.11	-	99.16	12.08	12.90	-	24.98	74.18
Computer & data Process	107.01	-	4.09	1.07	110.03	28.17	25.51	-	53.68	56.35
Leasehold improvements-buildings	9.48	-	-	-	9.48	1.94	1.94	-	3.88	5.60
Leasehold improvements-electrical equipment	3.99	-	-	-	3.99	1.30	1.30	-	2.60	1.39
Leasehold improvements-furniture & fittings	8.42	-	-	-	8.42	2.54	2.54	-	5.08	3.34
Total	**1,829.10**	**(3.80)**	**150.57**	**1.10**	**1,974.77**	**134.31**	**148.55**	**-**	**282.86**	**1,691.91**
Add: Capital work-in-progress										**152.39**
Grand Total										**1,844.30**

Description	Gross carrying amount					Accumulated depreciation				Carrying amounts (net)
	Deemed cost As at 1 April 2016	Exchange (gain)/ loss on opening balance	Addi-tions	Dis-posals	As at 31 March 2017	Deemed cost As at 1 April 2016	Depreciation for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Freehold land	115.42	(0.82)	-	-	114.60	-	-	-	-	114.60
Buildings	339.78	-	289.66	-	629.44	-	15.82	-	15.82	613.62
Roads	20.18	-	18.48	-	38.66	-	3.40		3.40	35.26
Plant and equipment	627.64	-	70.67	0.19	698.12	-	48.72	-	48.72	649.40
Laboratory equipment	19.87	-	0.21	-	20.08	-	2.89		2.89	17.19
Furniture and fixtures	71.22	-	4.68	-	75.90	-	8.63	-	8.63	67.27
Vehicles	0.05	-	-	0.05	-	-	-	-	-	-
Office equipment	30.51	-	1.86	0.02	32.35	-	8.82	-	8.82	23.53
Electrical equipment	88.33	-	2.73	0.01	91.05	-	12.08	-	12.08	78.97
Computer and data Process	89.43	-	17.94	0.36	107.01	-	28.17	-	28.17	78.84
Leasehold improvements-buildings	9.48	-	-	-	9.48	-	1.94	-	1.94	7.54
Leasehold improvements-electrical equipment	3.99	-	-	-	3.99	-	1.30	-	1.30	2.69
Leasehold improvements-furniture and fittings	8.42	-	-	-	8.42	-	2.54	-	2.54	5.88
Total	1,424.32	(0.82)	406.23	0.63	1,829.10	-	134.31	-	134.31	1,694.79
Add: Capital work-in-progress	434.44									164.23
Grand Total	1,858.76									1,859.02

Note 5 - Intangible assets

Reconciliation of carrying amount

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

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	As at 1 April 2017	Additions	Disposals	As at 31 March 2018	As at 1 April 2017	Amortisa-tion for the year	Disposals	As at 31 March 2018	As at 31 March 2018
Trademarks (Refer note "a" below)	**122.16**	**-**	**-**	**122.16**	**-**	**-**	**-**	**-**	**122.16**
Computer software	**179.72**	**-**	**-**	**179.72**	**30.87**	**30.96**	**-**	**61.83**	**117.89**
Total	**301.88**	**-**	**-**	**301.88**	**30.87**	**30.96**	**-**	**61.83**	**240.05**

Description	Gross carrying amount				Accumulated amortisation				Carrying amounts (net)
	Deemed cost as at 1 April 2016	Additions	Disposals	As at 31 March 2017	Deemed cost as at 1 April 2016	Amortisa-tion for the year	Disposals	As at 31 March 2017	As at 31 March 2017
Trademarks (Refer note "a" below)	122.16	-	-	122.16	-	-	-	-	122.16
Computer software	175.29	4.43	-	179.72	-	30.87	-	30.87	148.85
Total	297.45	4.43	-	301.88	-	30.87	-	30.87	271.01

Note:

(a) Trademarks represent the purchase consideration paid for the brand viz 'Sundrop'. As estimated by the Management, this trademark has an indefinite useful life. Hence, the same is not amortised as per Ind AS 36 "Impairment of Assets" and only tested for impairment. Also refer note 32.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Note 6 - Non-current loans			
Security deposits			
Unsecured, considered good	**44.24**	19.95	18.39
Unsecured, considered doubtful	**0.56**	0.56	0.56
Less: Allowance for doubtful deposits	**(0.56)**	(0.56)	(0.56)
	44.24	19.95	18.39
Note 7 - Other non-current assets			
Unsecured			
Considered good:			
Capital advances	**42.67**	6.80	1.12
Advances other than capital advances			
Advances with Government, public bodies and others	**99.41**	108.71	107.54
Other advances	**17.59**	17.59	17.59
Prepaid rent	**63.20**	63.89	64.58
Income tax-assets (net)*	**83.39**	76.02	33.39
Considered doubtful:			
Advances with Government and public bodies	**6.12**	6.12	6.12
Other advances	**22.62**	22.62	27.62
Less: Allowance for doubtful advances	**(28.74)**	(28.73)	(33.73)
	306.26	273.02	224.23
*Also refer note 29			
Note 8 - Inventories^			
Raw materials	**470.36**	723.02	1,083.51
Goods-in-transit-raw materials	**3.37**	0.01	0.08
Packing materials	**84.22**	84.63	81.56
Goods-in-transit-packing materials	**9.12**	3.82	0.27
Finished goods	**345.91**	312.42	257.91
Goods-in-transit-finished goods	**25.00**	31.90	29.64
Stock-in-trade	**7.27**	5.21	4.07
	945.25	1,161.01	1,457.04

^ Refer note 3(f) for method of valuation for inventories.

The write down of inventories to net realisable value during the year amounted to ₹ 7.21 (31 March 2017: reversal of ₹ 2.37). The write down is included in cost of materials consumed or changes in inventories of finished goods and stock-in trade.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Note 9 - Trade receivables			
Unsecured, considered good	**499.98**	394.39	431.35
Considered doubtful	**51.29**	51.89	49.74
Less: Allowance for doubtful debts	**(51.29)**	(51.89)	(49.74)
	499.98	394.39	431.35
Information about the Group's exposure to credit and currency risk, loss allowances related to trade receivables are disclosed in Note 41.			
Note 10 - Cash and bank balances			
Cash and cash equivalents:			
Cheques on hand	**1.44**	2.56	6.29
Current accounts	**33.19**	24.82	42.83
Fixed deposits	**51.64**	9.59	13.59
	86.27	36.97	62.71
Other bank balances:			
Unpaid dividend accounts	**3.26**	3.19	3.10
Fixed deposits*	**218.60**	3.44	3.25
	221.86	6.63	6.35
* Includes margin money deposits ₹ 0.60 (31 March 2017 ₹ 3.44, 1 April 2016 ₹ 3.25)			
Note 11 - Other financial assets			
Interest accrued	**2.48**	0.96	0.47
Other receivable	**14.05**	-	-
	16.53	0.96	0.47
Note 12 - Other current assets			
Advances other than capital advances			
Unsecured, considered good			
Advances with Government, public bodies and others	**112.51**	20.48	17.73
Other advances	**35.85**	44.00	50.17
Prepaid rent	**0.69**	0.69	0.69
Other receivables *	**-**	4.72	26.96
Unsecured, considered doubtful			
Other advances	**11.70**	11.70	11.70
Less: Provision for doubtful advances	**(11.70)**	(11.70)	(11.70)
	149.05	69.89	95.55
* Includes receivable from related party as disclosed under note 36.			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 13 - Share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised			
Equity shares	**250.00**	250.00	250.00
25,000,000 (31 March 2017: 25,000,000, 1 April 2016: 25,000,000), equity shares of ₹ 10 each par value			
Preference shares			
1,000,000 (31 March 2017: 1,000,000, 1 April 2016: 1,000,000), Cumulative redeemable preference shares, ₹ 100 each par value	**100.00**	100.00	100.00
	350.00	350.00	350.00
Issued			
Equity shares			
24,372,139 (31 March 2017: 24,372,139, 1 April 2016: 24,372,139), equity shares of ₹ 10 each par value	**243.72**	243.72	243.72
	243.72	243.72	243.72
Subscribed and fully paid-up			
Equity shares fully paid			
24,369,264 (31 March 2017: 24,369,264, 1 April 2016: 24,369,264), equity shares of ₹ 10 each fully paid up	**243.69**	243.69	243.69
	243.69	243.69	243.69

Rights, preferences and restrictions attached to the equity shares:

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

Notes:

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Holding Company						
CAG Tech (Mauritius) Limited*	**12,616,619**	**126.17**	12,616,619	126.17	12,616,619	126.17
	12,616,619	**126.17**	12,616,619	126.17	12,616,619	126.17

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
CAG Tech (Mauritius) Limited*	**12,616,619**	**51.77**	12,616,619	51.77	12,616,619	51.77

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

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

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions	Number of shares	Amount in ₹ millions
Opening balance at the beginning of the reporting year	**24,369,264**	**243.69**	24,369,264	243.69	24,369,264	243.69
Shares issued during the year	**-**	**-**	-	-	-	-
Closing balance at the end of the reporting year	**24,369,264**	**243.69**	24,369,264	243.69	24,369,264	243.69

(d) During the five previous financial years ended 31 March 2018, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) Share based payments

The Company instituted the "Agro Tech Foods Limited Employee Stock Option Plan' ("Plan") to grant equity based incentives to its eligible employees. The Company has established a trust called the Agro Tech ESOP Trust ("Trust") to implement the Plan. The Company has given advance to the "Trust" for purchase of the Company's shares and advance outstanding as at 31 March 2018 is ₹ 502.38 (₹ 558.00 as at 31 March 2017 and ₹ 560.35 as at 1 April 2016).

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

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

Movement in the options under the scheme as below :

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Options outstanding at the beginning of the year	**972,140**	1,074,692
Options granted during the year	**-**	-
Options exercised during the year	**(115,125)**	-
Options forfeited during the year	**(52,028)**	(102,552)
Options outstanding at the end of the year	**804,987**	972,140

Fair value measurement:

The fair value of the employee share based payment is determined using the Black Scholes model on the date of grant. No new grants have been issued during the year ended 31 March 2018 and 31 March 2017. The Company has availed exemption given under Ind AS 101 and has not applied the fair value to the equity instruments that were vested before the date of transition to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 14 - Other equity

Particulars	General reserve	Securities premium	Retained earnings	Treasury Shares	Foreign currency translation reserve	Share options outstanding account	Agro Tech ESOP Trust (ATET) reserve	Total
Balance as at 1 April 2016	127.05	721.29	2,152.28	(571.33)	9.39	141.12	2.40	2,582.20
Additions:								
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	1.09	-	-	-	-	1.09
Net profit after tax transferred from the statement of profit and loss	-	-	276.68	-	-	-	-	276.68
Employee share based payment (Refer note 13(e))	-	-	-	-	-	22.14	-	22.14
Foreign currency translation reserve	-	-	-	-	(6.18)	-	-	(6.18)
	127.05	**721.29**	**2,430.05**	**(571.33)**	**3.21**	**163.26**	**2.40**	**2,875.93**
Deductions:								
Dividends	-	-	46.49	-	-	-	-	46.49
Dividend distribution tax	-	-	9.92	-	-	-	-	9.92
Balance as at 31 March 2017	**127.05**	**721.29**	**2,373.64**	**(571.33)**	**3.21**	**163.26**	**2.40**	**2,819.52**
Balance as at 1 April 2017	127.05	721.29	2,373.64	(571.33)	3.21	163.26	2.40	2,819.52
Additions:								
Remeasurement of the net defined benefit obligation, net of tax effect	-	-	(0.19)	-	-	-	-	(0.19)
Sale of treasury shares by the Agro Tech ESOP Trust	-	-	-	58.51	-	-	-	58.51
Profit on sale of treasury shares by the Agro Tech ESOP Trust	-	-	-	-	-	-	6.77	6.77
Net profit after tax transferred from the statement of profit and loss	-	-	315.63	-	-	-	-	315.63
Employee share based payment (Refer note 13(e))	-	-	-	-	-	14.15	-	14.15
Foreign currency translation reserve	-	-	-	-	(4.89)	-	-	(4.89)
Exercise of share options	17.37	-	-	-	-	(17.37)	-	-
	144.42	**721.29**	**2,689.08**	**(512.82)**	**(1.68)**	**160.04**	**9.17**	**3,209.50**
Deductions:								
Dividends	-	-	46.49	-	-	-	-	46.49
Dividend distribution tax	-	-	9.92	-	-	-	-	9.92
Balance as at 31 March 2018	**144.42**	**721.29**	**2,632.67**	**(512.82)**	**(1.68)**	**160.04**	**9.17**	**3,153.09**

Nature and purpose of other reserves

General Reserve

General reserve is used from time to time to transfer profit from reserves, for appropriation purposes.

Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Agro Tech ESOP Trust (ATET) reserve

Profit on sale of treasury shares by Agro Tech ESOP Trust is recognised in ATET reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Dividends

The following dividends were declared and paid by the group during the year.

Particulars	As at 31 March 2018	As at 31 March 2017
₹ 2 per equity share (31 March 2017: ₹ 2) to equity shareholders	**46.49**	46.49
Dividend distribution tax (DDT) on dividend to equity shareholders	**9.92**	9.92
	56.41	56.41

After the reporting dates dividend of ₹ 2.50 (31 March 2017: ₹ 2) per equity share were proposed by the Directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Note 15 - Non-current provisions			
Provision for employee benefits			
Compensated absenses	**15.22**	15.09	16.49
Gratuity (Refer note 40)	**1.18**	0.73	0.17
	16.40	15.82	16.66
Note 16 - Borrowings			
Loans (secured)*			
Loans repayable on demand from banks			
Overdrafts and cash credit	**-**	26.21	82.07
Other loans from banks			
Working capital loan	**-**	150.00	400.00
Buyers credit	**-**	-	457.94
	-	176.21	940.01

*Secured by hypothecation of inventories and trade receivables.

Information about Group's exposure to interest rate, currency and liquidity risks is included in note 41.

Note 17 - Trade payables			
Total outstanding dues of micro and small enterprises (Refer note below)	**-**	-	-
Total outstanding dues of other than micro and small enterprises	**647.45**	531.65	432.75
	647.45	531.65	432.75

Note:

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allotted after filing of the Memorandum. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at reporting date has been made in the financial statements based on information received and available with the group. Further, in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act") is not expected to be material. The group has not received any claim for interest from any supplier under the said Act.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year:			
- Principal	-	-	-
- Interest	-	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.	-	-	-
The amount of the payments made to micro and small suppliers beyond the appointed day during each accounting year.	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-	-

Information about Group's exposure to currency and liquidity risks related to the trade payable is included in note 41.

Note 18 - Other financial liabilities

Payables for purchase of property, plant and equipment	**7.36**	9.81	5.84
Unclaimed dividends*	**3.26**	3.19	3.10
Payroll related liabilities	**39.07**	44.36	25.93
Other liabilities	**7.80**	7.39	11.98
Foreign exchange forward contracts	**-**	-	11.44
	57.49	64.75	58.29

* Investor education and protection fund shall be credited when due.

Information about Group's exposure to currency and liquidity risks related to the above financial liablities is included in note 41.

Note 19 - Other current liabilities

Advance from customers	**17.23**	13.65	12.32
Statutory liabilities (including provident fund, tax deducted at source and others)	**17.96**	52.20	47.41
Current tax liabilities, (net)	**5.26**	-	-
	40.45	65.85	59.73

Note 20 -Provisions

Provision for employee benefits			
Gratuity (Refer note 40)	**5.22**	3.50	9.21
Compensated absences	**6.19**	5.19	3.55
Others			
Related to indirect tax matters	**55.49**	57.68	53.99
	66.90	66.37	66.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 21 - Revenue from operations		
Sale of products	**8,105.77**	8,060.03
Other operating revenues		
Miscellaneous income	**10.99**	22.14
	8,116.76	8,082.17
Note 22 - Other income		
Gain on property, plant and equipment discarded/ sold (net)	**-**	0.32
Gain on sale of investments in mutual funds	**2.29**	-
Interest income	**7.15**	2.80
	9.44	3.12
Note 23 - Cost of materials consumed		
Opening stock		
Raw materials	**723.03**	1,083.59
Packing materials	**88.45**	81.83
Add: Purchases		
Raw materials	**3,316.05**	3,136.83
Packing materials	**575.03**	553.59
Less: Closing stock		
Raw materials	**473.73**	723.03
Packing materials	**93.34**	88.45
	4,135.49	4,044.36
Note 24 - Purchase of stock-in-trade		
Stock-in-trade	**1,282.69**	1,342.63
	1,282.69	1,342.63
Note 25 - Changes in inventories of finished goods and stock-in-trade		
Opening inventory		
Finished goods	**344.32**	287.55
Stock-in-trade	**5.21**	4.07
Less : Closing inventory		
Finished goods	**370.91**	344.32
Stock-in-trade	**7.27**	5.21
(Increase)/ decrease in inventory	**(28.65)**	(57.91)
Note 26 - Employee benefit expenses		
Salaries, wages and bonus	**460.36**	430.60
Contribution to provident and other funds (Refer note 40)	**43.41**	32.44
Employee share based payment expense	**14.15**	22.14
Staff welfare expenses	**21.80**	21.57
	539.72	506.75

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Note 27 - Finance costs		
Interest expense	**2.53**	44.45
	2.53	44.45
Note 28 - Other expenses		
Consumption of stores and spares	**26.56**	15.29
Excise duty	**7.21**	33.08
Power and fuel	**40.15**	29.49
Processing charges	**60.79**	50.96
Rent (Refer note 31)	**243.62**	251.32
Rates and taxes	**25.43**	48.34
Repairs and maintenance:		
- Machinery	**7.62**	9.04
- Buildings	**0.18**	0.19
- Others	**21.81**	19.91
Insurance	**11.93**	11.75
Printing and stationery	**2.87**	3.26
Software expenses	**24.25**	26.30
Communication expenses	**24.43**	27.38
Travelling expenses	**90.74**	79.78
Auditors' remuneration (Refer note 33)	**6.59**	7.61
Outward freight	**323.44**	291.65
Brokerage/ commission	**45.60**	52.73
Distribution expenses	**92.16**	101.87
Legal and professional charges	**81.15**	77.71
Advertisement and sales promotion	**324.21**	412.76
Royalty	**24.90**	27.28
Provision for doubtful advances	**-**	(5.00)
Provision for doubtful debts	**-**	2.15
Advances written off	**-**	5.00
Loss on property, plant and equipment discarded/ sold (net)	**0.33**	-
Loss on foreign currency transactions, net	**0.72**	0.79
Bank charges	**0.88**	1.28
Miscellaneous expenses	**39.75**	53.19
	1,527.32	1,635.11
Note 29 - Income-tax		
(a) Amounts recognised in statement of profit and loss		
Current tax	**173.12**	139.76
Income-tax in respect of earlier years	**-**	14.54
	173.12	154.30
Deferred tax charge	**(1.16)**	15.83
	171.96	170.13
(b) Amounts recognised in other comprehensive income		
Current tax	**(0.08)**	0.59
	(0.08)	0.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

(c) Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	**487.59**	446.81
Tax using the Company's domestic tax rate	**168.75**	154.63
Tax effect of :		
Income-tax in respect of earlier years	**-**	14.54
Employee share based expense	**4.90**	7.66
Weighted deduction on research and development expenditure	**(2.66)**	(7.17)
Others	**0.97**	0.47
	171.96	170.13

(d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Particulars	Deferred tax assets		Deferred tax liabilities		Deferred tax (liabilities)/ Asset, net	
	As at 31 March 2018	As at 31 March 2017	**As at 31 March 2018**	As at 31 March 2017	**As at 31 March 2018**	As at 31 March 2017
On provision for doubtful advances, trade receivables and other assets	**28.81**	29.02	**-**	-	**28.81**	29.02
On expenditure allowed on payment basis	**12.97**	14.34	**-**	-	**12.97**	14.34
On difference on block of Property, plant and equipment	**-**	-	**171.84**	175.96	**(171.84)**	(175.96)
Other items	**-**	-	**6.33**	6.33	**(6.33)**	(6.33)
MAT credit entitlement	**-**	20.28	**-**	-	**-**	20.28
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	**7.43**	9.22	**-**	-	**7.43**	9.22
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	**0.64**	0.44	**-**	-	**0.64**	0.44
	49.85	73.29	**178.17**	182.29	**(128.32)**	(108.99)

(e) Movement in temporary differences

Particulars	As at 1 April 2016	Recognised in statement of profit and loss*	Recognised in OCI	Utilisation of MAT	As at 31 March 2017
Investment at fair value through profit and loss	-	-	-	-	-
On provision for doubtful advances, trade receivables and other assets	28.27	0.75	-	-	29.02
On expenditure allowed on payment basis	14.40	(0.06)	-	-	14.34
Property, plant and equipment	(154.08)	(21.88)	-	-	(175.96)
Other items	(6.14)	(0.19)	-	-	(6.33)
MAT credit entitlement	60.99	-	-	(40.71)	20.28
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	4.10	5.12	-	-	9.22
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	0.24	0.20	-	-	0.44
	(52.22)	**(16.06)**	**-**	**(40.71)**	**(108.99)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

(e) Movement in temporary differences

Particulars	As at 1 April 2017	Recognised in statement of profit and loss*	Recognised in OCI	Utilisation of MAT	As at 31 March 2018
On provision for doubtful advances, trade receivables & other assets	**29.02**	**(0.21)**	**-**	**-**	**28.81**
On expenditure allowed on payment basis	**14.34**	**(1.37)**	**-**	**-**	**12.97**
Property, plant and equipment	**(175.96)**	**4.12**	**-**	**-**	**(171.84)**
Other items	**(6.33)**	**-**	**-**	**-**	**(6.33)**
MAT credit entitlement	**20.28**	**-**	**-**	**(20.28)**	**-**
Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd.	**9.22**	**(1.79)**	**-**	**-**	**7.43**
Unabsorbed loss of Sundrop Foods Lanka (Private) Limited	**0.44**	**0.20**	**-**	**-**	**0.64**
	(108.99)	**0.95**	**-**	**(20.28)**	**(128.32)**

* net of exchange gain / loss.

(f) The following table provides the details of income-tax assets and income-tax liabilities as of 31 March 2018, 31 March 2017 and 1 April 2016

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Income tax assets (net)	**83.39**	76.02	33.39
Current tax liabilities, (net)	**5.26**	-	-
	78.13	76.02	33.39

Note 30 Contingent liabilities and commitments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	**25.13**	42.31	106.31
Contingent liabilities			
Claims against the Group not acknowledged as debts in respect of :			
- Indirect tax and direct tax matters, under dispute	**296.37**	447.92	394.64
- Other matters, under dispute	**0.50**	0.50	33.40

The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business including litigation before various tax authorities. The amounts included above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be predicted accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such dispute. The Group's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Group's results of operations or financial conditions. The Group has accrued appropriate provision wherever required.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 31 Operating leases

(i) The Group leases warehouses and office facilities under cancellable and non-cancellable operating lease agreements. Total rental expense under cancellable operating leases was ₹ 51.40 (31 March 2017: ₹ 50.00) and under non-cancellable portion was ₹ 24.54 (31 March 2017: ₹ 27.54) inclusive of maintenance and other charges, which has been disclosed as rent.

(ii) The Group has certain cancellable arrangements with contract packers (which conveys a right to use an asset in return for a payment or a series of payment) identified to be in the nature of lease and have been classified as operating lease arrangements. Rental expenses of ₹ 167.68 (31 March 2017: ₹ 173.78) in respect of obligation under operating leases have been recognised in the statement of profit and loss. Management has concluded that it is impractible to seperate lease and non-lease payment. The lease payment disclosed in this note also includes non-lease payments.

Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating lease are as under:

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Due within one year	**10.81**	17.92	17.61
Due later than one year and not later then five years	**27.14**	30.56	41.51
Later than five years	**54.63**	62.02	68.99
	92.58	110.50	128.11

Note 32 Intangible assets - Brand

Trademark represents the purchase consideration paid for brand viz."Sundrop". Sundrop brand has an indefinite useful life is measured at cost and is not amortised from 01 April 2016, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. On the balance sheet date, the Management reassesses the value of brand through an independent valuer to ensure that the recoverable amount of the asset is not lower than its carrying amount. Key assumptions used in the estimation of the recoverable amount are set out below.

Particulars	**As at 31 March 2018**	As at 31 March 2017
Pre tax discount rate	**25.60%**	22.40%
Long term growth rate beyond 5 percent	**1.00%**	1.00%

The management believes that any reasonable possible change in the key assumptions that would not cause the carrying amount to exceed the recoverable amount of the asset.

Note 33 Auditors' remuneration (excluding applicable taxes):

Particulars	**For the year ended 31 March 2018**	For the year ended 31 March 2017
As Auditor		
Statutory audit	**3.30**	3.38
Tax audit	**0.32**	0.32
Limited review	**0.73**	0.73
Fees for certification	**1.21**	1.50
Others	**0.42**	0.42
Reimbursement of expenses	**0.61**	0.37
	6.59	6.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 34 Earnings per equity share

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Net profit attributable to the equity shareholders	**315.63**	276.68
Weighted average number of equity shares outstanding of ₹ 10 during the year		
Basic outstanding shares	**24,369,264**	24,369,264
Less: Weighted average shares held with the Agro Tech ESOP Trust	**1,099,228**	1,124,078
(b) Weighted average shares used for computing basic EPS	**23,270,036**	23,245,186
Add: Dilutive effect of stock options	**3,680**	-
(c) Weighted average shares used for computing diluted EPS	**23,273,716**	23,245,186
(d) Basic earnings per share (₹) (a/b)	**13.56**	11.90
(e) Diluted earnings per share (₹) (a/c)	**13.56**	11.90

Note 35 Segmental information

The Chief Operating Decision Maker (CODM) evaluates the group's performance and allocates resources based on analysis of various performance indicators by industry classes. The operating segment of the group has been identified as "Foods" as the CODM reviews the business performance at an overall group level as one segment.

Information about major customers

Revenue for the year ended 31 March 2018 and 31 March 2017 were from customers located in India. Customers include private distribution entities. Revenue from specific customers exceeding 10% of total revenue for the years ended 31 March 2018 and 31 March 2017 were as follows :

Particulars	For the year ended 31 March 2018		For the year ended 31 March 2017	
	Amount	Percent	Amount	Percent
One customer	**1,196**	**14.74%**	1,432	17.71%

Note 36 Related parties

Relationships	Name of related parties
1. Ultimate holding company	Conagra Brands Inc.(formerly known as ConAgra Foods Inc.)
2. Holding company	CAG-Tech (Mauritius) Limited
3. Fellow subsidiary companies	ConAgra Foods Export Company,Inc. ConAgra Foods S.R.L
4. Key Management Personnel (KMP)	
Managing Director & Chief Executive Officer	Mr. Sachin Gopal, Managing Director & CEO (w.e.f. 1 July 2016) and President & CEO (till 30 June 2016)
Whole-time director	Dr. Pradip Ghosh Chaudhuri (retired w.e.f 30 June 2016)
Chief Financial Officer	Mr.Arijit Datta
Company Secretary	Ms. Jyoti Chawla (appointed w.e.f 26 July 2017)
	Mr. Phani K Mangipudi (resigned w.e.f 31 January 2017)
Independent Directors	Lt.Gen.D.B.Singh Mr.Sanjaya Kulkarni Mr.Arun Bewoor Mr.Narendra Ambwani Ms.Veena Vishindas Gidwani
5. Post-employement benefit trusts	Agro Tech Foods Management Staff Gratuity Fund Agro Tech Foods Non-Management Gratuity Fund Agro Tech Foods Provident Fund Agro Tech Foods Superannuation Fund

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

(a) Related party transactions during the year

Particulars	Relationship	For the year ended 31 March 2018	For the year ended 31 March 2017
ConAgra Foods Export Company,Inc.	Fellow subsidiary		
Purchase of materials		**-**	1.40
ConAgra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate holding company		
Royalty		**24.11**	23.73
Recovery of expenses		**3.27**	3.90
Income earned on services rendered		**5.55**	17.32
CAG-Tech (Mauritius) Limited	Holding company		
Dividend (on payment basis)		**25.23**	25.23
Key Managerial Personnel	Key Management Personnel		
Short-term employee benefits*		**33.37**	38.17
Post-employement defined benefits*		**1.95**	2.56
Sitting fees and commision to independent directors		**6.58**	6.45
Agro Tech Foods Management Staff Gratuity Fund	Post-employement benefit trusts		
Contribution during the year		**3.52**	9.20
Agro Tech Foods Provident Fund	Post-employement benefit trusts		
Contribution during the year		**32.87**	31.98
Agro Tech Foods Superannuation Fund	Post-employement benefit trusts		
Contribution during the year		**6.83**	6.66

* 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 ended 31 March 2017. Share-based compensation expense allocable to key management personnel is not included in the remuneration disclosed above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

(b) Related party balances as at balance sheet date

Particulars	Relationship	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Receivable from related parties				
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate Holding Company	**-**	4.51	26.96
Agro Tech Foods Provident Fund	Post-employment benefit trusts	**-**	-	9.22
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts	**-**	-	0.10
Payable to related parties				
Agro Tech Foods Management Staff Gratuity Fund	Post-employment benefit trusts	**5.22**	3.52	9.20
Agro Tech Foods Provident Fund	Post-employment benefit trusts	**1.16**	2.21	-
Agro Tech Foods Superannuation Fund	Post-employment benefit trusts	**0.56**	0.54	-
ConAgra Foods Export Company,Inc.	Fellow subsidiary Company	**-**	0.16	0.16
Conagra Brands Inc. (formerly known as ConAgra Foods Inc.)	Ultimate Holding Company	**3.33**	3.33	3.20
Key Managerial Personnel	Key Managerial Personnel	**8.31**	7.48	-
Independent Directors	Independent Directors	**3.20**	3.20	2.81

Note (a): The above information has been determined to the extent such parties have been identified on the basis of information available with the Group and relied upon by the auditors

Note 37 Corporate social responsibility

During the year, the Group has spent ₹ 1.64 for Social welfare program called "Poshan". The program which is designed to address malnourishment amongst children, works with Government Anganwadi's and Child Malnourishment Treatment Centers using Peanut Butter which is a rich source of protein and highly effective to fight malnutrition. The amount includes allocable manufacturing overhead and it represents about 0.39% (31 March 2017: 0.98%) of last 3 years average profit. This amount is booked under the head of miscellaneous expenses and charged to the statement of profit and loss.

Gross amount required to be spent by the company during the year : ₹ 8.44 (31 March 2017: ₹ 9.23)

Amount spent during the year on:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Amount spent other than for construction/ acquisition of any asset	**1.64**	4.52
(ii) Amount accrued and not paid	**-**	-
	1.64	4.52

Note 38 Research and Development expenses

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

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Capital expenditure	**-**	-
Revenue expenditure	**18.86**	24.12
Total	**18.86**	24.12

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 39 Capital management

The Group's policy is to maintain a stable and strong capital structure with focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. In order to maintain the capital structure, the group monitors the return on capital, as well as the level of dividends of equity share holders. The group aims to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to all its shareholders. For the purpose of group's capital management, capital includes issued capital and all other equity reserves and debt includes short-term working capital demand loan.

The group monitors capital on the basis of the following gearing ratio

Particulars	**As at 31 March 2018**	As at 31 March 2017	As at 1 April 2016
Total Debt	**-**	176.21	940.01
Total Equity	**3,396.78**	3,063.21	2,825.89
Debt to equity ratio	**-**	6%	33%

Note 40 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

b) The following table sets out the particulars of the employee benefits as required under the Ind AS 19- Employee Benefits.

i) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Gratuity are as follows:

Particulars	31 March 2018			31 March 2017		
	Present value of obligation	**Fair value of plan assets**	**Net liability/ (asset)**	Present value of obligation	Fair value of plan assets	Net liability/ (asset)
Opening balance	**52.61**	**48.38**	**4.23**	50.53	41.15	9.38
Current Service Cost	**6.14**	**-**	**6.14**	5.75	-	5.75
Interest cost	**3.45**	**-**	**3.45**	3.53	-	3.53
Expected returns	**-**	**3.46**	**(3.46)**	-	3.37	(3.37)
Total amount recognised in profit or loss	**9.59**	**3.46**	**6.13**	9.28	3.37	5.91
Remeasurements						
(Gain)/ loss from change in financial assumptions	**(1.66)**	**-**	**(1.66)**	1.23	-	1.23
Experience (Gains)/ losses	**1.64**	**-**	**1.64**	(0.93)	-	(0.93)
Return on plan assets, greater/ less than discount rate	**-**	**(0.29)**	**0.29**	-	1.98	(1.98)
Total amount recognised in other comprehensive income	**(0.02)**	**(0.29)**	**0.27**	0.30	1.98	(1.68)
Contributions	**-**	**4.23**	**(4.23)**	-	9.38	(9.38)
Benefit paid	**(6.84)**	**(6.84)**	**-**	(7.50)	(7.50)	-
Closing Balance	**55.34**	**48.94**	**6.40**	52.61	48.38	4.23

ii) The amounts recognised in the balance sheet and the movements in the defined benefit obligation over the year for Provident Fund are as follows:

Particulars	31 March 2018			31 March 2017		
	Present value of obligation	**Fair value of plan assets**	**Net liability/ (asset)**	Present value of obligation	Fair value of plan assets	Net liability/ (asset)
Opening balance	**295.17**	**324.53**	**(29.36)**	276.60	286.56	(9.96)
Current service cost	**11.06**	**-**	**11.06**	9.88	-	9.88
Interest cost	**20.38**	**-**	**20.38**	26.97	-	26.97
Expected returns	**-**	**20.38**	**(20.38)**	-	26.97	(26.97)
Total amount recognised in profit or loss	**31.44**	**20.38**	**11.06**	36.85	26.97	9.88
Remeasurements						
Acturial (Gain)/ loss on liability	**(2.23)**	**-**	**(2.23)**	(3.87)	-	(3.87)
Acturial Gain/ (loss) on plan assets	**-**	**(14.56)**	**14.56**	-	15.53	(15.53)
Total amount recognised in other comprehensive income	**(2.23)**	**(14.56)**	**12.33**	(3.87)	15.53	(19.40)
Contributions	**22.87**	**32.87**	**(10.00)**	22.10	31.98	(9.88)
Transfer In	**0.20**	**0.20**	**-**	1.78	1.78	-
Benefit paid	**(16.32)**	**(16.32)**	**-**	(38.29)	(38.29)	-
Closing Balance*	**331.13**	**347.10**	**(15.97)**	295.17	324.53	(29.36)

*The Company has not recognised an asset amounting to ₹ 15.97 (31 March 2017: ₹ 29.36, 1 April 2016: ₹ 9.96) as there are no future economic benefits available to the Group in the form of reduction in future contribution or a cash refund.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

iii) Significant estimates: Actuarial assumptions

The significant actuarial assumptions for defined benefit obligation are as follows:

Particulars	Gratuity			Provident Fund		
	31 March 2018	31 March 2017	1 April 2016	**31 March 2018**	31 March 2017	1 April 2016
Discount rate	**7.65%**	7.20%	7.55%	**7.64%**	7.25%	7.61%
Expected rate of return on plan assets	**8.00%**	8.00%	8.00%	**8.55%**	8.65%	8.80%
Salary escalation rate	**7.00%**	7.00%	7.00%	**7.00%**	7.00%	7.00%

Discount rate : The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

Expected rate of return on plan assets : This is based on the expectation of the average long-term rate of return expected on investments of the fund during the estimated term of the obligations.

Salary escalation rate : The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

iv) Details of Plan Assets

Particulars	Gratuity			Provident Fund		
	31 March 2018	31 March 2017	1 April 2016	**31 March 2018**	31 March 2017	1 April 2016
Government of India securities	**-**	-	-	**31.89%**	24.33%	21.55%
PSU bonds	**-**	-	-	**45.88%**	51.51%	52.84%
Special deposits	**-**	-	-	**3.07%**	3.03%	3.31%
State Government securities	**-**	-	-	**19.16%**	21.13%	22.30%
Fund managed by ICICI Prudential Life Insurance Company Limited*	**100%**	100%	100%	**-**	-	-
Total	**100%**	100%	100%	**100%**	100%	100%

*The Company makes annual contribution to the ICICI Prudential Life Insurance Company Limited.

v) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is as follows:

Particulars	Gratuity		Provident Fund	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
A. Discount rate				
a. Discount rate - 100 basis points	**59.16**	56.47	**340.11**	303.47
b. Discount rate +100 basis points	**51.98**	49.20	**330.16**	293.32
B. Salary increase rate				
a. Rate - 100 basis points	**51.92**	49.17	**330.16**	293.32
b. Rate +100 basis points	**59.14**	56.43	**339.66**	302.91

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

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vi) Maturity profile of defined benefit obligation:

Particulars	Gratuity		Provident Fund	
	31 March 2018	31 March 2017	**31 March 2018**	31 March 2017
Year 1	**14.41**	9.26	**30.07**	28.10
Year 2	**4.39**	6.61	**45.53**	42.55
Year 3	**3.02**	4.16	**24.79**	23.17
Year 4	**5.80**	2.73	**20.39**	19.06
Year 5	**3.51**	5.97	**52.09**	48.69
Year 6 to 10	**26.13**	23.17	**137.15**	128.17

Note 41 Financial instruments - fair values and risk management

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations. The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Group's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivative for speculative purposes maybe undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below :

Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2018, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Non-current loans	6	-	-	44.24	-	44.24	-	-	-	-
Trade Receivables	9	-	-	499.98	-	499.98	-	-	-	-
Cash and cash equivalents	10	-	-	86.27	-	86.27	-	-	-	-
Bank balances (other than cash and cash equivalents)	10	-	-	221.86	-	221.86	-	-	-	-
Other financial assets	11	-	-	16.53	-	16.53	-	-	-	-
		-	**-**	**868.88**	**-**	**868.88**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value										
Trade payables	17	-	-	-	647.45	647.45	-	-	-	-
Borrowings	16	-	-	-	-	-	-	-	-	-
Other financial liabilities	18	-	-	-	57.49	57.49	-	-	-	-
		-	**-**	**-**	**704.94**	**704.94**	**-**	**-**	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 31 March 2017, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Non-current loans	6	-	-	19.95	-	19.95	-	-	-	-
Trade Receivables	9	-	-	394.39	-	394.39	-	-	-	-
Cash and cash equivalents	10	-	-	36.97	-	36.97	-	-	-	-
Bank balances (other than cash and cash equivalents)	10	-	-	6.63	-	6.63	-	-	-	-
Other financial assets	11	-	-	0.96	-	0.96	-	-	-	-
		-	**-**	**458.90**	**-**	**458.90**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value										
Trade payables	17	-	-	-	531.65	531.65	-	-	-	-
Borrowings	16	-	-	-	176.21	176.21	-	-	-	-
Other financial liabilities	18	-	-	-	64.75	64.75	-	-	-	-
		-	**-**	**-**	**772.61**	**772.61**	**-**	**-**	**-**	**-**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at 1 April 2016, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount					Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Non-current loans	6	-	-	18.39	-	18.39	-	-	-	-
Trade receivables	9	-	-	431.35	-	431.35	-	-	-	-
Cash and cash equivalents	10	-	-	62.71	-	62.71	-	-	-	-
Bank balances (other than cash and cash equivalents)	10	-	-	6.35	-	6.35	-	-	-	-
Other financial assets	11	-	-	0.47	-	0.47	-	-	-	-
		-	**-**	**519.27**	**-**	**519.27**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value		-	-	-	-	-				
Foreign exchange forward contracts	18	-	-	-	11.44	11.44	-	11.44	-	11.44
		-	-	-	11.44	11.44	-	11.44	-	11.44
Financial liabilities not measured at fair value										
Trade payables	17		-	-	432.75	432.75	-	-	-	-
Borrowings	16	-	-	-	940.01	940.01	-	-	-	-
Other financial liabilities	18	-	-	-	46.85	46.85	-	-	-	-
		-	**-**	**-**	**1,419.61**	**1,419.61**	**-**	**-**	**-**	**-**

The fair value of cash and cash equivalents, bank balances, investments, trade receivables, trade payables, borrowings, other financial assets and liabilities approximate their carryig amount largely due to short-term nature of these instruments. The Group's loans have been contracted at market rates of interest. Accordingly, the carrying value of such loans approximate fair value.

The fair valuation of derivative financial assets are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Financial risk management

The Group has exposure to the following risks arising from financial instruments:

i. Credit Risk

ii. Liquidity Risk

iii. Market Risk

Risk Management framework:

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The group's risk management policy is set by the Risk Management Committee. The group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. The group's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. A summary of the risks have been given below:

Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and loans given. Credit risk arises from cash held with banks, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their industry, trading history with the group and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

Movement in the allowance for impairment in trade receivables

Particulars	**31 March 2018**	31 March 2017	1 April 2016
Opening balance	**(51.89)**	49.74	48.79
Changes in allowance for impairment in trade receivables	**0.60**	(101.63)	0.95
Net remeasurement of loss allowance	**(51.29)**	(51.89)	49.74

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the group's reputation.

The group monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2018, 31 March 2017 and 1 April 2016.

Particulars	As at 31 March 2018		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	**647.45**	**-**	**-**
Borrowings	**-**	**-**	**-**
Other financial liabilities	**57.49**	**-**	**-**
	704.94	**-**	**-**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Particulars	As at 31 March 2017		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Trade payables	531.65	-	-
Borrowings	176.21	-	-
Other financial liabilities	64.75	-	-
	772.61	**-**	**-**

Particulars	As at 1 April 2016		
	Less than 1 year	1-2 years	2 years and above
Non-derivative financial liabilities			
Derivative financial liabilities:			
Forward exchange forward contracts	11.44	-	-
Non-derivative financial liabilities			
Trade payables	432.75	-	-
Borrowings	940.01	-	-
Other financial liabilities	46.85	-	-
	1,431.05	**-**	**-**

Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates - will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Since, the group does not have any borrowings having floating rate of interest, hence there is no Interest rate risk.

Currency risk

The group is exposed to currency risk to the extent that there is mismatch between the currencies in which sales, purchase are denominated and the respective functional currencies of group. The functional currency of the Company is INR and maximum sales transactions are denominated in INR itself. Foreign currency transactions are mainly denominated in USD.

Exposure to currency risk

The following is the nominal value of outstanding derivative contracts entered into by the Group for hedging currency and interest rate related risks as at:

The group uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The use of this foreign exchange forward contracts reduces the risk or cost to the group and the group does not use the foreign exchange forward contracts for trading or speculation purposes;

The group uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions and firm commitments. The use of this foreign exchange forward contracts reduces the risk or cost to the company and the company does not use the foreign exchange forward contracts for trading or speculation purposes.

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Foreign Currency (Buy) (USD)	Amount in ₹ millions	Foreign Currency (Buy) (USD)	Amount in ₹ millions	Foreign Currency (Buy) (USD)	Amount in ₹ millions
Short-term borrowings	**-**	**-**	-	-	6,943,076	460.81
Trade payables	**-**	**-**	90,963	6.14	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

The particulars of un-hedged foreign currency exposure as at balance sheet date is as under

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Foreign Currency (USD)	**Amount in ₹ millions**	Foreign Currency (USD)	Amount in ₹ millions	Foreign Currency (USD)	Amount in ₹ millions
Other current liabilities	**-**	**-**	622	0.04	-	-
Trade payables	**137,026**	**8.92**	-	-	-	-
Trade receivables	**17,620**	**1.15**	33,908	2.20	10,943	0.73
Other current assets	**-**	**-**	64,500	4.18	80,000	5.31

Sensitivity Analysis:

The profit or loss is sensitive to foreign exchange gain/ (loss) as a result of changes in foreign exchange rates.

Particulars	Impact on profit after tax		
	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Foreign exchange rate - Increases by 5%	**(0.39)**	0.32	0.30
Foreign exchange rate - Decreases by 5%	**0.39**	(0.32)	(0.30)

Note 42 Explanation of transition to Ind AS

As stated in Note 2A, the group has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2017, the group had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the group has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the group in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1 Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also.

2 Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The group has elected to avail of the above exemption.

3 Investment in subsidiaries

As permitted by Ind AS 101, the Company has elected to carried all investments in subsidiaries at cost as determined in accordance with Ind AS 27.

4 Share-based payment transactions

Ind AS 102 deals with the accounting and disclosure requirements related to share based payment transactions. The standard addresses three type of transactions: equity settled, cash settled and with cash alternatives. A first time adopter is encouraged to apply this standard to:

(i) equity instruments that vested before the date of transition to Ind AS.

(ii) liabilities arising from share based payment transactions that were settled before the date of transition to Ind AS.

The group has availed this exemption and has not applied the fair value to the equity instruments and liabilities that were vested and settled before the date of transition to Ind AS.

Optional exemptions availed and mandatory exceptions (continued)

B. Mandatory exceptions

1 Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Discounted value of liability for decommissioning cost.

2 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Reconciliation of balance sheet items

Particulars	Notes to first time adoption	As at date of transition 1 April 2016			As at 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS	Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Assets							
Non-current Assets							
Property, plant and equipment	1	1,486.59	(62.27)	1,424.32	1,756.37	(61.58)	1,694.79
Intangible assets	7	297.45	-	297.45	264.57	6.44	271.01
Capital work-in-progress		434.44	-	434.44	164.23	-	164.23
Financial assets							
(i) Non-current loans	2, 3	582.17	(563.78)	18.39	581.47	(561.52)	19.95
Other non-current assets	1,3	159.67	64.56	224.23	209.15	63.87	273.02
Total non-current assets		**2,960.32**	**(561.49)**	**2,398.83**	**2,975.79**	**(552.79)**	**2,423.00**
Current Assets							
Inventories		1,457.04	-	1,457.04	1,161.01	-	1,161.01
Financial assets							
(i) Trade receivables		431.35	-	431.35	394.39	-	394.39
(ii) Cash and cash equivalents	2	60.29	2.42	62.71	34.66	2.31	36.97
(iii) Bank balances other than (ii) above		6.35	-	6.35	6.63	-	6.63
(iv) Other financial assets		0.47	-	0.47	0.96	-	0.96
Other current assets	1, 4	100.98	(5.43)	95.55	69.20	0.69	69.89
Total current assets		**2,056.48**	**(3.01)**	**2,053.47**	**1,666.85**	**3.00**	**1,669.85**
Total Assets		**5,016.80**	**(564.50)**	**4,452.30**	**4,642.64**	**(549.79)**	**4,092.85**
Equity and Liabilities							
Equity							
Equity share capital		243.69	-	243.69	243.69	-	243.69
Other equity	A, 5	3,128.55	(546.35)	2,582.20	3,356.81	(537.29)	2,819.52
Total Equity		**3,372.24**	**(546.35)**	**2,825.89**	**3,600.50**	**(537.29)**	**3,063.21**
Non-current Liabilities							
Financial liabilities							
Provisions		16.66	-	16.66	15.82	-	15.82
Deferred tax liabilities, net	11	46.08	6.14	52.22	102.66	6.33	108.99
Other non-current liabilities	6	17.66	(17.66)	-	17.28	(17.28)	-
Total non-current Liabilities		**80.40**	**(11.52)**	**68.88**	**135.76**	**(10.95)**	**124.81**
Current Liabilities							
Financial liabilities							
(i) Borrowings	4	956.54	(16.53)	940.01	176.21	-	176.21
(ii) Trade payables		432.75	-	432.75	531.65	-	531.65
(iii) Other financial liabilities	4,6	48.39	9.90	58.29	66.30	(1.55)	64.75
Other current liabilities		59.73	-	59.73	65.85	-	65.85
Provisions		66.75	-	66.75	66.37	-	66.37
Total current Liabilities		**1,564.16**	**(6.63)**	**1,557.53**	**906.38**	**(1.55)**	**904.83**
Total liabilities		**1,644.56**	**(18.15)**	**1,626.41**	**1,042.14**	**(12.50)**	**1,029.64**
Total Equity and Liabilities		**5,016.80**	**(564.50)**	**4,452.30**	**4,642.64**	**(549.79)**	**4,092.85**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Reconciliation of total comprehensive income

Particulars	Notes to first time adoption	Year ended 31 March 2017 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue From Operations				
Sale of products	8	8,043.19	16.84	8,060.03
Other operating revenues		22.15	(0.01)	22.14
		8,065.34	**16.83**	**8,082.17**
Other income	1, 9	2.41	0.71	3.12
Total income		**8,067.75**	**17.54**	**8,085.29**
Expenses				
Cost of materials consumed		4,060.62	(16.26)	4,044.36
Purchases of stock- in-trade		1,342.63	-	1,342.63
Changes in inventories of finished goods and stock-in-trade		(57.91)	-	(57.91)
Employee benefit expenses	5, 9	482.93	23.82	506.75
Finance costs	4	45.48	(1.03)	44.45
Depreciation and amortisation expense	1, 7	172.31	(7.13)	165.18
Other expenses	1, 2, 3, 6, 8, 10	1,600.16	34.95	1,635.11
Total expenses		**7,646.22**	**34.35**	**7,680.57**
Profit/ (loss) before exceptional items and tax		**421.53**	**(16.81)**	**404.72**
Exceptional items		42.09	-	42.09
Profit/(loss) before tax		**463.62**	**(16.81)**	**446.81**
Tax expense	11	170.52	(0.39)	170.13
Profit for the year (A)		**293.10**	**(16.42)**	**276.68**
Other comprehensive income	9			
Items that will not be reclassified subsequently to statement of profit or loss				
Remeasurement of the net defined benefit obligation		-	1.68	1.68
Income tax relating to those items		-	(0.59)	(0.59)
Items that will be reclassified subsequently to statement of profit or loss				
Foreign currency translation reserve		-	(6.18)	(6.18)
Other comprehensive income for the year (B)		**-**	**(5.09)**	**(5.09)**
Total comprehensive income for the year (A+B)		**293.10**	**(21.51)**	**271.59**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

A) Reconciliation of total equity

Particulars	As at 31 March 2017	As at 1 April 2016
Total equity as per previous GAAP	3,600.50	3,372.24
Adjustments [Add/(less)]		
Fair valuation of security deposits	(0.55)	(0.47)
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	18.83	19.22
Mark to market adjustment of derivative contracts	-	(1.03)
Consolidation of Agro Tech ESOP Trust	(555.68)	(557.93)
Reversal of amortisation on intangible assets with indefinite useful lives	6.44	-
Deferred tax on above adjustments	(6.33)	(6.14)
Total equity as per Ind AS	**3,063.21**	**2,825.89**
Decrease in total equity	**(537.29)**	**(546.35)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

B) Reconciliation of total comprehensive income

Particulars	For the year ended 31 March 2017
Profit after tax as per previous GAAP	293.10
Reversal of amortisation on intangible assets with indefinite useful lives	6.44
Reversal of straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation	(0.39)
Additional rental (compensation)/ income due to fair valuation rental deposits recognised on a straight line basis over lease term	(0.08)
Employee stock option scheme compensation expense recognised at fair value	(22.14)
Mark to market adjustment of derivative contracts	1.03
Foreign currency translation reserve	(6.18)
Tax effect of the above adjustments	(0.19)
Total comprehensive income as per Ind AS	**271.59**

C) Notes to the reconciliation

1 Property, plant and equipment (PPE)

Under the previous GAAP, land was specifically scoped out from the scope of AS 19 Leases, hence leasehold land was grouped under plant, property and equipment and the respective amortisation charge was disclosed as depreciation charge in the statement of profit or loss. There is no such exclusion under Ind AS 17, hence the Group has reclassified leasehold land from plant, property and equipment to prepaid rent, with a corresponding ammortisation charge debited to rent expense.

2 Consolidation of Agro Tech ESOP Trust ('Trust')

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

The Consolidation of the "Trust" financials statements with that of the Company does not in any manner affect the independence of the trustees where the rights and obligations are regulated by the "Trust" deed. Own equity instruments (treasury shares) are recognised at cost and deducted from equity. Profit/ loss on sale of treasury shares by "Trust" is recognised in ATET reserve.

Impact of Company's statement of profit and loss post "Trust" consolidation for the year ended 31 March 2017*

Other items adjusted owing to the "Trust" consolidation include:

(a) Treasury shares

Upon consolidation, the investment in the Group's equity shares made by "Trust" is debited to the Group's equity as treasury shares amounting to ₹ 571.33 as at 31 March 2017 (₹ 571.33 as at 1 April 2016).

(b) ATET Reserve

The income of the "Trust" till date comprising of profit on sale of Treasury shares, forms a part of ATET Reserve amounting to ₹ 2.40 as at 31 March 2017 (₹ 2.40 as at 01 April 2016).

(c) Other non-current financial assets

Loans advanced to the "Trust" is eliminated on consolidation amounting to ₹ 558.00 as at 31 March 2017 (01 April 2016: ₹ 560.35) forming part of non-current assets in previous GAAP.

3 Security deposits

Under the previous GAAP, interest free lease security deposits are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

4 Derivative asset

Ind AS 21 requires derivative financial instrument such as forward contract to be marked to market on the reporting date and recognise the resultant gain or loss in the statement of profit and loss.

5 Share based payment

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date.

6 Rent straight lining liability

Under Ind AS, if the payment to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, then the rent expenses are not recognised on a straight-line basis. Accordingly Group has reversed straight lining of rental expense to the extent of structured escalation which is in line with expected general inflation.

7 Intangible assets

As per Ind AS 38, Intangible Assets having an indefinite life are not amortised and tested annually for impairment. Accordingly Group has reversed the amortisation charged on the Trademarks for the year ended 31 March 2017.

8 Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented as part of other expenses in the statement of profit and loss.

9 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist under previous GAAP.

10 Lease arrangement

Under the previous GAAP, arrangements that did not take the legal form of lease were accounted for based on the legal form of such arrangements. Under Ind AS, any arrangement (even if not legally structured as lease) which conveys a right to use an asset in return for a payment or series of payments are identified as leases provided certain conditions are met. In case such arrangements are determined to be in the nature of leases, such arrangements are required to be classified into finance or operating leases as per the requirements of Ind AS 17, Lease.

11 Deferred tax charge/ benefit

The (decreased)/ increased the deferred tax assets and liabilities are on account of the adjustments made on transition to Ind AS.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

Note 43 Additional information pursuant to para 2 of general instructions for the preparation of Consolidated Financial Statements:

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

Name of the Entity	As at 31 March 2018							
	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Agro Tech Foods Limited	**100.12%**	**3,400.69**	**100.27%**	**316.48**	**96.85%**	**(4.92)**	**100.33%**	**311.56**
India Subsidiary								
Sundrop Foods India Private Limited	**1.18%**	**40.22**	**2.47%**	**7.81**	**3.15%**	**(0.16)**	**2.46%**	**7.65**
Foreign Subsidiaries								
Agro Tech Foods (Bangladesh) Pvt. Ltd.	**3.02%**	**102.75**	**-2.20%**	**(6.93)**	**-**	**-**	**-2.23%**	**(6.93)**
Sundrop Foods Lanka(Private) Limited	**0.46%**	**15.55**	**-0.50%**	**(1.58)**	**-**	**-**	**-0.51%**	**(1.58)**
Adjustments arising out of consolidation	**-4.78%**	**(162.43)**	**-0.05%**	**(0.15)**	**-**	**-**	**-0.05%**	**(0.15)**
Total	**100%**	**3,396.78**	**100%**	**315.63**	**100%**	**(5.08)**	**100%**	**310.55**

Name of the Entity	As at 31 March 2017							
	Net Assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in Other Comprehensive Income		Total	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of consolidated Other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Agro Tech Foods Limited	99.93%	3061.22	98.66%	272.97	96.27%	(4.90)	98.70%	268.07
India Subsidiary								
Sundrop Foods India Private Limited	1.06%	32.57	1.94%	5.36	3.73%	(0.19)	1.90%	5.17
Foreign Subsidiaries								
Agro Tech Foods (Bangladesh) Pvt. Ltd.	3.73%	114.21	-1.89%	(5.24)	-	-	-1.93%	(5.24)
Sundrop Foods Lanka(Private) Limited	0.57%	17.51	-0.61%	(1.68)	-	-	-0.62%	(1.68)
Adjustments arising out of consolidation	-5.30%	(162.30)	1.90%	5.27	-	-	1.94%	5.27
Total	100%	3,063.21	100%	276.68	100%	(5.09)	100%	271.59

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

Note 44 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 are as below:

Particulars	SBNs	Other demoinitisation 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 Economics Affairs number S.O.3407 (E), dated the 8 November 2016.

Note 45 During the year ended 31 March 2018 no material foreseeable loss (31 March 2017: Nil) was incurred for any long-term contract including derivative contracts.

Note 46 Exceptional income of ₹ 42.09 during the year ended 31 March 2017 represents interest on Income-tax related to Assessment Year 1997-1998 which was adjudicated in the favour of the Group.

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

Vikash Somani
Partner
Membership No.061272

Place: Gurugram
Date: 25 April 2018

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

Sachin Gopal
Managing Director & CEO
DIN 07439079

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

Arijit Datta
Chief Financial Officer

Jyoti Chawla
Company Secretary

Place: Gurugram
Date: 25 April 2018

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

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

AGRO TECH FOODS LIMITED

CIN:L15142TG1986PLC006957

Registered Office : 31, Sarojini Devi Road, Secunderabad – 500 003, Tel. No.040-66650240
Fax No.040-27800947, India www.atfoods.com

31st Annual General Meeting – 26th July, 2018

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 31st Annual General Meeting of the Company, to be held on Thursday, 26th July, 2018 at 10.00 AM at Hotel Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad - 500 016, Telangana, India and / or 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, 2018			
2	Declaration of Dividend			
3	Reappointment of Ms. Denise Lynn Dahl, who retires by rotation and being eligible offers herself 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. Jill Ann Rahman, as a Director			
6	Appointment of Mr. Hendrik Gerhardus Myburgh as a Director			
7	Approval of Remuneration of M/s. Vajralingam & Co., Cost Accountants as Cost Auditors			
8	Approval to deliver document through a particular mode as may be sought by the member at a fee equivalent to the estimated actual expenses of the delivery of the document			

Signed this ..... Day of 2018

....

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

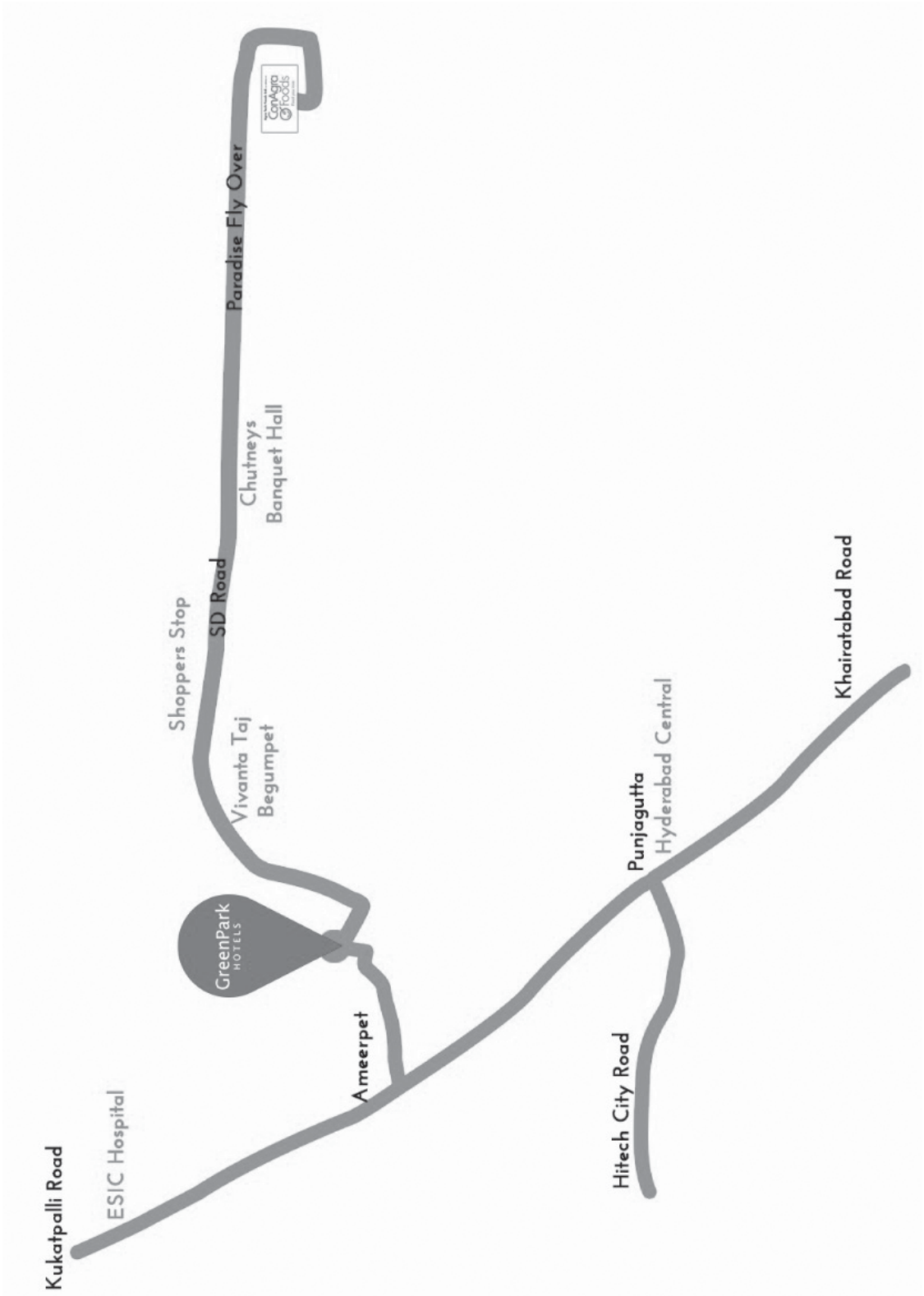
I hereby record my presence at the THIRTY FIRST ANNUAL GENERAL MEETING held at Hotel Green Park, 7-1-25, Green Lands, Begumpet, Hyderabad - 500 016 Telangana, India on Thursday, 26th July, 2018.

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)


Kukatpalli Road
ESIC Hospital
Ameerpet
GreenPark HOTELS
Vivanta Taj Begumpet
Shoppers Stop
SD Road
Chutneys Banquet Hall
Paradise Fly Over
ConAgra Foods
Punjagutta
Hyderabad Central
Hitech City Road
Khairatabad Road