# Agro Tech Foods Limited

Annual Report 2023-24


Nourishing families, enriching lives.

# BOARD OF DIRECTORS & CORPORATE INFORMATION

| | | |
|---|---|---|
| **Directors** | James Patrick Kinnerk (DIN0 8773594)[1] | |
| | Pedro Labayen De Inza (DIN 09576297)[2] | |
| | Trevor John Foster (DIN 09669509)[2] | |
| | Lt Gen DB Singh (DIN 00239637)[3] | |
| | Sanjaya Kulkarni (DIN 00102575)[3] | |
| | Arun Bewoor (DIN 00024276)[3] | |
| | Narendra Ambwani (DIN 00236658)[3] | |
| | Veena Vishindas Gidwani (DIN 06890544)[3] | |
| | Sachin Gopal (DIN 07439079)[4] | Managing Director & CEO |
| | Asheesh Kumar Sharma (DIN 10602319)[5] | Managing Director & CEO |
| | Alexander Byron Jacobs (DIN 10597668)[6] | |
| | Rajesh Jain (DIN 10619014)[7] | Chairman |
| | Satish Premanand Rao (DIN 03265301)[7] | |
| | Richa Arora (DIN 07144694)[7] | |
| | Harsha Raghavan (DIN 01761512)[8] | |
| | Manish Mehta (DIN 06442038)[8] | |
| **Leadership Team** | Gaurav Gupta[9] | Head of Marketing |
| | Dharmesh K Srivastava | Vice President–Supply Chain |
| | Shrey Dixit | Head of Research,Quality & Innovation |
| | KPN Srinivas | Chief Financial Officer |
| | Hitesh Yadav | Head of Procurement |
| | Padmavathi Tuluva | Head of Human Resources |
| | Rikesh Kotwal | Head of Sales |
| | Sanjay Srivastava | Head of Manufacturing |
| **Company Secretary** | Jyoti Chawla | |
| **Auditors** | M/s. Deloitte Haskins & Sells LLP<br>Chartered Accountants, Hyderabad | |
| **Registered Office** | 31, Sarojini Devi Road<br>Secunderabad - 500003, Telangana, India<br>Website : www.atfoods.com<br>Tel No. : 040- 66650240<br>CIN : L15142TG1986PLC006957 | |
| **Registrars & Share Transfer Agents** | KFin Technologies Limited<br>Selenium Tower B, Plot 31-32,<br>Gachibowli Financial District, Nanakramguda,<br>Hyderabad - 500032, Telangana. Ph : 040-67161606 | |

1. Mr. James Patrick Kinnerk resigned as Director and Chairman of the Board w.e.f. August 28, 2024.
2. Mr. Pedro Labayen de Inza and Mr. Trevor John Foster resigned as Directors w.e.f. July 17, 2024.
3. Lt. Gen. D B Singh, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor and Ms. Veena Gidwani retired with effect from July 17, 2024 upon completion of their second term as Independent Directors.
4. Mr. Sachin Gopal resigned from the Directorship and Managing Director & CEO of the Company w.e.f. close of business of April 24, 2024.
5. Mr. Asheesh Kumar Sharma was appointed as Director, Managing Director and CEO of the Company w.e.f. April 25, 2024. The Shareholders' approval for his appointment as Director, Managing Director and CEO was obtained through postal ballot on July 11, 2024.
6. Mr. Alexander Byron Jacobs was appointed as an Additional Non-Executive Director w.e.f. April 24, 2024 and the Shareholders' approval for his appointment as a Non-Executive Director was obtained through postal ballot on July 11, 2024. He, then resigned as Director w.e.f. August 28, 2024.
7. Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora were appointed as Additional Non-Executive Independent Directors w.e.f. July 17, 2024. Mr. Rajesh Jain was appointed as Chairman of the Board w.e.f. August 28, 2024.
8. Mr. Harsha Raghavan and Mr. Manish Mehta were appointed as Additional Non-Executive Directors w.e.f. August 28, 2024.
9. Mr. Gaurav Gupta was appointed as Head of Marketing w.e.f. July 8, 2024.

# NOTICE TO MEMBERS

Notice is hereby given that the **Thirty Seventh (37th)** Annual General Meeting of the Members of Agro Tech Foods Limited will be held on **Monday, September 30, 2024 at 4.00 PM (IST)** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Financial Statements for the Financial Year Ended March 31, 2024, 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 March 31, 2024.
3. To appoint a Director in place of Mr. James Patrick Kinnerk (DIN:08773594) who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint M/s BSR and Co, Chartered Accountants (ICAI Firm Regn. No. 128510W) as the Statutory Auditors of the Company, to hold office from the conclusion of this 37th Annual General Meeting until the conclusion of the 42nd Annual General Meeting of the Company, in place of M/s Deloitte Haskins & Sells LLP., (Firm's Registration No. 117366W/W-100018) whose term of appointment of 5 years will complete at the conclusion of ensuing 37th Annual General Meeting and to authorize the Board of Directors to fix the remuneration of M/s BSR and Co, Chartered Accountants.

   To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and based on the recommendation of Audit Committee and the Board of Directors, M/s B S R and Co, Chartered Accountants (ICAI Firm Regn. No. 128510W), be and is hereby appointed as Statutory Auditors of the Company for a term of 5 (Five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the 42nd Annual General Meeting, at such remuneration as may be mutually agreed upon between the Board of Directors and the Statutory Auditors including the manner of payment thereof."

   "RESOLVED FURTHER THAT the Audit Committee/ Board of Directors of the Company, be and are hereby authorized to revise/ alter/ modify/ amend the terms and conditions and/ or remuneration, from time to time, as may be mutually agreed with the Auditors, during the tenure of their appointment."

   "RESOLVED FURTHER THAT the Company Secretary of the Company or any one of the Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be required in order to give effect to the above resolution on behalf of the Company."

**SPECIAL BUSINESS**

**5. Appointment of Mr. Rajesh Jain (DIN: 10619014) as Non-Executive Independent Director**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution** :

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. Rajesh Jain (DIN: 10619014), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from July 17, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company for a period of 3 (three) years till July 16, 2027, and that he shall not be liable to retire by rotation."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to or any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**6. Appointment of Mr. Satish Premanand Rao (DIN 03265301) as Non-Executive Independent Director**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution** :

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Mr. Satish Premanand Rao (DIN 03265301), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from July 17, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company for a period of 3 (three) years till July 16, 2027, and that he shall not be liable to retire by rotation."

   "RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to or any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**7. Appointment of Ms. Richa Arora (DIN 07144694) as Non-**

**Executive Independent Director**

To consider and if thought fit, to pass the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161, Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder, and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company, approvals and recommendation of the Nomination and Remuneration Committee and that of the Board of Directors, Ms. Richa Arora (DIN 07144694), who was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from July 17, 2024, who meets the criteria for independence under Section 149(6) of the Act and the Rules made thereunder and Regulation 16(1)(b) of the LODR Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, be and is hereby appointed as Non-Executive Independent Director of the Company for a period of 3 (three) years till July 16, 2027, and that she shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers to any committee of directors with power to further delegate to or any other Officer(s) / Authorized Representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

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 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 2024-25, be paid remuneration as set out in the Statement annexed to the Notice convening this Meeting."

**NOTES :**

1. The Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 8, 2021, December 14, 2021, December 28, 2022 and September 25, 2023 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company shall be held through VC/OAVM. The deemed venue for the **Thirty Seventh AGM** shall be the Registered Office of the Company.
2. In accordance with the Provisions of Section 102 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Explanatory Statement in respect of item No. 5, 6, 7 and 8, being items of Special Business, is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization shall be sent to the Scrutinizer by email through its registered email address to saravana1015@gmail.com with a copy marked to evoting@kfintech.com
5. M/s. KFin Technologies Limited (KFintech) will be providing facility for voting through remote e-voting, for participation in the Thirty Seventh AGM through VC/OAVM and e-voting during the AGM.
6. Members may join the Thirty Seventh AGM through VC/ OAVM by following the procedure which shall be kept open for **the Members from 3.45 p.m. i.e. 15 minutes before the time scheduled to start the AGM** and the Company may close the window for joining the VC/OAVM 15 minutes after the scheduled time to start the Thirty Seventh AGM. The detailed instructions for participating in the Thirty Seventh AGM through VC/OAVM are given as a separate attachment to this Notice.
7. Members may note that the VC/OAVM provided by KFintech, allows participation of at least 2000 Members on a first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. can attend the AGM without any restriction on account of first-come-first-served principle.
8. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from September 21, 2024 to September 30, 2024 (both days inclusive). Valid Transfers of Shares received at the office of Registrar and Transfer Agents of the Company, KFintech, before the close of business hours on September 20, 2024 will be registered in time for the transferees to become eligible for dividend, if declared.

   Dividend, if declared, will be paid, subject to deduction of tax at source, within 30 days of the approval of the Shareholders at the Annual General Meeting to those Members entitled there to ensure and whose names shall appear on the Register of Members of the Company as on the close of business hours of September 20, 2024, or to their mandatees. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as on the close of business hours of September 20, 2024, as per details to be furnished by National Securities

Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

10. Shareholders are requested to note that pursuant to SEBI circular dated November 03, 2021 (subsequently amended by circulars dated December 14, 2021, March 16, 2023 and November 17, 2023) mandated that the security holders (holding securities in physical form), whose folio(s) were not updated with the KYC details (any of the details viz., PAN; Choice of Nomination; Contact Details; e-mail, Mobile Number and Bank Account Details and signature, if any) shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024 and only after furnishing the complete KYC documents / details.

    Shareholders are requested to update the KYC details by submitting the relevant ISR forms duly filled in along with self-attested supporting proofs. The forms can be downloaded from the website of the company and RTA.

    KFintech has sent physical letters/e-mail to all the shareholders of the Company holding shares in physical form in this regard on June 28, 2024 requesting them to furnish the required documents/details at the earliest.

11. Brief profile of the Directors proposed to be appointed/re-appointed is given towards the end of this Notice pursuant to Regulations 26(4) & 36(3) of the Listing Regulations and Secretarial Standard issued by Institute of Company Secretaries of India. None of the Directors is related to one another.

12. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, however, pursuant to SEBI (LODR) (Amendment) Regulations, 2022, w.e.f. January 24, 2022,also the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

    Pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company can issue the securities in dematerialized form only while processing the following service request: i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission; viii. Transposition.

    In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, KFintech, for assistance in this regard. Members may also refer to Frequently Asked Questions ("FAQs") on Company's website: https://www.atfoods.com/pdf/other-information/compulsory-dematerialisation-of-shares-detailed-procedure.pdf

13. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with Company's Registrars and Transfer Agents, KFintech, in case the shares are held by them in physical form.

14. Members are requested to update and/or intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Company's Registrars and Transfer Agents, KFintech, in case the shares are held by them in physical form. Members are encouraged to utilize the Electronic Clearing System (ECS) for receiving dividends.

15. SEBI has directed listed Companies to use electronic payment modes such as NEFT, RTGS, ECS etc., for payments to the investors. Members are requested to update their bank details such as MICR, IFSC code etc., with the Registrar and Transfer Agents, KFintech by submitting a cancelled cheque, while Members holding shares in electronic form are requested to update such bank details with their respective Depository Participants.

16. Members who have multiple folios in identical names or joint names in the same order are requested to intimate the Registrar and Transfer Agents, KFintech about these folios to enable consolidation of all such shareholdings into one folio.

17. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

18. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically/physically for inspection by the members during the AGM. All documents referred to in the Notice will also be available electronically for inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to InvestorRedressal@atfoods.com

19. 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 detailed instructions for e-voting are given as a separate attachment to this Notice. The Members, whose names appear in the Register of Members/List of Beneficial Owners as on close of business hours of September 20, 2024, 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 (remote e-voting).

    **The remote e-voting period will commence at 9.00 A.M. on Thursday, September 26, 2024 and will end at 5.00 P.M. on Sunday, September 29, 2024**. Members who have cast their vote by remote e-voting prior to the Thirty Seventh AGM may also participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again. The Members joining the AGM through VC/OAVM, who have not cast their vote by remote e-voting shall be eligible to vote through e-voting system at the e-AGM.

20. 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 Scrutinizer shall within 2 workings days of conclusion of the AGM, submit his report of the votes cast in favour or against, if any, to the Chairman of the Company or a person authorised by him in writing, and the result of the same will be disclosed forthwith. The Company has appointed M/s. KFin Technologies Limited as the Agency for the purpose of facilitating the electronic voting.

21. In compliance with the above referred MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020,No. SEBI/HO/CFD/CMD2/ CIR/P/2021/11 dated January 15, 2021, No SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 5, 2023 and No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 7, 2023, Notice of the AGM along with the Annual Report 2023-24 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website www.atfoods.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of Company's Registrar and Transfer Agent, KFintech at https://evoting.kfintech.com/

22. For receiving all communication (including Annual Report) from the Company electronically:

a) Members holding shares in physical mode and who have not registered/updated their email address with the Company are requested to register/update the same by writing to the Company with details of folio number and attaching a self-attested copy of PAN card at InvestorRedressal@atfoods.com or to KFintech at einward.ris@kfintech.com

b) Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participant.

23. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated time line. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.mca.gov.in

24. Unclaimed dividend for the financial year ended March 31, 2017 will be due for transfer to IEPF on August 31, 2024, 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 any claims received by Company's Registrar and Share Transfer Agents, KFintech, after August 16, 2024.

 Details of unclaimed dividend in respect of the financial year ended March 31, 2017 and up to and including the financial year ended March 31, 2024 are available on the Company's website www.atfoods.com under Investor Relations.

 The unclaimed shares pertaining to the year 2016-17 will also be transferred to IEPF of the Central Government on or before September 30, 2024.

25. Members are requested to contact KFintech 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

26. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company (ATFL)/KFintech (incase of shares held in physical mode) and depositories (incase of shares held in demat mode). A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H,to avail the benefit of non-deduction of tax at source by uploading the same at the link given here in i.e. https://ris.kfintech.com/form15/ **by 11:59 p.m. IST on September 20, 2024**. Shareholders are requested to note that incase their PAN is not registered, the tax will be deducted at a higher rate of 20%.

 Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form10F, any other document which may be required to avail the tax treaty benefits by uploading the same at the link given here in i.e. https://ris.kfintech.com/form15/. The aforesaid declarations and documents need to be submitted by the shareholders **by11:59 p.m. IST on September 20, 2024**.

27. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

## EXPLANATORY STATEMENT PURSUANT TO SECTION102(1) OF THE COMPANIES ACT, 2013 AND THE LISTING REGULATIONS

### Item No. 4

### Appointment of M/s B S R and Co, Chartered Accountants (ICAI Firm Regn. No. 128510W) as the Statutory Auditors of the Company

M/s Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), were appointed as the Statutory Auditors of the Company by the Shareholders' at the 32nd Annual General Meeting held on July 17, 2019, to hold office from the conclusion of the 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting. Accordingly, the first term of 5 years of appointment of M /s Deloitte Haskins & Sells LLP, as the Statutory Auditors will come to an end on the conclusion of ensuing 37th Annual General Meeting as per Section 139 (2)(b).

The Board of Directors of the Company ('the Board') at the meeting held on 16th July, 2024, on the recommendation of the Audit Committee ('the Committee') have recommended for the approval of the Members, the appointment of M/s B S R and Co, Chartered Accountants (ICAI Firm Regn. No. 128510W), as the Statutory Auditors of the Company to hold office from the conclusion of the 37th Annual General Meeting to the conclusion of the 42nd Annual General Meeting. M/s B S R and Co, Chartered Accountants, have given their consent to act as the Auditors of the Company and have also confirmed compliance with the conditions prescribed under Sections 139 and 141 of the Act read with the Rules thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s B S R and Co Chartered Accountants has confirmed that they hold a valid certificate issued by the Peer Review Board of ICAI.

B S R and Co ('the firm ') was constituted on 01 September 2007 as a partnership firm having firm registration no. as 128510W. The registered office of the firm is at 14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Centre, Western Express Highway, Goregaon (East), Mumbai- 400063. B S R and Co is a member entity of B S R & Affiliates, a network registered with the Institute of Chartered Accountants of India. B S R and Co is registered in Mumbai, Gurgaon, Bangalore and Hyderabad. B S R and Co together with its member firms has around 4000+ staff and 200+ Partners. B S R member firms audits various companies listed on stock exchanges in India including companies in the Consumer Market sector.

The proposed remuneration to be paid to M/s B S R and Co, Chartered Accountants, for statutory audit services for the financial year ending March 31, 2025 is Rs.35.75 Lakhs (Rupees Thirty Five Lakhs Seventy Five Thousand) plus applicable taxes and out-of-pocket expenses.

Besides the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board of Directors in consultation with the Audit Committee.

The Audit Committee and the Board of Directors may consider approval of revisions to the remuneration of the Statutory Auditors for the remaining part of the tenure. The Board of Directors, in consultation with the Audit Committee, may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

None of the Directors and/ or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

The Board recommends the resolution set forth in Item No.4 for the approval of Members as an Ordinary Resolution.

**Item No. 5**

**Appointment of Mr. Rajesh Jain (DIN: 10619014) as Non-Executive Independent Director**

Pursuant to Section 161 of the Companies Act, 2013, and other applicable provisions the Board, at its meeting held on July 16, 2024, appointed Mr. Rajesh Jain (DIN: 10619014) as an Additional Director in the capacity of Non-Executive Independent Director of the Company for a term of three (3) years with effect from July 17, 2024, to July 16, 2027 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received all statutory disclosures / declarations, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules"),

(ii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act,

(iii) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under LODR Regulations,

(iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/ 2018-19 dated June 20, 2018, and NSE Circular No. NSE/ CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,

(v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties as an Independent Director of the Company;

(vi) A notice in writing by a member proposing his candidature under Section 160(1) of the Act,

(vii) Confirmation that he is in compliance with Rules 6(1) and 6(2) of the Appointment Rules, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, and

(viii) Confirmation that he had not been a partner of a firm that had transactions during the last three financial years with Agro Tech Foods Limited or its subsidiaries amounting to 10 (ten) percent or more of its gross turnover.

The Nomination and Remuneration Committee ("NRC") had previously finalized the desired attributes for the selection of the Independent Director(s) such as experience, expertise and independence etc. Basis those attributes, the NRC recommended the candidature of Mr. Rajesh Jain.

In the opinion of the Board, Mr. Rajesh Jain fulfils the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company and he is independent of the Management. The Board noted that his background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

The resolution seeks the approval of members for the appointment of Mr. Rajesh Jain as Non-Executive Independent Director of the Company from July 17, 2024 to July 16, 2027 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

The profile and specific areas of expertise and other relevant information as required under the LODR Regulations and SS-2 are provided in additional information section of this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the LODR Regulations, the approval of the members is sought for the appointment of Mr. Rajesh Jain as Non-Executive Independent Director of the Company, as a special resolution as set out above.

**Interest of Directors :**

No director, key managerial personnel (KMP) or their relatives except Mr. Rajesh Jain, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution as set out in Item no. 5.

The Board recommends the special resolution as set out in Item no. 5 of this notice for the approval of members.

### Item No. 6

### Appointment of Mr. Satish Premanand Rao (DIN 03265301) as Non-Executive Independent Director

Pursuant to Section 161 of the Companies Act, 2013, and other applicable provisions the Board, at its meeting held on July 16, 2024, appointed Mr. Satish Premanand Rao (DIN 03265301) as an Additional Director in the capacity of Non-Executive Independent Director of the Company for a term of three (3) years with effect from July 17, 2024, to July 16, 2027 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received all statutory disclosures / declarations, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules"),

(ii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act,

(iii) Declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under LODR Regulations,

(iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,

(v) Confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge duties as an Independent Director of the Company;

(vi) A notice in writing by a member proposing his candidature under Section 160(1) of the Act,

(vii) Confirmation that he is in compliance with Rules 6(1) and 6(2) of the Appointment Rules, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, and

(viii) Confirmation that he had not been a partner of a firm that had transactions during the last three financial years with Agro Tech Foods Limited or its subsidiaries amounting to 10 (ten) percent or more of its gross turnover.

The Nomination and Remuneration Committee ("NRC") had previously finalized the desired attributes for the selection of the Independent Director(s) such as experience, expertise and independence etc. Basis those attributes, the NRC recommended the candidature of Mr. Satish Premanand Rao.

In the opinion of the Board, Mr. Satish Premanand Rao fulfils the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company and he is independent of the Management. The Board noted that his background and experience are aligned to the role and capabilities identified by the NRC and that he is eligible for appointment as an Independent Director.

The resolution seeks the approval of members for the appointment of Mr. Satish Premanand Rao as Non-Executive Independent Director of the Company from July 17, 2024 to July 16, 2027 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and he shall not be liable to retire by rotation.

The profile and specific areas of expertise and other relevant information as required under the LODR Regulations and SS-2 are provided in additional information section of this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the LODR Regulations, the approval of the members is sought for the appointment of Mr. Satish Premanand Rao as Non-Executive Independent Director of the Company, as a special resolution as set out above.

### Interest of Directors :

No director, key managerial personnel (KMP) or their relatives except Mr. Satish Premanand Rao, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution as set out in Item no. 6.

The Board recommends the special resolution as set out in Item no. 6 of this notice for the approval of members.

### Item No. 7

### Appointment of Ms. Richa Arora (DIN 07144694) as Non-Executive Independent Director

Pursuant to Section 161 of the Companies Act, 2013, and other applicable provisions the Board, at its meeting held on July 16, 2024, appointed Ms. Richa Arora (DIN 07144694) as an Additional Director in the capacity of Non-Executive Independent Director of the Company for a term of three (3) years with effect from July 17, 2024, to July 16, 2027 (both days inclusive) subject to the approval of the shareholders through a special resolution.

The Company has received all statutory disclosures / declarations, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules"),

(ii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that she is not disqualified under sub-section (2) of Section 164 of the Act,

(iii) Declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Act and under LODR Regulations,

(iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018 that she has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,

(v) Confirmation that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge duties as an Independent Director of the Company;

(vi) A notice in writing by a member proposing her candidature under Section 160(1) of the Act,

(vii) Confirmation that she is in compliance with Rules 6(1) and 6(2) of the Appointment Rules, with respect to her registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs, and

(viii) Confirmation that she had not been a partner of a firm that had transactions during the last three financial years with Agro Tech Foods Limited or its subsidiaries amounting to 10 (ten) percent or more of its gross turnover.

The Nomination and Remuneration Committee ("NRC") had previously finalized the desired attributes for the selection of the Independent Director(s) such as experience, expertise and independence etc. Basis those attributes, the NRC recommended the candidature of Ms. Richa Arora.

In the opinion of the Board, Ms. Richa Arora fulfils the conditions for independence specified in the Act, the Rules made thereunder and the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company and she is independent of the Management. The Board noted that her background and experience are aligned to the role and capabilities identified by the NRC and that she is eligible for appointment as Independent Director.

The resolution seeks the approval of members for the appointment of Ms. Richa Arora as Non-Executive Independent Director of the Company from July 17, 2024 to July 16, 2027 (both days inclusive) pursuant to Sections 149, 152 and other applicable provisions of the Act and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof) and she shall not be liable to retire by rotation.

The profile and specific areas of expertise and other relevant information as required under the LODR Regulations and SS-2 are provided in additional information section of this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of the LODR Regulations, the approval of the members is sought for the appointment of Ms. Richa Arora as Non-Executive Independent Director of the Company, as a special resolution as set out above.

**Interest of Directors :**

No director, key managerial personnel (KMP) or their relatives except Ms. Richa Arora, to whom the resolution relates, is interested in or concerned, financially or otherwise, in passing the proposed resolution as set out in Item no. 7.

The Board recommends the special resolution as set out in Item no. 7 of this notice for the approval of members.

**Item No.8**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditor to conduct the audit of the cost records of the Company for the financial year 2024-25 at a fee not exceeding ₹1,80,000/- (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. 8 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2024-25.

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.

Place : Mumbai<br>
Dated : July 16, 2024

By Order of the Board<br>
for **Agro Tech Foods Limited**<br>
**Jyoti Chawla**<br>
Company Secretary<br>
ACS20392

Registered Office : 31, Sarojini Devi Road,<br>
Secunderabad-500003, Telangana, India.

**PROCEDURE AND INSTRUCTIONS FOR REMOTE E-VOTING**

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech, on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders,** by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period will commence at **9.00 A.M.on Thursday, September 26, 2024 and will end at 5.00 P.M. on Sunday, September 29, 2024.**

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under "Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode."

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

**Step 1** : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

**Step 2** : Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

**Step 3** : Access to join virtual meetings(e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

**Details on Step 1 are mentioned below:**

**I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.**

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in demat mode with NSDL | **1. User already registered for IDeAS facility:**<br>I. Visit URL: https://eservices.nsdl.com<br>II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section.<br>III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting"<br>IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.<br>**2. User not registered for IDeAS e-Services**<br>I. To register click on link : https://eservices.nsdl.com<br>II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp<br>III. Proceed with completing the required fields.<br>IV. Follow steps given in points 1.<br>**3. Alternatively by directly accessing the e-Voting website of NSDL**<br>I. Open URL: https://www.evoting.nsdl.com/<br>II. Click on the icon "Login" which is available under 'Shareholder/Member' section.<br>III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.<br>IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech.<br>V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period. |
| Individual Shareholders holding securities in demat mode with CDSL | **1. Existing user who have opted for Easi / Easiest**<br>I Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or URL: www.cdslindia.com<br>II. Click on New System Myeasi<br>III. Login with your registered user id and password.<br>IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal.<br>V. Click on e-Voting service provider name to cast your vote.<br>**2. User not registered for Easi/Easiest**<br>I. Option to register is available at https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration<br>II. Proceed with completing the required fields.<br>III. Follow the steps given in point 1<br>**3. Alternatively, by directly accessing the e-Voting website of CDSL**<br>I. Visit URL: www.cdslindia.com<br>II. Provide your demat Account Number and PAN. |

| | |
|---|---|
| | III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.<br>IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress. |
| Individual Shareholder login through their demat accounts / Website of Depository Participant | I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility.<br>II. Once logged-in, you will be able to see e-Voting option.Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.<br>III. Click on options available against company name or e-Voting service provider – Kfintech and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication. |

**Important note:**

Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

| Login type | Helpdesk details |
|---|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43 |

**DETAILS ON STEP 2 ARE MENTIONED BELOW:**

**II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number.In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'Agro Tech Foods Limited- AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate /Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id saravana1015@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name Even No. 8411."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may write to einward.ris@kfintech.com.

ii Member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

**DETAILS ON STEP 3 ARE MENTIONED BELOW:**

**III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.**

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at InvestorRedressal@atfoods.com. Questions /queries received by the Company till September 24, 2024 shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 2000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

**OTHER INSTRUCTIONS**

**I. Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened from 9.00 A.M. on September 26, 2024 to 5.00 P.M. on September 28, 2024. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

**II. Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from 9.00 A.M. on September 26, 2024 to 5.00 P.M. on September 28, 2024.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or write at evoting@kfintech.com or einward.ris@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Friday, September 20, 2024, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL:
2. MYEPWD <SPACE> IN12345612345678
3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com.

VI. The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

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

**Mr. James Patrick Kinnerk**

Mr. James Patrick Kinnerk worked as President of Conagra Brands, International & Food service. Conagra Brands is one of the world's leading food companies. Over its rich history, Conagra has developed a compelling portfolio of brands and capabilities that provide consumers a wide range of delicious and contemporary food choices and family favorites.

James Patrick Kinnerk is a native of Ireland and was educated at Blackrock College, Dublin and at University College Dublin where he graduated with a Bachelor of Commerce degree. He also studied and qualified as a Chartered Accountant and is a Fellow of the Irish Institute of Chartered Accountants.

James Patrick Kinnerk began his career with Price Water house in their Dublin office where he gained experience with a variety of multi-national clients before transferring to their office in Geneva, Switzerland where he was focused on the financial services industry.

James Patrick Kinnerk subsequently joined Nestle S.A. in Vevey, Switzerland and in time transferred to Nestle USA based in Los Angeles, California. At Nestle, he progressed through leadership roles spanning finance, sales and marketing and corporate strategy.

His DIN is 08773594

**Companies (other than Agro Tech Foods Limited) in which Mr. James Patrick Kinnerk holds Directorship and Committee Membership :**

***Directorship:***

None

***Chairman of Board Committees***

None

***Member of Board Committees***

None

***Shareholding in the Company:***

Mr. James Patrick Kinnerk does not hold any equity shares in the Company.

**Mr. Rajesh Jain**

Mr. Rajesh Jain has more than 45 years of professional experience in India, Malawi and Zambia. He has extensive experience in Audit, Consulting and Corporate Finance. He has served KPMG in India and Africa for over 24 years and was one of the Founding Partners of KPMG in India. Prior to that he has worked with BDO (3 years), E&Y in India (3 years) and 20 years 5 Months in Walker Chandiok & Co.

He is a fellow member of Institute of Chartered Accountants of India.

His DIN is 10619014.

**Companies (other than Agro Tech Foods Limited) in which Mr. Rajesh Jain holds Directorship and Committee Membership:**

***Directorship:***

Gensol Limited

Vama Sundari Investments (Delhi) Private Limited

***Chairman of Board Committees***

Gensol Limited - Audit Committee

***Member of Board Committees***

Gensol Limited - Audit Committee

***Shareholding in the Company:***

Mr. Rajesh Jain does not hold any equity shares in the Company.

**Mr. Satish Premanand Rao**

Mr. Satish Premanand Rao has more than 33 years of experience across consumer food and B2B segments in India, USA and China in various fields like Sales & Marketing, Governance, Strategy and Mentoring. He has held various position viz. Chairman and Managing Director in Firmenich Aromatics Ltd in India, MD in Kohinoor Specialities in India, and VP, McCormick & Co Inc, USA.

He has done his MBA and M.Sc in Analytic Chemistry from University of Mumbai.

His DIN is 03265301.

**Companies (other than Agro Tech Foods Limited) in which Mr. Satish Premanand Rao holds Directorship and Committee Membership:**

***Directorship:***

Swiss Indian Chamber of Commerce India

Indo Swiss Chamber of Commerce

***Chairman of Board Committees***

None

***Member of Board Committees***

None

***Shareholding in the Company:***

Mr. Satish Premanand Rao does not hold any equity shares in the Company.

**Ms. Richa Arora**

Ms. Richa Arora has over three decades of extensive Board & CXO level experience in governance, strategy, business & cultural transformation, marketing, technology-enabled solutions, innovation across the value chain and ESG & sustainability. She is a member of the governing council of Mobile Crèches, an NGO focused on early child development. She was previously Independent Director at Snapdeal Limited, First Meridian Business Services Limited, and was on the Board of Directors of "Tata NourishCo" and Tata group's e-commerce venture "Tata Unistore" (Tata Cliq). Richa was earlier with the Tata group, where as COO she led the transformation of the consumer business of Tata Chemicals.

Richa is a Chevening scholar from the London School of Economics, an MBA from IIM Ahmedabad and a Graduate in Economics from Shri Ram College of Commerce, Delhi University.

Her DIN is 07144694.

**Companies (other than Agro Tech Foods Limited) in which Ms. Richa Arora holds Directorship and Committee Membership:**

***Directorship:***

Relaxo Footwears Limited

Grihum Housing Finance Limited

***Chairperson of Board Committees***

Grihum Housing Finance Limited - Stakeholders Relationship
CSR Committee

***Member of Board Committees***

Grihum Housing Finance Limited - Stakeholders Relationship
CSR Committee

Relaxo Footwears Limited - Audit Committee
Nomination & Remuneration
CSR Committee

***Shareholding in the Company:***

Ms. Richa Arora does not hold any equity shares in the Company.

Attendance record of the Directors seeking appointment/re-appointment

| Name of the Director | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| James Patrick Kinnerk | 5 | 5 |
| Rajesh Jain | NA | NA |
| Satish Premanand Rao | NA | NA |
| Richa Arora | NA | NA |

**Inter-se relationships between Board Members**

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

# Addendum to the NOTICE of Thirty Seventh (37th) Annual General Meeting

This is an addendum to the Notice of **Thirty Seventh (37th) Annual General Meeting (AGM) of the Members of Agro Tech Foods Limited to be held on Monday, September 30, 2024 at 4.00 p.m.** (IST) through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact eight business items (4 Ordinary Business and 4 Special Business) as specified in the said notice.

By this Addendum, Notice is given to the members to replace the Item Number 3 in the notice of Thirty Seventh (37th) AGM dated 16th July 2024 and at the said meeting, following special businesses will also be transacted as Item No.9 and 10.

**I. To replace the item number 3 in the Notice of Thirty Seventh (37th) Annual General Meeting**

**3. Retirement of Director by Rotation**

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

"RESOLVED THAT Mr. James Patrick Kinnerk (DIN : 08773594), Non-Executive Director, who retires by rotation at the 37th Annual General Meeting, does not offer himself for reappointment, be not re-appointed as a Director of the Company and the vacancy so caused on the Board of the company be not filled-up."

Shareholders are requested to read the content in relation to "Director retiring by rotation" in Notes to the Notice of AGM, Directors' Report and Corporate Governance Report in the Annual Report in line with the above modification.

**II. The following resolutions will be transacted at the ensuing Annual General Meeting in addition to the resolutions mentioned in the above said notice dated July 16, 2024:**

**SPECIAL BUSINESS :**

**9. Appointment of Mr. Harsha Raghavan (DIN: 01761512), as Non-Executive Director**

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

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder (including any statutory modification or re-enactment(s) thereof for the time being in force), and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force and such other applicable provisions and regulations, Mr. Harsha Raghavan (DIN: 01761512), who is eligible to be appointed as Non-Executive Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Non-Executive Director, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation."

"RESOLVED FURTHER THAT the Board or any Committee thereto, be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to do all things incidental or ancillary thereto."

**10. Appointment of Mr. Manish Mehta (DIN: 06442038), as Non-Executive Director**

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

"RESOLVED THAT pursuant to the provisions of the Companies Act, 2013 ("the Act") read with the Rules framed thereunder (including any statutory modification or re-enactment(s) thereof for the time being in force), and applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("the LODR Regulations") (including any statutory modification or re-enactment(s) thereof for the time being in force and such other applicable provisions and regulations, Mr. Manish Mehta (DIN: 06442038), who is eligible to be appointed as Non-Executive Director of the Company, in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the office of Non-Executive Director, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation."

"RESOLVED FURTHER THAT the Board or any Committee thereto, be and are hereby authorized to do all such acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution and to do all things incidental or ancillary thereto."

**Notes:**

1. Mr. James Patrick Kinnerk has tendered his resignation as Director from the Board of Directors of the Company with effect from August 28, 2024. Further, Mr. James Patrick Kinnerk, who retire by rotation at the 37th Annual General Meeting (AGM) to be held on 30th September 2024, has expressed his unwillingness to be so re-appointed as Director at the 37th AGM.
2. The Explanatory Statement pursuant to the provisions of Section 102 of Companies Act, 2013 in respect of Special Business as proposed above to be transacted at the 37th AGM is annexed hereto.
3. This addendum to the Notice of AGM is available on the website of the Company also at www.atfoods.com
4. Brief profile of the Directors proposed to be appointed are annexed hereto pursuant to Regulations 26(4) & 36(3) of the Listing Regulations and Secretarial Standard issued by Institute of Company Secretaries of India. None of the Director is related to one another.
5. All the processes, notes and instructions relating to e-voting set out for and applicable for the ensuing 37th AGM shall mutatis-mutandis apply to the e-voting for the resolution proposed/replaced in this Addendum to the Notice of AGM.

Place : Gurugram
Dated: August 28, 2024

By Order of the Board
for **Agro Tech Foods Limited**
**Jyoti Chawla**
Company Secretary
A-20392

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

### Item no. 9 - Appointment of Mr. Harsha Raghavan (DIN: 01761512) as Non-Executive Director

Pursuant to Section 161 of the Companies Act, 2013 read with Article 130 of the Articles of Association of the Company and other applicable provisions, the Board, at its meeting held on August 28, 2024, appointed Mr. Harsha Raghavan (DIN: 01761512) as an Additional Director in the capacity of Non-Executive Director of the Company to hold office up to the date of this Annual General Meeting. The Company has received all statutory disclosures / declarations, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules"),

(ii) Notice of interest in other Companies in Form MBP-1 pursuant to section 184 (1) read with Rule 9(1) of the Companies (Meetings of Board and its Power) Rules, 2014,

(iii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act,

(iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,

(v) A notice in writing by a member proposing his candidature under Section 160(1) of the Act,

The nomination and remuneration Committee and the Board of Directors at their Meeting held on August 28, 2024 has recommended the appointment of Mr. Harsha Raghavan as a Non-Executive Director of the Company, liable to retire by rotation, with no remuneration and no sitting fees to be paid.

#### Interest of Directors:

Mr. Harsha Raghavan 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 set forth in Item No. 9 for your approval.

### Item no. 10 - Appointment of Mr. Manish Mehta (DIN: 06442038) as Non-Executive Director

Pursuant to Section 161 of the Companies Act, 2013 read with Article 130 of the Articles of Association of the Company and other applicable provisions, the Board, at its meeting held on August 28, 2024, appointed Mr. Manish Mehta (DIN: 06442038) as an Additional Director in the capacity of Non-Executive Director of the Company to hold office up to the date of this Annual General Meeting. The Company has received all statutory disclosures / declarations, including:

(i) Consent in writing to act as director in Form DIR-2, pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 ("the Appointment Rules"),

(ii) Notice of interest in other Companies in Form MBP-1 pursuant to section 184 (1) read with Rule 9(1) of the Companies (Meetings of Board and its Power) Rules, 2014,

(iii) Intimation in Form DIR 8 in terms of the Appointment Rules to the effect that he is not disqualified under sub-section (2) of Section 164 of the Act,

(iv) Declaration pursuant to BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, and NSE Circular No. NSE/CML/2018/24 dated June 20, 2018 that he has not been debarred from holding office of a Director by virtue of any order passed by the SEBI or any other such authority,

(v) A notice in writing by a member proposing his candidature under Section 160(1) of the Act,

The nomination and remuneration Committee and the Board of Directors at their Meeting held on August 28, 2024 has recommended the appointment of Mr. Manish Mehta as a Non-Executive Director of the Company, liable to retire by rotation, with no remuneration and no sitting fees to be paid.

#### Interest of Directors:

Mr. Manish Mehta 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 set forth in Item No. 10 for your approval.

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

### Mr. Harsha Raghavan

Mr. Harsha Raghavan is the Founder and Managing Partner of Convergent Finance LLP headquartered in Mumbai, India. Mr. Raghavan has been involved with the Indian private equity industry since 1996. He most recently served as the Founding Managing Director & CEO of Fairbridge Capital Private Limited, the Indian investing entity of Fairfax Financial Holdings, from 2009 to 2018.

He was also Head of India for Candover Investments, Co-Head of India for Goldman Sachs Principal Investment Area and Vice President of Indocean Chase Capital. Mr. Raghavan has experience investing over $3.0 billion across multiple continents, with a track record of value creation through intensive engagement with portfolio companies.

At Fairbridge, Mr. Raghavan was responsible for all capital allocation decisions and led the investment of more than $2.1 billion, a figure that rose by over 2.6x to $5.5 billion in a seven-year period. Portfolio companies leveraged Mr. Raghavan's operational expertise and global networks to meet their strategic objectives, including mergers and acquisitions, business expansions, and board appointments.

Mr. Raghavan holds a Master of Business Administration degree and Master of Science degree in industrial engineering both from Stanford University and a Bachelor of Arts degree from the University of California at Berkeley, where he double-majored in computer science and economics.

His DIN is 01761512

**Companies (other than Agro Tech Foods Limited) in which Mr. Harsha Raghavan holds Directorship and Committee Membership :**

***Directorship:***

Camlin Fine Sciences Limited
Jagsonpal Pharmaceuticals Limited
Onward Technologies Limited
Agilitas Sports Private Limited
Just Udo Aviation Private Limited

***Chairman of Board Committees***

None

***Member of Board Committees***

Onward Technologies Limited - Audit Committee
Jagsonpal Pharmaceuticals Limited- Audit Committee
Camlin Fine Sciences- Audit Committee

***Shareholding in the Company***

Just Udo Aviation Private Limited-2.13%

### Mr. Manish Mehta

Mr. Manish Mehta is a Managing Director, Investments & co-CIO at Samara India Advisors Private Limited and has been with the company since 2010. Manish has led investments in the Consumer, Retail, Healthcare and Business Services verticals for Samara Capital Funds.

Prior to Samara India Advisors Private Limited in 2010, Mr. Manish worked with the Private Equity Fund at Lehman Brothers in New York. Before that, Mr. Manish was a Principal in a US$10 billion multi-strategy hedge fund at Barclays Global Investors.

Mr. Manish also briefly worked in real estate private equity at Grove International Partners (Soros Fund) where he was covering India investments primarily in the hotel sector. Mr. Manish began his finance career with Lehman Brothers in 2001 in New York.

Mr. Manish earned his MBA from the Harvard Business School where he graduated with Distinction. Mr. Manish also has a Masters of Science in Transportation & Logistics from Massachusetts Institute of Technology (MIT) and received his Bachelors degree in engineering from Indian Institute of Technology (IIT), Roorkee where he was the top ranking student in his class. Manish is also a Chartered Financial Analyst (CFA).

His DIN is 06442038

**Companies (other than Agro Tech Foods Limited) in which Mr. Manish Mehta holds Directorship and Committee Membership:**

**Directorship:**

Samara India Advisors Private Limited

First Meridian Business Services Limited

Samara Global Services LLP

**Chairman of Board Committees**

None

**Member of Board Committees**

None

**Shareholding in the Company**

Sagista Realty Advisors Privalte Limimted - 2%

**Attendance record of the Directors seeking appointment**

| Directors | Number of Meetings | |
|---|---|---|
| | Held | Attended |
| Harsha Raghavan | NA | NA |
| Manish Mehta | NA | NA |

**Inter-se relationships between Board Members**

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

# 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 March 31, 2024.

## 1. PERFORMANCE OF THE COMPANY

### *1.1 Results*

Your Company's performance for the year ended March 31, 2024 is as follows:

(₹Millions)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| **Net Sales** | **7,566.39** | 8,467.42 |
| Other Income* | **34.42** | 22.62 |
| Total Income | **7,600.81** | 8,490.04 |
| Operating Expenses | **7,262.79** | 8,042.22 |
| **PBDIT** | **338.02** | 447.82 |
| Depreciation | **205.23** | 212.31 |
| Interest | **28.76** | 31.80 |
| Profit before Tax & exceptional item | **104.03** | 203.71 |
| Exceptional item | **26.81** | - |
| **Profit Before Tax (PBT)** | **130.84** | 203.71 |
| Taxes | **34.42** | 53.91 |
| **Profit After Tax (PAT)** | **96.42** | 149.80 |
| Other Comprehensive income # | **(1.94)** | (24.24) |
| **Total Comprehensive income** | **94.48** | 125.56 |

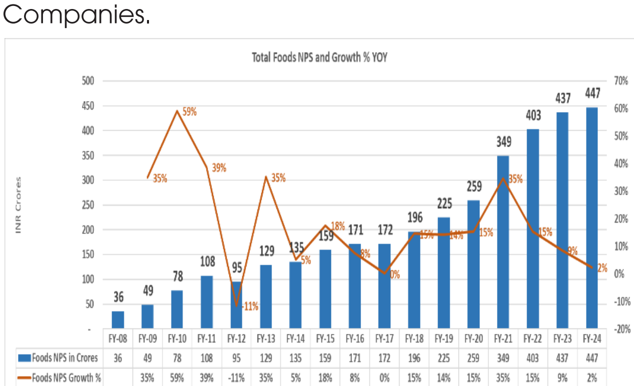
**Includes other operating revenue*

\# Net of taxes

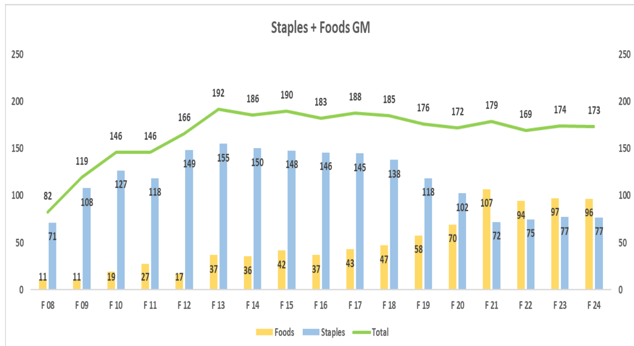
The Strategic Foods business closed the year with revenues of ₹ 447 crore which were 2% higher than FY'23. Overall Revenues were however impacted by the lowering of edible oil prices relative to Prior Year, impacted by commodity price movements. While your Company was able to largely mitigate the impact of commodity price changes on Gross Margin, higher investments in Advertising & Promotion and increase in travel costs impacted PBT relative to Prior Year.

### 1.2 Key Indicators

With a 17 years Revenue CAGR in the Foods business of 17% Your Company is on track to be amongst India's Best Performing Most Respected Food Companies.




FY'24 Gross Margin was lower than PY by ₹ 1Crore with a decrease in Foods' GM by ₹ 70 Lakhs and Staples' GM by ₹ 30 Lakhs.




## 2. DIVIDEND

Given the continued strong cash flow of the Company relative to the limited on going Capital Expenditure of the Company, your Directors are pleased to recommend a Dividend of ₹3/- per equity share of the face value of ₹10/- each for the year ended March 31, 2024 subject to the approval of the shareholders at the Annual General Meeting to be held on September 30, 2024.

**STATEMENT OF RETAINED EARNINGS** (₹Millions)

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| a) **At the beginning of the year** | **3,650.89** | 3,596.78 |
| b) Add: Profit for the year | **96.42** | 149.80 |
| c) Add: Other Comprehensive Income (net of tax) | **(1.94)** | (24.24) |
| d) Less: Dividends* | **72.60** | 71.45 |
| e) **At the end of the year** | **3,672.77** | 3,650.89 |

* Dividend given to Agro Tech ESOP Trust excluded of ₹ 0.51 mm (Previous year ₹ 1.66 mm).

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), the Company adopted a Dividend Distribution Policy vide its Board meeting held on 22nd July, 2021 in terms of the requirements of the Listing Regulations. The Policy is available on the Company's website at https://www.atfoods.com/pdf/code-of-conduct/DividendDistributionPolicy.pdf (atfoods.com)

## 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 statement of 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. DIVESTITURE BY PROMOTER GROUP

The promoter of the Company i.e. CAG-Tech (Mauritius) Limited, along with its holding company, Conagra Europe B.V. have entered into a Share Subscription Agreement dated February 29, 2024 (SSA) with Zest Holding Investments Limited ("Investor"), whereby the Investor shall acquire 100% control over the Promoter Company and consummation of this transaction would result in the Investor acquiring indirect control over the Company ("Proposed Transaction"). The Company has received the Detailed Public Statement on March 7, 2024 in this regard. The Board and Management of the Company would strive to navigate through the challenges of this move on the business and the employees of the Company to ensure as normal a running of the business as possible.

The Proposed Transaction has attracted an obligation on the Investor to make an open offer to the Public Shareholder of the Company as required under Regulation 3(1), 4 and 5 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, Letter of Offer (the "LOF") in relation to the Open Offer has been dispatched to the Eligible Public Shareholders of the Company by Zest Holding Investments Limited along with Zest Investments Limited ("PAC 1"), Samara Capital Partners Fund III Limited ("PAC 2"), Infinity Holdings ("PAC 3") and Infinity Holdings Sidecar I ("PAC 4") collectively referred to as the persons acting in concerts with the acquirer.

The date of Opening of Offer is Thursday, July 11, 2024 and date of Closing of Offer would be Thursday, July 25, 2024.

The Company has submitted the written recommendation of the Independent Directors Committee on the open Offer to the Eligible Public Shareholders of the Company pursuant to Regulation 26(6) of the SEBI ("SEBI (SAST) Regulations") to SEBI, Stock Exchanges and the Manager to the Offer and also published the same in newspapers.

## 5. CORPORATE GOVERNANCE

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

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

In line with the requirements of Companies Act, 2013, your Company has constituted the Board Committees and has in place all the statutory Committees required under the law.

Details of Board Committees along with their terms of reference, composition and meetings of the Board and Board Committees held during the year, are provided in the Corporate Governance Report.

## 6. 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.

## 7. INDUSTRY STRUCTURE & DEVELOPMENTS

The FMCG sector continues to remain an exciting sector with continued growth potential driven by India's economic growth. Key to securing a profitable slice of this pie is having a diverse portfolio of products which will enable your Company to deliver steady and sustainable growth through a range of market appropriate offerings produced in a cost-effective manner at the Company's in-house manufacturing capabilities.

Because of the attractive nature of the Indian Foods market it continues to attract capital both through public and private markets. However, the combination of your Company's in-house manufacturing capabilities and a powerful distribution network covering 485,000 stores across India ensures that your Company is well positioned to both defend its turf and drive aggressive consumer acquisition driven by identifying and meeting unmet consumer needs in the categories of choice.

## 8. OPPORTUNITIES AND THREATS

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

The Company's powerful Foods portfolio allows representation today in 5 fast growing categories – Ready to Cook Snacks, Ready to Eat Snacks, Spreads, Breakfast Cereals and Chocolates. Your Director's believe that these categories are sufficient to power the Company into one of the strongest Food Companies in India.

The primary threat to your Company's P&L has been the significant contribution of the Edible Oils business. Over time however this has been significantly reduced and in FY'24 the Foods business contributed to 59% of Sales and 56% of Gross Margin.

## 9. STATE OF THE COMPANY'S AFFAIRS

Your Company has registered a consistent growth of 17% (CAGR) in the Foods business over the last 17 years through selective entry into fast growing categories.

Key to this continued growth is expansion of distribution and investment in advertising spends. The Company was successfully able to further expand retail coverage in FY'24 ending the year with c 485,000 stores in coverage. Brand franchise investments were also enhanced in FY'24 by c ₹ 4 crore with total A&P increasing to c ₹ 29 crore. The expansion of coverage together with steady brand franchise investments sets your Company in a good place for a steady and sustained growth in the strategic Foods business.

## 10. PRODUCT CATEGORIES

### *10.1 Ready to Cook Snacks:*

Revenues from the Ready to Cook Snacks business were lower by 1% in FY'24. This reflected the positive impact of a 2% growth in Volume which was more than offset by lower price realization relative to PY as the Company responded to lower edible oils input prices with a lowering of price to the consumer. The lower pricing is now coming into the base and going forward the Company expects to see steady Volume and Value growth with Instant Popcorn already at a c 3% Volume Growth.

### *10.2 Ready to Eat Snacks:*

Revenues from the RTE Snacks business were higher than PY by 20% driven by a 22% growth in Volumes. The Company saw significant success in the RTE Popcorn business (up 34% vs PY) and is now in a strong national leadership position in this Category. Going forward your Company will seek to leverage the learnings from RTE Popcorn in other RTE Snacks to help increase scale while using sweet products in the portfolio to enhance profitability.

### *10.3 Spreads & Dips:*

Revenues from the Spreads business were lower by 7% vs PY driven by a 3% lower Volumes and as well some impact of pricing. In line with the declared strategy the Company has introduced both On The Go Packs of Peanut Butter & Biscuit Sticks and Low Unit Packs of Peanut Butter. The Company expects these introductions to significantly aid the expansion of Peanut Butter distribution and in doing so allow the Management to improve both the Volume performance and the price value realization from the entire category. Improvement in Value realization will be further aided by Chocolate Spreads where the Company has introduced more affordable offerings to further drive category trial and consumer acquisition.

### *10.4 Breakfast Cereals:*

A steady expansion of distribution enabled the Company to grow Breakfast Cereals revenues by 23% in FY'24 with a Volume Growth of 16% and positive impact of pricing actions. In FY'24 the Company also introduced a coffee variant in Center Filled Cereals and completed the Granola & Muesli offering with the introduction of a Muesli variant. A distributed supply chain supported by plants across the country places the Company in a strong position to have clear leadership in this important category in the future.

### *10.5 Chocolates:*

The Company saw a 6% Volume growth with flat revenues in the Chocolate Confectionery category in FY'24. While the growth levels are below expectations, the Category saw a steady increase in distribution indicating a strong acceptance of the Company offerings. The Company is working to enhance the instore display levels of the Category to further accelerate growth supported as well by one new variant in FY'25. The Management is also on track to achieve the stated goal of building capacity to support a ₹100 crore + Chocolate business and leverage the huge potential of this category.

### *10.6 Premium Staples:*

In line with the stated goals of the Company, the focus remained in FY'24 on profitability for this category with Gross Margin for the year only marginally lower than Prior Year despite extreme levels of volatility. The Company was also successfully able to hold the Volume loss due to protecting margin to 6% helped by launch of adjacencies such as Plain Oats.

*10.7 Mass Edible Oils/Staples:*

To help protect Retail Distributors from the impact of lower commodity prices, the Company increased focus marginally behind this Category in FY'24 (Volume Growth 12% and Revenue Decline of 10%). However, going forward the Company will continue to manage this business to help optimize the supply chain.

## 11. RESEARCH, QUALITY & INNOVATION (RQI)

Innovation remains the driver of growth for your Company and we continue to make investments which ensure that we deliver to consumers products which address unmet consumer needs. Your Company's unique plant centered innovation model ensures a robust flow of innovation at the lowest possible cost.

## 12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

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 A** and forms part of this report.

## 13. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Engaged Employees are critical to the success of your Company. In FY'24, your Company successfully achieved an Engagement Score of 81%. The continuing strong momentum in the Company driven by solid Foods growth and Innovation has helped to achieve this level.

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

## 14. KEY FINANCIAL RATIOS

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

| Particulars | 2023-24 | 2022-23 | %Variance |
|---|---|---|---|
| (i) Debtors Turnover Ratio | **11.14** | 11.43 | -2.53% |
| (ii) Debt Service Coverage Ratio | **7.52** | 8.69 | -13.42% |
| (iii) Current Ratio | **2.05** | 1.99 | 2.78% |
| (iv) Inventory Turnover Ratio | **3.04** | 3.45 | -11.72% |

## 15. RETURN ON NET WORTH

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

| Particulars | 2023-24 | 2022-23 |
|---|---|---|
| (i) Return on Net Worth | **1.96%** | 3.08% |

## 16. PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 thereunder in respect of the top ten employees in terms of remuneration drawn and employees who were in receipt of remuneration aggregating ₹ 1.02 crores or more or were employed for part of the year and were in receipt of remuneration aggregating ₹ 8.50 lakhs per month or more during the financial year ending March 31, 2024 is provided in the **Annexure B** forming part of this Report.

## 17. 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.

## 18. PARTICULARS OF CONTRACTS WITH RELATED PARTIES

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

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website.: https://www.atfoods.com/pdf/code-of-conduct/policy_dealing_related_party_transactions.pdf

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

## 19. EMPLOYEE STOCK OPTION PLAN

The Company, vide special resolution in the Annual General Meeting of the Company held on July 25, 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 July 24, 2015 to align it with the provisions of SEBI (Share Based Employee Benefits) Regulations, 2014 ("SEBI Regulations"). The Plan is further amended and approved by the Nomination and Remuneration Committee in its meeting held on April 28, 2022 to the extent to align it with the mandatory provisions of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("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. Further details of the Plan are available on the website of the Company at www.atfoods.com

## 20. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company has transferred the required CSR amount of ₹ 67,22,000/- to the Prime Minister's National Relief Fund in the month of March, 2024 which is in line with regulatory requirements. In addition your Company continues to work with Anganwadi's as part of the Company's Poshan program designed to address malnourishment.

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

Aligning with the guidelines, the Company has constituted a CSR Committee comprising of Lt. Gen. D.B. Singh as Chairman, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Gidwani, Mr. James Patrick Kinnerk, Mr. Pedro Labayen de Inza and Mr. Trevor John Foster 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: https://www.atfoods.com/pdf/code-of-conduct/CSR-POLICY.pdf

The Annual Report on CSR activities is annexed here with as **Annexure D** and forms part of this Report.

## 21. RISK MANAGEMENT POLICY

The Company has formulated and adopted a revised Risk Management Policy which has been approved and adopted by the Board at the Board Meeting held on October 21, 2021 pursuant to SEBI (LODR) (Second Amendment) Regulations, 2021, which requires top one thousand listed Companies (based on market capitalization of every financial year) to formulate and disclose a Risk Management Policy. The 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 company.

## 22. WHISTLE BLOWER POLICY (VIGIL MECHANISM)

The Vigil mechanism under Whistle Blower Policy has been approved by the Board of Directors on October 17, 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 : https://www.atfoods.com/pdf/code-of-conduct/Whistle%20Blower%20Policy.pdf

## 23. 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.

## 24. FINANCE AND ACCOUNTS

### *24.1 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 frame work for Risk Management, and
- CEO/CFO Certification for Financial Reporting Controls to the Board

The Company has appointed M/s. Grant Thornton Bharat LLP as Internal Auditors to ensure adequacy of internal control systems and make recommendations there to. 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.

**24.2. 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.

***24.3 Outlook***

With a Foods Turnover of ₹ 447 crore and a proven 17 year CAGR of 17%, your Company is clearly well positioned to be a major player in the Foods industry in India. This proposition is further strengthened by a strong portfolio and a powerful retail distribution network which will ensure that with a relentless pursuit of Revenue and Margin goals on the Foods business, your Company will become a significant player in the Indian Foods Industry and join the ranks of India's Best Performing Most Respected Food Companies.

**25. DIRECTORS**

In accordance with the provisions of Article 143 of the Articles of Association of the Company, in so far as it is not inconsistent with the relevant provisions of the Companies Act, 2013, Mr. James Patrick Kinnerk retires by rotation and being eligible, offers himself for re-appointment. A brief profile of Mr. James Patrick Kinnerk is given in the notice of the 37th Annual General Meeting.

Mr. Sachin Gopal has resigned from the Directorship and Managing Director and CEO of the Company w.e.f. close of business of April 24, 2024.

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors has appointed Mr. Alexander Byron Jacobs (DIN : 10597668) as an Additional Director (Non-executive, Non-Independent) of the Company with effect from April 24, 2024 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 130 of the Articles of Association of the Company and subject to the necessary approval of the Shareholders.

Based on the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 130 of the Articles of Association of the Company, the Board of Directors has appointed Mr. Asheesh Kumar Sharma, (DIN:10602319) as an Additional Director of the Company and also as the Managing Director, designated as 'Executive Director and Chief Executive Officer' effective April 25, 2024, for a term of 5 years until April 24, 2029 on the terms and conditions subject to the approval of the shareholders, as per the relevant provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

The shareholders' approval was obtained for (i) the appointment of Mr. Alexander Byron Jacobs as a Director of the Company, whose period of office shall be liable to determination by retirement of Directors by rotation and (ii) the appointment of Mr. Asheesh Kumar Sharma, as Director, Managing Director and CEO effective April 25, 2024, for a term of 5 years whose period of office shall not be liable to determination by retirement of Directors by rotation. The said approval was obtained by passing an Ordinary Resolution and a Special Resolution for item (i) and (ii) above respectively through Postal Ballot by voting through electronic means only ("remote e-voting") as Special Business items. The said Resolutions were approved by requisite majority of shareholder and passed on July 11, 2024. The result of the Postal Ballot was submitted to BSE and NSE on July 12, 2024 and was also uploaded on the website of the company.

Lt. Gen. D B Singh, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor and Ms. Veena Gidwani were re-appointed as non-executive Independent Directors by the Shareholders' at the 32nd Annual General Meeting held on July 17, 2019, for second consecutive term of five (5) years till July 16, 2024, not liable to retire by rotation.

The second term of appointment of Lt. Gen. D.B. Singh, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor and Ms. Veena Gidwani, non-executive Independent Directors, expires w.e.f. close of hours of July 16, 2024 and therefore they retired as the Independent Directors of the Company w.e.f. July 17, 2024.

Based on the recommendation of Nomination and Remuneration Committee, Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora are being appointed as Non-executive Independent Directors of the Company pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and Article 130 of the Articles of Association of the Company w.e.f. July 17, 2024

Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora hold office up to the date of the ensuing Annual General Meeting. Notice as required under Section 160 of the Companies Act, 2013 has been received from Members proposing the appointment of Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora as non-executive Independent Directors of the Company at the ensuing Annual General Meeting.

The brief profiles of Mr. Rajesh Jain, Mr. Satish Premanand Rao and Ms. Richa Arora are given in the notice of the 37th Annual General Meeting.

Mr. Pedro Labayen de Inza (DIN 09576297) and Mr. Trevor John Foster (DIN 09669509), vide their letters dated July 16, 2024 has tendered their resignation as Non-Executive Non-Independent Directors of the Company w.e.f. the close of business hours of July 16, 2024 due to personal and unavoidable circumstances.

All the Independent Directors of the Company as on March 31, 2024 have also given a confirmation to the Company as provided under Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of SEBI (LODR) Regulations, 2015 that:

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

b. i. they are or were not a promoter of the Company or its holding, subsidiary or associate Company or member of the promoter group of the company;

   ii. they are not related to promoters or other directors in the Company, its holding, subsidiary or associate Company;

c. they do not have or had any pecuniary transaction or relationship other than remuneration as such director or having transaction not exceeding ten percent 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 three 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 three 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 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 three 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 three immediately preceding financial years or during the current financial year; or

   (iv) has or had any other pecuniary transaction or relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may prescribed from time to time, whichever is lower, singly or in combination with the transactions referred to in sub-clause(i), (ii) or (iii) during the three immediately preceding financial years or during the current financial year.

e. neither they nor any of their relatives–

   (i) hold or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed;

   (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which they were proposed to be appointed, 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 percent or more of the gross turnover of such firm;

   (iii) held together with any relatives two percent 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 organization 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 percent or more of the total voting power of the Company;

   (v) is a material supplier, service provider or customer or a lessor or lessee of the Company;

f. they are not a non-independent director of any other company on the board of which any non-independent director of the Company is an independent director.

g. they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

h. they possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

i. they have complied with the requirement of sub-rule (1) and sub-rule (2) of Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014 with regard to inclusion of their names and/or renewal thereof, in the Independent Directors data bank maintained with Indian Institute of Corporate Affairs (IICA).

## 26. MEETINGS OF THE BOARD

The Board of Directors met 5 times during the period April to March in the year 2023-2024 on the following dates:

1. April 27, 2023
2. July 26, 2023
3. October 19, 2023
4. January 24, 2024
5. March 21, 2024

## 27. AUDIT COMMITTEE

The Company's Audit Committee as on date of this report comprises of six Directors, all are non-executive and Independent Directors. This is in compliance with Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Lt.Gen. D. B. Singh, an Independent Director, is the Chairman of the Committee while Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Gidwani and Mr. Pedro Labayen de Inza are its Members. The Charter of the Committee is in line with the requirements of Section177 of the Companies Act, 2013 and the relevant clauses of the Listing Regulations.

## 28. 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 B** to this Report.

## 29. EVALUATION OF THE BOARD

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

The annual evaluation of the Board is done at three levels as (i) Board as a whole; (ii) Committees of the Board and (iii) Individual Directors and Chairperson.

A detailed Questionnaire is circulated to all individual directors. The Directors are evaluated on the basis of the following performance evaluation criteria namely knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution and Integrity. The Additional criteria for Independent directors are independence, independent views and judgment.

The remuneration/commission to Non-Executive and Independent Directors shall be fixed as per the provisions contained under Companies Act, 2013. The Non-Executive Independent Director may receive remuneration by way of fees for attending each meeting of Board or Committee thereof, provided that the amount of such fees shall not exceed ₹ 1,00,000/- (₹ 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 here with as **Annexure E** and forms part of this Report and is also uploaded on the website of the Company: https://www.atfoods.com/pdf/code-of-conduct/Nomination%20and%20Remuneration%20Policy.pdf

## 30. 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. During the year, the management has provided knowledge enhancement sessions to all directors including independent Directors in the board meetings. The topics covered were (i) Consumer Engagement in a responsible manner- ATFL'S Social Media Strategy, consumer connect and Impact (ii) Regulatory changes on BRSR framework including BRSR Core disclosure and assurance. More details about familiarization Programme are uploaded on Company's website: https://www.atfoods.com/pdf/other-information/familiarisation_programme_independent_directors.pdf

## 31. AUDITORS

M/s Deloitte Haskins & Sells LLP, Chartered Accountants, were appointed as the Statutory Auditors of the Company by the Shareholders' at the 32nd Annual General Meeting held on July 17, 2019, to hold office from the conclusion of the 32nd Annual General Meeting till the conclusion of the 37th Annual General Meeting. Accordingly, the first term of 5 years of appointment of M /s Deloitte Haskins & Sells LLP, as the Statutory Auditors will come to an end on the conclusion of ensuing 37th Annual General Meeting as per Section 139 (2)(b).

M/s BSR and Co, Chartered Accountants, are recommended for appointment as the Statutory Auditors of the Company to hold office from the conclusion of the 37th Annual General Meeting to the conclusion of the 42nd Annual General Meeting in place of M /s Deloitte Haskins & Sells LLP. The Company has received a certificate from M/s BSR and Co, Chartered Accountants to the effect that their appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and Companies (Audit and Audit Rules), 2014. The Company has received a certificate from M/s BSR and Co, Chartered Accountants to the effect that they are not disqualified to be appointed and to act as Auditors in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 and Companies (Audit and Audit Rules), 2014.

The Report given by the Auditors M/s Deloitte Haskins & Sells LLP, Chartered Accountants on the financial statements of the Company for financial year 2023-24 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.

## 32. COST AUDIT

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

## 33. SECRETARIAL AUDIT

M/s. Tumuluru & Company, Company Secretaries Firm has been appointed to conduct the Secretarial Audit of the Company as required under the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (LODR) Regulations, 2015 and also to provide the Secretarial Compliance Report for the financial year 2023-24. Copy of the Secretarial Audit Report in Form MR-3 is given as an **Annexure F** to this Director's Report. The Secretarial Audit Report does not contain any qualification or adverse remarks.

## 34. SUBSIDIARY COMPANIES

Your subsidiary, Sundrop Foods India Private Limited has continued to perform the role of aiding the Company's expansion of distribution and display of your Company's products. At the end of FY'24 the number of sales staff on the rolls of the Company were 423.

Your Company's wholly owned subsidiary Agro Tech Foods (Bangladesh) Pvt. Ltd continues to scale up production as we expand our business in a neighboring emerging market with strong growth potential.

Your Company will also be working towards leveraging your Company's wholly-owned subsidiary Sundrop Foods Lanka (Private) Limited at an opportune time basis the economic developments in that market.

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 2023-24 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 as **Annexure G** to this Report. The audited financial statements and related information of subsidiaries are available for inspection electronically and will be provided to any shareholder on demand. The separate audited financial statements in respect of each subsidiary Company is also available on the website of your Company https://www.atfoods.com/annual-reports.aspx

## 35. ANNUAL RETURN

A copy of the Annual Return as provided under Section 92(3) of the Companies Act, 2013 and Rule12 of the Companies (Management & Administration) Rules, 2014 prepared as on March 31, 2024 shall be placed on the website of the Company and the same is available in the Company's website: https://www.atfoods.com/investors-information.aspx

## 36. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of amendment to Regulation 34 (2) (f) notified by SEBI (LODR) (Second Amendment) Regulations, 2021 dated May 05, 2021, SEBI has mandated the new reporting requirements on ESG parameters called the Business Responsibility and Sustainability Report (BRSR) as part of the Annual Report for top 1000 listed entities based on market capitalization. In compliance with the same, the BRSR for FY 2023-24 is provided as part of this Annual Report.

## 37. 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:

a. Details relating to deposits covered under Chapter V of the Act.

b. Issue of equity shares with differential rights as to dividend, voting or otherwise.

c. 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.

d. The Managing Director of the Company does not receive any remuneration or commission from any of its subsidiaries.

e. 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.

f. The Company has complied with the provisions relating to constitution of Internal Complaints Committee and no cases reported or filed during the year pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

g. During the year, your Company has not accepted any public deposits under Chapter V of Companies Act, 2013.

h. Pursuant to Section 124 and Section 125 of the Companies Act 2013 read with IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 and any amendment thereof, as may be applicable, an amount of ₹ 541,932/-which remained unpaid / unclaimed dividends pertaining to FY15-16 was transferred to Investor Education and Protection Fund on September 14, 2023.

i. During the year, the Company has transferred 17,090 unclaimed shares to IEPF account on September 29, 2023. The detailed list of unclaimed shares transferred to IEPF Authority is available in the Company's website www.atfoods.com

j. Pursuant to Section 124 and Section 125 of the Companies Act 2013 read with IEPFA (Accounting, Audit, Transfer and Refund) Rules 2016 and any amendment thereof, as may be applicable, an amount of ₹ 540,444/- (as on March 31, 2024) of unpaid/unclaimed dividends pertaining to FY16-17 will be transferred to Investor Education and Protection Fund within the prescribed timelines.

k. Except as disclosed elsewhere in the Report, there have been no material changes and commitments made between the end of the financial year of the Company and the date of this Report. There has been no change in the nature of business of the Company during the year.

l. No application was made during the year and no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) as at the end of the financial year.

m. No instance of the valuation was required for one time settlement and no valuation was done while taking the loan from the Banks or Financial Institutions.

## 38. 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

| | |
|---|---|
| **Asheesh Kumar Sharma** | **Lt. Gen. D.B. Singh** |
| Managing Director & CEO | Director |
| DIN 10602319 | DIN 00239637 |

Place : Mumbai
Date : July 16 , 2024

# ANNEXURES TO DIRECTOR'S REPORT

## ANNEXURE A

## 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 under taken 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 in Telangana, at Kashipur in Uttarakhand, at Unnao in Uttar Pradesh, at Jhagadia in Gujarat, at Mangaldai in Assam and at Chittoor in Andhra Pradesh. 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'24 your Company continued to use Technology to drive Competitive Advantage and provide high quality food products to our consumers. This included the expansion of the portfolio in each of the 5 Food categories in which the Company now competes.

### 3. RESEARCH & DEVELOPMENT (R&D)

Your Company has spent about ₹ 23.13 Million (including capital R&D of ₹ 4.13 Million), this year towards Research and Development totaling to about 0.31% of the Company's turnover. The powerful R&D program has enabled the Company to carve out a position in 5 fast growing Food categories in India and visible in the broad based portfolio of the Company.

### 4. FOREIGN EXCHANGE EARNINGS AND OUTGO (Accrual basis).

| Particulars | ₹ MM |
|---|---|
| Foreign Exchange earned in terms of inflows | 23.81 |
| Foreign Exchange outgo in terms of outflows | 85.02 |

On Behalf of the Board

**Asheesh Kumar Sharma**
Managing Director & CEO
DIN 10602319

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

Place : Mumbai
Date : July 16, 2024

# ANNEXURE B

**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 2023-24 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:

| S. No. | Name of the Director/KMP and Designation | Remuneration of Directors / KMP for Financial year 2023-24 in ₹ | % age Increase / (Decrease) in the remuneration in the FY 2023-24 | Ratio of the remuneration of each Director to the median remuneration of the employees |
|---|---|---|---|---|
| 1. | Mr. James Patrick Kinnerk<br>Chairman & Non-Executive Director | - | - | - |
| 2. | Mr. Pedro Labayen De Inza<br>Non-Executive Director | - | - | - |
| 3. | Mr. Trevor John Foster<br>Non-Executive Director | - | - | - |
| 3. | Lt. Gen. D.B. Singh<br>Non-Executive Independent Director | 14,00,400 | 1.82% | 2.43:1 |
| 4. | Mr. Sanjaya Kulkarni<br>Non-Executive Independent Director | 14,00,400 | 19.14% | 2.43:1 |
| 5. | Mr. Narendra Ambwani<br>Non-Executive Independent Director | 12,50,400 | 11.11% | 2.17:1 |
| 6. | Mr. Arun Bewoor<br>Non-Executive Independent Director | 14,00,400 | 1.82% | 2.43:1 |
| 7. | Ms. Veena Gidwani<br>Non-Executive Independent Director | 14,00,400 | 1.82% | 2.43:1 |
| 8. | Mr. Sachin Gopal**<br>Managing Director | 2,35,96,970 | 28.07% | 40.96:1 |
| 9. | Mr. KPN Srinivas #<br>Chief Financial Officer | 5,790,854 | 17.24% | Not Applicable |
| 10. | Ms. Jyoti Chawla<br>Company Secretary | 3,749,631 | 7.75% | Not Applicable |

** During the current year an amount of ₹ 2,18,38,036/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

# During the current year an amount of ₹ 57,240/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

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

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

-There were 564 permanent employees on the rolls of Company as on March 31, 2024;

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2023-24 was 9% whereas there was 5% increase in the managerial remuneration for the same financial year. Increase in the salaries of employees are in line with the market bench marking and there are no exceptional circumstances and increases for managerial remuneration.

-It is here by 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 March 31, 2024:

I. Employed through out the year : Top ten employees in terms of remuneration drawn and employees who were in receipt of remuneration aggregating ₹ 1.02 crores or more

| S. NO. | NAME OF THE EMPLOYEE | AGE | QUALIFICATIONS | DESIGNATION/ NATURE OF DUTIES | DATE OF COMMENCEMENT OF EMPLOYMENT | EXPERIENCE (YEARS) | REMU-NERATION ₹ | LAST EMPLOYMENT |
|---|---|---|---|---|---|---|---|---|
| 1. | Sachin Gopal* | 64 | B.A., MBA | Managing Director & CEO | 02.04.2007 | 43 | 23,596,970 | Procter & Gamble |
| 2. | Asheesh Kumar Sharma ** | 54 | B.Sc., PGDBM | VP-Marketing | 02.07.2007 | 32 | 13,374,920 | Gillete India Ltd |
| 3. | Sanjay K Srivastava *** | 54 | B.Sc., B.Tech. | Head of Manufacturing | 12.06.2000 | 33 | 68,53,458 | Siel Foods & Fertilizer Industries |
| 4. | Rikesh Kotwal | 41 | BECivil, MBA | Head of Sales | 23.04.2012 | 20 | 64,04,734 | Wipro Consumer Care |
| 5. | KPN Srinivas@ | 43 | B.Com, M.Com, CA | Chief Financial Officer | 27.04.2009 | 15 | 57,90,854 | Nil |
| 6. | Dharmesh Kumar Srivastava % | 60 | M.Tech. MBA | VP-Supply Chain | 08.07.2008 | 32 | 57,23,495 | Procter & Gamble |
| 7. | Nallapa Reddy Arveti | 45 | BCA | Senior Manager Information System Administration | 14.04.2011 | 22 | 44,91,965 | Wells Fargo India |
| 8. | V Tulasi Ram# | 57 | B. A. | Regional Business Manager-South 2-Sales | 10.10.2008 | 32 | 42,86,932 | Emami Limited |
| 9. | Debarshi Saha | 36 | MBA | Channel Business Manager - DMT & E-commerce | 03.06.2013 | 16 | 41,89,511 | Bosch Ltd. |
| 10. | T K Venkatraman^ | 57 | B.Com | Regional Business Manager-South 1-Sales | 18.09.1997 | 37 | 39,80,227 | Bakemans Industries |

II. Employed partly during the year: employees who were in receipt of remuneration of ₹ 8,50,000/-and above per month-

| NAME OF THE EMPLOYEE | AGE | QUALIFICATIONS | DESIGNATION/ NATURE OF DUTIES | DATE OF COMMENCEMENT OF EMPLOYMENT | EXPERIENCE (YEARS) | REMU-NERATION ₹ | % OF EQUITY SHARES HELD | LAST EMPLOYMENT | Date of Leaving |
|---|---|---|---|---|---|---|---|---|---|
| NIL | | | | | | | | | |

**NOTES:**

1. All appointments are contractual.
2. No director is related to any other director or employee of the Company listed above.
3. No employee was in receipt of remuneration for the year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.
4. 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.

* During the current year an amount of ₹ 2,18,38,036/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

** During the current year an amount of ₹ 98,34,454/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

*** During the current year an amount of ₹ 18,38,729/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

@ During the current year an amount of ₹ 57,240/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

% During the current year an amount of ₹ 35,36,086/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

# During the current year an amount of ₹ 5,03,370/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

^ During the current year an amount of ₹ 5,35,313/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

On Behalf of the Board

**Asheesh Kumar Sharma**
Managing Director & CEO
DIN 10602319

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

Place : Mumbai
Date : July 16, 2024

# ANNEXURE C

## FORM NO. AOC -2

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

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

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

| SL. No. | Particulars | Details |
|---|---|---|
| a) | Name (s) of the related party & nature of relationship | Not Applicable |
| b) | Nature of contracts/arrangements/transaction | Not Applicable |
| c) | Duration of the contracts/arrangements/transaction | Not Applicable |
| d) | Salient terms of the contracts or arrangements or transaction including the value, if any | Not Applicable |
| e) | Justification for entering into such contracts or arrangements or transactions | Not Applicable |
| f) | Date of approval by the Board | Not Applicable |
| g) | Amount paid as advances, if any | Not Applicable |
| h) | Date on which the special resolution was passed in General meeting as required under first proviso to section 188 | Not Applicable |

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

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

*The details of transactions between the Company and its related parties, names, nature of such contracts/ arrangements/transactions and other details are set out in Notes to Accounts under note number 42 forming part of the standalone Financial Statements.

On Behalf of the Board

**Asheesh Kumar Sharma**
Managing Director & CEO
DIN 10602319

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

Place : Mumbai
Date : July 16, 2024

# ANNEXURE D

## ANNUAL REPORT ON CSR ACTIVITIES

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

### 1. Brief outline on CSR Policy of the Company

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:**

The Company remains fully compliant with the regulatory requirements for CSR expenditure and has transferred the sum of ₹ 67,22,000/- in March 2024 to meet the requirements of the regulator. In addition the Company also works with Anganwadis as part of the Poshan program to address malnourishment in the country. The details of the policy are available on the website, www.atfoods.com

### 2. Composition of CSR Committee:

| SL. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1. | Lt. Gen. D.B. Singh | Independent Director Chairman | 2 | 2 |
| 2. | Mr. Sanjaya Kulkarni | Independent Director Member | 2 | 2 |
| 3. | Mr. Arun Bewoor | Independent Director Member | 2 | 2 |
| 4. | Mr. Narendra Ambwani | Independent Director Member | 2 | 2 |
| 5. | Ms. Veena Gidwani | Independent Director Member | 2 | 2 |
| 6. | Mr. James Patrick Kinnerk | Non-Executive Director | 2 | 2 |
| 7. | Mr. Pedro Labayen de Inza | Non-Executive Director | 2 | 2 |
| 8. | Mr. Trevor John Foster | Non-Executive Director | 2 | 2 |

**3.** Web-link where Composition of CSR committee, CSR Policy and CSR projects are disclosed on the website of the company

https://www.atfoods.com/pdf/code-of-conduct/CSR-POLICY.pdf

https://www.atfoods.com/board-of-directors.aspx

**4.** Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable - **Not Applicable**

**5.** Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - **Nil**

**6.** Average net profit of the company as per section 135(5) : **₹ 336,095,396/-**

**7.** (a) Two percent of average net profit of the company as per section 135(5) : **₹ 6,721,908/-**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : **Nil**

(c) Amount required to be set off for the financial year, if any : **Nil**

(d) Total CSR obligation for the financial year (7a+7b-7c): **₹ 67,22,000/-**

**8.** (a) CSR amount spent or unspent for the financial year :

| Total Amount Spent for the Financial Year. (in ₹) | Amount Unspent (in ₹) | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| ₹ 67.22 lakhs | Nil | NA | As per Schedule VII-Prime Minister's National Relief Fund | ₹ 10,000/- and ₹ 67,12,000/- | 20 March, 2024 And 26 March, 2024 |

(b) Details of CSR amount spent against ongoing projects for the financial year : **Nil**

(c) Details of CSR amount spent against other than ongoing projects for the financial year : **₹ 67.22 lakhs**

(d) Amount spent in Administrative Overheads : **Nil**

(e) Amount spent on Impact Assessment, if applicable : **Nil**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) : **₹ 67.22 lakhs**

(g) Excess amount for set off, if any : **Nil**

**9.** (a) Details of Unspent CSR amount for the preceding three financial years :

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in ₹) | Amount spent in the reporting Financial Year (in ₹) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding financial years. (in ₹) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in ₹) | Date of transfer | |
| 1 | FY 2020-21 | Nil | Nil | Prime Minister's National Relief Fund | ₹ 1,500<br>₹ 95,82,950 | 3 Sep, 2021<br>23 Sep, 2021 | Nil |
| 2 | FY 2021-22 | Nil | | | | | |
| 3 | FY 2022-23 | Nil | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project. | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in ₹) | Amount spent on the project in the reporting Financial Year (in ₹) | Cumulative amount spent at the end of reporting Financial Year. (in ₹) | Status of the project - Completed / Ongoing. |
| Nil | | | | | | | | |

**10.** In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) : **Nil**

**11.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). **Not applicable**

On Behalf of the Board

Place : Mumbai
Date : July 16, 2024

**Asheesh Kumar Sharma**
Managing Director & CEO
DIN 10602319

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

# ANNEXURE E

## NOMINATION AND REMUNERATION POLICY

### 1. Introduction

The purpose of Nomination and Remuneration Committee is as under:

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

In terms of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations 2015, as amended from time to time, this policy on nomination and remuneration of Directors, Key Managerial Personnel (KMP), Senior Management and other employees of the Company has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors vide its resolution dated October 17, 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):

i. 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.

ii. That the relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

iii. 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.

iv. 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.

v. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.

vi. 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.

vii. 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.

viii. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

ix. To lay down criteria for appointment, removal of directors, Key Managerial Personnel and Senior Management Personnel and evaluation of their performance.

x. 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 October 17, 2014.

### 3. Definitions:

In this Policy unless the context otherwise requires:

i. 'Act' means Companies Act, 2013 and rules thereunder.

ii. 'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.

iii. 'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.

iv. 'Company' means Agro Tech Foods Limited.

v. 'Directors' means Directors of the Company.

vi. 'Independent Director' means a director referred to in Section 149 (6) of the Companies Act, 2013.

vii. '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

viii. 'Ministry' means the Ministry of Corporate Affairs.

ix. '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.

x. 'Senior Management Personnel' for this purpose shall mean employees of the company who are members of its core management team excluding Board of Directors. It would comprise all members of management one level below the executive director(s), including the functional / vertical heads.

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

## 4. Nomination and Remuneration Committee

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

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

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

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

### Appointment criteria and qualifications

a) The Committee shall identify and ascertain the integrity, qualification, expertise, experience and independence of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.

c) The company shall not appoint or continue the employment of any person as managing director, whole-time director or manager who is below the age of twenty-one years or has attained the age of seventy years provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person.

d) Appointment of Independent Directors is subject to compliance of provisions of Section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder and provisions of Regulation 17 and 17A of SEBI (LODR) Regulations, 2015.

### Term / Tenure

a) Managing Director/Whole-time Director:

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

b) Independent Director:

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

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

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

## 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 intervals (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 and 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 provident fund, 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 any other approvals as may be required.

### 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 shareholders, 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 shareholders.

## 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 (₹ 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 here under and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s).

## ANNEXURE F

# Form No. MR-3

# SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

(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, 2024 (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, 2024 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, 2018; **Not Applicable for the Audit Period**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and listing of Non-Convertible Securities) Regulations, 2021; **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; **Not Applicable for the Audit Period**

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and **Not Applicable for the Audit Period**

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable for the Audit Period**

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

   (a) Food Safety and Standards Act, 2006

   (b) Agricultural Produce Grading and Marking Act, 1937

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

(i) Secretarial Standards with respect to meetings of

Board of Directors (SS-1) and General Meetings (SS-2) 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 had transferred a sum of ₹ 10,000/- (Rupees Ten Thousand Only) and ₹ 67,12,000 (Rupees Sixty Seven Lakhs Twelve Thousand Only) on 20th March, 2024 and 26th March, 2024 respectively to Prime Minister's National Relief Fund for the FY 2023-2024, the fund which is mentioned in Schedule VII of the Companies Act, 2013 towards Corporate Social Responsibility representing 2% 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 is ₹ 67,21,908/-. (Rupees Sixty Seven Lakhs Twenty One Thousand Nine Hundred and Eight Only).

b. Public Announcement dated February 29, 2024 in relation to the Open Offer to the Eligible Public Shareholders of Agro Tech Foods Limited ("Target Company") by Zest Holding Investments Limited ("Acquirer") along with persons acting in concerts with the Acquirer ("Open Offer/ Offer") was made.

for **Tumuluru & Company**
Company Secretaries
**B V Saravana Kumar**
Partner
ACS NO. 26944
C. P. No. 11727
UDIN: A026944F000184741
Peer Review Certificate: 1159/2021

Place : Hyderabad
Date : 16th July, 2024

Note: This report is to be read with our letter of even date by the Secretarial Auditors,

**Enclosure - A**

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

for **Tumuluru & Company**
Company Secretaries
**B V Saravana Kumar**
Partner
ACS NO. 26944
C. P. No. 11727
UDIN: A026944F000184741
Peer Review Certificate: 1159/2021

Place : Hyderabad
Date : 16th July, 2024

## Statement containing salient features of the financial statement of subsidiaries

## ANNEXURE G

| | | | | As at 31 March 2024 | | | | | | For the year ended 31 March 2024 Refer note ( c) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of Subsidiary Company | Reporting currency | Exchange rates | Share capital | Share application money pending allotment | Reserves and surplus | Total assets | Total liabilities (Excluding share capital, share application money pending allotment and Reserves and surplus) | Investments | Turnover/ Total Income | Profit/ (loss) before tax | Tax expense/ (gain) | Profit for the year | Other comprehensive income | Total comprehensive income for the year | Proposed Dividend | % of Share holding | Country |
| 1 | Sundrop Foods India Private Limited | INR MM | | 20.00 | - | 73.32 | 115.14 | 21.82 | - | 171.39 | 9.24 | 1.73 | 7.51 | 0.78 | 8.29 | - | 100.00 | India |
| 2 | Agro Tech Foods (Bangladesh) Pvt.Ltd. | INR MM | Refer note (a) | 190.68 | - | (47.88) | 150.36 | 7.56 | - | 47.45 | 2.83 | 2.81 | 0.02 | - | 0.02 | - | 100.00 | Bangladesh |
| | | Taka MM | | 249.80 | - | (64.37) | 195.33 | 9.90 | - | 62.52 | 3.72 | 3.70 | 0.02 | - | 0.02 | - | | |
| 3 | Sundrop Foods Lanka (Private) Limited | INR MM | Refer note (b) | 13.89 | - | (8.56) | 5.63 | 0.30 | - | - | (0.03) | - | (0.03) | - | (0.03) | - | 100.00 | Sri Lanka |
| | | LKR MM | | 50.00 | - | (36.15) | 14.92 | 1.07 | - | - | (0.12) | - | (0.12) | - | (0.12) | - | | |

**Notes:**

a) The exchange rate used to convert Taka to Rupees "0.7633587786/Taka" for Agro Tech Foods (Bangladesh) Pvt. Ltd. balance sheet items.

b) The exchange rate used to convert LKR to Rupees "0.2777777778/LKR" for Sundrop Foods Lanka (Private) Limited balance sheet items.

# REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance pursuant to the Securities and Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2024.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company's Philosophy on Corporate Governance is built on a foundation of ethical and transparent business operations. The Company fosters a culture which focuses on a healthy balance between performance and organizational health. This culture inspires trust among all stakeholders and strengthens the Board and management accountability.

The Company has adopted the values of good governance, sustainability and teamwork to create long-term value for its stakeholders. The practice of responsible governance has enabled it to achieve sustainable growth, while meeting the aspirations of its stakeholders and fulfilling societal expectations. Leveraging the principles of integrity, execution excellence, customer orientation and leadership in an ethical manner, the Company continues to take the necessary steps towards growth and to enhance value for its shareholders. The sound governance processes and systems guide the Company on its journey towards continued success.

## 2. 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) as on March 31, 2024 are as under:

| Sl. No. | Name of Director | Category of Director | Relationship with Other Directors | No. of Directorship in other Companies # | No. of Memberships/ Chairmanship of Board Committees in other Companies $ |
|---|---|---|---|---|---|
| 1. | Mr. James Patrick Kinnerk | Chairman - Non-Executive | None | - | - |
| 2. | Mr. Pedro Labayen de Inza | Non-Executive | None | - | - |
| 3. | Mr. Trevor John Foster | Non-Executive | None | - | - |
| 4. | Lt. Gen. D.B Singh | Independent | None | - | - |
| 5. | Mr. Sanjaya Kulkarni | Independent | None | 4 | 3 |
| 6. | Mr. Arun Bewoor | Independent | None | 3* | 3 |
| 7. | Mr. Narendra Ambwani | Independent | None | 3 | 3 |
| 8. | Ms. Veena Vishindas Gidwani | Independent | None | - | - |
| 9. | Mr. Sachin Gopal** | Executive | None | - | - |

# 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.

* Mr. Arun Bewoor ceased to be the Independent Director of the BASF India Limited with effect from close of business hours on March 31, 2024, upon completion of his tenure as the Independent Director. The Directorship given in above table as 3 (three) Companies includes the Directorship of BASF India Ltd.

** Mr. Sachin Gopal has resigned from the Directorship and Managing Director of the Company w.e.f. close of business of April 24, 2024.

**Notes:**

1. Mr. Alexander Byron Jacobs (DIN: 10597668) has been appointed as an Additional Non-Executive Director w.e.f. April 24, 2024. The approval of the Shareholders for his appointment as a Non-Executive Director has been obtained through postal ballot on July 11, 2024.
2. Mr. Asheesh Kumar Sharma (DIN: 10602319) has been appointed as Managing Director, Director and CEO of the Company w.e.f. April 25, 2024. The approval of the Shareholders for his appointment as Managing Director, Director and CEO has been obtained through postal ballot on July 11, 2024.

## PARTICULARS OF DIRECTORSHIPS AND COMMITTEES HELD IN OTHER LISTED COMPANIES INCLUDING PRIVATE COMPANIES & FOREIGN COMPANIES AS ON MARCH 31, 2024

| Sl. No. | Name of the Director | Other Directorships | | | Other Committee Membership# | |
|---|---|---|---|---|---|---|
| | | Name of the Company | Type of Company | Position | Committee | Position |
| 1. | Mr. James Patrick Kinnerk | - | - | - | - | - |
| 2. | Lt. Gen. D.B. Singh | - | - | - | - | - |
| 3. | Mr. Sanjaya Kulkarni | TPL Plastech Limited | Listed | Independent Director & Chairman | Audit Committee | Chairman |
| | | | | | Stakeholders Relationship | Member |
| | | Time Technoplast Limited | Listed | Independent Director | Audit Committee | Member |
| | | Supreme Treon Private Limited | Unlisted | Independent Director | - | - |
| | | Indian Direct Equity Advisors Private Limited | Unlisted | Promoter Director & Managing Director | - | - |
| | | NED Energy Limited | Unlisted | Independent Director | - | - |
| | | Motilal Oswal Finvest Limited | Unlisted | Independent Director | - | - |
| 4. | Mr. Arun Bewoor | BASF India Limited* | Listed | Independent Director | Audit Committee | Member |
| | | | | | Stakeholders Relationship | Chairman |
| | | Jasmine Concrete Exports Private Limited | Unlisted | Independent Director & Chairman | | |
| | | Underwater Services Company Limited | Unlisted | Independent Director & Chairman | Audit Committee | Chairman |
| | | Eternis Fine Chemicals Limited | Unlisted | Independent Director | Audit Committee | Member |
| 5. | Mr. Narendra Ambwani | Banswara Syntex Limited | Listed | Independent Director | | |
| | | RPG Life Sciences Limited | Listed | Independent Director | Audit Committee | Member |
| | | | | | Stakeholders Relationship | Chairman |
| | | Parag Milk Foods Limited | Listed | Independent Director | Audit Committee | Member |
| | | Zeus Career & Performance Coach Private Limited | Unlisted | Promoter Director & Chairman | - | - |
| | | PriGiv Specialities Private Limited | Unlisted | Independent Director | - | - |
| | | Strength of Nature LLC | Foreign company | Director | - | - |
| | | Godrej Consumer Products Holding (Mauritius) Limited | Foreign company | Director | - | - |
| | | Godrej Africa Holdings Limited | Foreign company | Director | - | - |
| 6. | Ms. Veena Vishindas Gidwani | - | - | - | - | - |

| Sl. No. | Name of the Director | Other Directorships | | | Other Committee Membership# | |
|---|---|---|---|---|---|---|
| | | Name of the Company | Type of Company | Position | Committee | Position |
| 7. | Mr. Pedro Labayen de Inza | - | - | - | - | - |
| 8. | Mr. Trevor John Foster | - | - | - | - | - |
| 9. | Mr. Sachin Gopal | - | - | - | - | - |

# Only Audit & Stakeholders Relationship Committees for public companies has been considered.

* Mr. Arun Bewoor ceased to be the Independent Director of the BASF India Limited with effect from close of business hours on March 31, 2024, upon completion of his tenure as the Independent Director.

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 www.atfoods.com/pdf/other-information/familiarisation_programme_independent_directors.pdf

### C) Other provisions as to Board and Committees

### i) Number of Board Meetings held in Financial Year 2023-24 with dates and attendance of Directors:

Five (5) Board Meetings were held during the Financial Year 2023-24. Out of Five board meetings three (3) meetings were held through video conference in accordance with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India. They were held on April 27, 2023 (through video conference), July 26, 2023, October 19, 2023 (through video conference), January 23, 2024 and March 21, 2024 (through video conference).

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 | 5 | 5 | Yes |
| 2. | Mr. Sanjaya Kulkarni | 5 | 5 | Yes |
| 3. | Mr. Arun Bewoor | 5 | 5 | Yes |
| 4. | Mr. Narendra Ambwani | 5 | 4 | Yes |
| 5. | Ms. Veena Vishindas Gidwani | 5 | 5 | Yes |
| 6. | Mr. Pedro Labayen de Inza | 5 | 3 | No |
| 7. | Mr. Sachin Gopal | 5 | 5 | Yes |
| 8. | Mr. James Patrick Kinnerk | 5 | 5 | Yes |
| 9. | Mr. Trevor John Foster | 5 | 4 | Yes |

(AGM - Annual General Meeting)

### ii) Information to be made available to the Board includes among others:

- 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 an other 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 routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board Meetings or 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 July 1, 2015 and their revised version have been made effective from October 1, 2017. Agro Tech Foods Limited complies with the mandatory Standards and any amendment thereof 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, all the Independent Directors met on January 22, 2024 without the presence of non-independent directors and members of management, interalia, 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 discussed and reviewed the performance of Non-Independent Directors, the Board as a whole, Chairman of the Company.

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.

a. The Company has received declarations from the Independent Directors that they meet the criteria of Independence stipulated under Section 149 of the Act read with Rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and applicable provisions of the Listing Regulations.

   The Independent Directors have also confirmed that they have registered themselves with the Independent Director's Database maintained by the Indian Institute of Corporate Affairs.

b. The Independent Directors under Regulation 25(8) of the Listing Regulations have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

   Based on the declarations received from the Independent Directors, supported by a Certificate from Company Secretary in practice, the Board has confirmed the veracity of such disclosures and confirmed that the Independent Directors fulfil the conditions of independence specified in the Act and the Listing Regulations and are independent of the management of the Company.

**D) The Board has identified the following core skills/expertise/competencies which are required for the effective functioning of the Company which are available with the Board as on the date of this report**

| S. No. | Name of the Director | Core skills/expertise/ competencies | Educational & Professional Qualifications |
|---|---|---|---|
| 1. | James Patrick Kinnerk | Progressive Brand Building & Leadership in Financial matters | Chartered Accountant and a Fellow of the Irish Institute of Chartered Accountants |
| 2. | Pedro Labayen de Inza | Transforming Financial Business and Developing Control Process | MBA from Institute de Empresa (IE) in Madrid. |
| 3. | Trevor John Foster | Progressive Leadership in Legal Matters | J.D from the University of Low a College of Law |
| 5. | Lt. Gen. D. B. Singh | Strategic Leadership & People Development | B Tech |
| 6. | Sanjaya Kulkarni | Fiduciary Understanding & Risk Management | IIT, Mumbai, MBA |
| 7. | Arun Bewoor | Operational Leadership & People Development | Honors Degree in Physics and Mathematics |
| 8. | Narendra Ambwani | Brand Building & Strategic Leadership | IIT Kanpur and Post Graduate Diploma in Business Administration–IIM Ahmedabad |
| 9. | Veena Vishindas Gidwani | Brand Building, Reputation Management & Corporate Training | Business Management Graduate, Post Graduate specialisation in Marketing & Advertising |
| 10. | Sachin Gopal | Strategic & Operational Leadership | MBA from IIM Ahmedabad |

**Notes:**

1. Mr. Alexander Byron Jacobs (DIN: 10597668) has been appointed as a Non-Executive Director w.e.f. April 24, 2024.
2. Mr. Asheesh Kumar Sharma (DIN: 10602319) has been appointed as Managing Director, Director and CEO of the Company w.e.f. April 25, 2024.

## 3. AUDIT COMMITTEE

### A) Composition

The Company's Audit Committee comprises of Six (6) directors, all except one (Mr. Pedro Labayen De Inza) 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. Veena Vishindas Gidwani and Mr. Pedro Labayen de Inza are its Members. The Managing Director & CEO, Chief Financial Officer, Chairman of the Board, other Non-Executive Directors, the Internal Auditors and the Statutory Auditors attend the meetings by invitation. Ms. Jyoti Chawla, Company Secretary acts as Secretary to the Committee.

### B) Meetings and attendance during the year

The committee met Four (4) times during the Financial Year 2023-24, out of four (4) Audit Committee meetings. two (2) meetings were held through video conference in accordance with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India. They were held on April 26, 2023 (through video conference), July 26, 2023, October 18, 2023 (through video conference) and January 23, 2024.

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. | Mr. Pedro Labayen de Inza | 4 | 2 |

**Permanent Invitees**

The Managing Director & CEO and 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, out of which meetings held on April 26, 2023 and October 18, 2023 were attended through the Video Conference.

## C) Terms of Reference of Audit Committee

The primary objective of the Committee is to monitor and provide an effective supervision of the financial reporting process, to ensure accurate and timely disclosures with highest level of transparency, integrity and quality of financial reporting. The terms of reference of the Audit Committee covers all the matters specified under Section 177 of the Companies Act, 2013 and those enumerated in Regulation18 of the Listing Regulations. The terms of reference of the Audit Committee are as under:

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.
21. reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/investments.

The audit committee shall mandatorily review the following information:

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

## 4. NOMINATION AND REMUNERATION COMMITTEE

### A) Terms of Reference of Nomination and Remuneration Committee

- 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.

### B) Composition, Meetings and Attendance during the year

The Company's Nomination and Remuneration Committee comprises of Seven directors, two-third being Non-Executive and Independent Directors. 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. Veena Vishindas Gidwani, Mr. James Patrick Kinnerk and Mr. Pedro Labayen de Inza are its Members. Ms. Jyoti Chawla, Company Secretary acts as Secretary to the Committee.

The Nomination and Remuneration Committee meetings were held three (3) times during the financial year 2023-24 on April 27, 2023 (through video conference), January 23, 2024 and March 21, 2024 (through video conference):

| Sl. No. | Name of Director | Type of Directorship No. of Meetings Held | No. of Meetings Held | No. of Meetings attended |
|---|---|---|---|---|
| 1. | Lt. Gen. D.B. Singh | Non-Executive & Independent | 3 | 3 |
| 2. | Mr. Sanjaya Kulkarni | Non-Executive & Independent | 3 | 3 |
| 3. | Mr. Arun Bewoor | Non-Executive & Independent | 3 | 3 |
| 4. | Mr. Narendra Ambwani | Non-Executive & Independent | 3 | 2 |
| 5. | Ms. Veena Vishindas Gidwani | Non-Executive & Independent | 3 | 3 |
| 6. | Mr. James Patrick Kinnerk | Non-Executive | 3 | 3 |
| 7. | Mr. Pedro Labayen de Inza | Non-Executive | 3 | 2 |

### C) Criteria for performance Evaluation of Board

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 Chairman. 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.

## D) Details of Remuneration paid to the Directors

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

### (i) Remuneration to Managing Director & CEO for the year ended March 31, 2024:

(in ₹)

| Name of the Director | Sitting Fees (Incl. Committee Meetings) | Salary | Contribution to Provident/ Pension and other funds | Other perquisites and allowances | Performance linked incentives / Bonus | Total |
|---|---|---|---|---|---|---|
| Mr. Sachin Gopal | Nil | 1,13,78,496 | 14,79,204 | 1,07,39,270 | - | 2,35,96,970 |

**Note 1 :** Above remuneration is on accrual basis and 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.

**Note 2 :** During the current year an amount of ₹ 2,18,38,036/- is recognized as the perquisite by exercise of Employee stock options (ESOP), which has not been included in the remuneration disclosed above.

There were no Stock Options granted by the Company during the financial year ended March 31, 2024. The Managing Director has exercised the Stock Options (previously granted in July 2014 and July 2015) during the financial year ended March 31, 2024.

The Stock Options were exercised as per the terms of ESOP Plan and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and the required disclosures were submitted to the stock exchanges under SEBI (PIT) Regulations, 2015 from time to time.

**Note 3 :** The above remuneration excludes the payment of ₹ 1,55,00,000/- to Mr. Sachin Gopal paid under a Seperation Agreement on April 25, 2024 as detailed more in clause 13 (xviii) (b) of this report

### Remuneration paid\payable to Non-Executive Independent Directors for the year ended March 31,2024

(in ₹)

| Sr. No. | Name of Director | Sitting Fee | Commission* | Total |
|---|---|---|---|---|
| 1. | Lt. Gen. D. B. Singh | 10,75,000 | 3,25,400 | 14,00,400 |
| 2. | Mr. Sanjaya Kulkarni | 10,75,000 | 3,25,400 | 14,00,400 |
| 3. | Mr. Narendra Ambwani | 9,25,000 | 3,25,400 | 12,50,400 |
| 4. | Mr. Arun Bewoor | 10,75,000 | 3,25,400 | 14,00,400 |
| 5. | Ms. Veena Vishindas Gidwani | 10,75,000 | 3,25,400 | 14,00,400 |

*The Commission will be paid to the Non-Executive Independent Directors after 37th AGM and the aggregate commission calculated is one percent of the net profits of the Company computed as per section 197 of the Companies Act, 2013.

The Company has no Stock Option Scheme for Non-Executive Directors and hence no stock options have been granted to Non-Executive Directors, including Independent Directors.

## E) 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 ₹ 4,90,000/- individually, as approved by the Shareholders in the AGM held on August 18, 2021, provided however that the aggregate commission paid in a financial year shall not exceed one per cent of the net profits of the Company, computed and referred to in terms of Section 197 of the Companies Act, 2013, or any amendment thereto or re-enactment thereof ('the Act'). Payment of commission is determined interalia, 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.

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

The appointment of Executive Directors is governed by Resolutions passed by the Board of Directors and the shareholders of the Company, which covers the terms and conditions of such appointment.

## 5. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC)

### A) Composition

The Stakeholders Relationship Committee comprises of five Non-Executive Independent Directors namely Lt. Gen. D.B. Singh (Chairman), Mr. Sanjaya Kulkarni, Mr. Arun Bewoor, Mr. Narendra Ambwani and Ms. Veena Vishindas Gidwani.

### B) Terms of Reference

The terms of reference are:

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

### C) Meeting and Attendance during the year

The Committee met four (4) times during the financial year 2023-24 and two (2) meetings were held through Video Conference. The meetings were held on April 27, 2023 (through video conference), July 26, 2023, October 19, 2023 (through video conference) and January 23, 2024. 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.

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 |

Name and designation of Compliance Officer: Ms. Jyoti Chawla, Company Secretary. The e-mail id for investor grievances is InvestorRedressal@atfoods.com

### D) Number of Shareholder's complaints received and attended during the financial year ended March 31, 2024

| Nature of Complaints | Received | Attended | Pending |
|---|---|---|---|
| Non receipt of Dividend warrants | - | - | - |
| Transmission of shares | 51 | 51 | - |
| Issue of duplicate share certificates/ indemnity Duplicates | 38 | 38 | - |
| Others* | 552 | 552 | - |
| **Total** | **641** | **641** | **-** |

* This includes the following

a) Receipt of I/B for Dividend
b) Loss/Stop Transfer of share certificates
c) Bank mandate

d) Clarifications Regarding Shares/Dividend
e) Revalidation of Dividend Warrant
f) Deletion of name
g) Exchange of share certificates
h) Signature updation etc.
i) Change of Address, Custodians/SE/SEBI/Court/Corp Affairs, Updation of Telephone, Fax, Mobiles etc

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.

## 6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee Meetings were held twice during the financial year 2023-24 on April 27, 2023 and October 19, 2023 through video conference in accordance with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India.

In compliance with the provisions of Section 135 of the Companies Act, 2013, Corporate Social Responsibility (CSR) Committee has been constituted. The details of CSR project/s undertaken and spending on CSR in FY23-24 has been provided in Directors report under CSR section.

### A) The terms of reference of the Committee

(i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be under taken by the company as specified in Schedule VII;

(ii) recommend the amount of expenditure to be incurred on the activities referred to in clause (i); and

(iii) monitor the Corporate Social Responsibility Policy of the company from time to time.

### B) Composition, Meetings and Attendance during the year

| Sl. No. | Name of the Member | Category | No. of Meetings Held | No. of Meetings attended |
|---|---|---|---|---|
| 1. | Lt. Gen. D.B. Singh | Independent Non-Executive Director (Chairman) | 2 | 2 |
| 2. | Mr. Sanjaya Kulkarni | Independent Non-Executive Director | 2 | 2 |
| 3. | Mr. Narendra Ambwani | Independent Non-Executive Director | 2 | 2 |
| 4. | Mr. Arun Bewoor | Independent Non-Executive Director | 2 | 2 |
| 5. | Ms. Veena Vishindas Gidwani | Independent Non-Executive Director | 2 | 2 |
| 6. | Mr. James Patrick Kinnerk | Non-Executive Director | 2 | 2 |
| 7. | Mr. Pedro Labayen de Inza | Non-Executive Director | 2 | 2 |
| 8. | Mr. Trevor John Foster | Non-Executive Director | 2 | 2 |

## 7. RISK MANAGEMENT

The Company has formulated and adopted a revised Risk Management Policy which has been approved and adopted by the Board at the Board Meeting held on October 21, 2021 pursuant to SEBI (LODR) (Second Amendment) Regulations, 2021, which requires top one thousand listed Companies (based on market capitalization of every financial year) to formulate and disclose a Risk Management Policy. The 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. The Company's Risk Management Committee as on March 31, 2024 comprised 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, Mr. Sanjaya Kulkarni, Mr. Narendra Ambwani, Mr. Arun Bewoor, Ms. Veena Vishindas Gidwani, Mr. James Patrick Kinnerk, Mr. Pedro Labayen de Inza, Mr. Trevor John Foster, Mr. Sachin Gopal, Mr. KPN Srinivas (CFO) and Ms. Jyoti Chawla (Company Secretary) are its Members.

The Risk Management Committee Meetings were held twice during the financial year 2023-24 on July 06, 2023 and December 21, 2023 through video conference in accordance with the relaxations provided by the Ministry of Corporate Affairs and the Securities Exchange Board of India.

**The attendance record of members is as under:**

| Sl. No. | Name of Director | No. of Meetings held | No. of Meetings attended |
|---|---|---|---|
| 1. | Lt. Gen. D.B. Singh | 2 | 2 |
| 2. | Mr. Sanjaya Kulkarni | 2 | 2 |
| 3. | Mr. Arun Bewoor | 2 | 2 |
| 4. | Mr. Narendra Ambwani | 2 | 1 |
| 5. | Ms. Veena Vishindas Gidwani | 2 | 2 |
| 6. | Mr. Sachin Gopal* | 2 | 2 |
| 7. | Mr. James Patrick Kinnerk | 2 | 2 |
| 8. | Mr. Pedro Labayen de Inza | 2 | 1 |
| 9. | Mr. Trevor John Foster | 2 | 2 |
| 10. | Mr. KPN Srinivas | 2 | 2 |
| 11. | Ms. Jyoti Chawla | 2 | 2 |

* Mr. Sachin Gopal has resigned from the Directorship and Managing Director of the Company w.e.f. close of business of April 24, 2024. He also resigned from the membership of Risk Management Committee of the Company.

## 8. PARTICULARS OF SENIOR MANAGEMENT

The Nomination and Remuneration Policy of the Company defines Senior Management of the Company. Below is the list of Senior Management Personnel of the Company including the changes therein since the close of the previous financial year:

| SL.No. | Name | Designation | Changes since close of previous FY |
|---|---|---|---|
| 1. | Asheesh Kumar Sharma | Vice President - Marketing | Appointed as Director, Managing Director & CEO of the Company w.e.f. 25 April 2024 |
| 2 | Dharmesh K Srivastava | Vice President – Supply Chain | Nil |
| 3 | Gulshan Gandhi | Head of Research, Quality & Innovation | Retired from the employment w.e.f. 31 August 2023 |
| 4 | Shrey Dixit | Head of Research, Quality & Innovation | Promoted as Head of RQI w.e.f. 31 August 2023 |
| 5 | Lalit Vij | Head of Procurement & Business Development | Retired from the employment w.e.f. 30 September 2023 |
| 6 | Hitesh Yadav | Head of Procurement & Business Development | Promoted as Head of Procurement w.e.f. 30 September 2023 |
| 7 | KPN Srinivas | Chief Financial Officer | Nil |
| 8 | Padmavathi Tuluva | General Manager - Human Resources | Nil |
| 9 | Rikesh Kotwal | Head of Sales | Nil |
| 10 | Sanjay Srivastava | Head of Manufacturing | Nil |

Note : Mr. Gaurav Gupta has been appointed as Head of Marketing w.e.f. July 8, 2024.

## 9. 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 financial year 2023-24, Sundrop Foods India Private Limited has continued to perform the role of aiding the expansion of distribution and display of your Company's products. This is a non-material and unlisted Company. Agro Tech Foods (Bangladesh) Private Limited was incorporated on April 8, 2012 and the Company has commenced its operations in December 2017 and has commenced production in FY18. This is a non-material and unlisted Company. Sundrop Foods Lanka (Private) Limited was incorporated on January 27, 2015. This is a non-material and unlisted Company. The policy for determining material subsidiaries is posted on the website of the Company https://www.atfoods.com/pdf/code-of-conduct/policy_determining_material_subsidiary.pdf.

## 10. GENERAL BODY MEETINGS

### (i) Location and time of last three 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 |
|---|---|---|---|
| 2022-23 | AGM held through Video conference | July 12, 2023 | 4.30 P.M. |
| 2021-22 | AGM held through Video conference | June 29, 2022 | 4.45 P.M. |
| 2020-21 | AGM held through Video conference | August 18, 2021 | 4.30 P.M. |

ii) The following Special Resolutions were passed by the Members at the last three Annual General Meetings:

**Annual General Meeting held on July 12, 2023:**

a. Continuation of Directorship of Mr. Narendra Ambwani (DIN 00236658), a Non-Executive Independent Director of the Company, for the remaining period of his current tenure, i.e. till July 16, 2024, who will attain the age of 75 years in the month of November 2023.

b. Continuation of Directorship of Mr. Sanjaya Kulkarni (DIN 00102575), a Non-Executive Independent Director of the Company, for the remaining period of his current tenure, i.e. till July 16, 2024, who will attain the age of 75 years in the month of May 2024.

**Annual General Meeting held on June 29, 2022:**

No special resolutions were passed.

**Annual General Meeting held on August 18, 2021:**

There were 2 special resolutions passed by the Shareholders at the 34th Annual General Meeting held on August 18, 2021 and the details are given below:

a. Reappointment of Mr. Sachin Gopal as a Managing Director designated as an Executive Director for a period of five years with effect from July 1, 2021 on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening the Annual General Meeting.

b. Payment of Commission of ₹ 4,90,000 individually to Non-Executive Independent Directors for a period not exceeding 5 years with effect from April 1, 2021.

No special resolution was passed through postal ballot during the year.

## 11. MEANS OF COMMUNICATION

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

The audio recordings and the transcripts 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.

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

## 12. GENERAL SHAREHOLDER INFORMATION

### A. Annual General Meeting

Date and Time : 30 September, 2024 at 4.00 P.M.(IST)

Venue : Pursuant to the Circular No: 20/2020 dated May 5, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 8, 2021, Circular No. 21/2021 dated December 14, 2021, General Circular No. 10/2022, General Circular No. 11/2022, dated December 28, 2022 and General Circular No. 09/2023 dated September 25, 2023 issued by Ministry of Corporate Affairs, the AGM will be conveyed through Video Conferencing / Other audio-visual means. The deemed venue for the AGM shall be the Registered Office of the Company.

**B. Financial Year** : April 1, 2024 to March 31, 2025

First quarter results : July, 2024

Half yearly results : October, 2024

Third quarter results : January, 2024

Annual results : April, 2025

**C. Dates of Book Closure** : September 21, 2024 to September 30, 2024 (both days inclusive)

**D. Dividend payment date** : Within 30 days from the date of AGM

**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–400051.

The listing fees for the year 2023-24 has been paid to BSE and NSE.

**F. Stock Code** :

| Stock Exchange | | Code |
|---|---|---|
| BSE | Scrip code<br>Co. code | 500215<br>1311 |
| NSE | Scrip Code<br>Series | ATFL<br>EQ – Rolling Settlement |

## G. Market Price Data

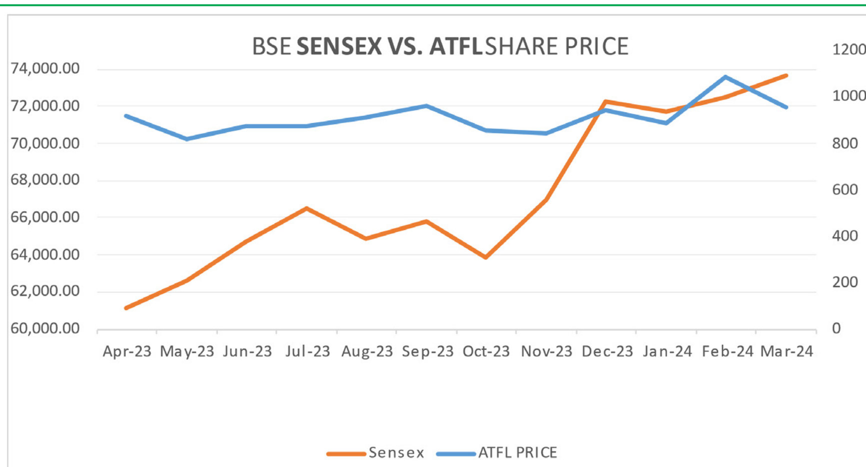
Monthly High/Low quotation of shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) for 2023-24 is given below:

| Year | Month | BSE* | | | NSE* | | | Total volumes BSE & NSE (Nos) |
|---|---|---|---|---|---|---|---|---|
| | | High ₹ | Low ₹ | Volumes (Nos) | High ₹ | Low ₹ | Volumes (Nos) | |
| 2023 | April | 920.95 | 783.25 | 9,760 | 915.75 | 783.05 | 1,42,394 | 1,52,154 |
| 2023 | May | 817.15 | 741.50 | 10,210 | 815.50 | 745.15 | 2,46,061 | 2,56,271 |
| 2023 | June | 875.55 | 765.00 | 6,281 | 872.90 | 765.00 | 1,25,186 | 1,31,467 |
| 2023 | July | 873.00 | 801.10 | 7,536 | 879.80 | 802.20 | 1,28,472 | 1,36,008 |
| 2023 | August | 910.00 | 795.00 | 10,480 | 905.85 | 797.00 | 1,52,168 | 1,62,648 |
| 2023 | September | 962.00 | 802.20 | 15,291 | 965.00 | 800.05 | 1,91,992 | 2,07,283 |
| 2023 | October | 855.95 | 762.05 | 11,207 | 851.20 | 760.55 | 1,76,141 | 1,87,348 |
| 2023 | November | 844.00 | 775.00 | 20,540 | 846.00 | 767.35 | 2,39,605 | 2,60,145 |
| 2023 | December | 944.70 | 800.00 | 25,536 | 945.00 | 810.35 | 5,12,928 | 5,38,464 |
| 2024 | January | 885.00 | 801.05 | 19,196 | 874.65 | 766.00 | 2,26,022 | 2,45,218 |
| 2024 | February | 1,089.00 | 810.00 | 1,00,226 | 1,090.00 | 835.05 | 20,76,417 | 21,76,643 |
| 2024 | March | 953.00 | 646.90 | 1,30,590 | 954.80 | 650.05 | 17,11,566 | 18,42,156 |

* Source : www.bseindia.com & www.nseindia.com

## H. Stock Performance

BSE Sensex Vs. ATFL Share price from April 1, 2023 to March 31, 2024*




*Source : www.bseindia.com

## I. Registrars and Share Transfer Agents

The Company's equity shares being in compulsory dematerialized form are transferable through the depository system for which the Company has established connectivity through M/s. KFin Technologies Limited and they are the Registrars and Share Transfer Agents (both Physical and Depository).

Address : Selenium Tower B, Plot 31-32, Financial District, Nanakramguda,
Gachibowli, Hyderabad-500032, Telangana.
Tel No. : + 91-40-67161754, Fax : + 91-40-23420814,
email : einward.ris@kfintech.com

## J. Share Transfer System

In terms of the Regulations 40 of SEBI (LODR) Regulations as amended from time to time, with effect from April 1, 2019, the Company shall not process any request for effecting transfer of securities unless the securities are held in the dematerialised form with a depository. Also the transmission or transposition of securities held in physical form shall be effected only in dematerialised form.

Pursuant to SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, the Company shall issue the securities in dematerialized form only while processing the following service request : i. Issue of duplicate securities certificate; ii. Claim from Unclaimed Suspense Account; iii. Renewal / Exchange of securities certificate; iv. Endorsement; v. Sub-division / Splitting of securities certificate; vi. Consolidation of securities certificates/folios; vii. Transmission and viii. Transposition.

Members holding shares in physical form are requested to convert their holdings in dematerialized form. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Share Transfer Committee. Requests for dematerialisation of shares are processed and confirmation is given to the respective depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 2 working days from the date of receipt of request. There are no pending share transfers as on March 31, 2024.

## K. Distribution of shareholding as on March 31, 2024 as under:

| S.No. | Range | No. of Shareholders | % of total Shareholders | No. of shares held | % of shareholding |
|---|---|---|---|---|---|
| 1 | 1-5000 | 14,217 | 94.97 | 10,26,253 | 4.21 |
| 2 | 5001- 10000 | 426 | 2.85 | 3,18,061 | 1.31 |
| 3 | 10001- 20000 | 157 | 1.05 | 2,32,381 | 0.95 |
| 4 | 20001- 30000 | 44 | 0.29 | 1,14,901 | 0.47 |
| 5 | 30001- 40000 | 21 | 0.14 | 75,334 | 0.31 |
| 6 | 40001- 50000 | 17 | 0.12 | 79,325 | 0.33 |
| 7 | 50001- 100000 | 44 | 0.29 | 3,18,784 | 1.31 |
| 8 | 100001& Above | 44 | 0.29 | 2,22,04,225 | 91.11 |
| | **Total:** | **14,970** | **100.00** | **2,43,69,264** | **100.00** |

**The categories of Shareholding as on March 31, 2024 was as under:**

| S. No. | Description | No. of Cases | Total Shares | % Equity |
|---|---|---|---|---|
| 1 | FOREIGN PROMOTER BODIES CORPORATES | 1 | 1,26,16,619 | 51.77 |
| 2 | MUTUAL FUNDS | 1 | 17,87,264 | 7.34 |
| 3 | ALTERNATIVE INVESTMENT FUND | 2 | 9,73,082 | 3.99 |
| 4 | BANKS | 2 | 252 | 0.00 |
| 5 | FOREIGN PORTFOLIO - CORP | 17 | 19,13,705 | 7.85 |
| 6 | BANKS | 1 | 100 | 0.00 |
| 7 | FOREIGN INSTITUTIONAL INVESTORS | 1 | 300 | 0.00 |
| 8 | I E P F | 1 | 1,93,853 | 0.80 |
| 9 | RESIDENT INDIVIDUALS | 13,953 | 53,79,356 | 22.07 |
| 10 | NON RESIDENT INDIAN NON REPATRIABLE | 210 | 72,162 | 0.30 |
| 11 | NON RESIDENT INDIANS | 236 | 83,618 | 0.34 |
| 12 | BODIES CORPORATES | 160 | 12,40,015 | 5.09 |
| 13 | H U F | 385 | 1,08,938 | 0.45 |
| | **Total:** | **14,970** | **2,43,69,264** | **100.00** |

## L. Dematerialisation of Shares

The equity shares of the Company which are in compulsory dematerialized form with effect from June 26, 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 March 31, 2024, a total of 24,244,192 equity shares forming 99.49% 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. Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on Equity

Not applicable as the Company has not made any such issue.

## N. 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 Foreign exchange exposures are covered 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 March 31, 2024 are disclosed in Note 47 of Notes to the standalone financial statements.

## O. Plant Locations

| | | |
|---|---|---|
| Gujarat | : | Plot No.902/2, GIDC, Jhagadia-393110, Dist. Bharuch, Gujarat. |
| Telangana | : | Plot Nos. 50 to 58, 13/2 IDA, Kothur-509228, Ranga Reddy District, Telangana. |
| Uttar Pradesh | : | Akrampur Industrial Area, Near TV 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, Uttarakhand-244713. |
| Andhra Pradesh | : | Survey No. 445 & 448/2B, Puthalapattu Mandal, Chittoor-517112, Andhra Pradesh. |

## P. Address for correspondence

The addresses for correspondence are as under:

| | |
|---|---|
| For both physical and electronic form | KFin Technologies Limited<br>Selenium Tower B, Plot 31-32, Gachibowli<br>Financial District, Nanakramguda, Hyderabad-500032, Telangana.<br>Phone : -040-67161754, Fax :- 040-23001153, Email : einward.ris@kfintech.com |
| For any other matter and unresolved Complaints | In addition to our Registrar, shareholders can contact the Registered Office of the Company and contact person's details are given below:<br>Jyoti Chawla, Company Secretary, Agro Tech Foods Limited<br>31, Sarojini Devi Road, Secunderabad – 500 003, Telangana.<br>Phone : 040-66650240, Email:-InvestorRedressal@atfoods.com |

**Q.** The Company has obtained the revised credit rating from CRISIL during the year on the Banking Facilities of the Company as CRISIL A+/Stable to CRISIL A+/Watch Negative.

**R.** As required under Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time, the Certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such statutory authority is given as an Annexure to this Report.

## 13. DISCLOSURES

### (i) 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 Ind AS- 24 "Related Party Disclosures"), is set out in Notes to Accounts under Note 42 forming part of the standalone 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 March 31,2024.

The policy on dealing with related party transactions has been posted on the website of the Company and can be found on

https://www.atfoods.com/pdf/code-of-conduct/policy_dealing_related_party_transactions.pdf

### (ii) Strictures and Penalties

The Company had received the notices from BSE and NSE with respect to the composition of Nomination and Remuneration Committee under Regulation 19(1)/ 19(2) of SEBI (LODR) Regulations, 2015 for the period from July 20, 2022 till September 30, 2022. Pursuant to same, ATFL has paid the applicable penality to both BSE and NSE within the given time lines and rectified the composition of Nomination and Remuneration Committee w.e.f. October 1, 2022.

Apart from this, no strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any statutory authority on any matters related to capital markets during the last three years.

### (iii) Vigil Mechanism/Whistle Blower Policy

The Vigil Mechanism under Whistle Blower Policy has been approved by the Board of Directors on October 17, 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. https://www.atfoods.com/pdf/code-of-conduct/Whistle%20Blower%20Policy.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.

**(iv)** The Company has not raised any funds through preferential allotment or qualified institutional placement, hence there is no question of utilization of such funds.

**(v)** There have been no instances where the Board has not accepted any recommendation of any Committee of the Board which is mandatorily required during the financial year.

**(vi)** The Company and its subsidiary i.e. Sundrop Foods India Private Limited have paid/payable, on a consolidated basis, fees of ₹ 5.95 million to its statutory auditors i.e. M/s Deloitte Haskins and Sells LLP and all entities in the network firm/network entity, for all the services performed during the year.

**(vii)** Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

a. Number of complaints filed during the financial year - Nil

b. Number of complaints disposed off during the financial year - NA

c. Number of complaints pending as on end of the financial year – Nil

### (viii) 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 material accounting policies is provided elsewhere in the Annual Report.

### (ix) Disclosure on Website

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

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

### (x) 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 March 31, 2024, 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.

### (xi) Shareholders Information

The quarterly results are sent to the stock exchange on which the Company is listed and also displays the same on its web-site www.atfoods.com.

### (xii) Prohibition of Insider Trading

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a Policy for prohibition of Insider Trading for Directors and specified employees and designated persons. The Policy provides for periodic disclosures and pre-clearance for dealing in Company's shares and prohibits such transaction by the Directors and specified employees while in possession of unpublished price sensitive information (UPSI) in relation to the Company and during the period when the Trading Window is closed. The Company has also formulated a policy on inquiry in case of leak of UPSI. The Company is also maintaining a Structured Digital Database as required under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.

### (xiii) 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. KFin Technologies Limited the Registrars and Share Transfer Agents. There were no physical share transfer request received during the year 2023-24.

**(xiv) 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.

**(xv) Code of Conduct**

Code of Conduct approved by the Board of Directors 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, Asheesh Kumar Sharma, 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 March 31,2024.

For **Agro Tech Foods Limited**

Place: Mumbai **Asheesh Kumar Sharma**

Date : July 16, 2024 Managing Director & CEO

**(xvi) CEO/ CFO CERTIFICATION**

The CEO (Managing Director) and CFO certification for the year ended March 31, 2024 has been annexed at the end of this Report. Similarly, the CEO and CFO have also given quarterly certification on financial results while placing the quarterly financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

(xvii) Certificate as required under Part C of Schedule V of the Listing Regulations, received from Mr. B V Saravana Kumar, Partner of M/s Tumuluru & Company, Company Secretaries, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed and/or continuing as Directors of the Company by the SEBI/MCA or any such statutory authority, was placed before the Board of Directors at their meeting held on April 24, 2024 and is set out as an Annexure to the end of this Report.

**(xviii) DETAILS OF AGREEMENTS PURSUANT TO REGULATION 30A OF SEBI REGULATIONS AND DISCLOSED UNDER CLAUSE 5A OF PARAGRAPH A OF PART A OF SCHEDULE III OF SEBI REGULATIONS**

a. CAG-Tech (Mauritius) Limited ("Promoter"), the promoter of Agro Tech Foods Limited ("Company"), along with its holding company, Conagra Europe B.V. have entered into a share subscription agreement dated February 29, 2024 (the "Share Subscription Agreement" or "SSA") with Zest Holding Investments Limited ("Investor"), consummation of which would result in the Investor acquiring control over the Company ("Proposed Transaction"). Agro Tech Foods Limited is not a party to the Share Subscription Agreement. The Proposed Transaction has triggered an obligation on the Investor to make an open offer as required under Regulation 3(1), 4 and 5 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The SSA records the terms and conditions of the Proposed Transaction, whereby:

   i. the Investor shall subscribe to ordinary equity shares of the Promoter subject to and in accordance with terms of the SSA; and

   ii. the entire shareholding of Conagra B.V. in the Promoter (i.e., 100% (one hundred percent) of the existing issued and paid-up equity share capital of the Promoter) will be redeemed in the manner and terms of the SSA.

   The Proposed Transaction is subject to the receipt of applicable approvals and customary conditions precedent, including approval of the Competition Commission of India ("CCI"). The approval of CCI was received on May 30, 2024. The approval of SEBI was received on the "draft open offer" on June 25, 2024.

b. Conagra Brands Inc., Agro Tech Foods Limited ("Company") and Mr. Sachin Gopal, have entered into the separation agreement ("Separation Agreement") dated April 24, 2024 to govern certain terms in relation to obligations being undertaken by Mr. Sachin Gopal to not disparage the Company and certain other parties, mutual release, etc. Mr. Sachin Gopal has agreed not to directly or indirectly, disparage or take any action which could adversely affect or be reasonably expected to adversely affect the reputation of Conagra Brands, Inc., the Company, or the transaction entered into between Conagra (through its subsidiaries) announced on

February 29, 2024 for which an open offer has been made to the shareholders of the Company and any parties directly or indirectly related thereto and their respective directors, officers, and employees. Further, it acknowledged that nothing in the Separation Agreement limits or prohibits Mr. Sachin Gopal from participating in any processes of law. Additionally, it provided mutual waivers. The consideration payable to Mr. Sachin Gopal under the Separation Agreement was INR 1,55,00,000, which was paid to him on April 25, 2024. Additionally, Conagra Brands, Inc. was obligated to reimburse the Company with an equivalent amount of money.

c. Conagra Brands Inc. and Agro Tech Foods Limited ("Company") have entered into the Retention agreement dated May 2, 2024 to pay Retention Bonus to certain employees of the Company upon change of control of the Company to commemorate their contribution and support to the Company. The Company shall pay one-time Retention Bonus to the tune of INR11,26,40,625/- to certain Employees of the Company who are on payrolls of the Company as on March 31, 2024 ("Specified Employees") to seek their continuous support to the Company. This Retention Bonus shall be paid by the Company, on behalf of Conagra, to Specified Employees who will continue to remain on the payroll of the Company as on the date of Change of control of Company. Conagra Brands, Inc. is obligated/agreed to reimburse the Company with an equivalent amount of money.

## 14. COMPLIANCE WITH NON-MANDATORY REQUIREMENTS

Discretionary requirements under Part E of Schedule II of the Listing Regulations are as under:

### i) Chairman of the Board

The present Chairman of the Board is a foreign national and Non-Executive Director. The expenses in connection with his official foreign travel to India is to be borne by Conagra Brands Inc., where he is currently 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.

### iii) Separate posts of Chairman and Chief Executive Officer

The Chairman 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

M/s. Grant Thornton Bharat LLP, the Internal Auditor reports directly to the Audit Committee based on the inputs provided by the Management on their observations on a quarterly basis.

The Company has complied, to the extent applicable to it, and unless otherwise stated, with all the corporate governance requirements specified in Regulation 17 to 27 and Regulation 46(2) of the Listing Regulations as amended, covering the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Vigil Mechanism, Related Party Transactions, obligations with respect to the Directors, Independent Directors and senior management, other Corporate Governance requirements and disclosures on the website of the Company.

## 15. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

As required under Regulation 34(3) read with Part E Schedule V of the Listing Regulations, the statutory auditor's certificate that the Company has complied with the conditions of corporate governance is given as an annexure to the Boards' Report.

## Agro Tech Foods Limited

### Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

In compliance with Regulation 17(8) read with Part B of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 We, Sachin Gopal, Managing Director & CEO and KPN Srinivas, Chief Financial Officer of Agro Tech Foods Limited, to the best of our knowledge and belief certify to the Board that:

a. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;

   ii) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies;

d. We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control over financial reporting during the year ended March 31,2024;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For **Agro Tech Foods Limited**

**Sachin Gopal**
Managing Director & CEO

For **Agro Tech Foods Limited**

**KPN Srinivas**
Chief Financial Officer

Place: Gurugram
Date: April 24, 2024

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

I, B V Saravana Kumar, Company Secretary in Practice, Partner of Tumuluru & Company have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Agro Tech Foods Limited having CIN L15142TG1986PLC006957and having registered office at 31, Sarojini Devi Road, Secunderabad–500 003, Telangana, India (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl. No. | DIN | Name of the Director | Designation |
|---|---|---|---|
| 1. | 08773594 | James Patrick Kinnerk | Non-Executive Chairman |
| 2. | 07439079 | Sachin Gopal | Managing Director and CEO |
| 3. | 00239637 | Lt. Gen. D B Singh | Independent Director |
| 4. | 00024276 | Arun Bewoor | Independent Director |
| 5. | 00102575 | Sanjaya Kulkarni | Independent Director |
| 6. | 00236658 | Narendra Ambwani | Independent Director |
| 7. | 06890544 | Veena Vishindas Gidwani | Independent Director |
| 8. | 09576297 | Pedro Labayen de Inza | Non-Executive Director |
| 9. | 09669509 | Trevor John Foster | Non-Executive Director |

For **Tumuluru & Company**
Company Secretaries

**B V Saravana Kumar**
Partner
ACS NO. 26944
C. P. No. 11727
UDIN: A026944F000185157
Peer Review Certificate:1159/2021

Place : Hyderabad
Date : April 24, 2024

## INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
AGRO TECH FOODS LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated December 15, 2023

2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, the Statutory Auditors of Agro Tech Foods Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2024, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

### Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

### Opinion

8. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2024.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

**Sumit Trivedi**
Partner
Membership No. 209354
UDIN: 24209354BKEESD9148

Place : Mumbai
Date : July 16, 2024

# BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING - FY 2023-24

## SECTION A: GENERAL DISCLOSURES

### 1. I. Details of the listed entity

1. **Corporate Identity Number (CIN) of the Listed Entity** - L15142TG1986PLC006957
2. **Name of the Listed Entity** - Agro Tech Foods Limited
3. **Year of Incorporation** - 1986
4. **Registered office address** - 31, Sarojini Devi Road, Secunderabad-500003, Telangana
5. **Corporate address** - 15th Floor, Tower `C', Building # 10, Phase II, DLF Cyber City, Gurgaon-122002
6. **E-mail** - InvestorRedressal@atfoods.com
7. **Telephone** - 91-40-66650240
8. **Website** - www.atfoods.com
9. **Financial year for which reporting is being done** – April 1, 2023 to March 31, 2024
10. **Name of the Stock Exchange(s) where shares are listed** – BSE Limited and NSE Limited
11. **Paid-up Capital** - ₹ 243,692,640
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRS Report –**

    Ms. Jyoti Chawla-Company Secretary
    Telephone: 91-124-4593700,
    E-mail: InvestorRedressal@atfoods.com
13. **Reporting boundary -** Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together)- Agro Tech Foods Limited (ATFL/Company) doesn't have any material subsidiary company/companies hence disclosures under this report are made on the standalone basis

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the Entity |
|---|---|---|---|
| 1 | FMCG (Fast moving consumer goods) | Agro Tech Foods Limited ("ATFL") is engaged in the foods business which includes (i) manufacturing and sales of processed foods like Ready to Cook Snacks, Ready to Eat Snacks, Spreads & Dips, Breakfast Cereals and Chocolates Confectionery and (ii) manufacturing and sales of staples which includes Edible Oils and Plain Oats etc. | 100% |

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

| S. No. | Product/Service | NIC Code | % of total Turnover Contributed |
|---|---|---|---|
| 1 | Edible Oil (staples) | 104 | 41 |
| 2 | Other-Processed food products | 107 | 59 |

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated:

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 6 | 4 | 10 |
| International | 1 | 1 | 2 |

17. **Markets served by the entity:**

a. **Number of locations**

| Locations | Number |
|---|---|
| National (No. of States) | 28 (Pan-India) |
| International (No. of Countries) | 4 (Bangladesh, Bhutan, Sri Lanka, Nepal) |

b. **What is the contribution of exports as a percentage of total turnover of the entity?**

The contribution of exports is 0.58% of total turnover of the entity.

c. **A brief on types of customers:** ATFL operates in 6 key consumer product categories like Ready to Cook, Ready to Eat, Spreads & Dips, Breakfast Cereals, Chocolate Confectionery and Edible Oils. ATFL has a large distribution network and supplies to a wide range of customers including c1100 Distributors who supply c 4,85,000 retailers, Modern Trade Customers, E Commerce Customers, Canteen Stores Department and Canteens which service Para Military Personnel.

## IV. Employees

18. **Details as at the end of Financial Year**

a. **Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 411 | 390 | 94.89% | 21 | 5.11% |
| 2. | Other thanPermanent (E) | 423 | 418 | 98.82% | 5 | 1.18% |
| **3.** | **Total employees(D + E)** | **834** | **808** | **96.88%** | **26** | **3.12%** |
| **WORKERS** | | | | | | |
| 4. | Permanent (F) | 153 | 152 | 99.35% | 1 | 0.65% |
| 5. | Other than Permanent (G) | 301 | 226 | 75.08% | 75 | 24.92% |
| **6.** | **Total workers (F + G)** | **454** | **378** | **82.26%** | **76** | **16.74%** |

**Note:** Definition of employee clustering is as under:

● Permanent Employees include Management, Non-Management employees ● Other than Permanent Employees include Service Provider Personnel (SPP), Fixed Term Contract (FTC), (Management/Non-management) ● Permanent Workers include only Workers ● Other than Permanent Workers include SPP, FTC (Worker) ● Trainees and Apprentices not included in the Workforce

b. **Differently abled employees**

| S. No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B / A) | No. (C) | % (C / A) |
| **DIFFERENTLY ABLED EMPLOYEES** | | | | | | |
| 1. | Permanent (D) | 0 | 0 | 0% | 0 | 0% |
| 2. | Other than Permanent (E) | 0 | 0 | 0% | 0 | 0% |
| **3.** | **Total differently abled employees (D+E)** | 0 | 0 | 0% | 0 | 0% |
| **DIFFERENTLY ABLED WORKERS** | | | | | | |
| 4. | Permanent (F) | 0 | 0 | 0% | 0 | 0% |
| 5. | Other than permanent (G) | 0 | 0 | 0% | 0 | 0% |
| **6.** | **Total differently abled workers (F+G)** | 0 | 0 | 0% | 0 | 0% |

19. **Participation/inclusion/representation of women**

| Particulars | Total (A) | No. and percentage of females | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors | 9 | 1 | 11.11% |
| Key Management Personnel* | 3 | 1 | 33.33% |

* Comprising Managing Director & CEO, Chief Financial Officer and Company Secretary.

### 20. Turnover rate for permanent employees

| | FY 24 | | | FY 23 | | | FY 22 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 29.45% | 1.97% | 31.42% | 22.75% | 0.75% | 23.5% | 20.83% | 1.55% | 22.38% |
| Permanent Workers | 15.06% | 0.65% | 15.71% | 7.80% | - | 7.80% | 1.80% | - | 1.80% |

## V. Holding, subsidiary and associate companies (including joint venture)

### 21.

### a. Name of the holding / subsidiary / associate companies / joint ventures (A)–

| S.No. | Name of the holding / subsidiary / associate companies / joint ventures (A) | Indicate whether holding/ Subsidiary/ Associate/ Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1. | Cag Tech (Mauritius) Limited | Holding | NA | No |
| 2. | Sundrop Foods India Private Limited | Wholly owned Subsidiary | 100 | No |
| 3. | Agro Tech Foods (Bangladesh) Pvt. Ltd | Foreign Subsidiary | 99.99 | No |
| 4. | Sundrop Foods Lanka (Private) Limited | Foreign Subsidiary | 100 | No |

## VI. Corporate Social Responsibility (CSR) details

### 22.

i. **Whether CSR is applicable as per Section 135 of Companies Act, 2013:**
Yes, CSR is applicable as per Section 135 of Companies Act, 2013.

ii. **Turnover:** ₹ 7,566.39 million

iii. **Net worth:** ₹ 4,991.76 million

## VII. Transparency and Disclosures Compliances

### 23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanisms in Place (Yes/No) (If yes, then provide web-link for grievance redressal policy) | (If Yes, then provide web- link for grievance redress policy) | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|---|---|
| | | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | Yes | https://www.atfoods.com/contact-us.aspx | 0 | 0 | None | 0 | 0 | None |
| Investors (Other than shareholders) | Yes | https://www.atfoods.com/grievance-redressal.aspx | 0 | 0 | None | 0 | 0 | None |
| Shareholders | Yes | https://www.atfoods.com/grievance-redressal.aspx | 470 | 0 | None | 367 | 0 | None |
| Employees and Workers | Yes | https://www.atfoods.com/pdf/code-of-conduct/codeofconductsep-16a.pdf | 0 | 0 | None | 0 | 0 | None |
| Customers | Yes | https://www.atfoods.com/contact-us.aspx | 0 | 0 | None | 0 | 0 | None |
| Value Chain Partners | Yes- | https://www.atfoods.com/contact-us.aspx | 0 | 0 | None | 0 | 0 | None |

## 24. Overview of the entity's material responsible business conduct issues:

**Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk, as per the following format:**

| | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | Approach to adapt or mitigate | Positive/ Negative Implications |
|---|---|---|---|---|---|
| 1. | GHG Emissions | Risk | Reducing greenhouse gas (GHG) emissions is a vital component of a larger sustainability plan to mitigate the impact of climate change.<br>Steadily increasing revenues of the Foods business driven by Volume Growth means that manufacturing capacities will be continually expanded with resultant impact on GHG emissions. | We have started the process of measuring GHG emissions and in process of implementing ways to enable reduction. We are in process of evaluating new ways and technologies available to address the GHG emissions. | Negative -<br>• To set up improved and efficient systems and processes to reduce the GHG Emissions.<br>• Increased Operational costs in short term.<br>• Regulatory Implications |
| 2. | Waste Management | Opportunity | Waste management infrastructure has an important role in delivering sustainable development.<br>ATFL has a robust collection and recycling process already in place with an intent to reduce plastic consumption.<br>We also practice collection and disposal of waste edible oil and food in safe manner. | Plastic waste is being disposed of through PCB approved recycling vendor. We monitor all wastes in our manufacturing units and the wastes are within permissible limits as laid down by the regulators. | Positive –<br>• The plastic waste generated is collected back and recycled safely.<br>• ATFL's efforts are directed towards low waste generation in the operations. |
| 3. | Water Management | Risk | Being a Food Company, ATFL uses agricultural products as raw material in most of its finished products. The production of corn, peanuts, sunflower seeds etc. is a water-intensive process. Water being a finite resource this poses a risk to the operations of our business. | We are supporting various initiatives towards water management & harvesting.<br>Rain water harvesting is being practiced at all manufacturing locations.<br>We are also practicing reduction in raw water usage in manufacturing | Neutral-<br>• No financial implication is foreseen in the nearfuture.<br>• We are putting efforts to ensure efficient water management to avoid it becoming an unsolvable issue. |
| 4. | Energy Management | Opportunity | Energy management reduces costs while reducing the risk of energy scarcity.<br>Effective energy management reduces the GHGs emissions and protects the environment. | We measure the facility's current energy consumption and identify opportunities to decrease energy consumption.<br>Processes and Systems are in place to ensure maximum energy efficiency and this will be continuously improved.<br>ATFL's Energy efficiency initiatives include implementation of energy efficient lighting fixtures, retrofitting high efficiency motors and installation of variable frequency drives at all manufacturing units. | Positive –<br>• Any cost put for improving the energy management system will fetch positive out comes and reduced cost in the long run.<br>• It will bring down the GHG emissions. |

| | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | Approach to adapt or mitigate | Positive/ Negative Implications |
|---|---|---|---|---|---|
| 5. | Employees Health & Safety | Risk | Health and safety impact company's practice as a responsible organization. Effective H&S performance also assists in attracting and retaining quality talent. This can also lead to decreased Productivity | We have effective health and safety practices deployed in accordance with our policies on health and safety. Several efforts and initiatives have been put in place to ensure employees' health and safety. | Neutral – Any cost put towards Employees' health and safety will yield positive results in the long term. |
| 6. | Human Rights | Risk | Changing regulations around human rights pose as a challenge | We have all the relevant policies to mitigate the challenges of human rights and track any issues related to child labour, forced labour, involuntary labour &, sexual harassment. We also maintain harmonious working environment with the workers at our factories and address their concerns through interactions and discussions. | Negative – Any violation can lead to severe reputational risk and financial risk for the organization due to any punitive actions by the regulators/legal authority. |
| 7. | Labour Practices | Risk | Changing regulations around labour practices pose as a challenge | We have put in substantial efforts to ensure that we comply with all the requirements of labour law and do beyond it as well. | Negative – Workplace incidents related to employee's health and safety can result in litigation and plant shutdown, impact reputation and attract fines from the regulator. |
| 8. | Climate Change | Risk | Disposable plastic in packaging of FMCG products is a major reason for green-house gas emissions and this component needs monitoring, control, and reduction. Climate Change can have adverse impact on our business in long run. | We have initiated well documented process and executed agreement with the certified Vendor to ensure compliance with the Extended Producer Responsibility (EPR) defined under the Plastic Waste Management Rules to ensure collection and disposal of post-consumer Multi-layer and Non-Multilayer plastic packaging waste. | Negative – Increased Cost undertaken to mitigate the impact of climate change. |

| | Material issue identified | Indicate whether risk or opportunity | Rationale for identifying the risk/ opportunity | Approach to adapt or mitigate | Positive/ Negative Implications |
|---|---|---|---|---|---|
| 9. | Supply Chain Management | Opportunity | Setting up robust supply chain has helped us in business continuity and growth.<br>Our supply chain has also ensured that we have competitive pricing and pass on its benefit to our consumers without any business disruptions. | Our business continuity plan and risk management plan has covered all foreseeable risks in our supply chain with measures already underway to address those. | Positive –<br>Building resilience in our supply chain has helped us fetch long term results and growth. |
| 10. | Consumer Welfare | Opportunity | To distinguish ourselves as market leaders and most preferred consumer brand by providing our consumers with products that are healthy and tasty. | We have put in tremendous effort in launching new products which fulfil unmet consumer needs. This has been done through a process of continued innovation and resultant high quality products.<br>ATFL has supplemented the process of innovation with the building of a powerful distribution network across the country. | Positive –<br>• Brand reputation and consumers' loyalty.<br>• Goodwill amongst consumers help achieve increased product sales. |
| 11. | Regulatory Compliance | Risk | Increases the cost of running a business. | We have defined the roles and responsibilities in all the functions and departments of the Company and they conform to meet all the regulatory compliances under applicable regulations. There are also audit procedures to assess compliance preparedness. | Negative-<br>Increased operational costs with increased cost of compliance. |
| 12. | Raw Material Sourcing | Risk | The raw materials used in the manufacturing of our products are critical and are specific to certain geographies.<br>The environmental risk due to changing climatic conditions, dynamic pricing of commodities, regulatory restrictions for sourcing particular raw material, not finding the responsible suppliers may pose a risk to our raw materials and their availability. | We have put processes in place for alternative sourcing location, alternate suppliers for substitutes of raw materials to deal with instances of unavailability for any reason. | Neutral-<br>The implications of this could be either way depending on the mitigation approach we take in future. |
| 13. | Innovation | Opportunity | Continued development of new products which address unmet consumer needs. | We have developed a strong R& D team and in house capabilities to develop new and innovative products. | Positive-<br>Fulfill the unmet consumer needs by providing superior products to the consumer |
| 14. | Business ethics | Risk | Ensure healthy products and govern business with ethics.<br>Regulatory and legal challenges associated with the nature of the business we are in is seen as a risk. | We have ensured strong ethical business culture, undertaken measures to have effective risk management such as responsible marketing and distribution of products. | Negative-<br>• Increased operational costs in audit and various checks.<br>• Punitive actions by regulators/legal authority |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

**The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:**

| | |
|---|---|
| P1 | Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable |
| P2 | Businesses should provide goods and services in a manner that is sustainable and safe |
| P3 | Businesses should respect and promote the well-being of all employees, including those in their value chains |
| P4 | Businesses should respect the interests of and be responsive towards all its stakeholders |
| P5 | Businesses should respect and promote human rights |
| P6 | Businesses should respect, protect and make efforts to restore the environment |
| P7 | Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent |
| P8 | Businesses should promote inclusive growth and equitable development |
| P9 | Businesses should engage with and provide value to their consumers in a responsible manner |

| | P 1 | P 2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|
| Policy and management processes | | | | | | | | | |
| 1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| b. Has the policy been approved by the Board? (Yes/No) | The policies are noted by the Board of Directors of the Company. Implementation of policy decision is carried out by the management. | | | | | | | | |
| c. Web link of the policies, if available | Policies which are internal to the Company are available on the intranet portal of the Company. Other policies are available on the website of the Company. www.atfoods.com | | | | | | | | |
| 2. Whether the entity has translated the policy into procedures. (Yes / No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 3. Do the enlisted policies extend to your value chain partners? (Yes/ No) | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 4. Name the national and international codes/ certifications/ labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle. | - | - | - | - | - | - | - | - | - |

**5. Specific commitments, goals and targets set by the entity with defined timelines,if any.**

| | |
|---|---|
| Specific commitments, goals, and targets set by the entity | ATFL has created short-to medium plans to address priority areas like climate change, plastic waste and circular economy, sustainable sourcing and sustainable livelihoods.This includes key areas such as specific energy consumption items, specific green house gas emissions, and specific waste generation. |
| Performance of the entity against the specific commitments, goals, and targets along with reasons in case the same are not met. | To ensure progress against plan, ATFL management has included the same in individual KRAs (Key Result Areas). Together with robust processes this will ensure regular monitoring of environmental KPIs (Key Performance Indicator), development of an environmental management plan, and review of progress on a regular basis to ensure that Businesses are on track with respect to the agreed road map. |

## GOVERNANCE, LEADERSHIP AND OVERSIGHT

**6. Statement by director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure)**

We bring herewith our BRSR in compliance with SEBI's guidelines adhering to NGRBC principles. We are committed towards becoming a socially and environmentally responsible organization and have always maintained a very high standard of ethics. It has been our belief that sustainability and growth go hand in hand and an organization's long-term success is determined by how proactively it responds to its environmental, social, and governance dimensions. Our corporate governance framework signifies our commitment to integrity and responsibility throughout our value chain.

We are committed to adhering to the highest standards of integrity and ethics. In order to maintain these standards, the Company has adopted the 'Code of Conduct', which lays down the principles and standards in its dealing with all its stakeholders, including employees, customers, suppliers, government and the community. The Company is committed to develop and produce wholesome and safe food products to deliver against its vision of being amongst "India's Best Performing Most Respected Food Companies". The Environment Management practices of the Company focus on conservation of natural resources and waste management. The Company's environmental commitment is demonstrated through its Guidelines for management of health, safety and environment, extended to all our manufacturing units and business associates.

The Company considers human resources as the most valuable asset of the Company and essential for consistent growth of the business. This is reflected as well in the Company's approach towards health and safety of employees, the "Grow our own Timber" approach and the encouragement of diversity and inclusivity in our workplaces.

**7. Details of the highest authority responsible for oversight of the Business Responsibility policy(ies).**

At the highest level, the Board of Directors of the Company has the primary role of oversight of the Business Responsibility policy(ies). The CSR Committee of the Board reviews and oversees implementation of the Sustainability Policies of the Company on an annual basis.

The Heads of the various Departments and Corporate Functions are responsible for ensuring implementation of the Sustainability Policies of the Company within their respective Department / Corporate Function and communication of these Policies to the employees.

**8. Does the entity have a specified Committee of the Board/Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.**

Yes, the Board level Corporate Social Responsibility Committee is responsible for decision-making on CSR activities and overseeing Business Responsibility policy(ies).

**9. Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow-up action | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |

**10. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.**

| P 1 | P 2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|
| No, We periodically conduct a comprehensive internal audit of our policies and evaluate and monitor any gaps found in the implementation of these policies. | | | | | | | | |

## SECTION C : PRINCIPLE-WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

**ESSENTIAL INDICATORS (Mandatory)**

**1. Percentage coverage by training and awareness programs on any of the principles during the financial year.**

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | % of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 2 | The following topics were covered under the training Program(s):<br>1. Consumer Engagement in a responsible manner- ATFL'S Social Media Strategy, consumer connect and Impact<br>2. Regulatory changes on BRSR framework including BRSR Core disclosure and assurance | 100% |
| Key Managerial Personnel (KMP) | 3 | The following topics were covered under the training Program(s):<br>1. POSH<br>2. Awareness/update session on Policy on Gifts, Donations, Imprest & Whistle Blower<br>3. Regulatory changes on BRSR framework including BRSR Core disclosure and assurance | 100% |
| Employees other than Board of Directors or KMPs | 2 | The following topics were covered under the training Program(s):<br>1. POSH<br>2. Awareness/update session on Policy on Gifts, Donations, Imprest & Whistle Blower | 100% |
| Workers | 2 | The following topics were covered under the training Program(s):<br>1. POSH<br>2. Awareness/update session on Policy on Gifts, Donations, Imprest & Whistle Blower | 100% |

**2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: The entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

| Monetary | | | | | |
|---|---|---|---|---|---|
| | Name of the regulatory/ enforcement agencies/judicial institutions | NGRB Principle | Amount (₹) | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Penalty/Fine | NIL | | | | |
| Settlement | | | | | |
| Compounding Fee | | | | | |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | Name of the regulatory/ enforcement agencies/judicial institutions | NGRB Principle | Brief of the case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | Not Applicable | | | |
| Punishment | | | | |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

| Case Details | Name of the regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| Not Applicable | |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

   ATFL does not have a dedicated anti-corruption or anti-bribery policy, its operations are governed as per the Code of Conduct (Coc). The document is applicable to all the employees who must abide by the values of the company. The code compels the employees to be ethical, accountable, and transparent in their day-to-day office work and addresses issues beyond corruption and bribery. The CoC is adopted to set forth the basic standards of ethical behavior, detection & prevention of any wrongdoing. It also lays down additional provisions for the board members as well as Key Management Personnel (KMP) for compliance with the code.
   Link- https://www.atfoods.com/pdf/code-of-conduct/codeofconductsep-16a.pdf

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

| | FY 24 | FY 23 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |

6. **Details of complaints with regard to conflict of interest**

| | FY 24 | | FY 23 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of conflict of interest of directors | 0 | Nil | 0 | Nil |
| Number of complaints received in relation to issues of conflict of interest of KMPs | 0 | Nil | 0 | Nil |

7. **Provide details of any corrective action taken or under way on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

   There have been no fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

**LEADERSHIP INDICATORS**

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year.**

   We engage with our value chain partners from time to time. We collaborate with our suppliers for sourcing quality and sustainable raw material. We educate retailers and wholesalers on the various regulatory restrictions on food packaging and labeling, advertising, and promotion.

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the board? (Yes/No) If yes, provide details of the same.**

   Yes. A Policy on Related Party Transactions (RPTs) and determination of Material RPTs, has been formulated and approved by the Board. Details of such policies for dealing with RPT are disseminated on our website at https://www.atfoods.com/pdf/code-of-conduct/policy_dealing_related_party_transactions.pdf. There were no materially significant related party transactions between ATFL and the Directors, Promoters, Key Managerial Personnel, and other designated persons which may have a potential conflict with the interest of the company at large. We have obtained Prior approvals for all the related party transactions from the Audit Committee.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**ESSENTIAL INDICATORS (Mandatory)**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

| | FY 24 | FY 23 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 0% | 0% | Not Applicable |
| Capex | 0% | 0% | Not Applicable |

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   No, the Company has a supply chain process in place which provides guidance on sustainable sourcing. At an all-India level, preference is always given to sourcing from local suppliers.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Not Applicable

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for:**

   **(a) Plastics (including packaging),**
   **(b) E-waste,**
   **(c) Hazardous waste, and**
   **(d) other waste.**

   ATFL engages with certified e-waste handlers for disposal of e-waste. The Company receives disposable and recycling certificates from the respective e-waste vendors.

   Plastic waste is recycled through EPR and gets disposed of through certified vendors. In case of other waste which includes food waste, ATFL engages with authorized vendors to collect and convert the food waste to animal feed and/or some other industrial usage.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   Yes, Extended Producer Responsibility (EPR) is applicable to us. ATFL is in compliance with the requirements of Plastic Waste Management Rules, 2016 and subsequent amendments. During the reporting period, we have collected 1835 MT of post-consumer plastic waste across India. The waste collection plan is in line with the EPR plan.

**LEADERSHIP INDICATORS**

1. **Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

   No. We have not conducted Life Cycle Perspective/Assessments (LCA) for any of our products.

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.**

| Name of Product / Service | Description of the risk / concern | Action Taken |
|---|---|---|
| | Not Applicable | |

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

| Indicate input material | Recycled or re-used input material to total material | |
|---|---|---|
| | FY 24 | FY 23 |
| None | 0% | 0% |

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

We ensure that our packaging materials plastic waste including Multi-Layer Plastic have a safe disposal at the end of life. During the reporting period, we have collected 1835 MT of post-consumer plastic waste across India.

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category Indicate product category. Reclaimed products and their packaging materials as % of total products sold in respective category**

| Indicate product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| RIGID PLASTIC | 109% |
| FLEXI PLASTIC | 107% |
| MULTILAYER PLASTIC | 100% |

**PRINCIPLE3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

**ESSENTIAL INDICATORS (Mandatory)**

1. **a. Details of measures for the well-being of employees:-**

| Category | | % of employees covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 390 | 390 | 100.00% | 390 | 100.00% | 0 | 0.00% | 390 | 100.00% | 0 | 0.00% |
| Female | 21 | 21 | 100.00% | 21 | 100.00% | 21 | 100.00% | 0 | 0.00% | 0 | 0.00% |
| **Total** | **411** | **411** | **100.00%** | **411** | **100.00%** | **21** | **5.11%** | **390** | **94.89%** | **0** | **0.00%** |
| **Other than Permanent employees** | | | | | | | | | | | |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

Other than Permanent employees are contracted via a 3rd party and the responsibility related to the information shared above lies with the contractor. ATFL ensures that the contractors meet the statutory requirements.

**b. Details of measures for the well-being of workers:**

| Category | | % of workers covered by | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | No. (D) | % (D/A) | No. (E) | % (E/A) | No. (F) | % (F/A) |
| **Permanent employees** | | | | | | | | | | | |
| Male | 152 | 152 | 100.00% | 152 | 100.00% | 0 | 0.00% | 152 | 100.00% | 0 | 0.00% |
| Female | 1 | 1 | 100.00% | 1 | 100.00% | 1 | 100.00% | 0 | 0.00% | 0 | 0.00% |
| **Total** | **153** | **153** | **100.00%** | **153** | **100.00%** | **1** | **0.69%** | **152** | **99.31%** | **0** | **0.00%** |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Female | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |

Non-Permanent workers in ATFL's Plants are contracted via a 3rd party and the responsibility related to the information shared above lies with the contractor. ATFL ensures that the contractors meet the statutory requirements.

2. **Details of retirement benefits for the current and previous financial year**

| | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|
| **Benefits** | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | yes | 100% | 100% | yes |
| Gratuity | 100% | 100% | yes | 100% | 100% | yes |
| ESI | 100% | 100% | yes | 100% | 100% | yes |
| Others-Super Annuation | 100% | 100% | yes | 100% | 100% | yes |

3. **Accessibility of workplaces Are the premises/offices accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Yes, the offices of ATFL are accessible to all its employees including persons with disabilities.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy. Code of Conduct web link.**

   The Code of Conduct provides guidance to be fair and act against discrimination. Discrimination on the basis of race, sex, caste, religion, age, disability, national origin, or veteran status or other protected status covered by local, state or central law is an explicit violation of this code. All employees are treated with respect and dignity and opportunities for development and career progression are based on performance, ability and potential consistent with business requirements.

   https://www.atfoods.com/pdf/code-of-conduct/codeofconductsep-16a.pdf

5. **Return to work and retention rates of permanent employees that took parental leave.**

| | Permanent employees | | Permanent workers | |
|---|---|---|---|---|
| **Gender** | **Return to work rate** | **Retention Rate** | **Return to work rate** | **Retention Rate** |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| **Total** | **100%** | **100%** | **100%** | **100%** |

6. **Is there a mechanism available to receive and redress grievances for the Permanent and Non-permanent employees' categories of employees? If yes, give details of the mechanism in brief.**

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers | The Works Committee is formed to address permanent workers' grievances and it meets monthly once. |
| Other than Permanent Workers | Not Applicable. Non-permanent workers on ATFL Plants are contracted via a 3rd party and their grievance redressal mechanism rests with the contractors. ATFL ensures that all norms and regulations while working on plants are met. |
| Permanent Employees | The Company has a whistle blower policy and policy on workplace harassment in place which provides guidance to raise a complaint in case of any concerns. There are specified people to address the complaints. |
| Other than Permanent Employees | Not Applicable. Non-permanent employees in ATFL offices are contracted via a 3rd party and their grievance redressal mechanism rests with the contractors. ATFL ensures that all norms and regulations while working in offices are met. |

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|
| | Total employees / workers in respective category (A | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) | Total employees / workers in respective category (A) | No. of employees / workers in respective category, who are part of association(s) or Union (B) | % (B / A) |
| **Total Permanent Employees** | **411** | **0** | **0%** | **401** | **0** | **0%** |
| Male | 390 | 0 | 0% | 375 | 0 | 0% |
| Female | 21 | 0 | 0% | 26 | 0 | 0% |
| **Total Permanent Workers** | **153** | **0** | **0%** | **164** | **0** | **0%** |
| Male | 152 | 0 | 0% | 163 | 0 | 0% |
| Female | 1 | 0 | 0% | 1 | 0 | 0% |

## 8. Details of training given to employees-

| Category | FY 24 | | | | | FY 23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures | | On Skill upgradation | | Total (D) | On Health and safety measures | | On Skill upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | %(F/D) |
| **Employees** | | | | | | | | | | |
| Male | 390 | 390 | 100% | 295 | 75.64% | 375 | 249 | 66.40% | 222 | 59.20% |
| Female | 21 | 21 | 100% | 6 | 28.57% | 26 | 12 | 46.15% | 7 | 26.92% |
| **Total** | **411** | **411** | **100%** | **301** | **73.24%** | **401** | **261** | **65.09%** | **229** | **57.11%** |
| **Workers** | | | | | | | | | | |
| Male | 152 | 152 | 100% | 152 | 100% | 163 | 163 | 100% | 163 | 100% |
| Female | 1 | 1 | 100% | 1 | 100% | 1 | 1 | 100% | 1 | 100% |
| **Total** | **153** | **153** | **100%** | **153** | **100%** | **164** | **164** | **100%** | **164** | **100%** |

## 9. Details of performance and career development reviews of employees-

| Category | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. (B) | % (B/A) | Total (C) | No. (D) | % (D/C) |
| **Employees** | | | | | | |
| Male | 390 | 390 | 100% | 375 | 375 | 100% |
| Female | 21 | 21 | 100% | 26 | 26 | 100% |
| **Total** | **411** | **411** | **100%** | **401** | **401** | **100%** |
| **Workers** | | | | | | |
| Male | 152 | 152 | 100% | 163 | 163 | 100% |
| Female | 1 | 1 | 100% | 1 | 1 | 100% |
| **Total** | **153** | **153** | **100%** | **164** | **164** | **100%** |

## 10. Health and safety management system:

**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such a system?**

Yes, ATFL has implemented an occupational health and safety management system. The Company believes that a safe and healthy work environment is a pre-requisite for employee well-being, and the adoption of best practices in occupational health and safety have a direct impact on its overall performance.

ATFL Aims to remove or reduce the risks to the health, safety and welfare of all workers, contractors and visitors, and anyone else who may be affected by our business operations. ATFL aims to ensure all work activities are done safely. Awareness sessions are conducted on safety related aspects for the employees like Trainings and Safety week celebration.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

ATFL has identified the EHS Risk Management framework as one of the integral steps towards building a robust safety management system. This framework entails a set of processes for continual risk identification, assessment and mitigation, with active participation of the workforce in each of its facilities.

Periodic safety audits are being conducted to assess the work-related Hazards. Safety week celebration and 'spot a hazard' exercises are carried out to encourage workers to identify hazards. HIRA (Hazard Identification and Risk Assessment) is conducted across the factories to identify and eliminate the hazard by the Employees as well as workers. Work Permits, Near Miss reporting system are some other routine processes to identify and report work related hazard.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks.**

Yes, we do have processes for workers to report work-related hazards and to remove themselves from such risk. "spot a hazard" exercise is carried out to encourage workers to identify hazards. Training is being provided to the workers to report the hazard and what to do and not to do to be safe from such risks. We duly undertake subsequent implementation of corrective and preventive actions.

**d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services?**

Yes, the employees, permanent workers and their family members have access to non-occupational medical and healthcare services.

**11. Details of safety-related incidents**

| Safety Incident/Number | Category | FY 24 | FY 23 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | Nil | Nil |
| | Workers | | |
| Total recordable work-related injuries | Employees | Nil | Nil |
| | Workers | 7 | 7 |
| No. of fatalities (safety incident) | Employees | Nil | Nil |
| | Workers | | |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | Nil | Nil |
| | Workers | | |

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

In line with the Company's work health and safety policy, ATFL is committed towards the health and safety of the employees and workers. We implement safety guidelines to mitigate safety risks at all times. We ensure employees participating in regular mock drills on fire safety and emergency evacuation. Internal audits are conducted on a periodic basis and detailed reports is submitted for evaluation. Basis on the reports and findings further corrective action is planned and implemented.

ATFL ensures that all work activities are done safely. Regular training on safety is given to all the employees and workers. We induce a safety culture by motivating and encouraging employees to provide suggestions to improve safety performance. Safety week celebration is also a part of our culture which encourages all employees and workers to work in a safe and healthy environment.

**13. Number of complaints on the following made by employees:-**

| | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end | Remarks | Filed during the year | Pending resolution at the end | Remarks |
| Working conditions | 0 | 0 | NA | 0 | 0 | NA |
| Health and safety | 0 | 0 | NA | 0 | 0 | NA |

**14. Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

The Company has been following standard operating procedures to comply with state/ local level regulations and ensure safety and hygiene protocols and necessary social distancing is being followed by employees and contractors in the offices and manufacturing plants.

During the reporting period, the company reported no fatalities of any employee whilst on duty.

**LEADERSHIP INDICATORS**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of?**

| | (Y/N) |
|---|---|
| Permanent Employees | Yes* |
| Permanent Workers | Yes* |

* Subject to the terms and conditions of the respective insurance policy(ies).

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

   ATFL puts best efforts to engage with Vendors who are 100% compliant based on the track record.

3. **Provide the number of employees having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q12 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment**

| | Total no. of affected employees | | No. of employees that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment | |
|---|---|---|---|---|
| | FY 24 | FY 23 | FY 24 | FY 23 |
| Employees | 0 | 0 | 0 | 0 |
| Workers | 0 | 0 | 0 | 0 |

4. **Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

   No

5. **Details on assessment of value chain partners**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | 100% |
| Working conditions | 100% |

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

   NIL

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

### ESSENTIAL INDICATOR

1. **Describe the processes for identifying key stakeholder groups of the entity.**

   ATFL believes in a roust relationship with the stakeholders. Any individual or group of individuals or institution that adds value to the business of the Company is identified as a core stakeholder. We recognized both, internal stakeholders which includes employees and leadership team and external stakeholders which includes external channels such as regulators, suppliers, investors, and community. The company reaches out to various groups of identified stakeholders through calls, questionnaire forms and meetings to gauge their views.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Key Stakeholders | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/Half Yearly/ Quarterly / Others-please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employee | No | Email, Notice Board and Intranet. | Annually, Need Basis and Ongoing. | • Learning and development<br>• Well-being<br>• Grievance redressal<br>• Growth opportunities |
| Suppliers | No | Email, Website and Vendor Meetings. | Need-basis. | • Quality<br>• Local procurement |
| Investors & Shareholders | No | Emails, Newspaper, Advertisement, Website and Notice Board. | Quarterly, Annually and Need Basis. | • Business performance<br>• Regulatory procedures & compliance<br>• General updates |

| Key Stakeholders | Whether identified as Vulnerable & Marginalized Group (Yes/No) | Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others | Frequency of engagement (Annually/Half Yearly/ Quarterly / Others – please specify) | Purpose and scope of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Communities | Yes | Community Meetings, Focused Group Discussion and Grievance Redressal. | Regularly and on need basis. | • Grievances<br>• Feedback<br>• Development Program<br>• Capacity building |
| Government and Regulators | No | Policy Intervention, Advocacy. | Need basis. | • Taxation<br>• Promotions<br>• Best practices |

**LEADERSHIP INDICATORS**

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   We maintain a constant and proactive engagement with our key stakeholders that enables us to communicate our strategy and performance. We practice continuous communication and engagement to align expectations. The board is regularly aligned on various developments and their feedback is sought regularly.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes. During the exercise of identifying material issues that are the most relevant and applicable for ATFL, we consulted both internal and external stakeholders to identify issues with significant social or environmental impact for us. We ensure that we take inputs from stakeholders and integrate them into our processes and policies.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalised stakeholder groups.**

   Nil

**PRINCIPE 5: Businesses should respect and promote human rights**

**ESSENTIAL INDICATOR (Mandatory)**

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity**

| Category | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B/A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 411 | 411 | 100% | 401 | 401 | 100% |
| Other than Permanent | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Employees** | **411** | **411** | **100%** | **401** | **401** | **100%** |
| **Workers** | | | | | | |
| Permanent | 153 | 153 | 100% | 164 | 164 | 100% |
| Other than Permanent | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total Workers** | **153** | **153** | **100%** | **164** | **164** | **100%** |

**Note:** Currently, we have a Code of Conduct and Policy on Sexual Harassment in place which covers the aspects of human right. The employees are mandated to abide by these policies. Additionally, extracts of the Factory Act prohibiting child/bonded Labour and minimum wages are displayed in factory premises for perusal of all direct/indirect employees.

2. **Details of minimum wages paid to employees:**

| Category | FY 24 | | | | | FY 23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | **411** | **0** | **0%** | **411** | **100%** | **401** | **0** | **0%** | **401** | **100%** |
| Male | 390 | 0 | 0% | 390 | 100% | 375 | 0 | 0% | 375 | 100% |
| Female | 21 | 0 | 0% | 21 | 100% | 26 | 0 | 0% | 26 | 100% |
| **Other than Permanent** | **423** | **0** | **0%** | **423** | **100%** | **628** | **0** | **0%** | **628** | **100%** |
| Male | 418 | 0 | 0% | 418 | 100% | 620 | 0 | 0% | 620 | 100% |
| Female | 5 | 0 | 0% | 5 | 100% | 8 | 0 | 0% | 8 | 100% |
| **Workers** | | | | | | | | | | |
| **Permanent** | **153** | **0** | **0%** | **153** | **100%** | **164** | **0** | **0%** | **164** | **100%** |
| Male | 152 | 0 | 0% | 152 | 100% | 163 | 0 | 0% | 163 | 100% |
| Female | 1 | 0 | 0% | 1 | 100% | 1 | 0 | 0% | 1 | 100% |
| **Other than Permanent** | **301** | **301** | **100%** | **0** | **0%** | **484** | **484** | **100%** | **0** | **0%** |
| Male | 226 | 226 | 100% | 0 | 0% | 415 | 415 | 100% | 0 | 0% |
| Female | 75 | 75 | 100% | 0 | 0% | 69 | 69 | 100% | 0 | 0% |

3. **Details of remuneration/salary for the financial year ended 31st March 2024.**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/wages of respective category in ₹ | Number | Median remuneration/ salary/wages of respective category in ₹ |
| Board of Directors (BoD)* | 4 | 14,00,400 | 1 | 14,00,400 |
| Key Managerial Personnel (other than BoD)# | 2 | 1,46,93,912 | 1 | 37,49,631 |
| Employees other than BoD and KMP | 388 | 6,50,300 | 20 | 11,54,778 |
| Workers | 152 | 2,75,352 | 1 | 3,13,668 |

* Board of Directors include independent directors and non-executive directors and exclude Managing director.

# KMP includes Managing Director, CFO and Company Secretary.

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impact or issues caused or contributed to by the business?**

Yes, the Company has a whistle blower policy, and the chairman of Audit Committee is responsible for review of employee concerns reported through the Whistle Blower Mechanism. We also have a policy on workplace harassment which provides guidance to raise a complaint in case of any concerns. The respective department head along with Head of HR are responsible to address the complaints. We empower employees to place their concerns pertaining to human rights violations including but not limited to harassment, victimization, bullying and discrimination of any form for a formal investigation and satisfactory resolution of the grievance.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

At ATFL, guidance on human rights issues is covered as a part of its Code of Conduct. We have Whistle Blower mechanism as part of the Code of Conduct which empowers the complainant to bring to the attention of the management, any concerns related to human right violation without fear of punishment or unfair treatment by reporting at designated e-mail or contact details. The mechanism also provides employees and Directors direct access to the Chairperson of the Audit Committee in exceptional cases. Any concerns reported are addressed by the direct touch team.

6. **Number of Complaints on the following made by employees and workers:**

| | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|
| | **Filed during the year** | **Pending resolution at the end of the year** | **Remarks** | **Filed during the year** | **Pending resolution at the end of the year** | **Remarks** |
| Sexual Harassment | 0 | 0 | None | 0 | 0 | None |
| Discrimination at workplace | 0 | 0 | None | 0 | 0 | None |
| Child labour | 0 | 0 | None | 0 | 0 | None |
| Forced labour/Involuntary labour | 0 | 0 | None | 0 | 0 | None |
| Wages | 0 | 0 | None | 0 | 0 | None |
| Other human rights related issues | 0 | 0 | None | 0 | 0 | None |

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

   Our Whistle Blower mechanism empowers the complainant to bring to the attention of his/her immediate supervisor, the Head – Human Resources and the Complaints Committee any concerns related to discrimination and harassment without fear of reprisal or unfair treatment by reporting at designated e-mail or contact details.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

   Yes, human rights requirements form a part of the Company's agreements and contracts for hiring contractual employees and workers. We ensure the service provider to comply with regulatory requirements and prevent any form of discrimination including child labour, forced labour, payment of minimum wages, as well as adherence to safe working conditions.

9. **Assessments for the year**

| | **% of offices that were assessed (by entity or statutory authorities or third parties)** |
|---|---|
| Child labour | 100% |
| Forced/involuntary labour | 100% |
| Sexual harassment | 100% |
| Discrimination at workplace | 100% |
| Wages | 100% |

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    Not applicable

## LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

   There have been no significant changes in business processes during the reporting period.

2. **Details of the scope and coverage of any human rights due diligence conducted.**

   Nil

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes, the offices of ATFL are accessible to persons with disabilities.

4. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual harassment | No such assessment has been done |
| Discrimination at workplace | |
| Child labour | |
| Forced labour/Involuntary labour | |
| Wages | |
| Others – please specify | |

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

Nil

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

## ESSENTIAL INDICATORS (Mandatory)

1. **Details of total energy consumption (in Joules or multiples) and energy intensity**

| Parameter | FY 24 | FY 23 |
|---|---|---|
| Total electricity consumption (A) | 43,210,799 | 43,742,111 |
| Total fuel consumption (B) | 121,599,002 | 79,309,740 |
| Energy consumption through other sources (C) | 0 | 0 |
| Total energy consumption (A+B+C) | 164,809,801 | 123,051,851 |
| Energy intensity per rupee of turnover (Total energy consumption/ (per rupee of turnover) | 0.021 | 0.0145 |
| Energy intensity (optional) – the relevant metric may be selected by the entity (Per million cigarettes) | | |

No independent assurance has been done for data verification.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not applicable

3. **Provide details of the following disclosures related to water.**

| Parameter | FY 24 | FY 23 |
|---|---|---|
| (i) Surface water | 0 | 0 |
| (ii) Groundwater | 16,440 | 16,227 |
| (iii) Third party water | 30,530 | 29,515 |
| (iv)Seawater/ desalinated water | 0 | 0 |
| (v) Others | 0 | 0 |
| Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) | 46,970 | 45,742 |
| Total volume of water consumption (in kilolitres) | 46,970 | 45,742 |
| Water intensity per rupee of turnover (Water consumed / turnover) | 0.00000618 | 0.00000539 |
| Water intensity (optional) – the relevant metric may be selected by the entity (Per million cigarettes) | | |

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, one of the manufacturing units of the company at Chittoor has implemented mechanism for Zero Liquid Discharge. The treated wastewater from the effluent treatment plant is utilized for landscaping purposes.

**5. Please provide details of air emissions (other than GHG emissions) by the entity.**

| Parameter | Please specify unit | FY 24 | FY 23 |
|---|---|---|---|
| NOx | The Company has not done any assessment of this data | | |
| SOx | | | |
| Particulate matter (PM) | | | |
| Persistent organic pollutants (POP) | | | |
| Volatile organic compounds (VOC) | | | |
| Hazardous air pollutants (HAP) | | | |
| Others – please specify | | | |

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity**

| Parameter | FY 24 | FY 23 |
|---|---|---|
| Total Scope 1 emissions -Metric tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | 6,785 | 3,597 |
| Total Scope 2 emissions -Metric tonnes of CO2 equivalent (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | 10,202 | 10,328 |
| Total Scope 1 and Scope 2 emissions (per rupee of turnover) tCO2e | 0.000002235 | 0.000001642 |
| Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity (Per million cigarettes) | | |

**7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

The Company has undertaken initiatives on clean technology, energy efficiency, and renewable energy. Some of the initiatives are highlighted below:

i. Reduction on dependency on diesel, furnace oil with a focus to shift to clean fuel.

ii. Energy efficiency initiatives include- implementing energy efficient lighting fixtures, retrofitting high efficiency motors and installation of variable frequency drives at all manufacturing units.

iii. Opportunities in the field of renewable energy source are being implemented such as rooftop solar etc.

iv. Continuous improvement in energy efficiency

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter | FY 24 (In MT) | FY 23 (In MT) |
|---|---|---|
| Plastic waste (A) | 1,690 | 2,067 |
| E-waste (B) | 0 | 2 |
| Bio-medical waste (C) | 0 | 0 |
| Construction and demolition waste (D) | 0 | 0 |
| Battery waste (E) | 0 | 0 |
| Radioactive waste (F) | 0 | 0 |
| Other Hazardous waste. Please specify, if any. (G) | 0 | 0 |
| Other Non-hazardous waste generated (H). Please specify, if any. | | |
| **Total (A+B + C + D + E + F + G + H)** | **1,690** | **2,069** |

| Parameter | FY 24 (In MT) | FY 23 (In MT) |
|---|---|---|
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste – Plastic Waste** | | |
| (i) Recycle | 1,835 | 1,209 |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| **Total** | **1,835** | **1,209** |
| **Category of waste–E-waste** | | |
| (i) Recycle | 0 | 2 |
| (ii) Re-used | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| **Total** | **0** | **2** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| (i) Incineration | 0 | 0 |
| (ii) Landfilling | 0 | 0 |
| (iii) Other disposal operations. | 0 | 0 |
| **Total** | **0** | **0** |

No independent assurance has been done for data verification.

**9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

We strongly emphasizethe conservation of natural resources and efficient waste management processes. Our plastic waste management processes are in line with Plastic Waste Management (PWM) EPR (Extended Producer Responsibility) guidelines under PWM Rule 2016. Every year, the Company collects, processes, and recycles the post- consumer multi-layer and non-multilayer plastic packaging waste as per CPCB guidelines. Our operations do not generate any hazardous waste. The other waste generated by the company is within the permissible limits given by CPCB/SPCB.

**10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

ATFL does not have any offices or operational sites in the vicinity of any ecologically sensitive area.

| S. No. | Location of operations/ offices | Type of operations | Whether the conditions of environmental approval / clearance are being complied with ₹ (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| Not Applicable | | | |

**11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| ATFL has not done any environmental impact assessment in FY 2023-24 | | | | | |

**12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules there under (Y/N). If not, provide details of all such non-compliances.**

The company is in compliance with all the environmental regulations of the country. There have been no incidents of non-compliance related to the environment in FY 2023-24.

| S. No. | Specify the law / regulation / guidelines which was not complied with | Provide details of the non-compliance | Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| Not Applicable | | | | |

## LEADERSHIP INDICATOR

**1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources :**

| Parameter | FY 24 | FY 23 |
|---|---|---|
| From renewable sources | 0 | 0 |
| Total electricity consumption (A) | 0 | 0 |
| Total fuel consumption (B) | 0 | 0 |
| Energy consumption through other sources (C) | 0 | 0 |
| Total energy consumed from renewable sources (A+B+C) | 0 | 0 |
| Total electricity consumption (D) | 0 | 0 |
| Total fuel consumption (E) | 0 | 0 |
| Energy consumption through other sources (F) | 0 | 0 |

**2. Provide the following details related to water discharged:**

| Parameter | FY 24 | FY 23 |
|---|---|---|
| Water discharge by destination and level of treatment (in kiloliters) | | |
| (i) To Surface water | | |
| · No treatment | 13,511.10 | 11,681.49 |
| · With treatment – (pH - 7-7.5) | 9,076.00 | 7,467.00 |
| (ii) To Groundwater | | |
| · No treatment | 4,916.19 | 4,635.59 |
| · With treatment – please specify level of treatment | | |
| (iii) To Seawater | | |
| · No treatment | | |
| · With treatment – (pH - 7-7.5) | 2,510.00 | 2,725.00 |
| (IV) Sent to third parties | | |
| · No treatment | 2,750.55 | 2,591.20 |
| · With treatment – please specify level of treatment | | |
| (v) Others | | |
| · No treatment | 6,200.00 | 8,000.00 |
| · With treatment – please specify level of treatment | | |
| Total water discharged (in kilolitres) | 38,963.85 | 37,100.29 |

Note: No external assessment has been carried out by the company.

**3. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres): Not Applicable**

For each facility / plant located in areas of water stress, provide the following information:

i. Name of the area

ii. Nature of operations

iii. Water withdrawal, consumption, and discharge in the following format

4. **Please provide details of total Scope 3 emissions & its intensity :**

| Parameter | Unit | FY 24 | FY 23 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available) | Metric tonnes of CO2 equivalent | The Company has not done any assessment of this data | |
| **Total Scope 3 emissions per rupee of turnover** | | | |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may be selected by the entity | | | |

5. **With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**

   Not applicable.

6. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along with summary) | Outcome of the initiative |
|---|---|---|---|
| The Company has not taken any such initiative | | | |
| | | | |

7. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web-link.**

   The Risk Management Policy framework encompasses the identification of internal and external risks across various facets of the company, including front-end and back-end operations, R&D, Finance, and IT. It addresses financial, operational, sectoral, sustainability, information, cyber security, disaster recovery, strategic, and other risks, as determined by the Risk Management Committee. This policy aims to minimise adverse impacts on business objectives by outlining procedures for risk quantification, categorisation, mitigation measures, Critical Risk Control and Montoring, and Business Continuity Planning. The core management team periodically deliberates on Business Continuity Plans, conducting business impact analyses to identify critical functions and resources. Additionally, the company maintains a comprehensive Emergency Preparedness and Response Plan (EPRP) to address accidents, health emergencies, and environmental impacts. The company reviews and revises the emergency preparedness and response procedures on a regular interval.

8. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?**

   There has been no significant adverse impact to the environment, arising from the value chain of the entity. Proactive measures including, but not limited to, education, training programmes on environmental impact and compliance monitoring etc. were taken to inculcate awareness among suppliers.

9. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

   No such assessment has been done.

## PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### ESSENTIAL INDICATOR (Mandatory)

1. a. **Number of affiliations with trade and industry chambers/associations.**

   Seven (7)

   b. **List the top 10 trade and industry chambers/associations (determined based on the total members of such a body) the entity is a member of/affiliated to.**

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/associations (State/National) |
|---|---|---|
| 1. | Federation of Indian Chamber of Commerce and Industry | National |
| 2. | The Federation of Telangana Chambers of Commerce and Industry | State |
| 3. | Confederation of Indian Industry | National |
| 4. | Bombay Chamber of Commerce and Industry | State |
| 5. | The Indian Society of Advertisers | National |
| 6. | Indian Vanaspati Producers Association | National |
| 7. | Kumaun Garhwal Chamber of Commerce & Industry | State |

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

   There have been no instances or cases of anti-competitive conduct on ATFL in FY 2023-24.

| Name of authority | Brief of the case | Corrective action taken |
|---|---|---|
| Not Applicable | | |

### LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

   ATFL does not engage in direct public advocacy.

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

### ESSENTIAL INDICATORS (Mandatory)

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Not Applicable | | | | | |

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amounts paid to PAFs in the FY (In INR) |
|---|---|---|---|---|---|---|
| The Company does not have any ongoing projects as such. | | | | | | |

3. **Describe the mechanisms to receive and redress grievances of the community.**

We regularly engage with the communities in which our business operates and prepare processes to address their concerns. We prioritize the requirements and finalises our community initiatives after a thorough understanding of the specific needs of each community through stakeholder engagement and need assessment.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers.**

| | FY 24 | FY 23 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 25.00% | 22.68% |
| Sourced directly from within the district and neighboring districts | 51.00% | 45.40% |

## LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| Not Applicable | |

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

The Company has provided Peanut Butter amounting to ₹1,17,193/- to Anganwadis of Valia District, covering 377 Children based on the request from the Integrated Child Development Services (ICDS) Gujarat Govt. This is in addition to the statutory requierment of spending on CSR pursuant to Companies Act, 2013 and CSR Rules. The Company has transferred the required CSR amount of ₹67,22,000/- to the Prime Minister's National Relief Fund in the month of March, 2024 which is in line with regulatory requirements.

3. **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)**

No, the Company does not have any such Policy.

**(b) From which marginalised / vulnerable groups do you procure?**

The Company does not procure from suppliers comprising marginalised/ vulnerable groups.

**(c) What percentage of total procurement (by value) does it constitute?**

Nil

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

| S. No. | Intellectual Property based on traditional knowledge | Owned/ Acquired (Yes/No) | Benefit shared (Yes / No) | Basis of calculating benefit share |
|---|---|---|---|---|
| Not Applicable | | | | |

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

| Name of authority | Brief of the Case | Brief of the Case |
|---|---|---|
| Not Applicable | | |

6. **Details of beneficiaries of CSR Projects**

| S. No. | CSR Project | No. of persons benefited from CSR projects | % of beneficiaries from vulnerable and marginalised groups |
|---|---|---|---|
| 1 | Peanut Butter to Anganwadi's Children | The Company has provided Peanut Butter to Anganwadis of Valia District covering 377 Children based on the request from the Integrated Child Development Services (ICDS) Gujarat Govt. | 100% |
| 2 | Prime Minister's National Relief Fund | The Company has transferred the required CSR amount of ₹67,22,000/- to the Prime Minister's National Relief Fund in the month of March, 2024 which is in line with regulatory requirements. | |

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

### ESSENTIAL INDICATORS (Mandatory)

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company has a well-defined mechanism for handling consumer grievances. The Company gives a toll-free number along with an email address on its products label as well as on the ATFL website through which consumers can raise their complaints or query or feedback. The first response to all consumer grievances is given immediately on receiving the call by having a detailed conversation with the consumer to address his/her concern and timely closure of complaint. For other specific or technical query or information or product issues, estimated turnaround time is given to the consumer and complaints are forwarded to local area representatives for speedy response/closure and replacement to be provided to consumers, if required.

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about**

| | As a percentage to total turnover |
|---|---|
| Environmental and Social parameters relevant to the product | 0% |
| Safe and responsible usage | 0% |
| Recycling and/or safe disposal | 100% |

3. **Number of consumer complaints in respect of the following:**

| | FY 24 | | | FY 23 | | |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy | 0 | 0 | None | 0 | 0 | None |
| Advertising | 0 | 0 | None | 0 | 0 | None |
| Cyber-security | 0 | 0 | None | 0 | 0 | None |
| Restrictive Trade Practices | 0 | 0 | None | 0 | 0 | None |
| Unfair Trade Practices | 0 | 0 | None | 0 | 0 | None |

4. **Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | 0 | Not Applicable |
| Forced recalls | 0 | Not Applicable |

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

   Yes, the Company has a policy in this regard. Link- https://www.atfoods.com/pdf/code-of-conduct/codeofconductsep-16a.pdf

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   No cases were raised during the reporting year and hence no corrective actions were taken.

## LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   The Company's products' packaging is in accordance with Food Safety and Standards Act, 2006 and Rules made thereunder and Legal Metrology Act, 2009 and Rules made thereunder. Our labelling on the products carries information on the product's characteristics including Nutritional information, trade name, list of Ingredients, product usage and handling conditions, batch no, manufacturing or packing date, use by date, MRP, and consumer grievance procedures.

   Additionally, we display the information about our products on the Company's website https://www.atfoods.com/home.aspx

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   Our product labelling carry information on the product's characteristics including Nutritional information, handling and storage conditions of the product etc. for safe usage.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   We do not have any such mechanism.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

   Yes, we do display additional product information also wherever required over and above the information required under the applicable laws like products benefits, product characters and recommendation for healthy lifestyle etc. The Company generally does not conduct any survey to assess consumer satisfaction trends but does conduct rigorous consumer testing before launching new products and keeps in mind consumer's feedback and perception.

5. **Provide the following information relating to data breaches:**

   a. Number of instances of data breaches along-with impact- NIL

   b. Percentage of data breaches involving personally identifiable information of customers -NIL

   There were no instances of data breach observed during the year ended March 31, 2024.

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

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **Agro Tech Foods Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Revenue recognition – Sale of goods**<br>Refer Note 3 (h) "Revenue Recognition" of the Standalone Financial Statements under Material Accounting Policies.<br>Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer, which is mainly upon delivery and when there are no longer any unfulfilled obligations.<br>The timing of revenue recognition is relevant to the reported performance of the Company. The Management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. | We have performed the following principal audit procedures in relation to revenue recognised which include a combination of testing internal controls and substantive testing as under:<br>• Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.<br>• Evaluating the integrity of the general information and technology ("IT") control environment and testing the operating effectiveness of key IT application controls.<br>• Understanding the revenue recognition process, evaluating the design and implementation of Company's controls in respect of revenue recognition.<br>• Testing the effectiveness of such controls over revenue cut-off at year end. |

| | | |
|---|---|---|
| | | • Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued subsequent to the year end to determine whether revenue was recognised in correct period.<br>• Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. |
| 2 | **Assessment of impairment in the investment in a subsidiary**<br>The Company has investments in subsidiaries and the Management assessed that there are impairment indicators in respect of its investment in Agro Tech Foods (Bangladesh) Pvt. Ltd.<br>Accordingly, the Management estimated the recoverable value of investment in Agro Tech Foods (Bangladesh) Pvt. Ltd., the carrying value of which as at March 31, 2024 is ₹ 202.65 million.<br>The evaluation of the recoverable amount involves determination of the most appropriate valuation method and the inputs used in the valuation model (also refer Note 7 of the standalone financial statements). | We have performed the following principal audit procedures, including involving our valuation specialists, in relation to assessment of impairment of investment in Agro Tech Foods (Bangladesh) Pvt. Ltd:<br>• Assessed whether the methodology established by Management to identify indicators of impairment, identifying the Cash Generating Unit (CGU) to which such investment belongs, and the quantification thereof was appropriate.<br>• Evaluated the design and implementation of control relating to Management's estimation of recoverable amount of the CGU.<br>• Evaluated the Management's valuation method used, and the accuracy of the inputs used in the model to determine the recoverable value.<br>• Evaluated the inputs used to assess their reasonableness, tested the sensitivity of the recoverable value to the change in the inputs used and tested the arithmetical accuracy of the model. |

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

### Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors, Management Discussion & Analysis and Chairman's statement, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Report of the Directors, Management Discussion & Analysis and Chairman's statement is expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read the Report of the Directors, Management Discussion & Analysis and Chairman's statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

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

In preparing the standalone financial statements, management and Board of Directorsare 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has an adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit,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, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

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

g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paidby the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

i) 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, as amended 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 on its financial position in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

As stated in the Note under the Statement of Changes in Equity, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s), except:

a) in respect of the primary accounting software, the audit trail feature was not enabled from April 1, 2023 till July 24, 2023 and the audit trail feature at the database level was not enabled throughout the year, for any direct data changes (refer Note 51 of the standalone financial statements).

b) in respect of an accounting software for processing certain customer related transactions, the audit trail feature of such software was not enabled throughout the year (refer Note 51 of the standalone financial statements).

c) the accounting software for maintaining payroll masters did not have a feature of

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

recording audit trail (edit log) facility (refer Note 51 of the standalone financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(F.R.N. 117366W/W-100018)

**Sumit Trivedi**
Partner
Membership No. 209354
UDIN: 24209354BKEEQM7822

Place : Gurugram
Date : April 24, 2024

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of **Agro Tech Foods Limited** ("the Company") as at March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements.

## Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

### Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us on internal financial controls with reference to standalone financial statements, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to standalone financial statements 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(F.R.N. 117366W/W-100018)

**Sumit Trivedi**
Partner
Membership No. 209354
UDIN: 24209354BKEEQM7822

Place : Gurugram
Date : April 24, 2024

# ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that :

(i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, capital work-in-progress and relevant details of Right-of-Use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

(b) Some of the property, plant and equipment, capital work-in-progress and Right-of-Use assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the property, plant and equipment, capital work-in-progress and Right-of-Use assets at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of the registered sale deed/conveyance deed provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the standalone financial statements included in property, plant equipment are held in the name of the Company as at the balance sheet date.In respect of immovable properties that have been taken on lease and disclosed in the financial statements as Right-of-Use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.

(d) The Company has not revalued any of its property, plant and equipment (including Right-of-Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

(ii) (a) The inventories, except for goods-in-transit and stocks held with third parties, were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. For stocks held with third parties at the year-end, the Management has carried out physical verification and written confirmations have also been obtained. In respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories / alternate procedures performed, as applicable, when compared with books of account.

(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and book debt statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters and no material discrepancies have been observed.

(iii) The Company has notmade any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnership or any other parties during the year, and hence reporting under clause (iii) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of investments made.

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

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the manufacture of edible oils. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determining whether they are accurate or complete.

(vii) In respect of statutory dues:

(a) Undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

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

(B) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below :

| Name of Statute | Nature of Dues | Forum where Dispute is Pending | Period to which the Amount Relates | Amount Involved (₹ in Million) | Amount Unpaid (₹ in Million) |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income-tax | Commissioner of Income-tax appeals | 2016-17 | 8.63 | 8.63 |
| | | | 2017-18 | 15.77 | 15.77 |
| | | | 2019-20 | 15.61 | 15.61 |
| Central Excise Act, 1944 | Excise Duty | Central Excise and Service Tax Appellate Tribunal | 2009-12 | 28.10 | 27.10 |
| | | | 2015-16 | 2.22 | 2.00 |
| Bihar Sales Tax Act, 1981 | Sales Tax | Joint Commissioner of Commercial Taxes (Appeals), Patna | 2001-02 | 0.82 | 0.62 |
| | | Additional Commissioner Appeals, Patna | 2015-16 | 0.31 | 0.31 |
| Tamil Nadu, Sales Tax Act, 1959 | Sales Tax | Assistant Commissioner Appeals, Commercial Taxes, Chennai | 2002-03 | 0.26 | 0.26 |
| Delhi Sales Tax Act, 1975 | Sales Tax | Additional Commissioner, Commercial Taxes, Delhi | 2003-04 | 0.95 | 0.95 |
| Central Sales Tax Act, 1956 | Central Sales Tax | Additional Commissioner, Commercial Taxes, Delhi | 2004-05 | 2.03 | 1.63 |
| | | Superintendent of Taxes, Guwahati | 2009-10 | 0.36 | 0.36 |
| Andhra Pradesh General Sales Tax Act, 1956 | Sales Tax | Sales tax appellate Tribunal, Hyderabad | 1997-98 | 2.16 | 0.10 |
| West Bengal Sales Tax Act, 1994 | Sales Tax | Sales tax Appellate Tribunal, Kolkata | 2001-02 | 0.72 | 0.72 |
| Uttarakhand Value Added Tax, 2005 | Value Added Tax | Joint Commissioner (Appeals), Dehradun | 2012-13 | 0.57 | 0.46 |
| | | Appellate Tribunal, Dehradun | 2015-16 | 0.07 | - |
| Rajasthan Tax on Entry of Goods into Local Area Act, 1999 | Entry Tax | Rajasthan High Court | 2002-03<br>2003-04 | 19.63<br>20.21 | 18.63<br>19.21 |
| | | Tax Board, Ajmer Appellate Authority - 1, Commercial Taxes, Jaipur | 2008-09 | 3.46 | 2.45 |
| Jharkhand Value Added Tax Act, 2005 | Value Added Tax | Commercial Taxes Officer, Ranchi | 2015-16 | 1.37 | 1.37 |
| | | | 2016-17 | 0.06 | 0.06 |
| | | | 2017-18 | 0.08 | 0.08 |
| West Bengal Goods and Services Tax Act, 2017 | Goods and Services Tax | Commissioner (Appeals), West Bengal | 2017-18 | 3.40 | 3.24 |
| Odisha Goods and Services Tax Act, 2017 | Goods and Services Tax | Additional Commissioner (Appeals), Bhubaneswar | 2018-19 | 0.05 | 0.05 |
| Rajasthan Goods and Services Tax Act, 2017 | Goods and Services Tax | Joint Commissioner (Appeals), Jaipur | 2017-18 | 0.04 | 0.04 |
| Telangana Goods and Services Tax Act, 2017 | Goods and Services Tax | GST Appellate Tribunal, Hyderabad | 2017-18 to 2019-20 | 6.06 | 5.62 |

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

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (43 of 1961) during the year.

(ix)(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.

(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi)(a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) To the best of our knowledge, no report under sub-section (12) of Section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements etc. as required by the applicable accounting standards.

(xiv)(a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period up to December 2023 and the draft of the internal audit reports were issued after the balance sheet date covering the period January 2024 to March 2024 for the period under audit.

(xv) In our opinion during the year, the Company has not entered into any non-cash transactions with any of its directors or directors of its holding company, subsidiary company or persons connected with such directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi)(a), (b),(c), The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.

(d) The Group does not have any Core Investment Company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and our knowledge of the Board of Directors and Management plans and based on our

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

examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amounts for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provisions of sub-section (6) of Section 135 of the said Act. Accordingly, reporting under clause (xx) of the Order is not applicable for the year.

(xxi) According to the information and explanations given to us, we report that CARO is applicable only to the Company (which is the Parent) and one of its wholly-owned subsidiary, which is incorporated in India.The other two wholly-owned subsidiaries of the Company are incorporated outside India and reporting under CARO is not applicable to them. Based on the CARO report issued by us, as auditors of this subsidiarywhich is incorporated in India, included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in that CARO report.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(F.R.N. 117366W/W-100018)

**Sumit Trivedi**
Partner
Membership No. 209354
UDIN: 24209354BKEEQM7822

Place : Gurugram
Date : April 24, 2024

CIN: L15142TG1986PLC006957

# BALANCE SHEET AS AT MARCH 31, 2024

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | **2,840.84** | 2,667.31 |
| Capital work-in-progress | 4 | **296.62** | 260.90 |
| Right-of-use assets | 5 | **134.62** | 152.36 |
| Intangible assets | 6 | **139.26** | 145.82 |
| Financial assets | | | |
| (i) Investments | 7 | **228.20** | 228.20 |
| (ii) Other financial assets | 8 | **35.06** | 33.64 |
| Income tax assets (net) | | **155.12** | 156.66 |
| Other non-current assets | 9 | **109.46** | 133.03 |
| **Total non-current assets** | | **3,939.18** | 3,777.92 |
| **Current assets** | | | |
| Inventories | 10 | **1,446.80** | 1,646.81 |
| Financial assets | | | |
| (i) Trade receivables | 11 | **669.84** | 691.14 |
| (ii) Cash and cash equivalents | 12 | **85.48** | 34.87 |
| (iii) Bank balances other than (ii) above | 13 | **11.39** | 4.44 |
| (iv) Other financial assets | 14 | **32.64** | 9.48 |
| Other current assets | 15 | **304.69** | 289.44 |
| **Total current assets** | | **2,550.84** | 2,676.18 |
| **Total assets** | | **6,490.02** | 6,454.10 |
| **II Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 16 | **243.69** | 243.69 |
| Other equity | 17 | **4,748.07** | 4,613.83 |
| **Total equity** | | **4,991.76** | 4,857.52 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 18 | **64.42** | 85.02 |
| Provisions | 19 | **17.22** | 15.97 |
| Deferred tax liabilities (net) | 34(d) | **172.40** | 153.98 |
| **Total non-current liabilities** | | **254.04** | 254.97 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 20 | **335.00** | 520.00 |
| (ii) Lease liabilities | 22 | **20.60** | 15.31 |
| (iii) Trade payables | 21 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | **83.15** | 84.40 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | **601.74** | 534.89 |
| (iv) Other financial liabilities | 23 | **88.79** | 98.86 |
| Other current liabilities | 24 | **64.64** | 51.61 |
| Provisions | 25 | **35.46** | 35.02 |
| Current tax liabilities (net) | | **14.84** | 1.52 |
| **Total current liabilities** | | **1,244.22** | 1,341.61 |
| **Total equity and liabilities** | | **6,490.02** | 6,454.10 |

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

**Sumit Trivedi**
Partner
Membership No.209354
Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer
Place: Gurugram
Date: April 24, 2024

**Jyoti Chawla**
Company Secretary

CIN: L15142TG1986PLC006957

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ millions, except share data and where otherwise stated)

| | Particulars | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| I | **Revenue from operations** | | | |
| | Sale of products | 26 | **7,566.39** | 8,467.42 |
| | Other operating revenues | 26 | **15.94** | 17.37 |
| | | | **7,582.33** | 8,484.79 |
| II | **Other income** | 27 | **18.48** | 5.25 |
| III | **Total income (I+II)** | | **7,600.81** | 8,490.04 |
| IV | **Expenses** | | | |
| | Cost of materials consumed | 28 | **4,574.14** | 5,623.63 |
| | Purchases of stock-in-trade | 29 | **34.56** | 23.93 |
| | Changes in inventories of finished goods and stock-in-trade | 30 | **99.35** | (39.89) |
| | Employee benefit expense | 31 | **520.12** | 496.59 |
| | Finance costs | 32 | **28.76** | 31.80 |
| | Depreciation and amortisation expense | 4, 5, 6 | **205.23** | 212.31 |
| | Other expenses | 33 | **2,034.62** | 1,937.96 |
| | **Total expenses** | | **7,496.78** | 8,286.33 |
| V | **Profit before exceptional items and tax (III-IV)** | | **104.03** | 203.71 |
| VI | **Exceptional items** | 38 | **26.81** | - |
| VII | **Profit before tax (V+VI)** | | **130.84** | 203.71 |
| VIII | **Tax expense** | 34 (a) | | |
| | Current tax | | **15.34** | 26.17 |
| | Deferred tax | | **19.08** | 27.74 |
| | **Total tax expense** | | **34.42** | 53.91 |
| IX | **Profit for the year (VII-VIII)** | | **96.42** | 149.80 |
| X | **Other comprehensive income / (loss)** | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | (i) Remeasurement of the net defined benefit plans | | **(2.60)** | (32.39) |
| | (ii) Income-tax relating to above | 34 (b) | **0.66** | 8.15 |
| | **Total Other comprehensive income / (loss)** | | **(1.94)** | (24.24) |
| XI | **Total comprehensive income for the year (IX+X)** | | **94.48** | 125.56 |
| | **Earnings per share (of ₹ 10 each)** | 40 | | |
| | Basic (in ₹) | | **3.98** | 6.25 |
| | Diluted (in ₹) | | **3.98** | 6.24 |

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

**Sumit Trivedi**
Partner
Membership No.209354

Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place: Gurugram
Date: April 24, 2024

CIN: L15142TG1986PLC006957

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | Profit before tax | **130.84** | 203.71 |
| | Adjustments for: | | |
| | Depreciation and amortisation expense | **205.23** | 212.31 |
| | Loss on sale/ retirement of property, plant and equipment (net) | **1.34** | 5.49 |
| | Gain on disposal of investments in mutual funds units | **(0.48)** | (0.52) |
| | Interest income | **(2.91)** | (1.43) |
| | Finance costs | **28.76** | 31.80 |
| | Exceptional items (Refer Note 38) | **(26.81)** | - |
| | Bad debts wrtten off | **7.66** | - |
| | Provision for doubtful debts (net) | **(5.72)** | (0.12) |
| | **Operating profit before working capital changes** | **337.91** | 451.24 |
| | **Movement in working capital** | | |
| | **Adjustments for (increase) / decrease in operating assets** | | |
| | Trade receivables | **19.36** | 102.28 |
| | Inventories | **200.01** | (40.56) |
| | Other financial assets | **(23.34)** | (1.49) |
| | Other assets | **(18.76)** | (34.00) |
| | **Adjustments for increase / (decrease) in operating liabilities** | | |
| | Trade payables and other financial liabilities | **57.61** | (158.83) |
| | Provisions | **(0.91)** | (27.76) |
| | Other liabilities | **13.03** | (5.53) |
| | **Cash generated from operations** | **584.91** | 285.35 |
| | Income taxes (paid) / refund (net) | **26.32** | (61.55) |
| | **Net cash generated from operating activities (A)** | **611.23** | 223.80 |
| **B.** | **Cash flows from investing activities** | | |
| | Purchase of property, plant and equipment | **(368.55)** | (424.91) |
| | Proceeds from sale of property, plant and equipment | **1.62** | 0.53 |
| | Interest received | **1.68** | 0.30 |
| | Purchase of investments in mutual funds | **(746.00)** | (570.00) |
| | Proceeds from sale of investments in mutual funds | **746.48** | 570.52 |
| | Bank balances not considered as cash and cash equivalents (net) | **(6.54)** | (0.42) |
| | **Net cash used in investing activities (B)** | **(371.31)** | (423.98) |

## CASH FLOW STATEMENT (Continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **C. Cash flows from financing activities** | | |
| Proceeds from working capital demand loans (net) | **(185.00)** | 135.00 |
| Proceeds from sale of treasury shares | **112.36** | 201.96 |
| Dividend paid | **(72.60)** | (71.45) |
| Finance costs (including in relation to lease liabilities) | **(28.76)** | (31.80) |
| Repayment of lease liabilities | **(15.31)** | (14.09) |
| **Net cash (used in) / generated from financing activities (C)** | **(189.31)** | 219.62 |
| **Net increase in cash and cash equivalents (A+B+C)** | **50.61** | 19.44 |
| Cash and cash equivalents at the beginning of the year | **34.87** | 15.43 |
| **Cash and cash equivalents at end of the year (Refer Note 12)** | **85.48** | 34.87 |

Notes:

1. The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
2. Reconciliation of liabilities from financing activities

| **Particulars** | **As at March 31, 2023** | **Cash inflow/ (outflow)** | **Non cash changes Current / Non current** | **As at March 31, 2024** |
|---|---|---|---|---|
| Borrowings - current | **520.00** | **(185.00)** | **-** | **335.00** |
| Lease liabilities | **100.33** | **(22.88)** | **7.57** | **85.02** |

| Particulars | As at March 31, 2022 | Cash inflow/ (outflow) | Non cash changes Current / Non current | As at March 31, 2023 |
|---|---|---|---|---|
| Borrowings -current | 385.00 | 135.00 | - | 520.00 |
| Lease liabilities | 114.42 | (22.87) | 8.78 | 100.33 |

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

**Sumit Trivedi**
Partner
Membership No.209354

Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place: Gurugram
Date: April 24, 2024

CIN: L15142TG1986PLC006957

## Statement of changes in equity for the year ended March 31, 2024

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Equity share capital | Amount |
|---|---|
| **Balance at March 31, 2022** | **243.69** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2023** | **243.69** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2024** | **243.69** |

| Particulars | Reserves and surplus | | | | | | Total |
|---|---|---|---|---|---|---|---|
| | General Reserve | Securities premium | Retained earnings | Treasury Shares | Share options outstanding account | Agro Tech ESOP Trust (ATET) reserve | |
| **Balance at March 31, 2022** | 181.53 | 721.29 | 3,596.78 | (280.34) | 114.51 | 23.99 | 4,357.76 |
| Dividends (Refer Note below) | - | - | (71.45) | - | - | - | (71.45) |
| Remeasurement of the net defined benefit obligation, net of tax effect | - | - | (24.24) | - | - | - | (24.24) |
| Profit on sale of shares transferred by Trust | - | - | - | - | - | 18.51 | 18.51 |
| Sale of treasury shares during the year | - | - | - | 183.45 | - | - | 183.45 |
| Exercise of share options | 62.08 | - | - | - | (62.08) | - | - |
| Profit for the year | - | - | 149.80 | - | - | - | 149.80 |
| **Balance at March 31, 2023** | 243.61 | 721.29 | 3,650.89 | (96.89) | 52.43 | 42.50 | 4,613.83 |
| Dividends (Refer Note below) | - | - | **(72.60)** | - | - | - | **(72.60)** |
| Remeasurement of the net defined benefit obligation, net of tax effect | - | - | **(1.94)** | - | - | - | **(1.94)** |
| Profit on sale of shares transferred by Trust | - | - | - | - | - | **15.47** | **15.47** |
| Sale of treasury shares during the year | - | - | - | **96.89** | - | - | **96.89** |
| Exercise of share options | **52.43** | - | - | - | **(52.43)** | - | - |
| Profit for the year | - | - | **96.42** | - | - | - | **96.42** |
| **Balance as at March 31, 2024** | **296.04** | **721.29** | **3,672.77** | - | - | **57.97** | **4,748.07** |

**Note**

| Dividend on equity shares paid during the year | 2023-24 | 2022-23 | |
|---|---|---|---|
| Final dividend for FY 2022-23 ₹ 3 per equity share of ₹ 10 each (For FY 2021-22 ₹ 3 per equity share of ₹ 10 each) | **72.60** | 71.45 | |
| **Total** | | **72.60** | 71.45 |

The Board of Directors at its meeting held on April 24, 2024 have recommended a final dividend of ₹ 3 per equity share of face value of ₹ 10 each for the financial year ended" March 31, 2024. This is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

**Sumit Trivedi**
Partner
Membership No.209354

Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place: Gurugram
Date: April 24, 2024

# NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in ₹ millions, except share data and where otherwise stated)

## 1 Corporate Information

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 edible oils and food products.

## 2 Basis of preparation

### A. Statement of compliance

The standalone financial statements of the Company which comprise the Balance sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of changes in equity ("Standalone Financial Statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. The standalone financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

### 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 preparation and presentation

These standalone financial statements have been prepared on historical cost convention and on an accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### D. Operating Cycle

All assets have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

### E. 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.

The following are the critical judgements and estimates that have been made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the standalone financial statements.

#### i) Useful lives of Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Revision to accounting estimates on such reassessment are recognised in the period in which the estimate is revised if that revision effects only that period or in the period of the revision and future periods if the revision effects both current and future periods.

#### ii) Actuarial valuation

The determination of Company's liability towards defined benefit obligation to employees is made

(All amounts are in ₹ millions, except share data and where otherwise stated)

through independent actuarial valuation including determination of amounts to be recognised in the Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the financial statements.

#### iii) Impairment of intangible assets having indefinite useful life and of investments in subsidiaries

Intangible assets with indefinite life are tested for impairment on an annual basis and investments in subsidiaries are tested, whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

#### iv) Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

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

- Note 16 (f) - Share based payments;

- Note 47 - Financial instruments.

#### v) Income Taxes

The Company's tax jurisdiction is India. Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

#### vi) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period.

Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

## 3. Material accounting policies

### (a) Property, plant and equipment

#### *i. Recognition and measurement*

Items of property, plant and equipment, are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes (other than those subsequently recoverable from the tax authorities), after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up (including receivable from insurance companies after the impairment or loss of items of property, plant and equipment due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

### ii. Subsequent expenditure

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

### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful life 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:

| Nature of Assets | Useful Life |
|---|---|
| Buildings | |
| Buildings (other than factory buildings) other than RCC frame structure | 30 years |
| Factory buildings* | 30 years to 40 years |
| Fences, wells, tube-wells | 5 years |
| Roads | |
| Carpeted Roads - RCC | 10 years |
| Plant and Machinery | |
| Plant and Machinery other than continuous process plant* | 15 years to 20 years |
| Furniture and fittings | 10 years |
| Motor vehicles | |
| Motor buses, motor lorries and motor cars* | 5 years |
| Office equipment | 5 years |
| Computers and data processing units servers and networks* | 5 years |
| End-user devices such as desktops, laptops etc.* | 2 to 5 years |
| Laboratory Equipment | 10 years |
| Electrical installations and equipment | 10 years |
| Servers and networks* | 5 years |
| Handsets* | 2 years |
| 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 improvements 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. If as a result of this reassessment there is change from previous estimate, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if appropriate.

### (b) Intangible assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially for separately acquired assets, at cost comprising of the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the assets for its intended use. The useful life of an intangible asset is considered finite where there is a likelihood of technical and technological obsolescence.

#### Useful life and Amortisation

Amortisation of intangible assets having finite useful lives is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

| Asset | Useful life |
|---|---|
| Computer software | 5 to 10 years |

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

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.

### (c) Impairment of 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 for an asset/CGU (other than goodwill) is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. An impairment loss recognised for goodwill is not reversed in a subsequent period.

**(d) Leases**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether, (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability 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 Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**(e) Inventories**

Inventories are valued at the lower of weighted average cost (including direct cost, non recoverable taxes / duties 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,

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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 direct 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 direct cost, duties 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 up to the stage at which the goods are in transit with third parties and at godowns.

Compensation from third parties for items of inventories that were written off , lost or given up (including receivable from insurance companies after the loss of items of inventories due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

### (f) Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

### (g) 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 except for trade receivables that do not contain a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss. 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. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

***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 assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in statement of profit or loss. The net gain or loss recognised in statement of profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

***Financial liabilities***

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in Statement of Profit and Loss. The net gain or loss recognised in Statement of Profit and Loss incorporates any interest paid on the financial liability.

Other financial liabilities are subsequently carried at amortised cost using the effective interest method.

***iii. Derecognition***

**Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

**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. Impairment***

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

***v. 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.

**(h) Revenue recognition**

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer, which is mainly upon delivery and when there are no longer any unfulfilled obligations.

Revenue is measured at the transaction price that the Company receives or expects to receive as consideration for sale of goods, net of returns and trade discounts/allowances/volume rebates to customers. Revenue excludes amounts collected on behalf of third parties, such as goods and services tax (GST). Returns, trade discounts, allowances and rebates are estimated using judgement based on historical experience and the specific terms of the arrangement with the customers.

**Other income:**

Interest income is recognized using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established.

"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

***(i) Foreign currency transactions and translation***

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-

(All amounts are in ₹ millions, except share data and where otherwise stated)

monetary liability arising from payment or receipt of advance consideration. 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.

### (j) Income-tax

Income-tax comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates 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.

Income 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 on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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.

### *(k) Provisions, contingent liabilities and contingent assets*

#### 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 the Company 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

Contingent liabilities are disclosed for (i) possible obligations which will be confirmed only by future

(All amounts are in ₹ millions, except share data and where otherwise stated)

events not wholly within the control of the Company or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements, but are disclosed where an inflow of economic benefits is probable.

### 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 the statement of profit and loss in the periods during which the related services are rendered by employees.

#### Defined benefit plans

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

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

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

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

### *iii. Other long-term employee benefits*

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at 31st March every year using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-

(All amounts are in ₹ millions, except share data and where otherwise stated)

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**

Employees of the Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting conditions, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. The Company has availed exemption given under Ind AS 101 and has not applied the fair value to the equity instruments that were vested before the date of transition to Ind AS i.e. April 1, 2016.

**(n) Cash and cash equivalents**

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, in banks, demand deposit with bank and 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. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares. 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) Borrowing costs**

Borrowing costs consist of interest and other ancillary costs that the Company incurs in connection with the borrowing of funds. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

**(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 is recognised in ATET reserve.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

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

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated depreciation | | | | Net carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 | As at April 1, 2023 | Depre-ciation for the year | Disposals | As at March 31, 2024 | As at March 31, 2024 |
| Freehold land | 113.57 | - | - | 113.57 | - | - | - | - | 113.57 |
| Buildings | 1,084.53 | 66.83 | 0.05 | 1,151.31 | 151.23 | 29.33 | 0.01 | 180.55 | 970.76 |
| Roads | 44.48 | - | - | 44.48 | 30.96 | 4.60 | - | 35.56 | 8.92 |
| Plant and equipment | 1,859.36 | 254.00 | 5.46 | 2,107.90 | 425.08 | 100.93 | 2.92 | 523.09 | 1,584.81 |
| Laboratory equipment | 44.67 | 5.15 | 0.24 | 49.58 | 22.51 | 3.33 | 0.22 | 25.62 | 23.96 |
| Furniture and fixtures | 135.14 | 9.11 | 0.08 | 144.17 | 71.21 | 12.63 | 0.07 | 83.77 | 60.40 |
| Office equipment | 52.36 | 1.79 | 0.47 | 53.68 | 35.99 | 5.17 | 0.34 | 40.82 | 12.86 |
| Electrical equipment | 126.78 | 13.48 | 0.19 | 140.07 | 81.69 | 12.00 | 0.19 | 93.50 | 46.57 |
| Computer and data processing equipment | 70.63 | 3.10 | 4.05 | 69.68 | 48.52 | 8.45 | 3.83 | 53.14 | 16.54 |
| Leasehold improvements-Buildings | 9.53 | - | - | 9.53 | 7.19 | 0.36 | - | 7.55 | 1.98 |
| Leasehold improvements-Electrical equipment | 4.13 | - | - | 4.13 | 3.95 | 0.03 | - | 3.98 | 0.15 |
| Leasehold improvements-Furniture and fixtures | 8.60 | - | - | 8.60 | 8.14 | 0.14 | - | 8.28 | 0.32 |
| **Total** | **3,553.78** | **353.46** | **10.54** | **3,896.70** | **886.47** | **176.97** | **7.58** | **1,055.86** | **2,840.84** |
| **Add: Capital work-in-progress (Refer Note (b) below)** | | | | | | | | | **296.62** |
| **Grand Total** | | | | | | | | | **3,137.46** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated depreciation | | | | Net carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposals | As at March 31, 2023 | As at April 1, 2022 | Depreciation for the year | Disposals | As at March 31, 2023 | As at March 31, 2023 |
| Freehold land | 113.57 | - | - | 113.57 | - | - | - | - | 113.57 |
| Buildings | 1,073.54 | 10.99 | - | 1,084.53 | 123.65 | 27.58 | - | 151.23 | 933.30 |
| Roads | 44.48 | - | - | 44.48 | 26.00 | 4.96 | - | 30.96 | 13.52 |
| Plant and equipment | 1,634.38 | 224.98 | - | 1,859.36 | 335.80 | 89.28 | - | 425.08 | 1,434.28 |
| Laboratory equipment | 44.51 | 0.16 | - | 44.67 | 18.59 | 3.92 | - | 22.51 | 22.16 |
| Furniture and fixtures | 125.87 | 9.27 | - | 135.14 | 58.46 | 12.75 | - | 71.21 | 63.93 |
| Office equipment | 52.02 | 0.75 | 0.41 | 52.36 | 30.82 | 5.56 | 0.39 | 35.99 | 16.37 |
| Electrical equipment | 124.68 | 2.10 | - | 126.78 | 68.60 | 13.09 | - | 81.69 | 45.09 |
| Computer and data processing equipment | 135.97 | 3.69 | 69.03 | 70.63 | 103.34 | 8.21 | 63.03 | 48.52 | 22.11 |
| Leasehold improvements-Buildings | 9.53 | - | - | 9.53 | 6.83 | 0.36 | - | 7.19 | 2.34 |
| Leasehold improvements-Electrical equipment | 4.13 | - | - | 4.13 | 3.92 | 0.03 | - | 3.95 | 0.18 |
| Leasehold improvements-Furniture and fixtures | 8.60 | - | - | 8.60 | 7.99 | 0.15 | - | 8.14 | 0.46 |
| Total | 3,371.28 | 251.94 | 69.44 | 3,553.78 | 784.00 | 165.89 | 63.42 | 886.47 | 2,667.31 |
| Add: Capital work-in-progress (Refer Note (b) below) | | | | | | | | | 260.90 |
| Grand Total | | | | | | | | | 2,928.21 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

### Note 4 - Property, plant and equipment and capital work-in-progress (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

**Notes:**

(a) Refer Note 35(i) for disclosure of contractual commitments for acquisitions of property, plant and equipment.

(b) Capital work-in-progress ageing schedule:

| **Particulars** | **As at March 31, 2024** | | | | |
|---|---|---|---|---|---|
| | **Amount in CWIP for a period of** | | | | |
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Projects in progress | **234.66** | **51.82** | **8.65** | **1.49** | **296.62** |
| **Total** | **234.66** | **51.82** | **8.65** | **1.49** | **296.62** |

| Particulars | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 248.31 | 11.06 | 1.38 | 0.15 | 260.90 |
| Total | 248.31 | 11.06 | 1.38 | 0.15 | 260.90 |

## Note 5 - Right-of-use assets

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Description | Gross carrying amount | | | | Accumulated Depreciation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 | As at April 1, 2023 | Deprecia-tion for the year | Disposals | As at March 31, 2024 | As at March 31, 2024 |
| Leasehold land (Refer Note (i) below) | **60.23** | **3.96** | **-** | **64.19** | **2.67** | **0.68** | **-** | **3.35** | **60.84** |
| Buildings | **150.42** | **-** | **-** | **150.42** | **55.62** | **21.02** | **-** | **76.64** | **73.78** |
| **Total** | **210.65** | **3.96** | **-** | **214.61** | **58.29** | **21.70** | **-** | **79.99** | **134.62** |

| Description | Gross carrying amount | | | | Accumulated Depreciation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposals | As at March 31, 2023 | As at April 1, 2022 | Deprecia-tion for the year | Disposals | As at March 31, 2023 | As at March 31, 2023 |
| Leasehold land (Refer Note (i) below) | 60.23 | - | - | 60.23 | 2.01 | 0.66 | - | 2.67 | 57.56 |
| Buildings | 150.42 | - | - | 150.42 | 34.66 | 20.96 | - | 55.62 | 94.80 |
| Total | 210.65 | - | - | 210.65 | 36.67 | 21.62 | - | 58.29 | 152.36 |

**Notes :**

(i) Leasehold land represents 1,00,000 sq. mts of land taken on lease for a period of 99 years under a license agreement from Gujarat Industrial Development Corporation (GIDC). The lease deed in respect of the said land has been registered during the current year.

(ii) Also Refer Note 36

## Note 6 - Intangible assets

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated Amortisation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 | As at April 1, 2023 | Amortisa-tion for the year | Disposals | As at March 31, 2024 | As at March 31, 2024 |
| Trademarks (Refer Note below) | **122.16** | **-** | **-** | **122.16** | **-** | **-** | **-** | **-** | **122.16** |
| Computer software | **201.83** | **-** | **-** | **201.83** | **178.17** | **6.56** | **-** | **184.73** | **17.10** |
| **Total** | **323.99** | **-** | **-** | **323.99** | **178.17** | **6.56** | **-** | **184.73** | **139.26** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated Amortisation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposals | As at March 31, 2023 | As at April 1, 2022 | Amortisa-tion for the year | Disposals | As at March 31, 2023 | As at March 31, 2023 |
| Trademarks (Refer Note below) | 122.16 | - | - | 122.16 | - | - | - | - | 122.16 |
| Computer software | 183.67 | 18.16 | - | 201.83 | 153.37 | 24.80 | - | 178.17 | 23.66 |
| Total | 305.83 | 18.16 | - | 323.99 | 153.37 | 24.80 | - | 178.17 | 145.82 |

**Note :**

Trademarks represent the purchase consideration paid for the brand 'Sundrop'. As estimated by the Management, this trademark has an indefinite useful life and hence the same is not amortised. However, it is tested for impairment annually as per Ind AS 36 "Impairment of Assets". Also refer Note 37.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 7 - Non-current investments

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Unquoted investments (fully paid)** | | |
| **Investment in equity instruments of subsidiaries (at cost unless otherwise stated)** | | |
| Sundrop Foods India Private Limited | **20.00** | 20.00 |
| 2,000,000 (March 31, 2023: 2,000,000) of ₹ 10 each | | |
| Agro Tech Foods (Bangladesh) Pvt. Ltd | **202.65** | 202.65 |
| 24,979,541 (March 31, 2023: 24,979,541) of BDT 10 each | | |
| Sundrop Foods Lanka (Private) Limited | **23.95** | 23.95 |
| 5,000,000 (March 31, 2023: 5,000,000) of LKR 10 each | | |
| Less: Provision for impairment in value of investments | **(18.40)** | (18.40) |
| **Total** | **228.20** | 228.20 |
| Aggregate carrying value of unquoted investments | **228.20** | 228.20 |
| Aggregate impairment in value of investment | **18.40** | 18.40 |

### Note

The Company has tested its investment in its wholly owned subsidiary Agro Tech Foods (Bangladesh) Pvt. Ltd. ('ATBD') for impairment during the year. ATBD's operations of manufacture of instant popcorn (IPC) has been allocated to the IPC Cash Generating Unit ('CGU') of the Company, Accordingly, the valuation has been carried out for the IPC CGU. The following key assumptions were considered while performing impairment testing:

| Particulars | Instant popcorn |
|---|---|
| Annual growth rate - @ 6% for first year and 10% for next five years | |
| Terminal Growth Rate | 10% |
| Weighted average cost of capital ('WACC') post tax (Discount rate) | 15% |

The projections cover a period of six years, as the Company believes this to be the most appropriate time scale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the estimates from past performance. Weighted Average Cost of Capital % (WACC) = Risk free return + (Market risk premium x Beta for the Company).

The Company has performed sensitivity analysis around the base assumptions and has concluded that no reasonable change in key assumptions would result in the recoverable amount of the IPC CGU to be less than the carrying value.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 8 - Other non-current financial assets** | | |
| (Unsecured, considered good) | | |
| Security deposits | **34.53** | 32.72 |
| Others (loan to employees) | **0.53** | 0.92 |
| **Total** | **35.06** | 33.64 |
| **Note 9 - Other non-current assets** | | |
| Capital advances | **31.34** | 58.42 |
| Advances other than capital advances | | |
| - Advances with Government, public bodies and others | **76.74** | 74.50 |
| - Other advances (includes commercial advances and prepaid expenses) | **1.38** | 0.11 |
| **Total** | **109.46** | 133.03 |
| **Note 10 - Inventories** | | |
| Raw materials | **896.23** | 1,008.61 |
| Raw materials-in-transit | **2.24** | 2.60 |
| Packing materials | **135.60** | 137.85 |
| Packing materials-in-transit | **20.10** | 5.77 |
| Finished goods | **365.10** | 474.00 |
| Finished goods-in-transit | **25.39** | 14.39 |
| Stock-in-trade | **2.14** | 3.59 |
| **Total** | **1,446.80** | 1,646.81 |

**Notes:**

(i) The consumption of inventories recognised as an expense during the year has been disclosed in Notes 28, 29 and 30.

(ii) The consumption of inventories recognised as an expense includes ₹ 0.86 (during 2022-23: ₹ 0.29) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2022-23 : ₹ Nil ) in respect of reversal of such write-downs.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 11 - Trade receivables** | | |
| Unsecured, considered good | **669.84** | 691.14 |
| Credit impaired | **79.79** | 85.51 |
| Less: Loss allowance | **(79.79)** | (85.51) |
| **Total** | **669.84** | 691.14 |

**Notes:**

(i) The average credit period for the customers is in the range of 14 days to 60 days depending on customer groups.

(ii) Of the trade receivables balance ₹ 327.17 (as at March 31, 2023 : ₹ 314.69) is due from one of the Company's large customers. There are no other customers who represent more than 10% of the total balance of trade receivables.

(iii) The Company has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provisioning matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

| **(iv) Movement in the expected credit loss allowance** | **For the year ended March 31, 2024** | For the year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | **85.51** | 85.63 |
| Movement in expected credit loss allowance on trade receivables (net) | **(5.72)** | (0.12) |
| Balance at the end of the year | **79.79** | 85.51 |

**Trade receivables ageing schedule :**

| **Particulars** | **As at March 31, 2024** | | | | | |
|---|---|---|---|---|---|---|
| | **Outstanding for following periods from date of transaction** | | | | | |
| | **Less than 6 months** | **6 months to 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (i) Undisputed trade receivables – considered good | **659.25** | **10.54** | **0.05** | **-** | **-** | **669.84** |
| (ii) Undisputed trade receivables – credit impaired | **-** | **0.78** | **1.68** | **1.38** | **38.13** | **41.97** |
| (iii) Disputed trade receivables – credit impaired | **-** | **-** | **-** | **-** | **37.82** | **37.82** |
| **Gross trade receivables** | **659.25** | **11.32** | **1.73** | **1.38** | **75.95** | **749.63** |
| Less: Loss allowance | | | | | | **(79.79)** |
| **Trade receivables** | | | | | | **669.84** |

| Particulars | As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Outstanding for following periods from date of transaction | | | | | |
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 688.79 | 2.33 | 0.02 | - | - | 691.14 |
| (ii) Undisputed trade receivables – credit impaired | - | 0.33 | 1.39 | 18.47 | 19.85 | 40.04 |
| (iii) Disputed trade receivables – credit impaired | - | - | - | - | 45.47 | 45.47 |
| Gross trade receivables | 688.79 | 2.66 | 1.41 | 18.47 | 65.32 | 776.65 |
| Less: Loss allowance | | | | | | (85.51) |
| Trade receivables | | | | | | 691.14 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 12 - Cash and cash equivalents** | | |
| Balances with banks - in current accounts | **85.48** | 34.76 |
| Cheques on hand | **-** | 0.11 |
| **Total** | **85.48** | 34.87 |
| **Note 13 - Other bank balances** | | |
| Balances held as margin money against guarantees given | **7.87** | 1.33 |
| Unpaid dividend accounts | **3.52** | 3.11 |
| **Total** | **11.39** | 4.44 |
| **Note 14 - Other financial assets** | | |
| Other contractual receivable (Refer Note 42) | **1.04** | 0.90 |
| Others (including security deposits, advance to PF trust, loan to employees and interest accrued) (Also, Refer Note 42) | **31.60** | 8.58 |
| **Total** | **32.64** | 9.48 |
| **Note 15 - Other current assets** | | |
| Balances with government authorities | **250.45** | 227.05 |
| Advances (includes commercial advances, employee advances and prepaid expenses) | **50.48** | 58.65 |
| Advances to related party (Refer Note 42) | **3.76** | 3.74 |
| **Total** | **304.69** | 289.44 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 16 - Share capital** | | |
| **Authorised** | | |
| Equity shares | | |
| 25,000,000 (March 31, 2023: 25,000,000), equity shares of ₹ 10 each | **250.00** | 250.00 |
| Preference shares | | |
| 1,000,000 (March 31, 2023: 1,000,000), cumulative redeemable preference shares of ₹ 100 each | **100.00** | 100.00 |
| **Issued** | | |
| Equity shares | | |
| 24,372,139 (March 31, 2023: 24,372,139), equity shares of ₹ 10 each | **243.72** | 243.72 |
| **Subscribed and fully paid-up** | | |
| Equity shares fully paid | | |
| 24,369,264 (March 31, 2023: 24,369,264), equity shares of ₹ 10 each fully paid up | **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 March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | 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 |

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | % of holding | Number of shares | % of holding |
| CAG Tech (Mauritius) Limited* | **12,616,619** | **51.77** | 12,616,619 | 51.77 |
| Rekha Rakesh Jhunjhunwala | **1,823,759** | **7.48** | 1,753,259 | 7.19 |
| TATA Mutual Fund | **1,787,264** | **7.33** | 1,368,175 | 5.61 |
| Pari Washington India Master Fund, Ltd. | **1,759,354** | **7.22** | 1,759,354 | 7.22 |

* CAG Tech (Mauritius) Limited is the Holding Company and is an indirect subsidiary of Conagra Brands Inc. (the Ultimate Holding Company).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Number of shares** | **Amount in ₹ millions** | Number of shares | Amount in ₹ millions |
| Balance at the beginning of the reporting year | **24,369,264** | **243.69** | 24,369,264 | 243.69 |
| Shares issued during the year | **-** | **-** | - | - |
| Balance at the end of the reporting year | **24,369,264** | **243.69** | 24,369,264 | 243.69 |

(d) During the five previous financial years ended March 31, 2024, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) Disclosure of shareholding of promoters

Shares held by promoters as at March 31, 2024 and March 31, 2023:

| Name of the shareholder | Number of shares | % of holding | % change during the year |
|---|---|---|---|
| CAG Tech (Mauritius) Limited | 12,616,619 | 51.77 | - |

Also refer Note 50 in respect of the Share Subscription Agreement dated February 29, 2024 entered into between the Zest Holding Investments Limited ("the Acquirer"), CAG-Tech (Mauritius) Limited and ConAgra Europe B.V.

(f) Share based payments

The Company instituted the "Agro Tech 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 such advance outstanding as at March 31, 2024 is ₹ Nil (As at March 31, 2023: ₹ 29.01).

Under the plan a maximum of 2,436,926 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 March 31, 2014, March 31, 2015 and March 31, 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 : | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Options outstanding at the beginning of the year | **190,645** | 551,578 |
| Options granted during the year | **-** | - |
| Options exercised during the year | **(190,645)** | (360,933) |
| Options forfeited during the year | **-** | - |
| Options outstanding at the end of the year | **-** | 190,645 |

**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 March 31, 2024 and March 31, 2023.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 17 - Other equity** | | |
| **(a) General reserve** | **296.04** | 243.61 |
| This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013. | | |
| **(b) Securities premium** | **721.29** | 721.29 |
| This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013. | | |
| **(c) Retained earnings** | **3,672.77** | 3,650.89 |
| Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013. | | |
| **(d) Share options outstanding amount** | **-** | 52.43 |
| Share option outstanding account relates to the share options granted by the Company to its employees under its employee share option plan. These will be transferred to retained earnings after the exercise/forfeiture of the underlying options. | | |
| **(e) Treasury Shares** | **-** | (96.89) |
| Represents the outstanding number of shares, options which are yet to be exercised by the employees to whom those share options have been granted. | | |
| **(f) Agro Tech ESOP Trust (ATET reserve)** | **57.97** | 42.50 |
| Represents the profit/loss earned by the Agro Tech ESOP trust on exercise of the share options and on disposal of forfeited shares options. | | |
| **Total** | **4,748.07** | 4,613.83 |
| **Note 18 - Non-current lease liabilities** | | |
| Lease liabilities (Refer Note 36) | **64.42** | 85.02 |
| **Total** | **64.42** | 85.02 |
| **Note 19 - Non-current provisions** | | |
| Provision for employee benefits | | |
| - Compensated absences | **17.22** | 15.97 |
| **Total** | **17.22** | 15.97 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 20 - Short-term borrowings** | | |
| Loans repayable on demand from banks | | |
| - Working capital demand loans (secured) | **335.00** | 520.00 |
| **Total** | **335.00** | 520.00 |

**Note :** The working capital demand loan has been secured by first charge on current assets of the Company. These loans carry an interest rate ranging from 8% to 9.91% p.a.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 21 - Trade payables** | | |
| Total outstanding dues of micro enterprises and small enterprises (Refer Note (i) below) | **83.15** | 84.40 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note (ii) below) | **601.74** | 534.89 |
| **Total** | **684.89** | 619.29 |

**Notes:**

(i) The disclosure in respect of the amounts payable to Micro, Small and Medium 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.

Based on and to the extent of information available with the Company under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Principal amount due to suppliers under MSMED Act, as at the end of the year | **83.15** | 84.40 |
| (b) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year | **-** | - |
| (c) Payment made to suppliers (other than interest) beyond the appointed date, during the year | **-** | - |
| (d) Interest paid to suppliers under MSMED Act (other than Section 16) | **-** | - |
| (e) Interest paid to suppliers under MSMED Act (Section 16) | **-** | - |
| (f) Interest due and payable to suppliers under MSMED Act, for payments already made | **-** | - |
| (g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (b) + (f) | **-** | - |

(ii) Includes payables to related parties as disclosed under Note 42.

(iii) Information about Company's exposure to currency and liquidity risks related to the trade payables are included in Note 47.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### (iv) Trade payables ageing schedule:

| Particulars | Unbilled dues | As at March 31, 2024 | | | | |
|---|---|---|---|---|---|---|
| | | Outstanding for following periods from date of transaction | | | | |
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro, Small and Medium Enterprises (MSME) | - | **83.15** | - | - | - | **83.15** |
| (ii) Others | **269.42** | **323.65** | **0.96** | **0.37** | **7.34** | **601.74** |
| **Total** | **269.42** | **406.80** | **0.96** | **0.37** | **7.34** | **684.89** |

| Particulars | Unbilled dues | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|---|
| | | Outstanding for following periods from date of transaction | | | | |
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro, Small and Medium Enterprises (MSME) | - | 84.40 | - | - | - | 84.40 |
| (ii) Others | 266.72 | 259.72 | 1.10 | 1.85 | 5.49 | 534.89 |
| Total | 266.72 | 344.12 | 1.10 | 1.85 | 5.49 | 619.29 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 22 - Lease liabilities** | | |
| Lease liabilities (Refer Note 36) | **20.60** | 15.31 |
| **Total** | **20.60** | 15.31 |
| **Note 23 - Other financial liabilities** | | |
| Payables for purchase of property, plant and equipment | **10.84** | 13.33 |
| Unclaimed dividends | **3.52** | 3.11 |
| Payroll related liabilities | **27.71** | 26.60 |
| Other liabilities (includes outstanding liabilities for trade schemes etc.) | **46.72** | 55.82 |
| **Total** | **88.79** | 98.86 |

Note: Information about Company's exposure to currency and liquidity risks related to the above financial liabilities are included in Note 47.

| | | |
|---|---|---|
| **Note 24 - Other current liabilities** | | |
| Advance from customers | **36.06** | 24.86 |
| Statutory liabilities (including GST, provident fund, TDS etc.) | **28.58** | 26.75 |
| **Total** | **64.64** | 51.61 |
| **Note 25 -Provisions** | | |
| Provision for employee benefits: | | |
| Gratuity (Refer Note 46) | **9.42** | 8.76 |
| Compensated absences | **5.74** | 6.78 |
| Others: | | |
| Provision for indirect tax matters (Refer Note below) | **20.30** | 19.48 |
| **Total** | **35.46** | 35.02 |

**Note:**

Movement of provision for indirect tax matters:

| | | |
|---|---|---|
| Opening balance | **19.48** | 18.73 |
| Provision created (net) | **0.82** | 0.75 |
| **Closing balance** | **20.30** | 19.48 |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Note 26 - Revenue from operations** | | |
| Sale of products | **7,566.39** | 8,467.42 |
| Other operating revenues | **15.94** | 17.37 |
| **Total** | **7,582.33** | 8,484.79 |
| **Notes:** | | |
| (i) The Company disaggregates revenue from contracts with customers by geography. Disaggregation of revenue by geography is not an operating segment as disclosed in Note 41. | | |
| **Location** | | |
| India | **7,522.85** | 8,415.66 |
| Outside India | **43.54** | 51.76 |
| **Total** | **7,566.39** | 8,467.42 |
| Geographical revenue is allocated based on the location of customers. | | |
| **(ii) Reconciliation of gross revenue from contracts with customers** | | |
| Gross revenue | **8,158.81** | 8,961.28 |
| Less : Trade allowances and rebates | **592.42** | 493.86 |
| **Net revenue recognised during the year** | **7,566.39** | 8,467.42 |
| **Note 27 - Other income** | | |
| Cross charge income | **3.78** | 3.30 |
| Insurance Claim Settlement (Refer Note below) | **11.31** | - |
| Gain on disposal of mutual funds units | **0.48** | 0.52 |
| Interest income from deposits with banks and others | **2.91** | 1.43 |
| **Total** | **18.48** | 5.25 |
| **Note:** During the current year, the Company received an amount of ₹ 11.31 in respect of the 'Business Interruption claim' made by it in relation to the fire incident at one of the manufacturing locations of the Company in the earlier years. | | |
| **Note 28 - Cost of materials consumed** | | |
| Opening stock | | |
| Raw materials (including material-in-transit) | **1,011.21** | 1,016.89 |
| Packing materials (including material-in-transit) | **143.62** | 137.27 |
| Add: Purchases | | |
| Raw materials | **3,673.81** | 4,805.58 |
| Packing materials | **799.67** | 818.72 |
| Less: Closing stock | | |
| Raw materials (including material-in-transit) | **898.47** | 1,011.21 |
| Packing materials (including material-in-transit) | **155.70** | 143.62 |
| **Total** | **4,574.14** | 5,623.63 |
| **Note 29 - Purchase of stock-in-trade** | | |
| Stock-in-trade | **34.56** | 23.93 |
| **Total** | **34.56** | 23.93 |
| **Note 30 - Changes in inventories of finished goods and stock-in-trade** | | |
| Opening stock: | | |
| Finished goods (including material-in-transit) | **488.39** | 448.23 |
| Stock-in-trade | **3.59** | 3.86 |
| Closing stock: | | |
| Finished goods (including material-in-transit) | **390.49** | 488.39 |
| Stock-in-trade | **2.14** | 3.59 |
| **(Decrease) / Increase in finished goods and stock-in-trade** | **99.35** | (39.89) |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Note 31 - Employee benefit expense** | | |
| Salaries, wages and bonus | **461.05** | 435.69 |
| Contribution to provident and other funds (Refer Note 46) | **37.89** | 42.98 |
| Staff welfare expenses | **21.18** | 17.92 |
| **Total** | **520.12** | 496.59 |
| **Note 32 - Finance costs** | | |
| Interest on bank borrowings | **21.19** | 23.02 |
| Interest on lease liability (Refer Note 36) | **7.57** | 8.78 |
| **Total** | **28.76** | 31.80 |
| **Note 33 - Other expenses** | | |
| Consumption of stores and spares | **55.48** | 53.66 |
| Power and fuel | **124.63** | 118.97 |
| Processing charges | **206.81** | 190.09 |
| Rent | **154.81** | 187.05 |
| Rates and taxes | **23.54** | 12.60 |
| Repairs and maintenance: | | |
| - Machinery | **4.44** | 3.09 |
| - Others | **22.91** | 25.48 |
| Insurance | **24.30** | 25.50 |
| Printing and stationery | **3.88** | 3.30 |
| Software expenses | **45.39** | 31.49 |
| Communication expenses | **7.62** | 12.46 |
| Travelling expenses | **70.91** | 60.08 |
| Auditors' remuneration (Refer Note 39) | **5.62** | 5.27 |
| Outward freight | **439.75** | 414.55 |
| Brokerage/ commission | **33.77** | 40.17 |
| Distribution expenses | **283.79** | 250.07 |
| Legal and professional charges | **35.27** | 38.23 |
| Advertisement and sales promotion | **254.03** | 241.14 |
| Royalty | **83.97** | 81.12 |
| Bad debts written off | **7.66** | - |
| Less: Provision reversed | **(7.66)** | - |
| Provision for doubtful debts (net) | **1.94** | (0.12) |
| Loss on sale/ retirement of property, plant and equipment (net) | **1.34** | 5.49 |
| Loss on foreign currency transactions (net) | **0.78** | 0.02 |
| Bank charges | **0.46** | 0.42 |
| Miscellaneous expenses (See note below) | **149.18** | 137.83 |
| **Total** | **2,034.62** | 1,937.96 |

Note: Refer Note 43 for details on Corporate Social Responsibility.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Note 34 - Income-tax** | | |
| (a) Amounts recognised in the statement of profit and loss | | |
| Tax expense for the year | | |
| Current tax | **15.34** | 26.17 |
| Deferred tax charge | **19.08** | 27.74 |
| **Total** | **34.42** | 53.91 |
| **(b) Amounts recognised in other comprehensive income** | | |
| Tax effect on remeasurement of defined benefit plans | **(0.66)** | (8.15) |
| **Total** | **(0.66)** | (8.15) |
| **(c) The income tax expense for the year can be reconciled to the accounting profit as follows:** | | |
| **Profit before tax** | **130.84** | 203.71 |
| Tax using the Company's domestic tax rate @ 25.168% | **32.93** | 51.27 |
| **Tax effect of:** | | |
| Effect of available benefits | **(0.48)** | (0.52) |
| Tax effects of amounts which are not deductible in determining taxable profit | **1.97** | 3.16 |
| **Total** | **34.42** | 53.91 |

**(d) Deferred tax liabilities (net)**

| The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Deferred tax assets | **42.25** | 38.35 |
| Deferred tax liabilities | **(214.65)** | (192.33) |
| **Total** | **(172.40)** | (153.98) |

**2023-24**

| Deferred tax (liabilities) / assets in relation to : | Opening balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| On provision for doubtful debts and advances | 21.52 | (1.44) | - | 20.08 |
| On expenditure allowed on payment basis | 13.76 | 3.54 | 0.66 | 17.96 |
| Property, plant and equipment | (192.33) | (22.32) | - | (214.65) |
| Others | 3.07 | 1.14 | - | 4.21 |
| **Total** | **(153.98)** | **(19.08)** | **0.66** | **(172.40)** |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### 2022-23

| Deferred tax (liabilities) / assets in relation to : | Opening balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| On provision for doubtful debts and advances | 21.55 | (0.03) | - | 21.52 |
| On expenditure allowed on payment basis | 15.76 | (10.15) | 8.15 | 13.76 |
| Property, plant and equipment | (173.33) | (19.00) | - | (192.33) |
| Others | 1.63 | 1.44 | - | 3.07 |
| **Total** | **(134.39)** | **(27.74)** | **8.15** | **(153.98)** |

### Note 35 - Contingent liabilities and commitments :

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | **142.49** | 141.56 |
| (ii) Contingent liabilities (to the extent not provided for): | | |
| Claims against the Company not acknowledged as debts in respect of : | | |
| - Indirect tax and direct tax matters, under dispute | **161.34** | 148.33 |
| - Other matters, under dispute | **2.49** | 0.50 |

**Note:**

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)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 36 - Leases

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(i) The following is the breakup of current and non current lease liabilities** | | |
| Current lease liabilities | **20.60** | 15.31 |
| Non-current lease liabilities | **64.42** | 85.02 |
| **Total** | **85.02** | 100.33 |
| **(ii) The following is the movement of lease liabilities during the year** | | |
| Balance at the beginning | **100.33** | 114.42 |
| Finance cost accrued during the year | **7.57** | 8.78 |
| Payment of lease liabilities (including finance cost) | **(22.88)** | (22.87) |
| **Balance at the end** | **85.02** | 100.33 |

**(iii) Maturity analysis of lease liabilities as at March 31, 2024:**

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Less than one year | **20.60** | 15.31 |
| One to five years | **64.42** | 85.02 |
| **Total** | **85.02** | 100.33 |

### Note 37- Intangible assets - Trademarks

Trademarks represent the purchase consideration paid for brand "Sundrop". Sundrop brand has been assessed to have an indefinite useful life and therefore measured at cost and 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 March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Pre tax discount rate | **21.30%** | 24.20% |
| Terminal growth rate | **4.00%** | 4.00% |

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 38 - Exceptional items

During the year, the Company received income tax refund orders relating to earlier years which includes interest income of ₹ 26.81, such interest income has been disclosed as exceptional item in the standalone financial statements for the year ended March 31, 2024.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 39 - Auditor's remuneration (excluding GST):

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| To Statutory auditor | | |
| Statutory audit fee | **2.76** | 2.76 |
| Tax audit fee | **0.22** | 0.22 |
| Limited review fee | **1.05** | 1.05 |
| Fees for certifications | **0.67** | 0.67 |
| Others | **0.40** | 0.40 |
| Reimbursement of expenses | **0.52** | 0.17 |
| **Total** | **5.62** | 5.27 |

### Note 40 - Earnings per equity share ("EPS")

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| (a) (i) Net profit attributable to the equity shareholders (₹ in Millions) | **96.42** | 149.80 |
| (ii) Weighted average number of equity shares outstanding during the year (No's) | | |
| Basic outstanding shares | **24,369,264** | 24,369,264 |
| Less: Weighted average number of treasury shares | **130,577** | 409,424 |
| (b) Weighted average number of shares used for computing basic EPS (No's) | **24,238,687** | 23,959,840 |
| Add: Dilutive effect of stock options | **-** | 44,695 |
| (c) Weighted average number of shares used for computing diluted EPS (No's) | **24,238,687** | 24,004,535 |
| (d) Basic earnings per share (₹) (a/b) | **3.98** | 6.25 |
| (e Diluted earnings per share (₹) (a/c) | **3.98** | 6.24 |

### Note 41 - Segmental information

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

### Information about major customers

Revenue from specific customers exceeding 10% of total revenue

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **One customer** | | |
| Revenue from top customer | **1,263.90** | 1,490.98 |
| Percentage of total revenue | **16.70%** | 17.61% |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 42 - Related parties

| Relationships | Name of related parties |
|---|---|
| 1. Ultimate Holding Company | Conagra Brands Inc. |
| 2. Holding Company | CAG Tech (Mauritius) Limited |
| 3. Subsidiary Companies | Sundrop Foods India Private Limited |
| | Agro Tech Foods (Bangladesh) Pvt. Ltd. |
| | Sundrop Foods Lanka (Private) Limited |
| 4. Fellow Subsidiary Company | Conagra Foods RDM, Inc. |
| 5. Key Management Personnel (KMP) | |
| (i) Managing Director & Chief Executive Officer | Mr. Sachin Gopal |
| (ii) Chief Financial Officer | Mr. K P N Srinivas |
| (iii) Company Secretary | Ms. Jyoti Chawla |
| (iv) 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 Staff Gratuity Fund |
| | Agro Tech Foods Provident Fund |
| | Agro Tech Foods Superannuation Fund |

Note: Related parties have been identified by the Management to the extent of transactions with such related parties.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### (a) Related party transactions during the year

| Particulars | Relationship | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Sundrop Foods India Private Limited** | Subsidiary | | |
| Distribution services received | | **171.32** | 159.61 |
| Cross-charge income | | **3.78** | 3.30 |
| **Agro Tech Foods (Bangladesh) Pvt. Ltd.** | Subsidiary | | |
| Purchase of Goods | | **33.15** | 22.91 |
| **Conagra Brands Inc.** | Ultimate Holding Company | | |
| Recovery of expenses | | **0.10** | - |
| **Conagra Foods RDM, Inc.** | Fellow Subsidiary Company | | |
| Royalty* | | **83.97** | 81.12 |
| | - | | |
| **CAG Tech (Mauritius) Limited** | Holding Company | | |
| Dividend paid | | **37.85** | 37.85 |
| **Key Managerial Personnel** | Key Management Personnel | | |
| Short-term employee benefits** | | **31.08** | 24.82 |
| Post-employment defined benefits** | | **2.06** | 2.02 |
| Sitting fees and commission to independent directors | | **6.89** | 6.43 |
| Dividend paid | | **0.25** | 0.14 |
| **Agro Tech Foods Management Staff Gratuity Fund** | Post-employment benefit trusts | | |
| Contribution during the year | | **8.76** | 39.27 |
| **Agro Tech Foods Provident Fund** | Post-employment benefit trusts | | |
| Contribution during the year | | **38.63** | 38.96 |
| **Agro Tech Foods Superannuation Fund** | Post-employment benefit trusts | | |
| Contribution during the year | | **5.50** | 5.57 |

*Conagra Foods RDM, Inc. has authorised Conagra Brands Inc. to collect the amount of royalty on its behalf.

**Remuneration as given above does not include long-term compensated absences benefit accrued, gratuity benefit accrued and insurance premium since the same are computed for all the employees together and the amounts attributable to the key managerial personnel cannot be ascertained separately. Exercise of stock options aggregating ₹ 21.90 (March 31, 2023: ₹ 56.53) by key managerial personnel has not been included in the remuneration disclosed above.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### (b) Balances receivable from/payable to related parties

| Particulars | Relationship | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Receivable from related parties** | | | |
| Agro Tech Foods (Bangladesh) Pvt. Ltd. | Subsidiary | **3.76** | 3.74 |
| Sundrop Foods India Private Limited | Subsidiary | **1.04** | 0.90 |
| Agro Tech Foods Provident Fund | Post-employment benefit trusts | **23.94** | - |
| Conagra Brands Inc. | Ultimate Holding Company | **0.10** | - |
| **Payable to related parties** | | | |
| Agro Tech Foods Management Staff Gratuity Fund | Post-employment benefit trusts | **9.42** | 8.76 |
| Agro Tech Foods Provident Fund | Post-employment benefit trusts | - | 2.52 |
| Agro Tech Foods Superannuation Fund | Post-employment benefit trusts | **0.43** | 0.43 |
| Sundrop Foods India Private Limited | Subsidiary | **95.71** | 88.83 |
| Conagra Foods RDM, Inc. | Fellow Subsidiary Company | **10.47** | 10.70 |
| Key Managerial Personnel | Key Managerial Personnel | **0.18** | 0.17 |
| Independent Directors | Independent Directors | **2.92** | 3.38 |

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

### Note 43 - Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Accordingly, the gross amount required to be spent during the year is ₹ 6.72 (March 31, 2023: ₹ 8.10).The Company has before the year end, contributed the entire amount of its current year obligation of ₹ 6.72 to the Prime Minister's National Relief Fund, which is a fund prescribed under Schedule VII of the Act.

### Note 44 - Research and development expenses

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

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Capital expenditure | **4.13** | 31.03 |
| Revenue expenditure | **19.00** | 19.51 |
| **Total** | **23.13** | 50.54 |

### Note 45 - 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 safe-guard 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 long-term borrowings and short-term working capital demand loan.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Total Debt (excluding lease liabilities) | **335.00** | 520.00 |
| Total Equity | **4,991.76** | 4,857.52 |
| Debt to equity ratio | **0.07** | 0.11 |

## Note 46 - Employee Benefits

### a) The employee benefit schemes are as under:

### i. Provident fund :

All employees of the Company receive benefits under the Provident Fund which is a defined benefit plan wherein the Company provides the guarantee of a specified return on contribution. The contribution is made both by the employee and the Company equal to 12% of the employees' salary. These contributions are made to the fund administered and managed by the Company's own Trust. (Refer Note 42).

### ii. Superannuation fund:

The Company has a defined contribution scheme to provide pension to its 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. (Refer Note 42).

### iii. 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.

### iv. 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. 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.

### Risk Management :

**Investment risk -** The probability or likelihood of occurrence of losses related to the expected return on any particular investment.

**Interest rate risk -** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk -** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk -** The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where 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 movement in the defined benefit obligation for Gratuity is as follows:

| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Present value of obligation** | **Fair value of plan assets** | **Net Liability/ (asset)** | Present value of obligation | Fair value of plan assets | Net Liability/ (asset) |
| **Opening balance (A)** | **109.81** | **101.05** | **8.76** | 70.78 | 66.99 | 3.79 |
| Current service cost | **6.49** | **-** | **6.49** | 11.59 | - | 11.59 |
| Interest cost | **6.70** | **-** | **6.70** | 4.36 | - | 4.36 |
| Expected returns | **-** | **6.37** | **(6.37)** | - | 4.10 | (4.10) |
| Total amount recognised in the statement of profit and loss (B) | **13.19** | **6.37** | **6.82** | 15.95 | 4.10 | 11.85 |
| Remeasurements | | | | | | |
| Loss/ (gain) from change in financial assumptions | **1.78** | **-** | **1.78** | (2.63) | - | (2.63) |
| Experience losses - experience | **5.35** | **-** | **5.35** | 32.87 | - | 32.87 |
| Return on plan assets, greater/ less than discount rate | **-** | **4.53** | **(4.53)** | - | (2.15) | 2.15 |
| Total amount recognised in other comprehensive income (C) | **7.13** | **4.53** | **2.60** | 30.24 | (2.15) | 32.39 |
| Contributions (D) | **-** | **8.76** | **(8.76)** | - | 39.27 | (39.27) |
| Benefit paid (E) | **(21.60)** | **(21.60)** | **-** | (7.16) | (7.16) | - |
| **Closing Balance (A+B+C+D+E)** | **108.53** | **99.11** | **9.42** | 109.81 | 101.05 | 8.76 |

### ii) Significant estimates: Actuarial assumptions

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

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Discount rate | **7.21%** | 7.45% |
| Expected rate of return on plan assets | **7.21%** | 7.45% |
| Salary escalation rate | **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.

### iii) Details of plan assets

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Fund managed by ICICI Prudential Life Insurance Company Limited* | **100%** | 100% |
| **Total** | **100%** | 100% |

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### iv) Sensitivity analysis

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

| | Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| A. | Discount rate | | |
| | a. Discount rate - 100 basis points | **115.83** | 112.70 |
| | b. Discount rate +100 basis points | **100.69** | 99.17 |
| B. | Salary increase rate | | |
| | a. Rate - 100 basis points | **100.45** | 98.93 |
| | b. Rate +100 basis points | **115.95** | 112.84 |

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 maybe 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 and 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 previous year.

### v) Maturity profile of defined benefit obligation:

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Year 1 | **26.79** | 31.13 |
| Year 2 | **11.15** | 7.34 |
| Year 3 | **7.78** | 13.42 |
| Year 4 | **13.05** | 6.95 |
| Year 5 | **9.60** | 11.84 |
| Year 6 to 10 | **18.36** | 21.62 |

### c ) Trust-managed Provident fund:

| | Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| (i) | Net defined benefit obligation | | |
| | Defined benefit obligation | **425.48** | 427.79 |
| | Fair value of plan assets | **441.95** | 448.45 |
| | **Net Liability/(asset)*** | **(16.47)** | (20.66) |

* The Company has not recognised an asset amounting to ₹ 16.47 (March 31, 2023: ₹ 20.66) as there are no future economic benefits available to the Company in the form of reduction in future contribution or a cash refund.

| | Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| (ii) | Actuarial assumptions | | |
| | Discount rate | **7.21%** | 7.45% |
| | Guaranteed rate of returns | **8.25%** | 8.15% |
| | Govt of India - Bond yield for the outstanding term of Liabilities | **7.21%** | 7.45% |
| | Govt of India - Bond yield for the outstanding term of assets | **7.18%** | 7.35% |
| | Salary Increase Rate | **7.00%** | 7.00% |

The plan assets have been primarily invested in Government of India securities and corporate bonds.

The Company's contribution to Provident fund aggregating ₹ 11.09 (March 31, 2023: ₹ 10.81) has been recognised in Statement of Profit and Loss under the head Employee Benefits Expense.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 47 - Financial instruments

The Company's principal financial liabilities comprise borrowings, trade payables and other liabilities. The Company's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that are derived directly from its operations. The Company's activities expose it to a variety of financial risks viz. market risk, credit risk and liquidity risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The Company's exposure to credit risk is influenced mainly by the individual characteristic of each customer and the concentration of risk from the top few customers. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors review and agree 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 March 31, 2024, including their levels in the fair value hierarchy.

| Particulars | Carrying amount | | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | FVTPL | FVOCI | Other financial assets - amortised cost | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | | | |
| Investments in subsidiaries | 7 | - | - | 228.20 | - | 228.20 | - | - | - | - |
| Non current financial assets | 8 | - | - | 35.06 | - | 35.06 | - | - | - | - |
| Trade receivables | 11 | - | - | 669.84 | - | 669.84 | - | - | - | - |
| Cash and cash equivalents | 12 | - | - | 85.48 | - | 85.48 | - | - | - | - |
| Bank balances (other than cash and cash equivalents) | 13 | - | - | 11.39 | - | 11.39 | - | - | - | - |
| Other financial assets | 14 | - | - | 32.64 | - | 32.64 | - | - | - | - |
| | | - | - | 1,062.61 | - | 1,062.61 | - | - | - | - |
| **Financial liabilities** | | | | | | | | | | |
| Borrowings | 20 | - | - | - | 335.00 | 335.00 | - | - | - | - |
| Trade payables | 21 | - | - | - | 684.89 | 684.89 | - | - | - | - |
| Other financial liabilities | 23 | - | - | - | 88.79 | 88.79 | - | - | - | - |
| Lease liabilities | 18,22 | - | - | - | 85.02 | 85.02 | - | - | - | - |
| | | - | - | - | 1,193.70 | 1,193.70 | - | - | - | - |

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

| Particulars | Carrying amount | | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | FVTPL | FVOCI | Other financial assets - amortised cost | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | | | |
| Investments in subsidiaries | 7 | - | - | 228.20 | - | 228.20 | - | - | - | - |
| Non current financial assets | 8 | - | - | 33.64 | - | 33.64 | - | - | - | - |
| Trade Receivables | 11 | - | - | 691.14 | - | 691.14 | - | - | - | - |
| Cash and cash equivalents | 12 | - | - | 34.87 | - | 34.87 | - | - | - | - |
| Bank balances (other than cash and cash equivalents) | 13 | - | - | 4.44 | - | 4.44 | - | - | - | - |
| Other financial assets | 14 | - | - | 9.48 | - | 9.48 | - | - | - | - |
| | | - | - | 1,001.77 | - | 1,001.77 | - | - | - | - |
| **Financial liabilities** | | | | | | | | | | |
| Borrowings | 20 | - | - | - | 520.00 | 520.00 | - | - | - | - |
| Trade payables | 21 | - | - | | - | 619.29 | 619.29 | - | - | - |
| - | | | | | | | | | | |
| Other financial liabilities | 23 | - | - | - | 98.86 | 98.86 | - | - | - | - |
| Lease liabilities | 18,22 | - | - | - | 100.33 | 100.33 | - | - | - | - |
| | | - | - | - | 1,338.48 | 1,338.48 | - | - | - | - |

**Fair value hierarchy**

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The following levels have been used for classification:

- Level 1: Quoted prices (unadjusted) for identical instruments in active market
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs
- Level 3: Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

### 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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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.

### 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 of 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 March 31, 2024 and March 31, 2023 :

| Particulars | As at March 31, 2024 | | | |
|---|---|---|---|---|
| | Carrying value | Less than 1 year | 1-2 years | 2 years and above |
| **Non-derivative financial liabilities** | | | | |
| Borrowings | **335.00** | **335.00** | **-** | **-** |
| Trade payables | **684.89** | **684.89** | **-** | **-** |
| Other financial liabilities | **88.79** | **88.79** | **-** | **-** |
| Lease liabilities | **85.02** | **20.60** | **22.44** | **41.98** |
| | **1,193.70** | **1,129.28** | **22.44** | **41.98** |

| Particulars | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Carrying value | Less than 1 year | 1-2 years | 2 years and above |
| **Non-derivative financial liabilities** | | | | |
| Borrowings | 520.00 | 520.00 | - | - |
| Trade payables | 619.29 | 619.29 | - | - |
| Other financial liabilities | 98.86 | 98.86 | - | - |
| Lease liabilities | 100.33 | 15.31 | 20.60 | 64.42 |
| | 1,338.48 | 1,253.46 | 20.60 | 64.42 |

### 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.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Company has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Company has not used any interest rate derivatives.

### 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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 related risks as at :

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Foreign Currency (USD)** | **Amount in ₹ millions** | Foreign Currency (USD) | Amount in ₹ millions |
| Forward foreign exchange contract -Trade payables | **344,360** | **28.71** | 95,330 | 7.83 |

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Foreign Currency (USD)** | **Amount in ₹ millions** | Foreign Currency (USD) | Amount in ₹ millions |
| Payables for purchase of property, plant and equipment | **15,413** | **1.28** | 27,027 | 2.22 |
| Trade receivables | **40,012** | **3.34** | 46,479 | 3.82 |

### Sensitivity Analysis:

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

| Particulars | Impact on profit for the year ended | |
|---|---|---|
| | **March 31, 2024** | March 31, 2023 |
| Foreign exchange rate - Increases by 5% | **0.10** | 0.08 |
| Foreign exchange rate - Decreases by 5% | **(0.10)** | (0.08) |

**Note 48 -** During the year ended March 31, 2024 and March 31, 2023 no material foreseeable loss was incurred for any long-term contract including derivative contracts.

**Note 49 -** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been enacted. However, the date on which the Code will come into effect has not been notified. The Management will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective.

**Note 50 -** Agro Tech Foods Limited (Company) informed the stock exchanges about the receipt of a copy of the Public announcement dated February 29, 2024 in relation to an open offer from Centrum Capital Limited on behalf of Zest Holding Investments Limited (“Acquirer”), made pursuant to and in compliance with the requirements of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. According to the said Announcement, pursuant to the Share Subscription Agreement ("the Agreement") dated February 29, 2024 entered into between the Acquirer, CAG-Tech (Mauritius) Limited (Holding Company of Agro Tech Foods Limited) ("Promoter Company") and ConAgra Europe B.V. (the sole existing shareholder of Promoter Company), the Acquirer will obtain 100% of the shareholding and control of the Promoter Company subject to the receipt of the approval from Competition Commission of India (CCI) and other terms and conditions set out in the Agreement. Pursuant to the completion of the Underlying Transaction in accordance with the provisions of the Agreement:

(a) the Acquirer shall hold 100 % of the equity shares and control of the Promoter Company. The Promoter Company, in turn, will continue to hold 12,616,619 equity shares in the Company representing 51.77% of the Voting Share Capital of the Company, and will continue to be disclosed as part of the promoter group of the Company.

(b) transaction will result in a deemed direct acquisition (being an indirect acquisition meeting the thresholds as per the SEBI Regulations). “Further, the "Draft Letter of Offer" in relation to the proposed Open Offer to the Eligible

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Public Shareholders of the Company to acquire 6,336,009 equity shares of Rs. 10/- each constituting 26 % of the voting share capital by the Acquirer was filed on March 13, 2024 with Securities and Exchange Board of India in terms of SEBI (SAST) Regulations, 2011.

As on the date of approval of these standalone financial statements by the Board, the aforesaid underlying transaction and the open offer are awaiting regulatory / statutory approvals.

**Note 51 -** As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company used Oracle E-Business as its primary accounting software for recording all the accounting transactions viz., sales, purchases, production/costing, fixed assets, other expenses, cash and bank transactions, journal entries and all other general ledger accounting transactions for the year ended March 31, 2024. Oracle E-Business has a feature of recording audit trail (edit log) facility which log was enabled from July 25, 2023 onwards. This log was enabled from the aforesaid date for all relevant transactions recorded in this accounting software at the application/ transaction level, however, the edit logs were not enabled at database level throughout the year.

In respect of accounting software used by the Company i.e. 'Oracle CRM Seibel' used for processing certain customer related transactions (i.e. sale orders, credit notes/claims from distributors) the audit trail feature of such software was not enabled throughout the year.

Further, the accounting software 'Adrenaline' used for maintaining payroll masters did not have a feature of recording audit trail.

The Management has adequate general information technology controls including access controls, change management controls, and manual controls which are operating, to prevent inappropriate/unauthorized changes to the accounting softwares. The Management will work towards enabling edit logs in the aforesaid softwares in the near future.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 52 Additional Regulatory Information

**Ratios :**

The following are analytical ratios for the year ended March 31, 2024 and March 31, 2023

| Srl. no. | Particulars | Numerator | Denominator | March 31, 2024 | March 31, 2023 | Change % | Reasons for Variance |
|---|---|---|---|---|---|---|---|
| a. | Current Ratio | Current assets | Current liabilities | 2.05 | 1.99 | 2.78% | |
| b. | Debt -Equity Ratio | Debt consisting of borrowings and lease liabilities | Total equity | 0.08 | 0.13 | (34.11%) | Lower borrowing outstanding results in improvement in debt equity ratio. |
| c. | Debt Service Coverage Ratio | Earning for Debt service # | Debt Service : Interest and Lease payments | 7.52 | 8.69 | (13.42%) | |
| d. | Return on Equity (in %) | Profit after tax | Average Shareholder's equity | 1.96% | 3.17% | (38.19%) | Lower sales and higher expenses during the year has resulted in the lower profits |
| e. | Inventory Turnover Ratio | Cost of Goods Sold | Average Inventory | 3.04 | 3.45 | (11.72%) | |
| f. | Trade receivables Turnover Ratio | Revenue from operations | Average trade receivables | 11.14 | 11.43 | (2.53%) | |
| g. | Trade payables Turnover Ratio | Net credit purchases (excluding other expenses) | Average trade payables | 6.91 | 8.14 | (15.12%) | |
| h. | Net capital turnover ratio | Revenue from operations | Working capital | 5.80 | 6.36 | (8.72%) | |
| i. | Net profit ratio (in %) | Profit after tax | Revenue from operations | 1.27% | 1.77% | (27.97%) | Lower sales and higher expenses during the year has resulted in the lower profits |
| j. | Return on capital employed (in %) | Profit before interest and tax | Capital employed ## | 2.93% | 4.29% | (31.72%) | Lower sales and higher expenses during the year has resulted in the lower profits |

# Net profit after tax + Interest + non cash operating expenses
## Net worth+ lease liabilities + total debt + deferred tax liability

**Note 53 -** The financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on April 24, 2024.

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place : Gurugram
Date : April 24, 2024

# Consolidated Financial Statements

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

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of **Agro Tech Foods Limited** ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

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 the other auditors on separate financial statements of the two wholly-owned subsidiaries, referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under Section 143 (10) of the Act ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

| Sl. No. | Key Audit Matter | Auditor's Response |
|---|---|---|
| 1 | **Revenue recognition – Sale of goods**<br><br>Refer Note 3 (h) "Revenue Recognition" of the Consolidated Financial Statements under Material Accounting Policies.<br><br>Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer, which is mainly upon delivery and when there are no longer any unfulfilled obligations.<br><br>The timing of revenue recognition is relevant to the reported performance of the Group. The Management considers revenue as a key measure for evaluation of performance. There is a risk of revenue being recorded before control is transferred. | We have performed the following principal audit procedures in relation to revenue recognised which include a combination of testing internal controls and substantive testing as under:<br>• Assessing the appropriateness of the Company's revenue recognition accounting policies in line with Ind AS 115 ("Revenue from Contracts with Customers") and testing thereof.<br>• Evaluating the integrity of the general information and technology ("IT") control environment and testing the operating effectiveness of key IT application controls.<br>• Understanding the revenue recognition process, evaluating the design and implementation of Company's controls in respect of revenue recognition. |

| | |
|---|---|
| | • Testing the effectiveness of such controls over revenue cut-off at year end.<br>• Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued subsequent to the year end to determine whether revenue was recognised in correct period.<br>• Performing analytical procedures on current year revenue based on monthly trends and where appropriate, conducting further enquiries and testing. |

## Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Directors, Management Discussion & Analysis and Chairman's statement, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Report of the Directors, Management Discussion & Analysis and Chairman's statement is expected to be made available to us after the date of this auditor's report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available, compare with the financial statements of the subsidiaries, audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the two wholly-owned subsidiaries is traced from their financial statements audited by the other auditors.
- When we read the Report of the Directors, Management Discussion & Analysis and Chairman's statement, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

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

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

### Other Matters

We did not audit the financial statements of two wholly-owned subsidiaries, whose financial statements reflect total assets of ₹ 155.99 million as at March 31, 2024, total revenues of ₹ 6.12 million and net cash inflow amounting to ₹ 8.52 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the two wholly-owned subsidiaries referred to in the Other Matters section above, 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 of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors, except for not complying with the requirement of audit trail as stated in (i)(vi) below.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2024 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Parent and that subsidiary, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

f) The modification relating to the maintenance of accounts and other matters connected therewith, is as stated in paragraph (b) above.

g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's report of the Parent. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of Section 197 of the Act.

i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii) The Group, did not have any material foreseeable losses 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 Parent. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India.

iv) (a) The respective Managements of the Parent and its subsidiary, which is a company incorporated in India, whose financial statements have been audited under the Act by us, have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries, to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent and its subsidiary, which is a company incorporated in India whose financial statements have been audited under the Act by us, have represented to us that, to the best of their knowledge and belief, no funds have been received by the Parent or any of such subsidiary from any person(s) or entity(ies), including foreign entities.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The final dividend proposed in the previous year, declared and paid by the Parent during the year is in accordance with section 123 of the Act, as applicable.

As stated in the Note under the Consolidated Statement of Changes in Equity, the Board of Directors of the Parent has proposed final dividend for the year which is subject to the approval of the members of the Parent at the ensuing Annual General Meeting. Such dividend proposed is in accordance with Section 123 of the Act, as applicable.

vi) Based on our examination, which included test checks, except for the instances mentioned below, the Parent Company and it's subsidiary incorporated in India have used accounting software(s) for maintaining their respective books of account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software(s):

In respect of parent company,

a) in respect of the primary accounting software, the audit trail feature was not enabled from April 1, 2023 till July 24, 2023 and the audit trail feature at the database level was not enabled throughout the year, for any direct data changes (refer Note 51 of the consolidated financial statements).

b) in respect of an accounting software for processing certain customer related transactions, the audit trail feature of such software was not enabled throughout the year (refer Note 51of the consolidated financial statements).

c) the accounting software for maintaining payroll masters did not have a feature of recording audit trail (edit log) facility (refer Note 51 of the consolidated financial statements).

In respect of one subsidiary,

a) in respect of the primary accounting software, the audit trail feature was not enabled from April 1, 2023 till July 24, 2023 and the audit trail feature at the database level was not enabled

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

throughout the year, for any direct data changes (refer Note 51of the consolidated financial statements).

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the year ended March 31, 2024.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(F.R.N. 117366W/W-100018)

**Sumit Trivedi**
Partner
Membership No. 209354
UDIN: 24209354BKEEQN1653

Place : Gurugram

Date : April 24, 2024

# ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 (g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of **Agro Tech Foods Limited** (hereinafter referred to as "Parent").Reporting on the adequacy of internal financial controls with reference to the financial statements of the subsidiary company, which is incorporated in India and the operating effectiveness of such controls, under Section 143(3)(i) of the Act is not applicable in view of the exemption available to the subsidiary company in terms of the notification no. G.S.R. 583(E) dated 13 June 2017 issued by the Ministry of Corporate Affairs, Government of India, read with general circular No. 08/2017 dated 25 July 2017. Reporting on internal financial controls with reference to financial statements does not apply to the other two wholly-owned subsidiaries of the Company as they are incorporated outside India.

## Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, is responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the Parent 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 the Parent's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditor's Responsibility

Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements of the parent 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 Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of 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 Parent's internal financial controls with reference to consolidated financial statements.

## Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements includes those policies and procedures that (1) pertain

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

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 with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us, the Parent, has, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to consolidated financial statements established by the Parent 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.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(F.R.N. 117366W/W-100018)

**Sumit Trivedi**
Partner
Membership No. 209354
UDIN: 24209354BKEEQN1653

Place : Gurugram
Date : April 24, 2024

CIN: L15142TG1986PLC006957

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | Note | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I Assets** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 4 | **2,922.94** | 2,756.43 |
| Capital work-in-progress | 4 | **296.62** | 260.93 |
| Right-of-use assets | 5 | **134.62** | 152.36 |
| Intangible assets | 6 | **139.26** | 145.82 |
| Other financial assets | 7 | **35.69** | 34.23 |
| Income tax assets (net) | | **157.76** | 159.62 |
| Deferred tax assets (net) | 33(d) | **24.86** | 27.23 |
| Other non-current assets | 8 | **112.24** | 133.03 |
| **Total non-current assets** | | **3,823.99** | 3,669.65 |
| **Current assets** | | | |
| Inventories | 9 | **1,457.95** | 1,660.98 |
| Financial assets | | | |
| (i) Trade receivables | 10 | **670.04** | 691.87 |
| (ii) Cash and cash equivalents | 11 | **129.77** | 67.21 |
| (iii) Bank balances other than (ii) above | 12 | **11.39** | 4.44 |
| (iv) Other financial assets | 13 | **31.60** | 8.58 |
| **Other current assets** | 14 | **305.21** | 289.36 |
| **Total current assets** | | **2,605.96** | 2,722.44 |
| **Total assets** | | **6,429.95** | 6,392.09 |
| **II Equity and liabilities** | | | |
| **Equity** | | | |
| Equity share capital | 15 | **243.69** | 243.69 |
| Other equity | 16 | **4,758.83** | 4,617.08 |
| **Total equity attributable to owners of the Company** | | **5,002.52** | 4,860.77 |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Lease liabilities | 17 | **64.42** | 85.02 |
| Provisions | 18 | **22.46** | 20.91 |
| Deferred tax liabilities (net) | 33(d) | **172.40** | 153.98 |
| **Total non-current liabilities** | | **259.28** | 259.91 |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 19 | **335.00** | 520.00 |
| (ii) Lease liabilities | 21 | **20.60** | 15.31 |
| (iii) Trade payables | 20 | | |
| - Total outstanding dues of micro enterprises and small enterprises | | **83.15** | 84.40 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | **509.50** | 450.34 |
| (iv) Other financial liabilities | 22 | **98.16** | 106.89 |
| Other current liabilities | 23 | **67.45** | 54.64 |
| Provisions | 24 | **39.45** | 38.31 |
| Current tax liabilities (net) | | **14.84** | 1.52 |
| **Total current liabilities** | | **1,168.15** | 1,271.41 |
| **Total equity and liabilities** | | **6,429.95** | 6,392.09 |

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

**Sumit Trivedi**
Partner
Membership No.209354
Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer
Place: Gurugram
Date: April 24, 2024

**Jyoti Chawla**
Company Secretary

CIN: L15142TG1986PLC006957

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ millions, except share data and where otherwise stated)

| | Particulars | Note | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| I | **Revenue from operations** | | | |
| | Sale of products | 25 | **7,580.79** | 8,479.70 |
| | Other operating revenues | 25 | **15.94** | 17.37 |
| | | | **7,596.73** | 8,497.07 |
| II | **Other income** | 26 | **14.77** | 2.18 |
| III | **Total income (I+II)** | | **7,611.50** | 8,499.25 |
| IV | **Expenses** | | | |
| | Cost of materials consumed | 27 | **4,600.96** | 5,650.35 |
| | Purchases of stock-in-trade | 28 | **1.51** | 1.42 |
| | Changes in inventories of finished goods and stock-in-trade | 29 | **98.84** | (41.98) |
| | Employee benefit expense | 30 | **644.56** | 614.85 |
| | Finance costs | 31 | **28.76** | 31.80 |
| | Depreciation and amortisation expense | 4, 5, 6 | **211.58** | 219.11 |
| | Other expenses | 32 | **1,909.03** | 1,819.94 |
| | **Total expenses** | | **7,495.24** | 8,295.49 |
| V | **Profit before exceptional items and tax (III-IV)** | | **116.26** | 203.76 |
| VI | **Exceptional items** | 37 | **26.81** | - |
| VII | **Profit before tax (V+VI)** | | **143.07** | 203.76 |
| VIII | **Tax expense** | 33(a) | | |
| | Current tax | | **17.80** | 26.76 |
| | Deferred tax | | **21.17** | 26.24 |
| | **Total tax expense** | | **38.97** | 53.00 |
| IX | **Profit for the year (VII-VIII)** | | **104.10** | 150.76 |
| X | **Other comprehensive income/ (loss)** | | | |
| | Items that will not be reclassified to profit or loss | | | |
| | (i) Remeasurement of the net defined benefit plans | | **(1.54)** | (31.12) |
| | (ii) Income-tax relating to above | 33(b) | **0.38** | 7.95 |
| | Items that will be reclassified subsequently to the statement of profit or loss | | | |
| | (i) Exchange differences in translating the financial statements of foreign subsidiaries | | **(0.95)** | (18.45) |
| | **Total Other comprehensive income/ (loss)** | | **(2.11)** | (41.62) |
| XI | **Total comprehensive income for the year (IX+X)*** | | **101.99** | 109.14 |
| | *Attributable to owners of the Company | | | |
| | Earnings per share (of ₹ 10 each) | 39 | | |
| | Basic (in ₹) | | **4.29** | 6.29 |
| | Diluted (in ₹) | | **4.29** | 6.28 |

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

**Sumit Trivedi**
Partner
Membership No.209354

Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place: Gurugram
Date: April 24, 2024

CIN: L15142TG1986PLC006957

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2024

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | **143.07** | 203.76 |
| Adjustments for: | | |
| Depreciation and amortisation expense | **211.58** | 219.11 |
| Loss on sale/ retirement of property, plant and equipment (net) | **1.34** | 5.49 |
| Gain on disposal of investments in mutual funds units | **(0.48)** | (0.52) |
| Interest income | **(2.98)** | (1.66) |
| Finance costs | **28.76** | 31.80 |
| Exceptional items (Refer Note 37) | **(26.81)** | - |
| Bad debts wrtten off | **7.66** | - |
| Provision for doubtful debts (net) | **(5.72)** | (0.12) |
| **Operating profit before working capital changes** | **356.42** | 457.86 |
| **Movement in working capital** | | |
| **Adjustments for (increase) / decrease in operating assets** | | |
| Trade receivables | **19.89** | 101.76 |
| Inventories | **203.03** | (42.16) |
| Other financial assets | **(23.24)** | (1.39) |
| Other assets | **(19.37)** | (30.03) |
| **Adjustments for increase / (decrease) in operating liabilitites** | | |
| Trade payables and other financial liabilities | **51.26** | (168.47) |
| Provisions | **1.14** | (26.78) |
| Other liabilities | **12.82** | (5.00) |
| **Cash generated from operations** | **601.95** | 285.79 |
| Income taxes (paid) / refund (net) | **24.19** | (62.00) |
| **Net cash generated from operating activities (A)** | **626.14** | 223.79 |
| **B. Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | **(370.63)** | (413.08) |
| Proceeds from sale of property, plant and equipment | **1.62** | 0.53 |
| Interest received | **1.75** | 0.54 |
| Purchase of investments in mutual funds | **(746.00)** | (570.00) |
| Proceeds from sale of investments in mutual funds | **746.48** | 570.52 |
| Bank balances not considered as cash and cash equivalents (net) | **(6.54)** | (0.42) |
| **Net cash used in investing activities (B)** | **(373.32)** | (411.91) |

CIN: L15142TG1986PLC006957

## CONSOLIDATED CASH FLOW STATEMENT (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **C. Cash flows from financing activities** | | |
| Proceeds from working capital demand loans (net) | **(185.00)** | 135.00 |
| Proceeds from sale of treasury shares | **112.36** | 201.96 |
| Dividend paid | **(72.60)** | (71.45) |
| Finance costs (including in relation to lease liabilities) | **(28.76)** | (31.80) |
| Repayment of lease liabilities | **(15.31)** | (14.09) |
| **Net cash (used in) / generated from financing activities (C)** | **(189.31)** | 219.62 |
| **Net increase in cash and cash equivalents (A+B+C)** | **63.51** | 31.50 |
| Cash and cash equivalents at the beginning of the year | **67.21** | 54.16 |
| Exchange differences on translation of foreign currency | **(0.95)** | (18.45) |
| **Cash and cash equivalents at end of the year (Refer Note 11)** | **129.77** | 67.21 |

**Notes:**

1. The above Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS - 7 "Statement of Cash Flows".
2. Reconciliation of liabilities from financing activities

| **Particulars** | **As at March 31, 2023** | **Cash inflow/ (outflow)** | **Non cash changes Current / Non current** | **As at March 31, 2024** |
|---|---|---|---|---|
| Borrowings -current | **520.00** | **(185.00)** | **-** | **335.00** |
| Lease liabilities | **100.33** | **(22.88)** | **7.57** | **85.02** |

| Particulars | As at March 31, 2022 | Cash inflow/ (outflow) | Non cash changes Current / Non current | As at March 31, 2023 |
|---|---|---|---|---|
| Borrowings -current | 385.00 | 135.00 | - | 520.00 |
| Lease liabilities | 114.42 | (22.87) | 8.78 | 100.33 |

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018

**Sumit Trivedi**
Partner
Membership No.209354

Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place: Gurugram
Date: April 24, 2024

# Consolidated Statement of changes in equity for the year ended March 31, 2024

CIN: L15142TG1986PLC006957

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Equity share capital | Amount |
|---|---|
| **Balance at March 31, 2022** | **243.69** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2023** | **243.69** |
| Changes in equity share capital during the year | - |
| **Balance at March 31, 2024** | **243.69** |

| Particulars | Reserves and surplus | | | | | | | Total equity attributable to equity holders of the Company | Total |
|---|---|---|---|---|---|---|---|---|---|
| | General Reserve | Securities premium | Retained earnings | Treasury Shares | Foreign currency translation reserve | Share options outstanding account | Agro Tech ESOP Trust (ATET) reserve | | |
| **Balance at March 31, 2022** | 181.53 | 721.29 | 3,606.71 | (280.34) | 9.74 | 114.51 | 23.99 | 4,377.43 | 4,377.43 |
| Dividends (Refer Note below) | - | - | (71.45) | - | - | - | - | (71.45) | (71.45) |
| Remeasurement of the net defined benefit obligation, net of tax effect | - | - | (23.17) | - | - | - | - | (23.17) | (23.17) |
| Loss on sale of shares transferred by trust | - | - | - | - | - | - | 18.51 | 18.51 | 18.51 |
| Sale of treasury shares during the year | - | - | - | 183.45 | - | - | - | 183.45 | 183.45 |
| Exercise of share options | 62.08 | - | - | - | - | (62.08) | - | - | - |
| Profit for the year | - | - | 150.76 | - | - | - | - | 150.76 | 150.76 |
| Exchange differences in translating the financial statements of foreign subsidiaries | - | - | - | - | (18.45) | - | - | (18.45) | (18.45) |
| **Balance at March 31, 2023** | 243.61 | 721.29 | 3,662.85 | (96.89) | (8.71) | 52.43 | 42.50 | 4,617.08 | 4,617.08 |
| Dividends (Refer Note below) | - | - | **(72.60)** | - | - | - | - | **(72.60)** | **(72.60)** |
| Remeasurement of the net defined benefit obligation, net of tax effect | - | - | **(1.16)** | - | - | - | - | **(1.16)** | **(1.16)** |
| Profit on sale of shares transferred by trust | - | - | - | - | - | - | **15.47** | **15.47** | **15.47** |
| Sale of treasury shares during the year | - | - | - | **96.89** | - | - | - | **96.89** | **96.89** |
| Exercise of share options | **52.43** | - | - | - | - | **(52.43)** | - | - | - |
| Profit for the year | - | - | **104.10** | - | - | - | - | **104.10** | **104.10** |
| Exchange differences in translating the financial statements of foreign subsidiaries | - | - | - | - | **(0.95)** | - | - | **(0.95)** | **(0.95)** |
| **Balance at March 31, 2024** | **296.04** | **721.29** | **3,693.19** | **-** | **(9.66)** | **-** | **57.97** | **4,758.83** | **4,758.83** |

## Note

| Dividend on equity shares paid during the year | 2023-24 | 2022-23 |
|---|---|---|
| Final dividend for FY 2022-23 ₹ 3 per equity share of ₹ 10 each (For FY 2021-22 ₹ 3 per equity of ₹ 10 each ) | **72.60** | 71.45 |
| **Total** | **72.60** | 71.45 |

The Board of Directors at its meeting held on April 24, 2024 have recommended a final dividend of ₹ 3 per equity share of face value of ₹ 10 each for the financial year ended March 31, 2024. This is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognized as a liability.

The accompanying notes are an integral part of the consolidated financial statements

In terms of our report attached
For **Deloitte Haskins & Sells LLP**
Chartered Accountants
F.R.N: 117366W/W-100018
**Sumit Trivedi**
Partner
Membership No.209354
Place: Gurugram
Date: April 24, 2024

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place: Gurugram
Date: April 24, 2024

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(All amounts are in ₹ millions, except share data and where otherwise stated)

## 1 Group information

Agro Tech Foods Limited ('the Parent 'or '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 edible oils and food products.

The Consolidated Financial Statements of the Company for the year ended March 31, 2024 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 which comprise the Balance sheet, Statement of Profit and Loss, Cash Flow Statement and Statement of changes in equity ("consolidated financial statements") have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the 'Act') read together with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act. The consolidated financial statements have also been prepared in accordance with the relevant presentation requirements of the Act.

### 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 preparation and presentation

These consolidated financial statements have been prepared on historical cost convention and on an accrual basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### D. Operating Cycle

All assets have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act and Ind AS 1 – Presentation of Financial Statements, based on the nature of the products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents.

### E. 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.

The following are the critical judgements and estimates that have been made in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### i) Useful lives of Property, plant and equipment

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. Revision to accounting estimates on such reassessment are recognised in the period in which the estimate is revised if that revision effects only that period or in the period of the revision and future periods if the revision effects both current and future periods.

### ii) Actuarial valuation

The determination of Group's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognised in the Consolidated Statement of Profit and Loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors. Information about such valuation is provided in the notes to the consolidated financial statements.

### iii) Impairment of intangible assets having indefinite useful life

Intangible assets with indefinite life are tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent Management's best estimate about future developments.

### iv) Fair value measurement of financial instruments

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Group uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Group also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

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

- Note 15 (f) - Share based payments;

- Note 46 - Financial instruments.

### v) Income Taxes

Significant judgments are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

### vi) Other estimates

The preparation of consolidated financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of consolidated financial statements and the reported amount of revenues and expenses for the reporting period.

Specifically, the Group estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

## 3. Material 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### ii. Transactions eliminated on consolidation

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

### iii. Subsidiaries considered in the consolidated financial statements:

| Name of the Company | Country of Incorporation | Ownership interest (in %) | |
|---|---|---|---|
| | | **As at March 31, 2024** | As at March 31, 2023 |
| **Subsidiary companies:** | | | |
| Sundrop Foods India Private Limited | India | **100** | 100 |
| Agro Tech Foods (Bangladesh) Pvt. Ltd | Bangladesh | **100** | 100 |
| Sundrop Foods Lanka (Private) Limited | Srilanka | **100** | 100 |

### 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 less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes (other than those subsequently recoverable from the tax authorities), after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning.

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

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

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

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up (including receivable from insurance companies after the impairment or loss of items of property, plant and equipment due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

### ii. Subsequent expenditure

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

### iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful life 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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

| Asset | Useful Life |
|---|---|
| Buildings<br>Buildings (other than factory buildings) other than RCC frame structure<br>Factory buildings*<br>Fences, wells, tube-wells | <br>30 years<br>30 years to 40 years<br>5 years |
| Roads<br>Carpeted Roads - RCC | <br>10 years |
| Plant and Machinery<br>Plant and Machinery other than continuous process plant* | <br>15 years to 20 years |
| Furniture and fittings | 10 years |
| Motor vehicles<br>Motor buses, motor lorries and motor cars* | <br>5 years |
| Office equipment | 5 years |
| Computers and data processing units<br>servers and networks*<br>End-user devices such as desktops, laptops etc.* | <br>5 years<br>2 to 5 years |
| Laboratory Equipment | 10 years |
| Electrical installations and equipment | 10 years |
| Servers and networks* | 5 years |
| Handsets* | 2 years |
| Assets given to employees under a scheme* | 5 years |

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

Freehold land is not depreciated.

Leasehold improvements 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. If as a result of this reassessment, there is a change from previous estimate, such change is accounted for as a change in an accounting estimate and adjusted prospectively, if appropriate.

### (c) Intangible assets

Intangible assets that the Group controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially for separately acquired assets, at cost comprising of the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the assets for its intended use. The useful life of an intangible asset is considered finite where there is a likelihood of technical and technological obsolescence.

#### Useful life and Amortisation

Amortisation of intangible assets having finite useful lives is recognised on a straight-line basis over the useful lives of the asset from the date of capitalisation as below:

| Asset | Useful life |
|---|---|
| Computer software | 5 to 10 years |

The estimated useful life is reviewed at the end of each reporting period and the effect of any changes in estimate is accounted for prospectively.

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.

### (d) Impairment of 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 for an asset/CGU (other than goodwill)is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(All amounts are in ₹ millions, except share data and where otherwise stated)

**(e) Leases**

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether, (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right-of-use assets are evaluated for recoverability 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 Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

**(f) Inventories**

Inventories are valued at the lower of weighted average cost (including direct cost, non recoverable taxes / duties 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 direct 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 direct cost, duties 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.

Compensation from third parties for items of inventories that were written off , lost or given up (including receivable from insurance companies after the loss of items of inventories due to fire, natural disasters, theft etc.,) are included in profit or loss when the compensation becomes receivable.

## (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 except for trade receivables that do not contain a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Consolidated Statement of Profit and Loss. 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. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.

#### 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 assets at FVTPL are measured at fair value at the end of each reporting period, with any gains and losses arising on remeasurement recognised in the Consolidated Statement of Profit or Loss. The net gain or loss recognised in the Consolidated Statement of Profit or Loss incorporates any dividend or interest earned on the financial asset and is included in the 'other income' line item.

#### Financial liabilities

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any interest paid on the financial liability.

Other financial liabilities are subsequently carried at amortised cost using the effective interest method.

### iii. Derecognition

#### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

#### 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.

(All amounts are in ₹ millions, except share data and where otherwise stated)

#### iv. Impairment

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

#### v. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the consolidated 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 is recognised when control of the products being sold is transferred to the customer, which is mainly upon delivery and when there are no longer any unfulfilled obligations.

Revenue is measured at the transaction price that the Group receives or expects to receive as consideration for sale of goods/services, net of returns and trade discounts/allowances/volume rebates to customers. Revenue excludes amounts collected on behalf of third parties, such as goods and services tax (GST). Returns, trade discounts, allowances and rebates are estimated using judgement based on historical experience and the specific terms of the arrangement with the customers.

#### Other income :

Interest income is recognized using the effective interest rate (EIR) method. Dividend income on investments is recognised when the right to receive dividend is established.

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

### (i) Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded by the Group at their functional currency spot rates at the date of the transaction. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. 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.

Translation of financial statements of foreign entities

On consolidation, the assets and liabilities of foreign operations are translated into ₹ (Indian Rupees) at the exchange rate prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in consolidated statement of Other Comprehensive Income ('OCI'). On

(All amounts are in ₹ millions, except share data and where otherwise stated)

disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to the Consolidated Statement of Profit and Loss.

### (j) Income-tax

Income-tax comprises current tax and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates 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.

Income 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 on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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, contingent liabilities and contingent assets

#### 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 the Group 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

Contingent liabilities are disclosed for (i) possible obligations which will be confirmed only by future events not wholly within the control of the Group or (ii) present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent assets are not recognised in the financial statements but are disclosed where an inflow of economic benefits is probable.

#### 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 the statement of profit and loss in the periods during which the related services are rendered by employees.

#### Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group'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 Group, 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 Group determines the net interest expense/ (income) on the net defined benefit liability/ (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability/ (asset), taking into account any changes in the net defined benefit liability/ (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

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

## (m) Share-based payments

Employees of the Parent Company receive remuneration in the form of share-based payments in consideration of the services rendered. Under the equity settled share based payment, the fair value on the grant date of the awards given to employees is recognised as 'employee benefit expenses' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting conditions, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. The Parent Company has availed exemption given under Ind AS 101 and has not applied the fair value to the equity instruments that were vested before the date of transition to Ind AS i.e. April 1, 2016.

### (n) Cash and cash equivalents

For the purpose of presentation in the cash flow statement , cash and cash equivalents include cash on hand, in banks, demand deposit with bank and 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. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares. 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) Borrowing costs

Borrowing costs consist of interest and other ancillary costs that the Group incurs in connection with the borrowing of funds. All the other borrowing costs are recognised in the statement of profit and loss within finance costs of the period in which they are incurred.

### (q) Treasury shares

The Parent 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 Parent Company under the plan, providing share based payment to its employees. ATET purchases shares of the Parent Company out of funds borrowed from the Parent Company. The Parent 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 is recognised in ATET reserve.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

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

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Description | Gross carrying amount (at cost or deemed cost) | | | | | Accumulated depreciation | | | | | Net carrying amount |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2023 | Exchange differences | Additions | Disposals | As at 31 March 2024 | As at 1 April 2023 | Exchange differences | Depreciation for the year | Disposals | As at 31 March 2024 | As at 31 March 2024 |
| Freehold land | 145.73 | (0.25) | - | - | 145.48 | - | - | - | - | - | 145.48 |
| Buildings | 1,136.69 | (0.40) | 66.90 | 0.05 | 1,203.14 | 166.71 | (0.10) | 31.91 | 0.01 | 198.51 | 1,004.63 |
| Roads | 44.48 | - | - | - | 44.48 | 30.96 | - | 4.60 | - | 35.56 | 8.92 |
| Plant and equipment | 1,893.68 | (0.28) | 254.00 | 5.46 | 2,141.94 | 439.90 | (0.09) | 104.34 | 2.92 | 541.23 | 1,600.71 |
| Laboratory equipment | 44.67 | - | 5.15 | 0.24 | 49.58 | 22.51 | - | 3.33 | 0.22 | 25.62 | 23.96 |
| Furniture and fixtures | 135.71 | - | 9.11 | 0.08 | 144.74 | 71.69 | - | 12.65 | 0.07 | 84.27 | 60.47 |
| Office equipment | 52.45 | - | 1.79 | 0.47 | 53.77 | 36.08 | - | 5.17 | 0.34 | 40.91 | 12.86 |
| Electrical equipment | 126.78 | - | 13.48 | 0.19 | 140.07 | 81.69 | - | 12.00 | 0.19 | 93.50 | 46.57 |
| Computer and data processing equipment | 72.68 | - | 3.10 | 4.05 | 71.73 | 49.86 | - | 8.79 | 3.83 | 54.82 | 16.91 |
| Leasehold improvements - Buildings | 9.53 | - | - | - | 9.53 | 7.19 | - | 0.36 | - | 7.55 | 1.98 |
| Leasehold improvements - Electrical equipment | 4.13 | - | - | - | 4.13 | 3.95 | - | 0.03 | - | 3.98 | 0.15 |
| Leasehold improvements- Furniture and fixtures | 8.60 | - | - | - | 8.60 | 8.16 | - | 0.14 | - | 8.30 | 0.30 |
| **Total** | **3,675.13** | **(0.93)** | **353.53** | **10.54** | **4,017.19** | **918.70** | **(0.19)** | **183.32** | **7.58** | **1,094.25** | **2,922.94** |
| **Add: Capital work-in-progress (Refer Note (b) below)** | | | | | | | | | | | **296.62** |
| **Grand Total** | | | | | | | | | | | **3,219.56** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | | Accumulated depreciation | | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | As at 1 April 2022 | Exchange differences | Additions | Disposals | As at 31 March 2023 | As at 1 April 2022 | Exchange differences | Depreciation for the year | Disposals | As at 31 March 2023 | As at 31 March 2023 |
| Freehold land | 150.11 | (4.50) | 0.12 | - | 145.73 | - | - | - | - | - | 145.73 |
| Buildings | 1,133.01 | (7.31) | 10.99 | - | 1,136.69 | 138.31 | (1.98) | 30.38 | - | 166.71 | 969.98 |
| Roads | 44.48 | - | - | - | 44.48 | 26.00 | - | 4.96 | - | 30.96 | 13.52 |
| Plant and equipment | 1,663.75 | (3.84) | 233.77 | - | 1,893.68 | 348.93 | (1.83) | 92.80 | - | 439.90 | 1,453.78 |
| Laboratory equipment | 44.51 | - | 0.16 | - | 44.67 | 18.59 | - | 3.92 | - | 22.51 | 22.16 |
| Furniture and fixtures | 126.52 | (0.08) | 9.27 | - | 135.71 | 58.96 | (0.07) | 12.80 | - | 71.69 | 64.02 |
| Office equipment | 52.12 | (0.01) | 0.75 | 0.41 | 52.45 | 30.92 | (0.01) | 5.56 | 0.39 | 36.08 | 16.37 |
| Electrical equipment | 124.68 | - | 2.10 | - | 126.78 | 68.60 | - | 13.09 | - | 81.69 | 45.09 |
| Computer and data processing equipment | 138.05 | (0.03) | 3.69 | 69.03 | 72.68 | 104.28 | (0.03) | 8.64 | 63.03 | 49.86 | 22.82 |
| Leasehold improvements - Buildings | 9.53 | - | - | - | 9.53 | 6.83 | - | 0.36 | - | 7.19 | 2.34 |
| Leasehold improvements - Electrical equipment | 4.13 | - | - | - | 4.13 | 3.92 | - | 0.03 | - | 3.95 | 0.18 |
| Leasehold improvements - Furniture and fixtures | 8.60 | - | - | - | 8.60 | 8.00 | 0.01 | 0.15 | - | 8.16 | 0.44 |
| Total | 3,499.49 | (15.77) | 260.85 | 69.44 | 3,675.13 | 813.34 | (3.91) | 172.69 | 63.42 | 918.70 | 2,756.43 |
| Add: Capital work-in-progress (Refer Note (b) below) | | | | | | | | | | | 260.93 |
| Grand Total | | | | | | | | | | | 3,017.36 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 4 - Property, plant and equipment and capital work-in-progress (continued)

**Notes:**

(a) Refer Note 34 (i) for disclosure of contractual commitments for acquisitions of property, plant and equipment.

(b) Agro Tech Foods (Bangladesh) Pvt. Ltd (ATBD) - wholly owned subsidiary of the Parent Company purchased a piece of land measuring 64 decimal in 2012, which was registered in ATBD's name (carying amount as at March 31, 2024 ₹ 16.32). ATBD constructed a factory structure on such land. An application was made for claiming the title through succession before the Assistant Commissioner of Land at Kaliakoir, Gazipur for cancellation of mutation of small part (4.80 decimal) of land. ATBD appeared before various authorities and currently, the case is under adjudication in the office of Assistant Deputy Commission (Rev), Gazipur, Bangladesh.

(c) Capital work-in-progress ageing schedule:

| **Particulars** | **As at March 31, 2024** | | | | |
|---|---|---|---|---|---|
| | **Amount in CWIP for a period of** | | | | |
| | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| Projects in progress | **234.66** | **51.82** | **8.65** | **1.49** | **296.62** |
| **Total** | **234.66** | **51.82** | **8.65** | **1.49** | **296.62** |

| Particulars | As at March 31, 2023 | | | | |
|---|---|---|---|---|---|
| | Amount in CWIP for a period of | | | | |
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 248.34 | 11.06 | 1.38 | 0.15 | 260.93 |
| Total | 248.34 | 11.06 | 1.38 | 0.15 | 260.93 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### Note 5 - Right-of-use assets

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Description | Gross carrying amount | | | | Accumulated Depreciation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 | As at April 1, 2023 | Deprecia-tion for the year | Disposals | As at March 31, 2024 | As at March 31, 2024 |
| Leasehold land (Refer Note (i) below) | **60.23** | **3.96** | **-** | **64.19** | **2.67** | **0.68** | **-** | **3.35** | **60.84** |
| Buildings | **150.42** | **-** | **-** | **150.42** | **55.62** | **21.02** | **-** | **76.64** | **73.78** |
| **Total** | **210.65** | **3.96** | **-** | **214.61** | **58.29** | **21.70** | **-** | **79.99** | **134.62** |

| Description | Gross carrying amount | | | | Accumulated Depreciation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposals | As at March 31, 2023 | As at April 1, 2022 | Deprecia-tion for the year | Disposals | As at March 31, 2023 | As at March 31, 2023 |
| Leasehold land (Refer Note (i) below) | 60.23 | - | - | 60.23 | 2.01 | 0.66 | - | 2.67 | 57.56 |
| Buildings | 150.42 | - | - | 150.42 | 34.66 | 20.96 | - | 55.62 | 94.80 |
| Total | 210.65 | - | - | 210.65 | 36.67 | 21.62 | - | 58.29 | 152.36 |

Notes:

(i) Leasehold land represents 1,00,000 sq. mts. of land taken on lease for a period of 99 years by the Parent Company under a license agreement from Gujarat Industrial Development Corporation (GIDC). The lease deed in respect of the said land has been registered during the current year.

(ii) Also Refer Note 35

### Note 6 - Intangible assets

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated Amortisation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2023 | Additions | Disposals | As at March 31, 2024 | As at April 1, 2023 | Amortisa-tion for the year | Disposals | As at March 31, 2024 | As at March 31, 2024 |
| Trademarks (Refer Note below) | **122.16** | **-** | **-** | **122.16** | **-** | **-** | **-** | **-** | **122.16** |
| Computer software | **201.83** | **-** | **-** | **201.83** | **178.17** | **6.56** | **-** | **184.73** | **17.10** |
| **Total** | **323.99** | **-** | **-** | **323.99** | **178.17** | **6.56** | **-** | **184.73** | **139.26** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated Amortisation | | | | Net Carrying amount |
|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2022 | Additions | Disposals | As at March 31, 2023 | As at April 1, 2022 | Amortisa-tion for the year | Disposals | As at March 31, 2023 | As at March 31, 2023 |
| Trademarks (Refer Note below) | 122.16 | - | - | 122.16 | - | - | - | - | 122.16 |
| Computer software | 183.67 | 18.16 | - | 201.83 | 153.37 | 24.80 | - | 178.17 | 23.66 |
| Total | 305.83 | 18.16 | - | 323.99 | 153.37 | 24.80 | - | 178.17 | 145.82 |

**Notes:**

Trademarks represent the purchase consideration paid for the brand 'Sundrop'. As estimated by the Management, this trademark has an indefinite useful life and hence the same is not amortised. However, it is tested for impairment annually as per Ind AS 36 "Impairment of Assets". Also refer Note 36.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 7 - Other non-current financial assets** | | |
| (Unsecured, considered good) | | |
| Security deposits | **35.16** | 33.31 |
| Others (loan to employees) | **0.53** | 0.92 |
| **Total** | **35.69** | 34.23 |
| **Note 8 - Other non-current assets** | | |
| Capital advances | **34.12** | 58.42 |
| Advances other than capital advances | | |
| - Advances with Government, public bodies and others | **76.74** | 74.50 |
| - Other advances (includes commercial advances and prepaid expenses) | **1.38** | 0.11 |
| **Total** | **112.24** | 133.03 |
| **Note 9 - Inventories** | | |
| Raw materials | **901.54** | 1,018.56 |
| Raw materials-in-transit | **2.24** | 2.60 |
| Packing materials | **139.22** | 140.36 |
| Packing materials-in-transit | **20.10** | 5.77 |
| Finished goods | **367.53** | 476.06 |
| Finished goods-in-transit | **25.39** | 14.39 |
| Stock-in-trade | **1.93** | 3.24 |
| **Total** | **1,457.95** | 1,660.98 |

### Notes

(i) The consumption of inventories recognised as an expense during the year has been disclosed in Notes 27, 28, and 29.

(ii) The consumption of inventories recognised as an expense includes ₹ 0.86 (during 2022-23: ₹ 0.29) in respect of write-downs of inventory to net realisable value, and has been reduced by ₹ Nil (during 2022-23 : ₹ Nil) in respect of reversal of such write-downs.

(iii) Refer Note 3(f) for method of valuation for inventories.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 10 - Trade receivables** | | |
| Unsecured, considered good | **670.04** | 691.87 |
| Credit impaired | **79.79** | 85.51 |
| Less: Loss allowance | **(79.79)** | (85.51) |
| **Total** | **670.04** | 691.87 |

**Notes:**

(i) The average credit period for the customers is in the range of 14 days to 60 days depending on customer groups.

(ii) Of the trade receivables balance ₹ 327.17 (as at March 31, 2023 : ₹ 314.69) is due from one of the Company's large customers. There are no other customers who represent more than 10% of the total balance of trade receivables.

(iii) The Group has used a practical expedient by computing the expected credit loss allowance for doubtful trade receivables based on a provisioning matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking estimates. The expected credit loss allowance is based on the ageing of the receivables which are due and the rates used in the provision matrix.

| (iv) Movement in the expected credit loss allowance | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Balance at the beginning of the year | **85.51** | 85.63 |
| Movement in expected credit loss allowance on trade receivables (net) | **(5.72)** | (0.12) |
| **Balance at the end of the year** | **79.79** | 85.51 |

**Trade receivables ageing schedule:**

| Particulars | As at March 31, 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Outstanding for following periods from date of transaction | | | | | |
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | **659.25** | **10.54** | **0.05** | **-** | **0.20** | **670.04** |
| (ii) Undisputed trade receivables – credit impaired | **-** | **0.78** | **1.68** | **1.38** | **38.13** | **41.97** |
| (iii) Disputed trade receivables – credit impaired | **-** | **-** | **-** | **-** | **37.82** | **37.82** |
| **Gross trade receivables** | **659.25** | **11.32** | **1.73** | **1.38** | **76.15** | **749.83** |
| Less: Loss allowance | | | | | | **(79.79)** |
| **Trade receivables** | | | | | | **670.04** |

| Particulars | As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|
| | Outstanding for following periods from date of transaction | | | | | |
| | Less than 6 months | 6 months to 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed trade receivables – considered good | 689.33 | 2.33 | 0.02 | 0.19 | - | 691.87 |
| (ii) Undisputed trade receivables – credit impaired | - | 0.33 | 1.39 | 18.47 | 19.85 | 40.04 |
| (iii) Disputed trade receivables – credit impaired | - | - | - | - | 45.47 | 45.47 |
| Gross trade receivables | 689.33 | 2.66 | 1.41 | 18.66 | 65.32 | 777.38 |
| Less: Loss allowance | | | | | | (85.51) |
| Trade receivables | | | | | | 691.87 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 11 - Cash and cash equivalents** | | |
| Balances with banks - in current accounts | **129.77** | 67.10 |
| Cheques on hand | **-** | 0.11 |
| **Total** | **129.77** | 67.21 |
| **Note 12 - Other bank balances** | | |
| Balances held as margin money against guarantees given | **7.87** | 1.33 |
| Unpaid dividend accounts | **3.52** | 3.11 |
| **Total** | **11.39** | 4.44 |
| **Note 13 - Other financial assets** | | |
| Others (including security deposits, advance to PF trust, loan to employees and interest accrued) (Also, Refer Note 41) | **31.60** | 8.58 |
| **Total** | **31.60** | 8.58 |
| **Note 14 - Other current assets** | | |
| Balances with government authorities | **253.30** | 229.09 |
| Advances (includes commercial advances, employee advances and prepaid expenses) | **51.91** | 60.27 |
| **Total** | **305.21** | 289.36 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 15 - Share capital** | | |
| **Authorised** | | |
| Equity shares | | |
| 25,000,000 ( March 31, 2023: 25,000,000), equity shares of ₹ 10 each | **250.00** | 250.00 |
| Preference shares | | |
| 1,000,000 (March 31, 2023: 1,000,000), cumulative redeemable preference shares of ₹ 100 each | **100.00** | 100.00 |
| **Issued** | | |
| Equity shares | | |
| 24,372,139 (March 31, 2023: 24,372,139), equity shares of ₹ 10 each | **243.72** | 243.72 |
| **Subscribed and fully paid-up** | | |
| Equity shares fully paid | | |
| 24,369,264 (March 31, 2023: 24,369,264), equity shares of ₹ 10 each fully paid up | **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 March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | 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 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | % of holding | Number of shares | % of holding |
| CAG Tech (Mauritius) Limited* | **12,616,619** | **51.77** | 12,616,619 | 51.77 |
| Rekha Rakesh Jhunjhunwala | **1,823,759** | **7.48** | 1,753,259 | 7.19 |
| TATA Mutual Fund | **1,787,264** | **7.33** | 1,368,175 | 5.61 |
| Pari Washington India Master Fund, Ltd. | **1,759,354** | **7.22** | 1,759,354 | 7.22 |

* CAG Tech (Mauritius) Limited is the Holding Company and is an indirect subsidiary of Conagra Brands Inc. (The 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 March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Number of shares | Amount in ₹ millions | Number of shares | Amount in ₹ millions |
| Balance at the beginning of the reporting year | **24,369,264** | **243.69** | 24,369,264 | 243.69 |
| Shares issued during the year | **-** | **-** | - | - |
| Balance at the end of the reporting year | **24,369,264** | **243.69** | 24,369,264 | 243.69 |

(d) During the five previous financial years ended March 31, 2024, no shares have been bought back, issued for consideration other than cash and no bonus shares have been issued.

(e) Disclosure of shareholding of promoters

Shares held by promoters as at March 31, 2024 and March 31, 2023:

| Name of the shareholder | Number of shares | % of holding | % change during the year |
|---|---|---|---|
| CAG Tech (Mauritius) Limited | **12,616,619** | **51.77** | **-** |

Also refer Note 50 in respect of the Share Subscription Agreement dated February 29, 2024 entered into between the Zest Holding Investments Limited ("the Acquirer"), CAG-Tech (Mauritius) Limited and ConAgra Europe B.V.

(f) Share based payments

The Parent Company instituted the "Agro Tech Employee Stock Option Plan ('Plan')" to grant equity based incentives to its eligible employees. The Parent Company has established a trust called the Agro Tech ESOP Trust ("Trust") to implement the Plan. The Parent Company has given advance to the Trust for purchase of the Parent Company's shares and such advance outstanding as at March 31, 2024 is ₹ Nil (As at March 31, 2023: ₹ 29.01).

Under the plan a maximum of 2,436,926 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 March 31, 2014, March 31, 2015 and March 31, 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% |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

Stock option activity under the plan was as follows:

**Movement in the options under the scheme:**

| Particulars | For the year ended 31 March 2024 | For the year ended 31 March 2023 |
|---|---|---|
| Options outstanding at the beginning of the year | **190,645** | 551,578 |
| Options granted during the year | **-** | - |
| Options exercised during the year | **(190,645)** | (360,933) |
| Options forfeited during the year | **-** | - |
| Options outstanding at the end of the year | **-** | 190,645 |

**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 March 31, 2024 and March 31, 2023.

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 16 - Other equity** | | |
| **(a) General reserve** | **296.04** | 243.61 |
| This reserve is created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of Other Comprehensive Income. The same can be utilised by the Company in accordance with the provisions of the Companies Act, 2013. | | |
| **(b) Securities premium** | **721.29** | 721.29 |
| This reserve represents the premium on issue of shares and can be utilised in accordance with the provisions of the Companies Act, 2013. | | |
| **(c) Retained earnings** | **3,693.19** | 3,662.85 |
| Retained earnings represents the cumulative undistributed profits of the Company and can be utilised in accordance with the provisions of the Companies Act, 2013. | | |
| **(d) Share options outstanding amount** | **-** | 52.43 |
| Share option outstanding account relates to the share options granted by the Company to its employees under its employee share option plan. These will be transferred to retained earnings after the exercise/forfeiture of the underlying options. | | |
| **(e) Treasury Shares** | **-** | (96.89) |
| Represents the outstanding number of shares options which are yet to be exercised by the employees to whom those share options have been granted. | | |
| **(f) Agro Tech ESOP Trust (ATET reserve)** | **57.97** | 42.50 |
| Represents the profit/loss earned by the Agro Tech ESOP trust on exercise of the share options and on disposal of forfeited share options. | | |
| **(g) Foreign currency translation reserve** | **(9.66)** | (8.71) |
| This reserve contains balance of foreign exchange differences from translation of financial statements of the Group's foreign subsidiaries arising at time of consolidation of such subsidiaries. Exchange differences accounted in this reserve are reclassified to profit or loss on the disposal of the foreign subsidiaries. | | |
| **Total** | **4,758.83** | 4,617.08 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 17 - Non-current lease liabilities** | | |
| Lease liabilities (Refer Note 35) | **64.42** | 85.02 |
| **Total** | **64.42** | 85.02 |
| **Note 18 - Non-current provisions** | | |
| Provision for employee benefits | | |
| - Compensated absences | **22.46** | 20.91 |
| **Total** | **22.46** | 20.91 |
| **Note 19 -Short-term borrowings** | | |
| Loans repayable on demand from banks | | |
| - Working capital demand loans (secured) | **335.00** | 520.00 |
| **Total** | **335.00** | 520.00 |

**Note :** The working capital demand loan has been secured by first charge on current assets of the Parent Company. These loans carry an interest rate ranging from 8% to 9.91% p.a.

**Note 20 - Trade payables**

| | | |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (Refer Note (i) below) | **83.15** | 84.40 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note (ii) below) | **509.50** | 450.34 |
| **Total** | **592.65** | 534.74 |

**Notes:**

(i) The disclosure in respect of the amounts payable to Micro, Small and Medium Enterprises as at reporting date has been made in the consolidated financial statements based on information received and available with the Group 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 Group has not received any claim for interest from any supplier under the said Act.

Based on and to the extent of information available with the Group under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the relevant particulars as at reporting date are furnished below:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Principal amount due to suppliers under MSMED Act, as at the end of the year | **83.15** | 84.40 |
| (b) Interest accrued and due to suppliers under MSMED Act, on the above amount as at the end of the year | **-** | - |
| (c) Payment made to suppliers (other than interest) beyond the appointed date, during the year | **-** | - |
| (d) Interest paid to suppliers under MSMED Act (other than Section 16) | **-** | - |
| (e) Interest paid to suppliers under MSMED Act (Section 16) | **-** | - |
| (f) Interest due and payable to suppliers under MSMED Act, for payments already made | **-** | - |
| g) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (b) + (f) | **-** | - |

(ii) Includes payables to related parties as disclosed under Note 41.

(iii) Information about Company's exposure to currency and liquidity risks related to the trade payables are included in Note 46.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 20 - Trade payables (continued)

**(iv) Trade payables ageing schedule :**

**As at March 31, 2024**

| Particulars | Unbilled dues | Outstanding for following periods from date of transaction | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro, Small and Medium Enterprises (MSME) | - | 83.15 | - | - | - | 83.15 |
| (ii) Others | 271.44 | 229.39 | 0.96 | 0.37 | 7.34 | 509.50 |
| **Total** | **271.44** | **312.54** | **0.96** | **0.37** | **7.34** | **592.65** |

As at March 31, 2023

| Particulars | Unbilled dues | Outstanding for following periods from date of transaction | | | | |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Micro, Small and Medium Enterprises (MSME) | - | 84.40 | - | - | - | 84.40 |
| (ii) Others | 269.52 | 172.38 | 1.10 | 1.85 | 5.49 | 450.34 |
| Total | 269.52 | 256.78 | 1.10 | 1.85 | 5.49 | 534.74 |

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Note 21 - Lease liabilities** | | |
| Lease liabilities (Refer Note 35) | **20.60** | 15.31 |
| **Total** | **20.60** | 15.31 |
| **Note 22 - Other financial liabilities** | | |
| Payables for purchase of property, plant and equipment | **10.84** | 13.33 |
| Unclaimed dividends | **3.52** | 3.11 |
| Payroll related liabilities | **37.08** | 34.63 |
| Other liabilities (includes outstanding liabilities for trade schemes etc.) | **46.72** | 55.82 |
| **Total** | **98.16** | 106.89 |

**Note :** Information about Group's exposure to currency and liquidity risks related to the above financial liabilities are included in Note 46.

| | | |
|---|---|---|
| **Note 23 - Other current liabilities** | | |
| Advance from customers | **36.06** | 24.86 |
| Statutory liabilities (including GST, provident fund, TDS etc.) | **31.39** | 29.78 |
| **Total** | **67.45** | 54.64 |
| **Note 24 - Provisions** | | |
| Provision for employee benefits: | | |
| Gratuity (Refer Note 45) | **12.41** | 10.94 |
| Compensated absences | **6.74** | 7.89 |
| Others: | | |
| Provision for indirect tax matters (Refer Note below) | **20.30** | 19.48 |
| **Total** | **39.45** | 38.31 |

**Note:**

| | | |
|---|---|---|
| Movement of provision for indirect tax matters: | | |
| Opening balance | **19.48** | 18.73 |
| Provision created (net) | **0.82** | 0.75 |
| **Closing balance** | **20.30** | 19.48 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Note 25 - Revenue from operations** | | |
| Sale of products | **7,580.79** | 8,479.70 |
| Other operating revenues | **15.94** | 17.37 |
| **Total** | **7,596.73** | 8,497.07 |
| **Note:** | | |
| (i) The Company disaggregates revenue from contracts with customers by geography. Disaggregation of revenue by geography is not an operating segment as disclosed in Note 40. | | |
| Location | | |
| India | **7,522.85** | 8,415.67 |
| Outside India | **57.94** | 64.03 |
| **Total** | **7,580.79** | 8,479.70 |
| Geographical revenue is allocated based on the location of customers. | | |
| **(ii) Reconciliation of gross revenue from contracts with customers** | | |
| Gross Revenue | **8,173.21** | 8,973.56 |
| Less : Trade allowances and rebates | **592.42** | 493.86 |
| Net revenue recognised during the year | **7,580.79** | 8,479.70 |
| **Note 26 - Other income** | | |
| Insurance Claim Settlement (Refer Note below) | **11.31** | - |
| Gain on disposal of mutual funds units | **0.48** | 0.52 |
| Interest income from deposits with banks and others | **2.98** | 1.66 |
| **Total** | **14.77** | 2.18 |

Note: During the current year, the Parent Company received an amount of ₹ 11.31 in respect of the 'Business Interruption claim' made by it in relation to the fire incident at one of the manufacturing locations of the Parent Company in the earlier years.

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Note 27 - Cost of materials consumed** | | |
| Opening stock | | |
| Raw materials (including materials-in-transit) | **1,021.16** | 1,027.15 |
| Packing materials (including materials-in-transit) | **146.13** | 139.93 |
| Add: Purchases | | |
| Raw materials | **3,689.36** | 4,825.51 |
| Packing materials | **807.41** | 825.05 |
| Less: Closing stock | | |
| Raw materials (including materials-in-transit) | **903.78** | 1,021.16 |
| Packing materials (including materials-in-transit) | **159.32** | 146.13 |
| **Total** | **4,600.96** | 5,650.35 |
| **Note 28 - Purchase of stock-in-trade** | | |
| Stock-in-trade | **1.51** | 1.42 |
| **Total** | **1.51** | 1.42 |
| **Note 29 - Changes in inventories of finished goods and stock-in-trade** | | |
| Opening stock: | | |
| Finished goods (including materials-in-transit) | **490.45** | 448.23 |
| Stock-in-trade | **3.24** | 3.48 |
| Closing stock: | | |
| Finished goods (including materials-in-transit) | **392.92** | 490.45 |
| Stock-in-trade | **1.93** | 3.24 |
| **Increase/ (Decrease) in finished goods and stock-in-trade** | **98.84** | (41.98) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Note 30 - Employee benefit expense** | | |
| Salaries, wages and bonus | **569.86** | 539.44 |
| Contribution to provident and other funds (Refer Note 45) | **53.47** | 57.42 |
| Staff welfare expenses | **21.23** | 17.99 |
| **Total** | **644.56** | 614.85 |
| **Note 31 - Finance costs** | | |
| Interest on bank borrowings | **21.19** | 23.02 |
| Interest on lease liability (Refer Note 35) | **7.57** | 8.78 |
| **Total** | **28.76** | 31.80 |
| **Note 32 - Other expenses** | | |
| Consumption of stores and spares | **55.63** | 53.70 |
| Power and fuel | **125.49** | 119.78 |
| Processing charges | **206.81** | 190.09 |
| Rent | **154.81** | 187.11 |
| Rates and taxes | **23.66** | 12.68 |
| Repairs and maintenance: | | |
| - Machinery | **4.44** | 3.09 |
| - Others | **23.22** | 25.65 |
| Insurance | **26.89** | 27.77 |
| Printing and stationery | **4.18** | 3.61 |
| Software expenses | **45.48** | 31.58 |
| Communication expenses | **8.24** | 13.06 |
| Travelling expenses | **103.83** | 88.97 |
| Auditors' remuneration (Refer Note 38) | **6.27** | 5.95 |
| Outward freight | **440.31** | 415.00 |
| Brokerage/ commission | **33.77** | 40.17 |
| Distribution expenses | **112.92** | 90.84 |
| Legal and professional charges | **39.64** | 42.62 |
| Advertisement and sales promotion | **255.05** | 242.88 |
| Royalty | **83.97** | 81.12 |
| Bad debts written off | **7.66** | - |
| Less: Provision reversed | **(7.66)** | - |
| Provision for doubtful debts (net) | **1.94** | (0.12) |
| Loss on sale/ retirement of property, plant and equipment (net) | **1.34** | 5.49 |
| Loss / (Gain) on foreign currency transactions (net) | **0.74** | (0.35) |
| Bank charges | **0.58** | 0.58 |
| Miscellaneous expenses (See Note below) | **149.82** | 138.67 |
| **Total** | **1,909.03** | 1,819.94 |

Note: Refer Note 42 for details on Corporate Social Responsibility.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 33 - Income-tax

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **(a) Amounts recognised in the statement of profit and loss** | | |
| Tax expense for the year | | |
| Current Tax | **17.80** | 27.85 |
| Tax charge/ (reversal) in respect of earlier years | **-** | (1.09) |
| | **17.80** | 26.76 |
| Deferred tax charge | **21.17** | 26.24 |
| **Total** | **38.97** | 53.00 |
| **(b) Amounts recognised in other comprehensive income** | | |
| Tax effect on remeasurement of defined benefit plans | **(0.38)** | (7.95) |
| **Total** | **(0.38)** | (7.95) |
| **(c) The income tax expense for the year can be reconciled to the accounting profit as follows:** | | |
| **Profit before tax** | **143.07** | 203.76 |
| Tax using the Group's domestic tax rate | **36.54** | 50.72 |
| **Tax effect of:** | | |
| Income-tax in respect of earlier years | **-** | 0.13 |
| Effect of available benefits | **(1.15)** | (0.52) |
| MAT credit entitlement | - | (0.08) |
| Tax effects of amounts which are not deductible in determining taxable profit | **3.58** | 2.75 |
| **Total** | **38.97** | 53.00 |

**(d) Deferred tax liabilities (net)**

| The following is the analysis of deferred tax assets/(liabilities) presented in the Balance Sheet | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Deferred tax assets | **24.86** | 27.23 |
| Deferred tax liabilities | **(172.40)** | (153.98) |
| **Total** | **(147.54)** | (126.75) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

**2023-24**

| Deferred tax (liabilities) / assets in relation to : | Opening balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| On provision for doubtful debts and advances | 21.52 | (1.44) | - | 20.08 |
| On expenditure allowed on payment basis | 16.89 | 3.79 | 0.38 | 21.06 |
| Property, plant and equipment | (192.42) | (22.27) | - | (214.69) |
| MAT credit entitlement | 3.82 | - | - | 3.82 |
| Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd. | 15.34 | (2.39) | - | 12.95 |
| Unabsorbed loss of Sundrop Foods Lanka (Private) Limited | 5.03 | - | - | 5.03 |
| Others | 3.07 | 1.14 | - | 4.21 |
| **Total** | **(126.75)** | **(21.17)** | **0.38** | **(147.54)** |

**2022-23**

| Deferred tax (liabilities) / assets in relation to : | Opening balance | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income | Closing balance |
|---|---|---|---|---|
| On provision for doubtful debts and advances | 21.55 | (0.03) | - | 21.52 |
| On expenditure allowed on payment basis | 18.58 | (9.64) | 7.95 | 16.89 |
| Property, plant and equipment | (173.46) | (18.96) | - | (192.42) |
| MAT credit entitlement | 3.74 | 0.08 | - | 3.82 |
| Unabsorbed loss of Agro Tech Foods (Bangladesh) Pvt. Ltd. | 14.47 | 0.87 | - | 15.34 |
| Unabsorbed loss of Sundrop Foods Lanka (Private) Limited | 5.03 | - | - | 5.03 |
| Others | 1.63 | 1.44 | - | 3.07 |
| Total | (108.46) | (26.24) | 7.95 | (126.75) |

### Note 34 - Contingent liabilities and commitments:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | **142.49** | 141.56 |
| (ii) Contingent liabilities (to the extent not provided for): | | |
| **Contingent liabilities:** | | |
| Claims against the Group not acknowledged as debts in respect of : | | |
| - Indirect tax and direct tax matters, under dispute | **161.34** | 148.33 |
| - Other matters, under dispute | **3.71** | 0.50 |

**Note:**

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 Groups'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)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 35 - Leases

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(i) The following is the breakup of current and non current lease liabilities** | | |
| Current lease liabilities | **20.60** | 15.31 |
| Non- current lease liabilities | **64.42** | 85.02 |
| **Total** | **85.02** | 100.33 |
| **(ii) The following is the movement of lease liabilities during the year** | | |
| Balance at the beginning | **100.33** | 114.42 |
| Finance cost accrued during the year | **7.57** | 8.78 |
| Payment of lease liabilities (including finance cost) | **(22.88)** | (22.87) |
| **Balance at the end** | **85.02** | 100.33 |
| **(iii) Maturity analysis of lease liabilities as at March 31, 2024** | | |
| Less than one year | **20.60** | 15.31 |
| One to five years | **64.42** | 85.02 |
| **Total** | **85.02** | 100.33 |

### Note 36 - Intangible assets - Trademarks

Trademarks represent the purchase consideration paid for brand "Sundrop". Sundrop brand has been assessed to have an indefinite useful life and therefore measured at cost and 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 March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Pre tax discount rate | **21.30%** | 24.20% |
| Terminal growth rate | **4.00%** | 4.00% |

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 37 - Exceptional items

During the year, the Parent Company received income tax refund orders relating to earlier years which includes interest income of ₹ 26.81, such interest income has been disclosed as exceptional item in the Consolidated financial statements for the year ended March 31, 2024.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 38 - Auditor's remuneration (excluding GST):

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Statutory audit fee# | **3.28** | 3.30 |
| Tax audit fee# | **0.35** | 0.35 |
| Limited review fee | **1.05** | 1.05 |
| Fees for certifications | **0.67** | 0.67 |
| Others | **0.40** | 0.40 |
| Reimbursement of expenses | **0.52** | 0.18 |
| **Total** | **6.27** | 5.95 |

# Includes statutory audit fees and tax audit fees of ₹ 0.52 and ₹ 0.13 respectively, (March 31, 2023: ₹ 0.57 and ₹ 0.13), paid to statutory auditors of the subsidiary companies.

### Note 39 - Earnings per equity share ("EPS")

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| (a) (i) Net profit attributable to the equity shareholders (₹ in Million) | **104.10** | 150.76 |
| (ii) Weighted average number of equity shares outstanding during the year (No's) | | |
| Basic outstanding shares | **24,369,264** | 24,369,264 |
| Less: Weighted average number of treasury shares | **130,577** | 409,424 |
| (b) Weighted average number of shares used for computing basic EPS (No's) | **24,238,687** | 23,959,840 |
| Add: Dilutive effect of stock options | **-** | 44,695 |
| (c) Weighted average number of shares used for computing diluted EPS (No's) | **24,238,687** | 24,004,535 |
| (d) Basic earnings per share (₹) (a/b) | **4.29** | 6.29 |
| (e) Diluted earnings per share (₹) (a/c) | **4.29** | 6.28 |

### Note 40 - Segmental information

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

### Information about major customers

Revenue from specific customers exceeding 10% of total revenue

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| One customer | | |
| Revenue from top customer | **1,263.90** | 1,490.98 |
| Percentage of total revenue | **16.67%** | 17.58% |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 41 - Related parties

| Relationships | Name of related parties |
|---|---|
| 1. Ultimate Holding Company | Conagra Brands Inc. |
| 2. Holding Company | CAG Tech (Mauritius) Limited |
| 3. Fellow Subsidiary Company | Conagra Foods RDM, Inc. |
| 4. Key Management Personnel (KMP) | |
| (i) Managing Director & Chief Executive Officer | Mr. Sachin Gopal |
| (ii) Chief Financial Officer | Mr. K P N Srinivas |
| (iii) Company Secretary | Ms. Jyoti Chawla |
| (iv) Independent Directors | Lt.Gen. D.B. Singh |
| | Mr. Sanjaya Kulkarni |
| | Mr. Arun Bewoor |
| | Mr. Narendra Ambwani |
| | Ms. Veena Vishindas Gidwani |
| 5. Post-employment benefit trusts | Agro Tech Foods Management Staff Gratuity Fund |
| | Agro Tech Foods Non-Management Staff Gratuity Fund |
| | Agro Tech Foods Provident Fund |
| | Agro Tech Foods Superannuation Fund |

Note: Related parties have been identified by the Management to the extent of transactions with such related parties.

#### (a) Related party transactions during the year

| Particulars | Relationship | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **Conagra Foods RDM, Inc.** | Fellow Subsidiary Company | | |
| Royalty* | | **83.97** | 81.12 |
| **Conagra Brands Inc.** | Ultimate Holding Company | | |
| Recovery of expenses | | **0.10** | - |
| **CAG Tech (Mauritius) Limited** | Holding Company | | |
| Dividend paid | | **37.85** | 37.85 |
| **Key Managerial Personnel** | Key Management Personnel | | |
| Short-term employee benefits** | | **31.08** | 24.82 |
| Post-employment defined benefits** | | **2.06** | 2.02 |
| Sitting fees and commission to independent directors | | **6.89** | 6.43 |
| Dividend paid | | **0.25** | 0.14 |
| **Agro Tech Foods Management Staff Gratuity Fund** | Post-employment benefit trusts | | |
| Contribution during the year | | **8.76** | 39.27 |
| **Agro Tech Foods Provident Fund** | Post-employment benefit trusts | | |
| Contribution during the year | | **38.63** | 38.96 |
| **Agro Tech Foods Superannuation Fund** | Post-employment benefit trusts | | |
| Contribution during the year | | **5.50** | 5.57 |

*Conagra Foods RDM, Inc. has authorised Conagra Brands Inc. to collect the amount of royalty on its behalf.

**Remuneration as given above does not include long-term compensated absences benefit accrued, gratuity benefit accrued and insurance premium since the same are computed for all the employees together and the amounts attributable to the key managerial personnel cannot be ascertained separately. Exercise of stock options aggregating ₹ 21.90 (March 31, 2023: ₹ 56.53) by key managerial personnel has not been included in the remuneration disclosed above.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### (b) Balances receivable from/payable to related parties

| Particulars | Relationship | **As at March 31, 2024** | As at March 31, 2023 |
|---|---|---|---|
| **Receivable from related parties** | | | |
| Agro Tech Foods Provident Fund | Post-employment benefit trusts | **23.94** | - |
| Conagra Brands Inc. | Ultimate Holding Company | **0.10** | - |
| **Payable to related parties** | | | |
| Agro Tech Foods Management Staff Gratuity Fund | Post-employment benefit trusts | **9.42** | 8.76 |
| Agro Tech Foods Provident Fund | Post-employment benefit trusts | **-** | 2.52 |
| Agro Tech Foods Superannuation Fund | Post-employment benefit trusts | **0.43** | 0.43 |
| Conagra Foods RDM, Inc. | Fellow Subsidiary Company | **10.47** | 10.70 |
| Key Managerial Personnel | Key Managerial Personnel | **0.18** | 0.17 |
| Independent Directors | Independent Directors | **2.92** | 3.38 |

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

### Note 42 - Corporate social responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. Accordingly, the gross amount required to be spent during the year is ₹ 6.72 (March 31, 2023: ₹ 8.10). The Parent Company has before the year end, contributed the entire amount of its current year obligation of ₹ 6.72 to the Prime Minister's National Relief Fund, which is a fund prescribed under Schedule VII of the Act.

### Note 43 - Research and development expenses

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

| Particulars | **For the year ended March 31, 2024** | For the year ended March 31, 2023 |
|---|---|---|
| Capital expenditure | **4.13** | 31.03 |
| Revenue expenditure | **19.00** | 19.51 |
| **Total** | **23.13** | 50.54 |

### Note 44 - 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 long term borrowings and short-term working capital demand loan.

### The group monitors capital on the basis of the following gearing ratio

| Particulars | **As at March 31, 2024** | As at March 31, 2023 |
|---|---|---|
| Total Debt (excluding lease liabilities) | **335.00** | 520.00 |
| Total Equity | **5,002.52** | 4,860.77 |
| Debt to equity ratio | **0.07** | 0.11 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Note 45 - Employee Benefits

**a) The employee benefit schemes are as under:**

**i. Provident fund :**

All employees of the Parent Company receive benefits under the Provident Fund which is a defined benefit plan wherein the Parent Company provides the guarantee of a specified return on contribution. The contribution is made both by the employee and the Parent Company equal to 12% of the employees' salary. These contributions are made to the fund administered and managed by the Parent Company's own Trust. (Refer Note 41).

**ii. Superannuation fund:**

The Parent Company has a defined contribution scheme to provide pension to its eligible employees. The Parent Company makes monthly contributions equal to a specified percentage of the covered employees' salary. These contributions are administered by Parent Company's own Trust which has subscribed to "Group Superannuation Policy" of ICICI Prudential Life Insurance Company Limited. The Parent Company's monthly contributions are charged to the Consolidated Statement of Profit and Loss. (Refer Note 41).

**iii. 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 Consolidated Statement of Profit and Loss.

**iv. Gratuity :**

In accordance with the 'The Payment of Gratuity Act, 1972' of India, the Group 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. The gratuity plan is a funded plan administered by Group's own Trust which has subscribed to "Group Gratuity Scheme" of ICICI Prudential Life Insurance Company Limited.

**Risk Management :**

**Investment risk -** The probability or likelihood of occurrence of losses related to the expected return on any particular investment.

**Interest rate risk -** The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk -** The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk -** The present value of the defined benefit plan is calculated with reference to the future salaries of participants under the plan. Increase in salary due to adverse inflationary pressures might lead to higher liabilities."

**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 movement in the defined benefit obligation for Gratuity is as follows:

| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Present value of obligation** | **Fair value of plan assets** | **Net liability/ (asset)** | Present value of obligation | Fair value of plan assets | Net liability/ (asset) |
| **Opening balance (A)** | **117.87** | **106.93** | **10.94** | 78.48 | 72.13 | 6.35 |
| Current service cost | **9.42** | **-** | **9.42** | 14.16 | - | 14.16 |
| Interest cost | **7.20** | **-** | **7.20** | 4.84 | - | 4.84 |
| Expected returns | **-** | **6.81** | **(6.81)** | - | 4.46 | (4.46) |
| **Total amount recognised in the statement of profit and loss (B)** | **16.62** | **6.81** | **9.81** | 19.00 | 4.46 | 14.54 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### Note 45 - Employee Benefits (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | March 31, 2024 | | | March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | **Present value of obligation** | **Fair value of plan assets** | **Net liability/ (asset)** | Present value of obligation | Fair value of plan assets | Net liability/ (asset) |
| *Remeasurements* | | | | | | |
| Loss/ (gain) from change in financial assumptions | **1.97** | **-** | **1.97** | (2.96) | - | (2.96) |
| Experience (gains)/ losses - experience | **4.32** | **-** | **4.32** | 31.74 | - | 31.74 |
| Return on plan assets, greater/ less than discount rate | **-** | **4.75** | **(4.75)** | - | (2.34) | 2.34 |
| **Total amount recognised in other comprehensive income (C)** | **6.29** | **4.75** | **1.54** | 28.78 | (2.34) | 31.12 |
| Contributions (D) | **-** | **9.88** | **(9.88)** | - | 41.07 | (41.07) |
| Benefit paid (E) | **(23.10)** | **(23.10)** | **-** | (8.39) | (8.39) | - |
| **Closing Balance (A+B+C+D+E)** | **117.68** | **105.27** | **12.41** | 117.87 | 106.93 | 10.94 |

### ii) Significant estimates: Actuarial assumptions

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

| Particulars | **March 31, 2024** | March 31, 2023 |
|---|---|---|
| Discount rate | **7.21%** | 7.45% |
| Expected rate of return on plan assets | **7.21%** | 7.45% |
| Salary escalation rate | **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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

**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.

### iii) Details of plan assets

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Fund managed by ICICI Prudential Life Insurance Company Limited* | **100%** | 100% |
| **Total** | **100%** | 100% |

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

### iv) Sensitivity analysis

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

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **A. Discount rate** | | |
| a. Discount rate - 100 basis points | **124.33** | 120.51 |
| b. Discount rate +100 basis points | **107.50** | 105.47 |
| **B. Salary increase rate** | | |
| a. Rate - 100 basis points | **107.25** | 105.22 |
| b. Rate +100 basis points | **124.44** | 120.65 |

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 maybe corelated. 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 units credit method at the end of the reporting period) has been applied when calculating the defined benefit liability regrouped in the Balance Sheet.

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

### v) Maturity profile of defined benefit obligation :

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Year 1 | **27.26** | 31.56 |
| Year 2 | **11.61** | 7.89 |
| Year 3 | **8.24** | 13.94 |
| Year 4 | **13.56** | 7.47 |
| Year 5 | **10.34** | 12.36 |
| Year 6 to 10 | **21.04** | 23.99 |

### c ) Trust-managed Provident fund:

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(i) Net defined benefit obligation** | | |
| Defined benefit obligation | **425.48** | 427.79 |
| Fair value of plan assets | **441.95** | 448.45 |
| **Net Liability/(asset)*** | **(16.47)** | (20.66) |

* The Parent Company has not recognised an asset amounting to ₹ 16.47 (March 31, 2023: ₹ 20.66) as there are no future economic benefits available to the Parent Company in the form of reduction in future contribution or a cash refund.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(ii) Actuarial assumptions** | | |
| Discount rate | **7.21%** | 7.45% |
| Guaranteed rate of returns | **8.25%** | 8.15% |
| Govt of India - Bond yield for the outstanding term of Liabilities | **7.21%** | 7.45% |
| Govt of India - Bond yield for the outstanding term of assets | **7.18%** | 7.35% |
| Salary Increase Rate | **7.00%** | 7.00% |

The plan assets have been primarily invested in Government of India securities and corporate bonds.

The Parent Company's contribution to Provident fund aggregating ₹ 11.09 (March 31, 2023: ₹ 10.81) has been recognised in Statement of Profit and Loss under the head Employee Benefits Expense.

## Note 46 - Financial instruments

The Group's principal financial liabilities comprise borrowings, trade payables and other liabilities. The Group's principal financial assets include loans, investments, trade and other receivables, and cash and cash equivalents that are derived directly from its operations. The Group's activities expose it to a variety of financial risks viz. 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 Group 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 derivatives for speculative purposes may be undertaken. The Board of Directors review and agree 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 March 31, 2024, including their levels in the fair value hierarchy.

| Particulars | Carrying amount | | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | FVTPL | FVOCI | Other financial assets - amortised cost | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | | | |
| Non current financial assets | 7 | - | - | 35.69 | - | 35.69 | - | - | - | - |
| Trade receivables | 10 | - | - | 670.04 | - | 670.04 | - | - | - | - |
| Cash and cash equivalents | 11 | - | - | 129.77 | - | 129.77 | - | - | - | - |
| Bank balances (other than cash and cash equivalents) | 12 | - | - | 11.39 | - | 11.39 | - | - | - | - |
| Other financial assets | 13 | - | - | 31.60 | - | 31.60 | - | - | - | - |
| | | - | - | 878.49 | - | 878.49 | - | - | - | - |
| **Financial liabilities** | | | | | | | | | | |
| Borrowings | 19 | - | - | - | 335.00 | 335.00 | - | - | - | - |
| Trade payables | 20 | - | - | - | 592.65 | 592.65 | - | - | - | - |
| Other financial liabilities | 22 | - | - | - | 98.16 | 98.16 | - | - | - | - |
| Lease liabilities | 17, 21 | - | - | - | 85.02 | 85.02 | - | - | - | - |
| | | - | - | - | 1,110.83 | 1,110.83 | - | - | - | - |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

| Particulars | Carrying amount | | | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Note | FVTPL | FVOCI | Other financial assets - amortised cost | Other financial liabilities | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | | | |
| Non current financial assets | 7 | - | - | 34.23 | - | 34.23 | - | - | - | - |
| Trade receivables | 10 | - | - | 691.87 | - | 691.87 | - | - | - | - |
| Cash and cash equivalents | 11 | - | - | 67.21 | - | 67.21 | - | - | - | - |
| Bank balances (other than cash and cash equivalents) | 12 | - | - | 4.44 | - | 4.44 | - | - | - | - |
| Other financial assets | 13 | - | - | 8.58 | - | 8.58 | - | - | - | - |
| | | - | - | 806.33 | - | 806.33 | - | - | - | - |
| **Financial liabilities** | | | | | | | | | | |
| Borrowings | 19 | - | - | - | 520.00 | 520.00 | - | - | - | - |
| Trade payables | 20 | - | - | - | 534.74 | 534.74 | - | - | - | - |
| Other financial liabilities | 22 | - | - | - | 106.89 | 106.89 | - | - | - | - |
| Lease liabilities | 17, 21 | - | - | - | 100.33 | 100.33 | - | - | - | - |
| | | - | - | - | 1,261.96 | 1,261.96 | - | - | - | - |

### Fair value hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements)

The following levels have been used for classification:

- Level 1: Quoted prices (unadjusted) for identical instruments in active market
- Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs
- Level 3: Inputs which are not based on observable market data.

If one or more of the significant inputs is not based on observable market data, the fair value is determined using generally accepted pricing model based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparty.

The fair value of trade receivables, trade payables and other current financial assets and liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature. Where such items are non-current in nature, the same has been classified as Level 3 and fair value determined using discounted cash flow basis. There has been no change in the valuation methodology for Level 3 inputs during the year. There were no transfers between Level 1 and Level 2 during the year.

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

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.

### 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 of 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 March 31, 2024 and March 31, 2023:

| **Particulars** | **As at March 31, 2024** | | | |
|---|---|---|---|---|
| | **Carrying value** | **Less than 1 year** | **1-2 years** | **2 years and above** |
| **Non-derivative financial liabilities** | | | | |
| Borrowings | **335.00** | **335.00** | **-** | **-** |
| Trade payables | **592.65** | **592.65** | **-** | **-** |
| Other financial liabilities | **98.16** | **98.16** | **-** | **-** |
| Lease liabilities | **85.02** | **20.60** | **22.44** | **41.98** |
| | **1,110.83** | **1,046.41** | **22.44** | **41.98** |

| Particulars | As at March 31, 2023 | | | |
|---|---|---|---|---|
| | Carrying value | Less than 1 year | 1-2 years | 2 years and above |
| Non-derivative financial liabilities | | | | |
| Borrowings | 520.00 | 520.00 | - | - |
| Trade payables | 534.74 | 534.74 | - | - |
| Other financial liabilities | 106.89 | 106.89 | - | - |
| Lease liabilities | 100.33 | 15.31 | 20.60 | 64.42 |
| | 1,261.96 | 1,176.94 | 20.60 | 64.42 |

### 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.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Since the Group has insignificant interest bearing borrowings, the exposure to risk of changes in market interest rates is minimal. The Group has not used any interest rate derivatives.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

### Currency risk

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

### Exposure to currency risk

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Foreign Currency (USD)** | **Amount in ₹ millions** | Foreign Currency (USD) | Amount in ₹ millions |
| The following is the nominal value of outstanding derivative contracts entered into by the Group for hedging currency: | | | | |
| Forward foreign exchange contract -Trade payables | **344,360** | **28.71** | 95,330 | 7.83 |

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

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | **Foreign Currency (USD)** | **Amount in ₹ millions** | Foreign Currency (USD) | Amount in ₹ millions |
| Payables for purchase of property, plant and equipment | **15,413** | **1.28** | 27,027 | 2.22 |
| Trade receivables | **40,012** | **3.34** | 46,479 | 3.82 |

### Sensitivity Analysis:

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

| Particulars | Impact on profit for the year ended | |
|---|---|---|
| | **March 31, 2024** | March 31, 2023 |
| Foreign exchange rate - Increases by 5% | **0.10** | 0.08 |
| Foreign exchange rate - Decreases by 5% | **(0.10)** | (0.08) |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

### Note 47 - Additional information as required by paragraph 2 of general instructions for the preparation of consolidated financial statements to Schedule III to the Companies Act, 2013:

(All amounts are in ₹ millions, except share data and where otherwise stated)

| Name of the Entity | As at March 31, 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets | | Share in profit or (loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | 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 | **99.78%** | **4,991.76** | **92.62%** | **96.42** | **91.94%** | **(1.94)** | **92.64%** | **94.48** |
| **Indian Subsidiary** | | | | | | | | |
| Sundrop Foods India Private Limited | **1.87%** | **93.32** | **7.21%** | **7.51** | **(36.97%)** | **0.78** | **8.13%** | **8.29** |
| **Foreign Subsidiaries** | | | | | | | | |
| Agro Tech Foods (Bangladesh) Pvt. Ltd. | **2.85%** | **142.81** | **0.02%** | **0.02** | **-** | **-** | **0.02%** | **0.02** |
| Sundrop Foods Lanka (Private) Limited | **0.11%** | **5.33** | **(0.03%)** | **(0.03)** | **-** | **-** | **(0.03%)** | **(0.03)** |
| Adjustments arising out of consolidation | **(4.61%)** | **(230.70)** | **0.18%** | **0.18** | **45.03%** | **(0.95)** | **(0.76%)** | **(0.77)** |
| Total | **100.00%** | **5,002.52** | **100.00%** | **104.10** | **100.00%** | **(2.11)** | **100.00%** | **101.99** |

| Name of the Entity | As at March 31, 2023 | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Net Assets | | Share in profit or (loss) | | Share in Other Comprehensive Income | | Share in Total Comprehensive Income | |
| | 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% | 4,857.52 | 99.36% | 149.80 | 58.24% | (24.24) | 115.04% | 125.56 |
| Indian Subsidiary | | | | | | | | |
| Sundrop Foods India Private Limited | 1.75% | 85.03 | 5.25% | 7.91 | (2.57%) | 1.07 | 8.23% | 8.98 |
| Foreign Subsidiaries | | | | | | | | |
| Agro Tech Foods (Bangladesh) Pvt. Ltd. | 2.96% | 143.77 | (4.54%) | (6.85) | - | - | (6.28%) | (6.85) |
| Sundrop Foods Lanka (Private) Limited | 0.11% | 5.33 | (0.08%) | (0.12) | - | - | (0.11%) | (0.12) |
| Adjustments arising out of consolidation | (4.75%) | (230.88) | 0.01% | 0.02 | 44.33% | (18.45) | (16.88%) | (18.43) |
| Total | 100.00% | 4,860.77 | 100.00% | 150.76 | 100.00% | (41.62) | 100.00% | 109.14 |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

(All amounts are in ₹ millions, except share data and where otherwise stated)

**Note 48 -** During the year ended March 31, 2024 and March 31, 2023 no material foreseeable loss was incurred for any long-term contract including derivative contracts.

**Note 49 -** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has been enacted. However, the date on which the Code will come into effect has not been notified. The Management will assess the impact of the Code and will give appropriate impact in the consolidated financial statements in the period in which, the Code becomes effective.

**Note 50 -** Agro Tech Foods Limited (Company/Parent Company) informed the stock exchanges about the receipt of a copy of the Public announcement dated February 29, 2024 in relation to an open offer from Centrum Capital Limited on behalf of Zest Holding Investments Limited ("Acquirer"), made pursuant to and in compliance with the requirements of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto. According to the said Announcement, pursuant to the Share Subscription Agreement ("the Agreement") dated February 29, 2024 entered into between the Acquirer, CAG-Tech (Mauritius) Limited (Holding Company of Agro Tech Foods Limited) ("Promoter Company") and ConAgra Europe B.V. (the sole existing shareholder of Promoter Company), the Acquirer will obtain 100% of the shareholding and control of the Promoter Company subject to the receipt of the approval from Competition Commission of India (CCI) and other terms and conditions set out in the Agreement. Pursuant to the completion of the Underlying Transaction in accordance with the provisions of the Agreement:

(a) the Acquirer shall hold 100 % of the equity shares and control of the Promoter Company. The Promoter Company, in turn, will continue to hold 12,616,619 equity shares in the Parent Company representing 51.77% of the Voting Share Capital of the Parent Company, and will continue to be disclosed as part of the promoter group of the Parent Company.

(b) transaction will result in a deemed direct acquisition (being an indirect acquisition meeting the thresholds as per the SEBI Regulations). "Further, the "Draft Letter of Offer" in relation to the proposed Open Offer to the Eligible Public Shareholders of the Company to acquire 6,336,009 equity shares of Rs.10/- each constituting 26 % of the voting share capital by the Acquirer was filed on March 13, 2024 with Securities and Exchange Board of India in terms of SEBI (SAST) Regulations, 2011.

As on the date of approval of these consolidation financial statements by the Board, the aforesaid underlying transaction and the open offer are awaiting regulatory / statutory approvals.

**Note 51-** As per the proviso to Rule 3(1) of Companies (Accounts) Rules, 2014, for the financial year commencing on or after the 1st day of April 2023, every company which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. In respect of consolidated financial statements, requirement of maintaining an audit trail in the accounting software is not applicable in respect to the components incorporated outside India or not a company incorporated under the Companies Act, 2013.

(a) In respect of Parent Company, it uses Oracle E-Business as its primary accounting software for recording all the accounting transactions viz., sales, purchases, production/costing, fixed assets, other expenses, cash and bank transactions, journal entries and all other general ledger accounting transactions for the year ended March 31, 2024. Oracle E-Business has a feature of recording audit trail (edit log) facility which log was enabled from July 25, 2023 onwards. This log was enabled from the aforesaid date for all relevant transactions recorded in this accounting software at the application/transaction level, however, the edit logs were not enabled at database level throughout the year.

In respect of accounting software used by the Parent Company i.e. 'Oracle CRM Seibel' used for processing certain customer related transactions (i.e. sale orders, credit notes/claims from distributors) the audit trail feature of such software was not enabled throughout the year.

(All amounts are in ₹ millions, except share data and where otherwise stated)

Further, the accounting software 'Adrenaline' used for maintaining payroll masters did not have a feature of recording audit trail.

(b) In respect of one subsidiary which is incorporated in India, it uses Oracle E-Business as its primary accounting software for recording all the accounting transactions for the year ended March 31, 2024. Oracle E-Business has a feature of recording audit trail (edit log) facility which log was enabled from July 25, 2023 onwards. This log was enabled from the aforesaid date for all relevant transactions recorded in the accounting software at the transaction level, however, the edit logs were not enabled at database level throughout the year.

The Management has adequate general information technology controls including access controls, change management controls, and manual controls which are operating, to prevent inappropriate/unauthorized changes to the accounting softwares. The Management will work towards enabling edit logs in the aforesaid softwares in the near future.

**Note 52 -** The consolidated financial statements are approved for issue by the Audit Committee and Board of Directors at their meetings held on April 24, 2024.

**For and on behalf of the Board of Directors**

**Sachin Gopal**
Managing Director & CEO
DIN 07439079

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

**K P N Srinivas**
Chief Financial Officer

**Jyoti Chawla**
Company Secretary

Place : Gurugram
Date : April 24, 2024