

Agro Tech Foods Limited

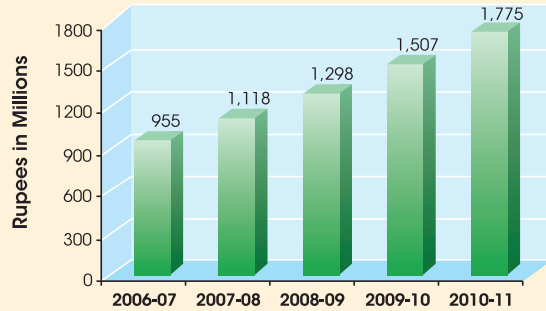
Annual Report 2011



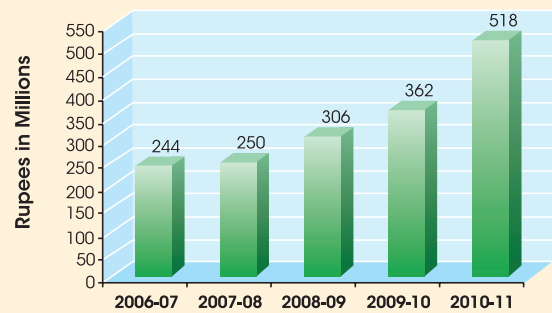
Making the food India loves.

Performance Highlights

Net Worth CAGR - 17%

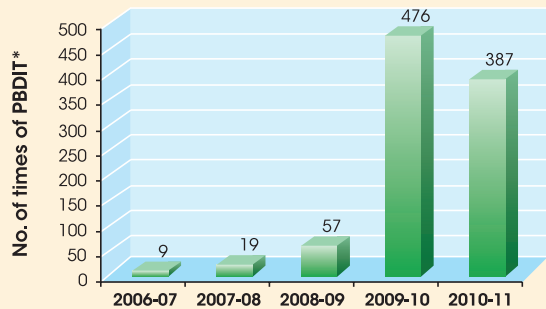


PBDIT* CAGR - 21%



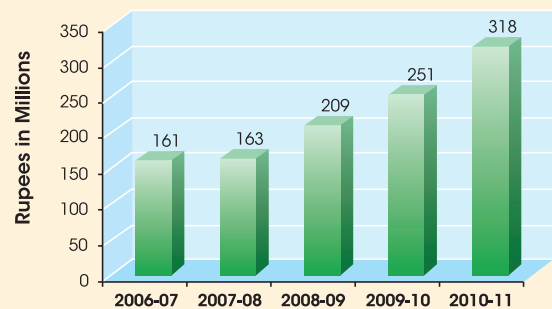
* After exceptional items

Debt Service Coverage Ratio*



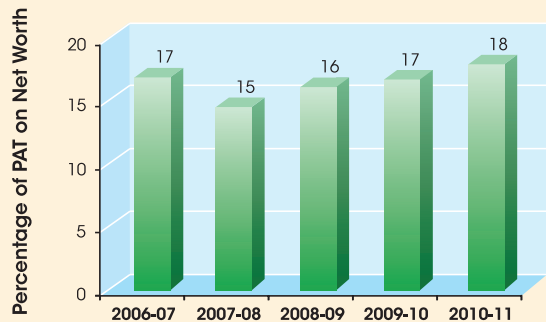
* After exceptional items

Profit After Tax*



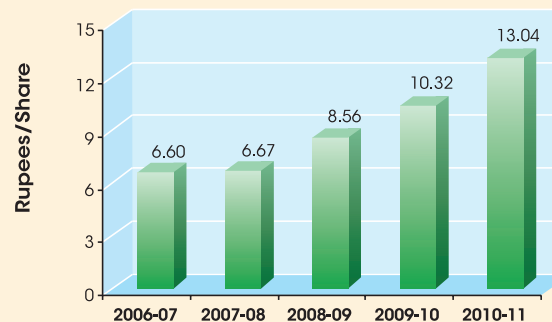
* After exceptional items

Return on Investment*



* After exceptional items

Earnings per share*



* After exceptional items

Board of Directors

Directors

| | |
|-------------------------|---------------------|
| David Alan Palfenier | Chairman |
| Patrick Douglas Linehan | |
| Michael D Walter | |
| Lt Gen D B Singh | |
| Sanjaya Kulkarni | |
| Nihal Kaviratne, CBE * | |
| Arun Bewoor | |
| Narendra Ambwani | |
| Pradip Ghosh Chaudhuri | Whole-time Director |

Leadership Team

| | |
|------------------------|--|
| Sachin Gopal | President & CEO |
| Asheesh Sharma | Head of Marketing |
| Dharmesh K Srivastava | General Manager – Supply Chain & Procurement |
| Hemant Kumar Ruia | CFO, Head of Information Systems & Legal |
| N Narasimha Rao | Vice President – Human Resources |
| Pradip Ghosh Chaudhuri | General Manager – Manufacturing |
| R Gopalakrishnan | Head of Sales |
| Satish Kumar Singh | Head of Research, Quality & Innovation |

Company Secretary

Phani K Mangipudi

Auditors

B S R and Co.
Chartered Accountants
Hyderabad

Registered Office

31, Sarojini Devi Road
Secunderabad – 500 003
Andhra Pradesh
India
Website: www.atfoods.com

Registrars & Share Transfer Agents

Sathguru Management Consultants Private Limited
Plot No. 15, Hindinagar
Behind Shirdi Sai Baba Temple
Punjagutta
Hyderabad – 500 034

* Resigned as Director with effect from 21st October, 2010.

NOTICE TO MEMBERS

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Members of Agro Tech Foods Limited will be held on Wednesday the 27th July, 2011 at 10.00 A.M. at Residency Hall, Hotel Green Park, Greenlands, Hyderabad – 500 016, Andhra Pradesh to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2011 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare a dividend for the Financial Year ended 31st March, 2011.
3. To appoint a Director in place of Mr. Michael D Walter, who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and to fix their remuneration. M/s. BSR and Co., Chartered Accountants (ICAI Registration No. 128510W), the retiring Auditors are eligible for reappointment.

SPECIAL BUSINESS

5. To appoint Mr. Arun Bewoor, a Director of the Company, who has been appointed in the casual vacancy arising out of the death of Mr. Satish Lal Tandon who vacates office at this Meeting and to consider and, if thought fit, to pass, with or without modification, the following Ordinary Resolution of which the prescribed Notice under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- has been received by the Company. Mr. Arun Bewoor has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed:

"RESOLVED that Mr. Arun Bewoor be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

6. To appoint Mr. David Alan Palfenier, an Additional Director of the Company, who vacates office at this Meeting and to consider and, if thought fit, to pass, with or without modification, the following Ordinary Resolution of which the prescribed Notice under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- has

been received by the Company. Mr. David Alan Palfenier has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed:

"RESOLVED that Mr. David Alan Palfenier be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

7. To appoint Mr. Patrick Douglas Linehan, an Additional Director of the Company, who vacates office at this Meeting and to consider and, if thought fit, to pass, with or without modification, the following Ordinary Resolution of which the prescribed Notice under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- has been received by the Company. Mr. Patrick Douglas Linehan has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed:

"RESOLVED that Mr. Patrick Douglas Linehan be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

8. To appoint Mr. Narendra Ambwani, an Additional Director of the Company, who vacates office at this Meeting and to consider and, if thought fit, to pass, with or without modification, the following Ordinary Resolution of which the prescribed Notice under Section 257 of the Companies Act, 1956 along with a deposit of ₹ 500/- has been received by the Company. Mr. Narendra Ambwani has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed:

"RESOLVED that Mr. Narendra Ambwani be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

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

"RESOLVED that pursuant to the provisions of Sections 198, 269, 309, 310, 314 read with Schedule

Agro Tech Foods Limited

XIII thereto and other applicable provisions, if any of the Companies Act, 1956 or any amendment or modification or re-enactment thereof, and subject to such approval or consents including the Central Government as may be necessary or required, the reappointment of Dr. Pradip Ghosh Chaudhuri as a Whole-time Director of the Company, with effect from 28th July, 2011 till 30th July, 2012 or the date of the next Annual General Meeting, whichever is earlier, (both days inclusive) on such remuneration including salary and perquisites as have been set out in the Explanatory Statement attached to the Notice convening this Annual General Meeting, a copy whereof initialed by the Chairman for the purposes of identification is placed before this Meeting, including a variation of such terms in salary and perquisites as approved by the Board on the recommendation of the Remuneration and Nominations Committee and agreed to by Dr. Pradip Ghosh Chaudhuri, be and the same is hereby approved."

Date: 29th April, 2011

Registered Office:
31, Sarojini Devi Road
Secunderabad – 500 003
Andhra Pradesh
India

NOTES:

1. In accordance with the Provisions of Section 173 of the Companies Act, 1956 and the Listing Agreements an Explanatory Statement in respect of item Nos. 5, 6, 7, 8 and 9 being items of Special Business is annexed.
2. A Member entitled to attend and vote on a poll is entitled to appoint a Proxy to attend and vote instead of himself and the Proxy need not be a Member. Proxies in order to be effective must be received by the Company not less than forty eight hours before the Annual General Meeting.
3. Members are requested to bring their copies of the Reports and Accounts to the Meeting.
4. Members are requested to notify any change in their address immediately to the Company's Registrars and Share Transfer Agents, Sathguru Management Consultants Private Limited, Plot No. 15, Hindinagar, Behind Shiridi Sai Baba Temple, Punjagutta, Hyderabad - 500 034.
5. As part of a Green Initiative by the Ministry of Corporate Affairs, the Members who wish to receive the notice / documents through e-mail, may kindly intimate their e-mail addresses to the Company's Registrar and Share Transfer Agent, Sathguru Management Consultants Private Limited at sta@sathguru.com.

BOOK CLOSURE

The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 19th July, 2011 to Wednesday, 27th July, 2011 (both days inclusive). Share transfers received in order by 6.00 p.m. on 18th July, 2011, will be in time to be passed for payment of dividend, if declared, to the transferees or to their mandatees and the dividend, if declared, will be paid on or after 24th August, 2011, to those Members entitled thereto and whose names shall appear on the Register of Members of the Company on 27th July, 2011, or to their mandatees, subject however to the provisions of Section 206A of the Companies Act, 1956, or any amendment or modification thereof. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as on 18th July, 2011, as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

By Order of the Board
For **Agro Tech Foods Limited**

Phani K Mangipudi
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956 AND THE LISTING AGREEMENT

Item No.5

Mr. Arun Bewoor was appointed as a Director of the Company in terms of Section 262 of the Companies Act, 1956 with effect from 21st October, 2009 in the casual vacancy caused by the sudden demise of Mr. Satish Lal Tandon pursuant to Article 129 of the Articles of Association of the Company and he holds office up to the date of this Annual General Meeting till which, Mr. Satish Lal Tandon, in whose vacancy he is appointed would have held office. Notice under Section 257 of the Companies Act, 1956 along with the requisite deposit of ₹ 500/- has been received from a Member proposing the appointment of Mr. Arun Bewoor as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Mr. Arun Bewoor has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed.

Interest of Directors:

Mr. Arun Bewoor may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director of your Company is interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 6

Mr. David Alan Palfenier was appointed as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 on 28th July, 2010 and he holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 along with the requisite deposit of ₹ 500/- has been received from a Member proposing the appointment of Mr. David Alan Palfenier as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Mr. David Alan Palfenier has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed.

Interest of Directors:

Mr. David Alan Palfenier may be deemed to be interested in the above Resolution in so far as the

same relates to him. No other Director of your Company is interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 7

Mr. Patrick Douglas Linehan was appointed as an Additional Director of the Company in terms of Section 260 of the Companies Act, 1956 on 28th July, 2010 and he holds office upto the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 along with the requisite deposit of ₹ 500/- has been received from a Member proposing the appointment of Mr. Patrick Douglas Linehan as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Mr. Patrick Douglas Linehan has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed.

Interest of Directors:

Mr. Patrick Douglas Linehan may be deemed to be interested in the above Resolution in so far as the same relates to him. No other Director of your Company is interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No. 8

Mr. Narendra Ambwani was appointed as an Additional Director of the Company through circulation in terms of Section 260 and 289 of the Companies Act, 1956 respectively on 6th April, 2011 and he holds office up to the date of this Annual General Meeting. Notice under Section 257 of the Companies Act, 1956 along with the requisite deposit of ₹ 500/- has been received from a Member proposing the appointment of Mr. Narendra Ambwani as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation. Mr. Narendra Ambwani has filed his consent pursuant to the provisions of Section 264(1) of the Companies Act, 1956 to act as Director, if appointed.

Interest of Directors:

Mr. Narendra Ambwani may be deemed to be interested in the above Resolution in so far as the

same relates to him. No other Director of your Company is interested in this Resolution.

Your Directors recommend the Resolution for your approval.

Item No.9

The Board of Directors on the recommendation of the Remuneration & Nominations Committee recommended for approval of the Members, the reappointment of Dr. Pradip Ghosh Chaudhuri as Whole-time Director of the Company with effect from 28th July, 2011 till 30th July, 2012 or till the date of the next Annual General Meeting, whichever is earlier on the following remuneration:

i) Salary:

₹ 1,36,335/- per month with annual increments (which in accordance with the Rules of the Company is 1st July every year) up to a maximum of 25% with liberty to the Board of Directors to sanction any further increase over and above the mentioned percentage as it may in its absolute discretion determine.

ii) Perquisites:

In addition to the aforesaid Salary, Dr. Pradip Ghosh Chaudhuri shall be entitled to perquisites like gas, electricity, water, furnishings, medical reimbursement and leave travel concession for self and family, club fees, personal accident insurance, ESOP, performance linked incentive by whatever name called, etc. in accordance with the Rules of the Company, the monetary value of such perquisites being limited to ₹ 30/- Lakhs per annum, for the purposes of which limit perquisites shall be evaluated as per Income Tax Rules, wherever applicable, and in absence of any such Rule, perquisites shall be evaluated at actual cost. However, the following shall not be included in the aforesaid perquisite limit:

- a. Rent free furnished accommodation owned/leased/rented by the Company or Housing Allowance in lieu thereof, as per the Rules of the Company.
- b. Contribution to Provident Fund and Superannuation Fund upto 27% of salary and contribution to Gratuity Fund upto 5% of salary as defined in the Rules of the respective Funds, or upto such other limit as may be prescribed under the Income Tax Act, 1961 and the Rules there under for this purpose.

- c. Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- d. Use of Company car for official purposes and telephone at residence (including payment for local calls and long distance official calls).
- e. Encashment of unavailed leave as per the Rules of the Company at the time of retirement/cessation of service.
- f. Long service award as per the Rules of the Company.
- g. Costs and expenses incurred by the Company in connection with joining/transfer from one location to another as per the Rules of the Company.

iii) Minimum Remuneration:

In the event of loss or inadequacy of profits in any year during the period of his reappointment, Dr. Pradip Ghosh Chaudhuri will be paid remuneration including perquisites as per Schedule XIII of the Companies Act, 1956 or such other limit as may be prescribed under the Companies Act from time to time.

Dr. Pradip Ghosh Chaudhuri will not be entitled to any sitting fee for attending Meetings of the Board or of any Committee thereof.

The aforesaid reappointment and remuneration payable to Dr. Pradip Ghosh Chaudhuri may be further varied, altered or modified as may be agreed to by the Board of Directors and Dr. Pradip Ghosh Chaudhuri, in the light of any amendment/modification of the Companies Act or any re-enactment thereof within the limit prescribed under Schedule XIII of the Companies Act, 1956.

Dr. Pradip Ghosh Chaudhuri is the General Manager – Manufacturing of your Company. He is M.Tech, Ph.D with more than 36 years experience in Industry. He joined the Company in 1996. Before joining AgroTech Foods Limited he has worked in various capacities in manufacturing and research in leading Indian oil industries engaged in inland and export business.

Dr. Pradip Ghosh Chaudhuri has done his M. Tech in Chemical Engineering & Chemical Technology from Applied Chemistry Department, Calcutta University and completed his Doctoral from same Institute under Prof. D. K. Bhattacharjee. He published

Agro Tech Foods Limited

research papers in National & International Journals. He has 36 years of Research & Industrial experience in Oils & fats and Allied fields and worked in past with Swastik Industries, Gem Refineries and K. N. Oil Industries in various parts of India who are pioneers in processing /export of edible Ricebran oil and exotic confectionary fat of Indian origin. His contributions to the Company have been made invaluable. In recognition of his accomplishments, the Board of Directors has reappointed him as Whole-time Director subject to approval of the Shareholders. Your Directors consider that it would be appropriate and desirable to reappoint him as his experience will be beneficial to the Company. The Board has no hesitation in commending his reappointment. Dr. Pradip Ghosh Chaudhuri continues to hold office as General Manager - Manufacturing. As appointment and remuneration are subject to compliance with

the requirement of Section 314 and other applicable provisions of the Companies Act, 1956 your Directors commend passing of the Special Resolution set out in the Notice of the Meeting.

Interest of Directors

Excepting Dr. Pradip Ghosh Chaudhuri, who is interested in his reappointment and the remuneration/minimum remuneration payable to him, no other Director of your Company is concerned or interested in the said Resolution.

This may be treated as his memorandum issued pursuant to the provisions of Section 302 of the Companies Act, 1956.

Your Directors recommend the Resolution for your approval.

Date: 29th April, 2011

Registered Office:
31, Sarojini Devi Road
Secunderabad – 500 003
Andhra Pradesh
India

By Order of the Board
For **Agro Tech Foods Limited**

Phani K Mangipudi
Company Secretary

ADDITIONAL INFORMATION ON DIRECTORS RECOMMENDED FOR APPOINTMENT OR SEEKING ELECTION AT THE ANNUAL GENERAL MEETING

Following is the bio-graphical data about the Directors seeking re-election or recommended for appointment as a Director:

Michael D Walter

Walter retired in 2006 from ConAgra Foods after serving 18 years in various senior leadership positions. He then founded Mike Walter & Associates, a risk management consulting firm providing strategic guidance in general business and economic trends. He most recently was the past President of the Commodity Markets Council (CMC) a Washington based trade organization comprising of all major commodity exchanges and their users. It represented it's membership on regulatory, global market and risk management issues.

Walter's background spans over 35 years in trading and trade related activities with an emphasis on agriculture working for such notable firms as Central Soya, General Mills and ConAgra Foods. He led large consolidated corporate functions consisting of purchasing, transportation, real estate and government affairs for a \$20+ billion corporation. In addition he directed ConAgra's worldwide commodity positions for all agricultural and non - agricultural commodities.

Walter has extensive domestic and international operating experience including building and managing trading and grain processing businesses in the US, Australia, Canada, South America, UK, Germany and China. He currently serves on three international boards including Agro Tech Foods Limited, as Chairman of European Oat Millers in the UK, and as a Director for Richardson International in Canada. Domestically he currently serves as a Director for Lindsay Manufacturing (LNN). Walter previously served six years as a Director for the Chicago Board of Trade (CBOT).

Walter is a Member of the business advisory boards for both the University of Nebraska at Omaha and Creighton University where he also taught graduate level derivative trading courses. He is involved in both local and international charitable activities.

Walter holds a BS in Business degree from Eastern Illinois University and has completed numerous Harvard Business School Advance Management Programs.

Arun Bewoor

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

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

David Alan Palfenier

David was appointed President of ConAgra Foods' Consumer Foods, Snacks and International Business in April, 2010. In this role, he is responsible for helping position ConAgra Foods' snacks brands to win in the marketplace and achieve sustainable, profitable growth. Brands under his leadership include Orville Redenbacher's popcorn, Slim Jim meat sticks, DAVID sunflower seeds, Swiss Miss hot cocoa and Snack Pack pudding.

David joined ConAgra Foods in October, 2004 as Senior Vice President of Marketing for the Frozen business. Following a seven-month stint as General Manager, he was appointed President of Frozen Business in July, 2005, responsible for a number of popular consumer brands, including Healthy Choice, Banquet, Marie Callender's and Kid Cuisine. In February, 2006 he was appointed President of ConAgra Foods' Consumer Foods Grocery business, and in 2008 he added oversight of the Company's Mexico and Canada businesses.

Before coming to ConAgra Foods, David held various General Manager and marketing positions for Frito-Lay at Pepsi Co, where he spent more than a

decade in positions of increasing responsibility. Prior to that, he held several positions at Chiquita, Procter & Gamble and TJB Mechanical.

David has a Bachelors Degree in Business Administration with an emphasis in marketing from Eastern Washington University.

Patrick Douglas Linehan

Patrick has served ConAgra Foods as Senior Vice President, Corporate Controller since January, 2009. Patrick joined ConAgra Foods in August, 1999 and held various positions of increasing responsibility, including Director, Financial Reporting, Vice President, Assistant Corporate Controller, and most recently as Vice President, Finance from September 2006 until January, 2009. Prior to joining ConAgra Foods, Patrick was with Deloitte LLP (an accounting firm) for approximately 8 years, including two years at the Deloitte National Office as a participant in the firm's management development program.

Narendra Ambwani

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

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

Narendra holds a Bachelors Degree in Electrical Engineering from the Indian Institute of Technology – Kanpur and holds a Post Graduate Diploma in Business Administration from IIM – Ahmedabad.

Pradip Ghosh Chaudhuri

Pradip has done his M. Tech in Chemical Engineering & Chemical Technology from Applied Chemistry Department, Calcutta University and completed his Doctoral from same Institute under Prof. D. K. Bhattacharjee. He published research papers in National & International Journals. He has 36 years of Research & Industrial experience in Oils & fats and Allied fields and worked in past with Swastik Industries, Gem Refineries and K. N. Oil Industries in various parts of India who are pioneers in processing/ export of edible Ricebran oil and exotic confectionary fat of Indian origin. His contributions to the Company have been made invaluable.