

# Agro Tech Foods Limited

## Annual Report 2019-20



Nourishing families, enriching lives.

## **Agro Tech Foods Limited**

### **BOARD OF DIRECTORS & CORPORATE INFORMATION**

#### **Directors**

Jill Ann Rahman\*  
(DIN 07693684) Chairperson

Denise Lynn Hansen  
(DIN 07583110)

Lt Gen D B Singh  
(DIN 00239637)

Sanjaya Kulkarni  
(DIN 00102575)

Arun Bewoor  
(DIN 00024276)

Narendra Ambwani  
(DIN 00236658)

Veena Vishindas Gidwani  
(DIN 06890544)

Sachin Gopal  
(DIN 07439079) Managing Director

#### **Leadership Team**

Asheesh Sharma Vice President - Marketing

Dharmesh K Srivastava Vice President – Supply Chain & Procurement

Gulshan Gandhi Head of Research, Quality & Innovation

KPN Srinivas # Chief Financial Officer

Lalit Vij Head of Procurement & Business Development

N Narasimha Rao Sr. Vice President-Human Resources & Corporate Communication

Rikesh Ramesh Kotwal Head of Sales

Sanjay Srivastava Head of Manufacturing

Arijit Datta @ Chief Financial Officer

#### **Company Secretary**

Jyoti Chawla

#### **Auditors**

M/s. Deloitte Haskins & Sells LLP  
Chartered Accountants  
Hyderabad

#### **Registered Office**

31, Sarojini Devi Road  
Secunderabad - 500 003, Telangana, India  
Website: [www.atfoods.com](http://www.atfoods.com)  
Tel No. 66650240, Fax No. 27800947  
CIN No. L15142TG1986PLC006957

#### **Registrars & Share Transfer Agents**

KFin Technologies Private Limited  
(Formerly Karvy Fintech Private Limited)  
KFintech Selenium Tower B, Plot 31-32, Gachibowli  
Financial District, Nanakramguda, Hyderabad-500032,  
Telangana.

\* Ms. Jill Ann Rahman has resigned as Director and Chairperson w.e.f. 29<sup>th</sup> May, 2020.

# Mr. KPN Srinivas has been appointed as Chief Financial Officer w.e.f. 1<sup>st</sup> August, 2019.

@ Mr. Arijit Datta has resigned as Chief Financial Officer w.e.f. 1<sup>st</sup> August, 2019.

## Agro Tech Foods Limited

### NOTICE TO MEMBERS

Notice is hereby given that the **Thirty Third (33<sup>rd</sup>)** Annual General Meeting of the Members of Agro Tech Foods Limited will be held on Thursday, **20<sup>th</sup> August, 2020 at 4.00 p.m.** (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 31<sup>st</sup> March, 2020, 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 31<sup>st</sup> March, 2020.
3. To appoint a Director in place of Ms. Denise Lynn Hansen (DIN: 07583110) who retires by rotation and, being eligible, offers herself for reappointment.

#### SPECIAL BUSINESS

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

"RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any modification(s) or re-enactment thereof, M/s. Vajralingam & Co., Cost Accountants, the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the Financial year 2020-21, be paid remuneration as set out in the Statement annexed to the Notice convening this Meeting".

#### NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (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 is being held through VC / OAVM. The deemed venue for the Thirty Third 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. 4, 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](mailto:saravana1015@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com)

5. M/s. KFin Technologies Private Limited (KFinTech) will be providing facility for voting through remote e-voting, for participation in the Thirty Third AGM through VC/OAVM and e-voting during the AGM.
6. Members may join the Thirty Third 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 Third AGM. The detailed instructions for participating in the Thirty Third 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 1000 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 August 13, 2020 to August 20, 2020 (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 12<sup>th</sup> August, 2020 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 thereto and whose names shall appear on the Register of Members of the Company as on the close of business hours of August 12, 2020, 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 August 12, 2020, as per details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.

10. Brief profile of the Director 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.
11. 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, except in case of request received for transmission or



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transposition of securities. 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 : <http://www.atfoods.com/investor-relations/other-information.html>.

12. 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.
13. 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 System (ECS) for receiving dividends.
14. 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.
15. 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.
16. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company /Registrar and Share Transfer Agent for registration of such transfer of shares.
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 Section 170 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 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 up to the date of AGM. Members seeking to inspect such documents can send an email to [InvestorRedressal@atfoods.com](mailto: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 August 12, 2020, 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 Sunday, 16<sup>th</sup> August, 2020 and will end at 5.00 P.M. on Wednesday, 19<sup>th</sup> August, 2020.** Members who have cast their vote by remote e-voting prior to the Thirty Third 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 not later than 48 hours 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 Private Limited as the Agency for the purpose of facilitating the electronic voting.
21. In compliance with the above referred MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-20 will also be available on the Company's website [www.atfoods.com](http://www.atfoods.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of Company's Registrar and Transfer Agent, KFinTech at <https://evoting.karvy.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](mailto:InvestorRedressal@atfoods.com) or to KFinTech at [einward.ris@kfinotech.com](mailto:einward.ris@kfinotech.com)
  - b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

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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 timeline. 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.iepf.gov.in](http://www.iepf.gov.in).
24. Unclaimed dividend for the financial year ended 31<sup>st</sup> March, 2013 will be due for transfer to IEPF on 31<sup>st</sup> August, 2020, 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 16<sup>th</sup> August, 2020.
- Details of unclaimed dividend in respect of the financial year ended 31<sup>st</sup> March, 2013 and up to and including the financial year ended 31<sup>st</sup> March, 2019 are available on the Company's website [www.atfoods.com](http://www.atfoods.com) under Investor Relations.
- The unclaimed shares pertaining to the year 2012-13 will also be transferred to IEPF of the Central Government on or before 30<sup>th</sup> September, 2020.
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](http://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 (in case of shares held in physical mode) and depositories (in case 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 email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) by **11:59 p.m. IST on 12<sup>th</sup> August, 2020**. Shareholders are requested to note that in case 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, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com). The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 12<sup>th</sup> August, 2020.
27. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

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

### **Item No. 4**

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 2020-21 at a fee not exceeding ₹1,40,000/- (excluding taxes and out of pocket expenses).

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company. Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditor for the financial year 2020-21.

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 : Gurugram  
Date : 28<sup>th</sup> May, 2020

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

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

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### INSTRUCTIONS FOR REMOTE E-VOTING

**(A.) In case a member receives an e-mail from the Company / Kfintech (for members whose e-mail addresses are registered with the Company / Depository Participant(s)):**

1. Launch internet browser by typing the URL: <https://evoting.karvy.com>
2. Enter the login credentials (User ID and password given in the e-mail). The E-Voting Event Number+Folio No. or DP ID Client ID will be your User ID. However, if you are already registered with Kfintech for e-voting, you can use the existing password for logging in. If required, please visit <https://evoting.karvy.com> or contact toll-free numbers 1800-425-8998 / 1800-345-4001 (from 9:00 a.m. to 6:00 p.m.) for your existing password.
3. After entering these details appropriately, click on "LOGIN".
4. You will reach the 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. The system will prompt you to change your password and update any contact details like mobile, email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
5. You need to login again with the new credentials.
6. On successful login, the system will prompt you to select the EVENT i.e., Agro Tech Foods Limited.
7. On the voting page, enter the number of shares as on the cutoff date under FOR/AGAINST or alternately you may enter partially any number in FOR and partially in AGAINST but the total number in FOR/AGAINST taken together should not exceed the total shareholding. You may also choose the option ABSTAIN.
8. Members holding multiple folios / demat account shall choose the voting process separately for each folio / demat account.
9. Cast your vote by selecting an appropriate option and click on SUBMIT. A confirmation box will be displayed. Click OK to confirm else CANCEL to modify. Once you confirm, 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.
10. Once the vote on the Resolution is cast by the Member, he/she shall not be allowed to change it subsequently.
11. Members of the Company holding shares either in physical form or in dematerialized form, as on 12<sup>th</sup> August, 2020, the cutoff date (Record Date) may cast their vote electronically.
12. The Portal will be open for **voting from 9.00 a.m. on 16<sup>th</sup> August, 2020 and closes at 5.00 p.m. on 19<sup>th</sup> August, 2020.**
13. Members of the Company who have purchased their shares after the dispatch of the notice but before the cutoff date (12<sup>th</sup> August, 2020) may contact Kfintech at Tel No. 1800 345 4001 (toll free) to obtain login id and password or send a request to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)
14. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual

for shareholders available at the download section of <https://evoting.kfintech.com> or contact Kfintech at Tel No. 1800 345 4001 (toll free).

**(B) In case of a member whose e-mail address is not registered / updated with the Company / Kfintech / Depository Participant(s), please follow the following steps to generate your login credentials:**

1. Members holding shares in physical mode, who have not registered / updated their email addresses with the Company, are requested to register / update the same by writing to the Company at [InvestorRedressal@atfoods.com](mailto:InvestorRedressal@atfoods.com) or by writing to Kfintech at [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) with details of folio number and attaching a self-attested copy of PAN card.
2. Members holding shares in dematerialised mode who have not registered their e-mail addresses with their Depository Participant(s) are requested to register / update their email addresses with the Depository Participant(s) with whom they maintain their demat accounts.
3. After due verification, the Company / Kfintech will forward your login credentials to your registered email address.
4. Follow the instructions at Para A (1) to (10) to cast your vote.

### INSTRUCTIONS FOR PARTICIPATING THROUGH VC/ OAVM

1. Members will be able to attend the Thirty Third AGM through VC/OAVM through the video conferencing platform provided by Kfintech. This can be accessed at <https://evoting.kfintech.com> under shareholders login by using the remote e-voting credentials and selecting the EVENT for the Company's Thirty Third AGM. 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 in the Notice of AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging in to the e-voting system.
2. Members will be required to use internet with a good speed to avoid any disturbance during the Meeting. It is recommended to join the Meeting through Google Chrome for better experience.
3. Please note that Members connecting from mobile devices or tablets or through laptops etc. 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.
4. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company from their registered email address, mentioning their name, DP ID and Client ID No./Folio No. and Mobile No. to reach the Company's email address [InvestorRedressal@atfoods.com](mailto:InvestorRedressal@atfoods.com) on or before 14<sup>th</sup> August, 2020. The same will be replied by the Company suitably.
5. Members, who would like to express their views or ask questions during the AGM with regard to the financial statements or any other matter to be placed at the AGM, need to register themselves as a speaker by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The speaker registration will be open during 9.00 a.m. on Monday, 17<sup>th</sup> August 2020 to 5.00 p.m. on Tuesday, 18<sup>th</sup>

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August, 2020. Only those Members who have registered themselves as a speaker will be allowed to ask questions during the AGM, depending upon the availability of time. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. During the AGM, the Chairman shall, after response to the questions raised by the Members in advance, formally propose to the Members participating through VC/OAVM to vote on the Resolutions as set out in the Notice of the Thirty Third AGM and announce the start of the casting of vote through e-voting system. After the Members participating through VC/OAVM, who are eligible and interested to cast votes, have cast the votes, the e-voting will be closed with the formal announcement of closure of the Meeting.
7. Only those Members who will be present in the AGM through the VC facility and have not casted their vote through remote e-voting are eligible to vote through evoting in the AGM.
8. Members who need assistance or help during the AGM,

can contact KFin Technologies Private Limited, KFinTech Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032, Telangana. Phone : +91 40 6716 2222.

### **GENERAL INSTRUCTIONS**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.atfoods.com](http://www.atfoods.com) and on the website of [www.kfintech.com](http://www.kfintech.com) immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.

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

### **Ms. Denise Lynn Hansen**

A CPA from the State of Michigan and MBA in Integrative Management from the Michigan State University, Denise is an accomplished finance leader with extensive international experience managing complexity in challenging business environments. She has expertise in transforming financial business partnering, developing control processes and policies, negotiating complex contracts, establishing foreign subsidiaries and improving financial results. With exceptional interpersonal skills and proven ability to influence and motivate key stakeholders, Denise has been a strategic leader with experience in managing teams at corporate level as well as in seed and mature markets. Over the last 25 years, Denise has worked in some of the world's leading companies like Herman Miller Inc. and Mead Johnson Nutrition Company and is currently employed with ConAgra Brands Inc. as Vice President, International Finance responsible for Company's international finance organization, encompassing operations in over 50 countries.

Her DIN is 07583110

### ***Date of Birth***

18-10-1971

### ***Date of Appointment***

24-08-2016

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

### ***Directorship:***

Verde Valle, Mexico

### ***Chairman of Board Committees***

None

### ***Member of Board Committees***

None

### ***Shareholding in the Company:***

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

### ***Attendance record of the Directors seeking re-appointment***

Directors	Number of Meetings	
	Held	Attended
Denise Lynn Hansen	4	3

### ***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 31<sup>st</sup> March, 2020.

### 1. PERFORMANCE OF THE COMPANY

#### 1.1 Results

Your Company's performance for the year ended 31<sup>st</sup> March, 2020 is as follows:

	(₹ Millions)	
Particulars	2019-20	2018-19
<b>Net Sales</b>	<b>8,343.63</b>	8,230.56
Other Income*	41.13	42.55
<b>Total Income</b>	<b>8,384.76</b>	8,273.11
Operating Expenses	7,769.59	7,589.44
<b>PBDIT</b>	<b>615.17</b>	683.67
Depreciation	188.35	167.73
Interest	17.68	0.94
<b>Profit Before Tax (PBT)</b>	<b>409.14</b>	515.00
Taxes	69.93	175.93
<b>Profit After Tax (PAT)</b>	<b>339.21</b>	339.07
Other Comprehensive income	(3.06)	(0.50)
<b>Total Comprehensive income</b>	<b>336.15</b>	338.57

\*Includes other operating revenue

Net Sales for the year were 1 % higher than Prior Year with the Foods share of the business increasing by 400 bps to 31% of Total Revenues. The Foods business reached a new high of ₹ 259 crore with a 15% growth over Prior Year driven by robust growth in Act II Ready to Cook Popcorn and Sundrop Peanut Butter supported by an aggressive new product roll out including Sweet Corn, Extruded Breakfast Cereals, Granola Cereals, Choco Spreads and Chocolate Confectionery. The steady growth of the Foods business reflects the continued solid progress being made by the Company to be amongst India's best performing most respected Foods Companies. PBT was down 21% vs PY and PAT was flat vs PY.

#### 1.2 Key Indicators

FY'20 Gross Margin was lower than PY by ₹ 4 Crore, with a ₹ 12 Crore increase in Foods GM largely but not fully offsetting a ₹ 16 crore reduction in Oils GM.



The Company is reaching the end of a five year period where losses in Edible Oils GM could not be fully compensated by the growth in Foods GM because of the lower share of the Foods business. Accordingly, we are therefore approaching the inflexion point where a fast-growing Foods business will more than compensate for any potential losses in Edible Oils placing the Company on a path of steady virtuous growth in Revenues and Profits.

### 2. DIVIDEND

Given the continued strong cash flow of the Company relative to the limited ongoing Capital Expenditure of the Company, your Directors are pleased to recommend a Dividend of ₹ 3.00 per equity share of the face value of ₹ 10/- each for the year ended March 31<sup>st</sup>, 2020 subject to the approval of the shareholders at the Annual General Meeting to be held on 20th August, 2020.

	(₹ Millions)	
	2019-20	2018-19

#### STATEMENT OF RETAINED EARNINGS

a) <b>At the beginning of the year</b>	<b>2,902.53</b>	2,634.90
b) Add: Profit for the year	<b>339.21</b>	339.07
c) Add: Other Comprehensive Income (net of tax)	<b>(3.06)</b>	(0.50)
d) Less: Dividends*	<b>58.77</b>	58.42
e) Less: Dividends Distribution Tax	<b>12.52</b>	12.52
f) <b>At the end of the year</b>	<b>3,167.39</b>	2,902.53

\*Dividend given to Agro Tech ESOP Trust excluded of ₹ 2.15 mm (Previous year ₹ 2.51 mm).

### 3. RESPONSIBILITY STATEMENT

The Directors confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- 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;
- they have prepared the annual accounts on a going concern basis;

## **Agro Tech Foods Limited**

- (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. COVID- 19**

In the last month of FY 2020, COVID-19, declared by the World Health Organization a global pandemic, developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. The Ministry of Home Affairs vide order no. 40-3/2020-DM-I(A) dated March 24, 2020 announced a nation-wide lockdown as a measure to contain the spread of Covid-19. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees and on minimizing disruption to the operations of the Company. The Company immediately adopted a 'Work from Home' model for all its office-based employees. Owing to the lockdown, the manufacturing operation and supply chain was impacted in the second half of March 2020. However, being in the manufacture of food products covered under essential supplies, the Company has since then seen a steady improvement in the supply chain with increased regulator support and labour availability. The Company is closely monitoring the impact of the pandemic on all aspects of its business and is taking appropriate measures and ensuring full compliance with the directives issued by the Government in this regard. As a responsible member of the communities that it operates in, the Company has contributed to various Covid-19 relief programs run by the Government and the Company has also contributed to the PMCare Fund to support the Government towards Covid-19 relief efforts. The Company is confident that it will remain on track to join the ranks of "India's Best Performing Most Respected Food Companies", supported by a strong balance sheet, tight cost control initiatives, strong R&D model. A diversified foods portfolio as a result of continued innovation will help in navigating the challenges presented by Covid-19.

### **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 rapid growth of the Food Industry continues, particularly in the five categories which your Company has chosen to compete in, which today account for ₹ 53,000 crore and have grown at a robust 15% per annum over the last 5 years.

The challenge in capturing a profitable share of growth of the Industry is to have a balanced portfolio which spans multiple price points and multiple segments enabling your Company to have scale across the supply chain – manufacturing, transportation & warehousing and final distribution.

Your Company believes that with the multi-product multi-price point portfolio now in hand there is a wide runway for growth which can enable the acquisition of consumers and therefore Volumes which are margin additive on a sustainable basis.

### **8. OPPORTUNITIES AND THREATS**

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

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 Chocolate Confectionery. 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 remains the significant contribution of the Edible Oils business. However, over time this has been significantly reduced and in FY'20 the Foods business contributed to 31% of Sales and 40% of Gross Margin. We are therefore steadily moving towards a situation where a dominant share of profits will come from our Foods business and the potential adverse impact of this threat is being steadily reduced.