

B V Saravana Kumar
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Tumuluru & Company
Company Secretaries

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

(Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Agro Tech Foods Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2017 (**herein after called as Audit Period**) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of
 - a) Foreign Direct Investment
 - b) Overseas Direct Investment and
 - c) External Commercial Borrowings (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;



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- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable for the Audit Period**
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e. The Securities and Exchange Board of India (Issue and listing of Debt Securities) Regulations, 2008; **Not Applicable for the Audit Period**
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and **Not Applicable for the Audit Period**
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable for the Audit Period**
- vi. Other applicable laws, including the following:
- (a) Factories Act, 1948
 - (b) Payment of Gratuity Act, 1972
 - (c) Employees Provident Fund and Miscellaneous provisions Act, 1952
 - (d) Employees State Insurance Act 1948
 - (e) Maternity Benefit Act, 1961
 - (f) Minimum Wages Act, 1948
 - (g) Payment of Bonus Act, 1972
 - (h) Payment of Wages Act 1936
 - (i) Industrial Dispute Act, 1947
 - (j) Environment (Protection) Act, 1986
 - (k) Legal Metrology Act, 2009
 - (l) Competition Act, 2002
 - (m) Income-tax Act 1961
 - (n) Indian Stamp Act, 1899
 - (o) Food Safety and Standards Act, 2006
 - (p) Agricultural Produce Grading and Marking Act, 1937
 - (q) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, to the extent applicable under the Companies Act, 2013
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange and Bombay Stock Exchange and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 made effective 1st December, 2015.

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



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We further report that -

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- (ii) Adequate notice is given to all directors to schedule the Board Meetings agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (iii) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period:

- a. The Company has spent a sum of Rs.4.52 Million towards Corporate Social Responsibility representing 1% its average net profits made during the three immediate preceding financial years. 2% of the average net profits of the three preceding financial years are Rs. 9.23 Million.

For Tumuluru & Company
Company Secretaries

For TUMULURU & COMPANY
COMPANY SECRETARIES

B.V. Saravana Kumar

Signature:

Name : **B V Saravana Kumar** PARTNER

ACS NO. 26944

C. P. No. 11727



Place : **Hyderabad**
Date : **3rd May, 2017**

Note : This report is to be read with our letter of even date by the Secretarial Auditors, which is available on the website of the Company www.atfoods.com.

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Enclosure - A

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



For TUMULURU & COMPANY
COMPANY SECRETARIES

B. V. Saravana Kumar

Signature:

Name : **B V Saravana Kumar**

ACS NO. 26944

C. P. No. 11727

PARTNER

Place : **Hyderabad**
Date : **3rd May, 2017**