

**REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2016**

Your Board of Directors ('the Board') hereby submit their Report for the financial year ended 31<sup>st</sup> March, 2016.

The entire equity shareholding of the Company was acquired by ITC Limited (ITC) from Technico Pty Limited, Australia (Technico Australia), consequent to which the Company became a direct subsidiary of ITC with effect from 22<sup>nd</sup> March, 2016. During the year, the Company entered into a Memorandum of Agreement dated 29<sup>th</sup> March, 2016, with Technico Australia in terms of which the Company will continue to have the right to use the TECHNITUBER® Technology (including any improvements thereto) in the geographies of India, Pakistan, Bangladesh, Nepal, Bhutan and Sri Lanka without any obligation to pay technical know-how fee or technology enhancement fee or agronomy fee or royalty or any other fee to Technico Australia. The Company has also taken on assignment from Technico Australia, TECHNITUBER®, TECHNICO™ and all other related trademarks registered / applied for in their name in India and a perpetual, royalty-free, non-exclusive license to use the aforesaid trademarks in Pakistan, Bangladesh, Nepal, Bhutan and Sri Lanka, at a total consideration of AUD\$ 1000 payable by the Company to Technico Australia.

During the year under review, production of potatoes in India estimated at about 50 Million MT, increased by 23% over the previous year due to favourable weather conditions leading to a glut in the market. As a result, potato prices moved from record highs in the previous year to record lows this year. Due to your Company's strong brand equity, its product quality, on-field performance and strong trade and customer relationships, in this weak market, the business was able to sell its seed potatoes at reasonable prices, though lower than the previous year. Due to the drop in prices over the previous year, overall turnover at ₹ 94.27 crores (previous year ₹105.08 crores) and profit after tax (PAT) at ₹ 15.76 crores (previous year ₹ 45.25 crores) were also lower.

ITC continued to leverage your Company's leadership in the area of early generation seed potatoes and strengths in agronomy, not only for sourcing chip stock for the 'Bingo! Yumitos' range of potato chips but also in servicing the seed potato requirements of its farmer base anchored to its e-choupal system.

**FINANCIAL RESULTS**

(₹ in crores)

Particulars	2015-16	2014-15
a. Turnover	94.27	105.08
b. Profit before tax	17.54	46.61
c. Tax	1.78	1.36
d. Profit after tax	15.76	45.25
e. Balance carried forward to Balance Sheet	98.84	83.08

**COMPANY'S PERFORMANCE**

**(a) Growing of TECHNITUBER® Seed Potatoes**

During the year under review, your Company harvested 106.58 lakhs TECHNITUBER® seed potatoes (Previous Year: 131.27 lakhs) at its green houses at Manpura, Himachal Pradesh. Consequent to increase in tuber size, the number of TECHNITUBER® seed potatoes harvested during the year were lower.

**(b) Field Agricultural operations**

Due to favourable weather conditions in North India during the growing period of October 2015 to January 2016, the seed potato crop was higher than normal. However, the overall potato crop in India is estimated to be lower than last year at 46 million MTs due to adverse weather conditions in Eastern Uttar Pradesh, Bihar and West Bengal. As a result, potato prices are above normal.

Your Company continued to trial and introduce new varieties to improve farm yields, augment farmer incomes and support the processing industry. It continued to promote farm and storage mechanisation and showcased the latest technology, quality seed and agronomy practices to farmers.

**(c) Marketing**

Due to a better crop and higher seed potato availability in 2015, the Company sold 46,659 MT of early generation field seed potatoes as against 29,758 MT in the previous year. TECHNITUBER® seed potato exports were lower at 34.36 lakhs vs. 42.43 lakhs in the previous year due to increase in size.

Your Company recognises that its business is subject to climatic, agricultural and cyclical risks. However, your Company is confident of its competitive edge in the market place and its capacity to deliver superior product performance, premised on the strong demand for its seed potatoes from loyal customer and farmer bases, fuelled by the technology of its parent and the expertise of its contract farmers and employees.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**(a) Changes in Directors and Key Managerial Personnel during the year**

During the year under review, there has been no change in the composition of the Board and Key Managerial Personnel of the Company.

The Board, on the recommendation of the Nomination and Remuneration Committee, varied the terms of appointment of Mr. Sachidanand S. Madan, Wholetime Director and Company Secretary, with effect from 1<sup>st</sup> April, 2016 in terms of the provisions of Section 197 and Schedule V of the Companies Act, 2013 ('the Act'), subject to the approval of the Members of the Company. Appropriate resolution seeking your approval to such variation in the terms of appointment of Mr. Madan is appearing in the Notice convening the ensuing Annual General Meeting ('AGM') of the Company.

**(b) Retirement by rotation**

In accordance with the provisions of Section 152(6) of the Act, Mr. Sachidanand Shivprakash Madan (DIN: 00419076) and Mr. Surampudi Sivakumar (DIN: 00341392), Directors, will retire by rotation at the ensuing AGM of the Company and, being eligible, offer themselves for re-election. Your Board has recommended their re-election.

**(c) Declaration of Independence by the Independent Directors**

The Independent Directors of your Company have confirmed that they meet the criteria of Independence as prescribed under Section 149(6) of the Act read with Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

**(d) Attributes, qualifications and appointment of Directors**

The attributes and qualifications as provided in Section 149(6) of the Act and Rule 5 of the Companies (Appointment and Qualification of Directors) Rules, 2014 were adopted by the Nomination and Remuneration Committee of the Board in respect of the Independent Directors, as reported last year. The said attributes and qualifications, to the extent applicable, were also adopted in respect of the other Directors.

Majority of the Directors of the Company, other than the Independent Directors, are executives of ITC Limited, the Holding Company, and fulfil the fit and proper criteria for appointment as Directors. Further, the Directors of the Company, other than the Independent Directors, are liable to retire by rotation and one-third of such Directors retire every year and are eligible for re-election.

**(e) Board Evaluation**

The Board carried out annual performance evaluation of its own performance and that of the individual Directors as also functioning of the Board Committees, as required under Section 134(3)(p) of the Act. The performance evaluation of the Board and individual Directors was based on criteria approved by the Nomination and Remuneration Committee. Reports of functioning of Committees were placed by the respective Committee Chairman before the Board.

**(f) Remuneration Policy**

The Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, as approved by the Board, is enclosed as Annexure 1 to this Report.

**BOARD AND BOARD COMMITTEES**

The three Board Committees of the Company and their composition is as follows:

**(a) Audit Committee**

Mr. A. K. Mukerji	-	Chairman
Mr. H. M. Jha	-	Member
Mr. P. K. Verma	-	Member

**(b) Nomination and Remuneration Committee**

Mr. A. K. Mukerji	-	Chairman
Mr. H. M. Jha	-	Member
Mr. S. Sivakumar	-	Member
Mr. P. K. Verma	-	Member

**(c) CSR Committee**

Mr. S. Sivakumar	-	Chairman
Mr. H. M. Jha	-	Member
Mr. Sachidanand S. Madan	-	Member

During the year ended 31<sup>st</sup> March, 2016, the following meetings of the Board and Board Committees were held:

Board / Board Committee	Number of meetings held during the year	Dates of meetings
Board	4	1 <sup>st</sup> May, 2015 25 <sup>th</sup> August, 2015 9 <sup>th</sup> December, 2015 28 <sup>th</sup> March, 2016
Audit Committee	3	1 <sup>st</sup> May, 2015 9 <sup>th</sup> December, 2015 28 <sup>th</sup> March, 2016
Nomination and Remuneration Committee	3	1 <sup>st</sup> May, 2015 9 <sup>th</sup> December, 2015 28 <sup>th</sup> March, 2016
CSR Committee	1	28 <sup>th</sup> March, 2016

The attendance of the Directors of the Company at the Board and Board Committee meetings held during the year is given below:

Sl. No.	Name of the Director / Committee Member	Number of meetings attended			
		Board	Audit Committee	Nomination and Remuneration Committee	CSR Committee
1.	Mr. S. Sivakumar	4	N.A.	3	1
2.	Mr. S. Ganesh Kumar	4	N.A.	N.A.	N.A.
3.	Mr. H. M. Jha	3	2	2	1
4.	Mr. David McDonald	3	N.A.	N.A.	N.A.
5.	Mr. A. K. Mukerji	4	3	3	N.A.
6.	Mr. P. K. Verma	4	3	3	N.A.
7.	Mr. Sachidanand S. Madan	4	N.A.	N.A.	1

**DIRECTOR'S RESPONSIBILITY STATEMENT**

As required under Section 134(5) of the Act, your Directors confirm having:

- a) followed in the preparation of the Annual Accounts, the applicable Accounting Standards with proper explanation relating to material departures, if any;
- b) selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit of your Company for that period;
- c) taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) prepared the Annual Accounts on a going concern basis; and
- e) devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**INTERNAL FINANCIAL CONTROLS**

The Corporate Governance Policy of your Company that delineates the roles, responsibilities and authorities of the key functionaries involved in governance coupled with its Code of Conduct that commits management to the Company's financial and accounting policies, systems and processes, provide the foundation for the Company's Internal Financial Controls with reference to the Financial Statements.

The Financial Statements of the Company are prepared on the basis of the Significant Accounting Policies that are carefully selected by the management and approved by the Audit Committee and the Board. The tenets of these Policies are implemented through the Accounting Manual, Standard Operating Procedures and pre-determined authority levels for executing transactions. These in tandem with the transactional controls built into the IT systems, ensure appropriate segregation of duties and approval mechanisms commensurate with the level of responsibility. Management reviews the aforesaid regime of controls and its operating effectiveness. Internal audits are conducted and the findings and recommendations arising from such audits are reviewed by the Audit Committee and tracked through to implementation.

Your Company has in place adequate Internal Financial Controls with reference to the Financial Statements, commensurate with its size and the nature of its operations. Such Controls have been tested during the year and no material weakness in the design or operation was observed. The instructions given in the Guidance Note on Audit of Internal Financial

Controls over Financial Reporting issued by the Institute of Chartered Accountants of India were also followed for preparation of Risk and Control Matrix, Process narratives and sample size / selection for management testing of controls. Nonetheless your Company recognises that any internal financial control framework, no matter how well designed, has inherent limitations and accordingly, regular audit and review processes ensure that such systems are reinforced on an ongoing basis.

**RISK MANAGEMENT**

The Risk Management Policy of the Company, as approved by the Board, is designed to assess, mitigate and monitor risks arising out of the overall strategy of the Company and its regulatory environment. The Internal Auditors of the Company are mandated to carry out risk focused audits that enable review of risk management processes by the Audit Committee and the Board.

The management of market risk is rooted in your Company's strategy of continually reinforcing its competitive edge in the market place premised on the proprietary technology of its parent and the expertise of its employees and contract farmers on the one hand and its loyal customer and farmer bases on the other. Your Company also recognises that its business is subject to climatic, agricultural and cyclical risks and accordingly seeks to diversify across growing zones and expand its customer base.

Your Company's Board and Audit Committee will continue to focus on strengthening the risk management framework to protect business value from uncertainty and consequent losses through measures that are effective in the long-term and are embedded in the business strategies and processes to the extent practical.

**SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

The Company does not have any subsidiary, associate or joint venture.

**PARTICULARS OF EMPLOYEES**

No employee of the Company is drawing remuneration more than the limit specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Annual Report on CSR activities of the Company in terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is enclosed as Annexure 2 to this Report.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year ended 31<sup>st</sup> March, 2016, the Company has neither given any loan or guarantee nor has made any investment under Section 186 of the Act.

**RELATED PARTY TRANSACTIONS**

The details of related party transactions of the Company as prescribed in Form No. AOC-2 are enclosed under Annexure 3 to this Report.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the year under review, no significant or material orders were passed by the Regulators / Courts / Tribunals impacting the going concern status of the Company and its future operations.

**EXTRACT OF ANNUAL RETURN**

The extract of Annual Return as prescribed in Form No. MGT-9 is enclosed as Annexure 4 to this Report.

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

The information with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed under Annexure 5 to this Report.

**AUDITORS**

The Statutory Auditors, Messrs. Price Waterhouse, Chartered Accountants, were appointed with your approval at the 15<sup>th</sup> AGM to hold such office till the conclusion of the 20<sup>th</sup> AGM. Your Board, in terms of Section 139 of the Act, has recommended for the ratification of the Members the appointment of Messrs. Price Waterhouse from the conclusion of the ensuing AGM till the conclusion of the 18<sup>th</sup> AGM. The Board, in terms of Section 142 of the Act, has also recommended for the approval of the Members the remuneration of Messrs. Price Waterhouse for the financial year 2016-17. Appropriate resolution in respect of the above is appearing in the Notice convening the ensuing AGM of the Company.

On behalf of the Board

S. Sivakumar  
Chairman

Dated : 30.04.2016

**Annexure 1 to the Report of the Board of Directors for the financial year ended 31<sup>st</sup> March, 2016**

**Remuneration Policy**

The Company's Remuneration Strategy is designed to attract and retain quality talent that gives its business a competitive advantage and enables the Company to achieve its objectives.

The Company's Remuneration Strategy, whilst focusing on remuneration and related aspects of performance management, is aligned with and reinforces the employee value proposition of a superior quality of work life, that includes an enabling work environment, an empowering and engaging work culture and opportunities to learn and grow.

The Compensation approach endeavours to align each employee with the Company's goals.

**POLICY**

It is the Company's Policy:

- To ensure that its Remuneration practices support and encourage meritocracy.
- To ensure that Remuneration is market-led and takes into account the competitive context of the Company's business.
- To leverage Remuneration as an effective instrument to enhance performance and therefore to link the remuneration to both individual and collective performance outcomes.
- To adopt a comprehensive approach to Remuneration in order to support a superior quality of personal and work life, in a manner so as to judiciously balance short term with long term priorities.
- To design Remuneration practices such that they reinforce the Company's values and culture and to implement them in a manner that complies with all relevant regulatory requirements.

**Remuneration of Key Managerial Personnel (KMP)**

- Remuneration of KMP is determined and recommended by the Nomination and Remuneration Committee and approved by the

Board. Remuneration of the Managing Director / Wholtime Director / Manager is also subject to the approval of the shareholders.

- Remuneration is reviewed and revised periodically, when such a revision is warranted by the market.
- Apart from fixed elements of remuneration and benefits, the KMP are also eligible for Variable Pay / Performance Bonus which is linked to their individual performance and the overall performance of the Company which may be in terms of an annual and / or a long term scheme.
- Remuneration of KMP on deputation from the Holding Company / subsidiary / fellow subsidiary / associate companies, is aligned to the Remuneration Policy of that company.

**Remuneration of Independent Directors**

Independent Directors are entitled to sitting fees for attending meetings of the Board and Board Committees, the quantum of which is determined by the Board, within the limits prescribed under the Companies Act, 2013 and the Rules thereunder. Independent Directors are also entitled to reimbursement of expenses for attending meetings of the Board and Board Committees and General Meetings.

**Remuneration of employees other than KMP**

- Remuneration of employees other than KMP is approved as per the Corporate Governance document of the company as approved by the Board.
- Remuneration is reviewed and revised periodically, when such a revision is warranted by the market. The quantum of revision is linked to market trends, the competitive context of the Company's business, as well as the track record of the individual employee.
- Variable Pay cognises for the performance rating of the individual employee and the overall performance of the Company which may be in terms of an annual and or a long term scheme.

**Annexure 2 to the Report of the Board of Directors**

**Annual Report on CSR Activities of the Company for the financial year ended 31<sup>st</sup> March, 2016**

[Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1.	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken	The Company, a wholly owned subsidiary of ITC Limited (ITC), discharges its corporate social responsibilities (CSR) by aligning itself with the CSR Policy of ITC. The Company undertakes its CSR activities: <ul style="list-style-type: none"> <li>as listed in Schedule VII to the Companies Act, 2013, in line with the CSR initiatives of ITC and as approved by the CSR Committee;</li> <li>directly or through a registered trust or a registered society or a company established under Section 8 of the Companies Act, 2013.</li> </ul> The Company may collaborate with ITC or other companies for undertaking CSR activities.
2.	Composition of the CSR Committee	Mr. S. Sivakumar (Chairman) Mr. H. M. Jha Mr. Sachidanand S. Madan
3.	Average net profits of the Company for last 3 financial years	₹ 2,542 lakhs
4.	Prescribed CSR expenditure (2% of the amount stated under 3 above)	₹ 50.84 lakhs
5.	Details of CSR spent during the financial year:	
	a) Total amount spent for the financial year	₹ 51 lakhs
	b) Amount unspent, if any	-

c) Manner in which the amount spent during the financial year is detailed below :

Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (Budget) project or program wise	Amount spent on the projects or programs <u>Sub-heads:</u> 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.	Contribution to ITC - Rural Development Trust	Undertaking rural development projects [covered under Clause (x) of Schedule VII to the Companies Act, 2013]	N.A.	₹ 51 lakhs	₹ 51 lakhs	₹ 51 lakhs	Implementing Agency - ITC Rural Development Trust, Kolkata

The CSR Committee of the Board has confirmed that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.

Dated : 30.04.2016

**On behalf of the Board**  
Sachidanand S. Madan  
Whole Time Director

S.Sivakumar  
Chairman

**Annexure 3 to the Report of the Board of Directors for the financial year ended 31<sup>st</sup> March, 2016**

**FORM NO. AOC-2**

[Pursuant to Section 134(3)(h) of the Companies Act, 2013 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 transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

a)	Name(s) of the related party and nature of relationship	Technico Pty Limited (Technico Australia), fellow subsidiary
b)	Nature of contracts / arrangements / transactions	Continuing to have the right to use the TECHNITUBER <sup>®</sup> Technology and taking on assignment TECHNITUBER <sup>®</sup> , TECHNICO <sup>™</sup> and all other related trademarks
c)	Duration of the contracts / arrangements / transactions	Perpetual
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company has entered into a Memorandum of Agreement dated 29 <sup>th</sup> March, 2016 with Technico Australia in terms of which the Company will:
e)	Justification for entering into such contracts or arrangements or transactions	(a) Continue to have the right to use the TECHNITUBER <sup>®</sup> Technology (including any improvements thereto) in the geographies of India, Pakistan, Bangladesh, Nepal, Bhutan and Sri Lanka without any obligation to pay technical know-how fee or technology enhancement fee or agronomy fee or royalty or any other fee; (b) Take on assignment from Technico Australia, TECHNITUBER <sup>®</sup> , TECHNICO <sup>™</sup> and all other related trademarks registered / applied for in their name in India and a perpetual, royalty-free, non-exclusive license to use the aforesaid trademarks in Pakistan, Bangladesh, Nepal, Bhutan and Sri Lanka, at a total consideration of AUD\$ 1000 payable by the Company to Technico Australia.
f)	Date(s) of approval by the Board	28 <sup>th</sup> March, 2016
g)	Amount paid as advances, if any	Nil
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	N.A.

**2. Details of material contracts or arrangements or transactions at arm's length basis**

a)	Name(s) of the related party and nature of relationship	Nil
b)	Nature of contracts / arrangements / transactions	
c)	Duration of the contracts / arrangements / transactions	
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
e)	Date(s) of approval by the Board, if any	
f)	Amount paid as advances, if any	

On behalf of the Board

S. Sivakumar  
Chairman

Dated : 30.04.2016

**Annexure 4 to the Report of the Board of Directors**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31<sup>st</sup> March, 2016**

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

i)	CIN	: U01111DL1999PLC098646
ii)	Registration Date	: 3 <sup>rd</sup> March, 1999
iii)	Name of the Company	: Technico Agri Sciences Limited
iv)	Category / Sub-Category of the Company	: Unlisted Public Company limited by shares
v)	Address of the Registered office and contact details	: 25, Community Centre, Basant Lok, Vasant Vihar, New Delhi – 110057 Phone: 91-11-46015209 Fax: 91-11-26145372 e-mail ID : technico@technituberindia.com
vi)	Whether listed company	: No
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	: Zuari Investments Limited Corporate one, First Floor, 5, Commercial Centre, Jasola, New Delhi – 110025 Phone: (011) 46581368

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Sale of field generated Seed Potatoes	01135	88.40%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held in the Company	Applicable Section
1.	ITC Limited Virginia House , 37 Jawaharlal Nehru Road, Kolkata – 700 071	L16005WB1910PLC001985	Holding company*	100.00%	2(46)

\* With effect from 22<sup>nd</sup> March, 2016

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shareholding:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	N.A.
b) Central Govt.	-	-	-	-	-	-	-	-	N.A.
c) State Govt.(s)	-	-	-	-	-	-	-	-	N.A.
d) Bodies Corp.	-	-	-	-	3,79,62,794	6	3,79,62,800	100.00	100.00
e) Banks / FI	-	-	-	-	-	-	-	-	N.A.
f) Any Other	-	-	-	-	-	-	-	-	N.A.
<b>Sub-total (A)(1)</b>	-	-	-	-	<b>3,79,62,794</b>	<b>6</b>	<b>3,79,62,800</b>	<b>100.00</b>	<b>100.00</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	N.A.
b) Other – Individuals	-	-	-	-	-	-	-	-	N.A.
c) Bodies Corp.	99,80,700	2,79,82,100	3,79,62,800	100.00	-	-	-	-	100.00
d) Banks / FI	-	-	-	-	-	-	-	-	N.A.
e) Any Other	-	-	-	-	-	-	-	-	N.A.
<b>Sub-total (A)(2)</b>	<b>99,80,700</b>	<b>2,79,82,100</b>	<b>3,79,62,800</b>	<b>100.00</b>	-	-	-	-	<b>100.00</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>99,80,700</b>	<b>2,79,82,100</b>	<b>3,79,62,800</b>	<b>100.00</b>	<b>3,79,62,794</b>	<b>6</b>	<b>3,79,62,800</b>	<b>100.00</b>	<b>100.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	N.A.
b) Banks / FI	-	-	-	-	-	-	-	-	N.A.
c) Central Govt.	-	-	-	-	-	-	-	-	N.A.
d) State Govt.(s)	-	-	-	-	-	-	-	-	N.A.
e) Venture Capital Funds	-	-	-	-	-	-	-	-	N.A.
f) Insurance Companies	-	-	-	-	-	-	-	-	N.A.
g) FIs	-	-	-	-	-	-	-	-	N.A.
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	N.A.
i) Others (specify)	-	-	-	-	-	-	-	-	N.A.
<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	<b>N.A.</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	N.A.
ii) Overseas	-	-	-	-	-	-	-	-	N.A.
b) Individuals	-	-	-	-	-	-	-	-	N.A.
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	N.A.
<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	<b>N.A.</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	-	-	-	-	-	-	-	<b>N.A.</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	N.A.
<b>Grand Total (A+B+C)</b>	<b>99,80,700</b>	<b>2,79,82,100</b>	<b>3,79,62,800</b>	<b>100.00</b>	<b>3,79,62,794</b>	<b>6</b>	<b>3,79,62,800</b>	<b>100.00</b>	<b>100.00</b>

## (ii) Shareholding of Promoters:

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total Shares	
1.	Technico Pty Limited	3,79,62,800	100.00	Nil	0	0.00	Nil	100.00
2.	ITC Limited	0	0.00	Nil	3,79,62,800	100.00	Nil	100.00

## (iii) Change in Promoters' Shareholding (please specify, if there is no change):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	<b>Technico Pty Limited, Australia</b>				
	At the beginning of the year	3,79,62,800	100.00		
	Date wise Increase / (Decrease) in Promoter's Shareholding during the year - 22.03.2016	(3,79,62,800)	100.00	0	0.00
	At the end of the year	0	0.00		
2.	<b>ITC Limited</b>				
	At the beginning of the year	0	0.00		
	Date wise Increase / (Decrease) in Promoter's Shareholding during the year - 22.03.2016	3,79,62,800	100.00	3,79,62,800	100.00
	At the end of the year			3,79,62,800	100.00

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NOT APPLICABLE

(v) Shareholding of Directors and Key Managerial Personnel: None of the Directors and Key Managerial Personnel hold any share in the Company in their individual capacity.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment : NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Wholetime Directors and/or Manager:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Sachidanand S. Madan (Wholetime Director and Company Secretary) (refer Notes)
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	-
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others, specify	-
5.	Others, please specify	-
<b>Total Amount (A)</b>		-
<b>Ceiling as per the Companies Act, 2013</b> (5% of the net profits of the Company computed in accordance with Section 198 of the said Act)		<b>68,53,460/-</b>

 Note 1: ITC Limited (ITC), the Holding Company, has deputed the services of Mr. Sachidanand S. Madan to the Company without levy of any charge. Accordingly, Mr. Madan's remuneration for the financial year ended 31<sup>st</sup> March, 2016 has been borne by ITC.

Note 2: Mr. Sachidanand S. Madan has been granted Stock Options by ITC Limited at 'market price' [within the meaning of the SEBI (Share Based Employee Benefits) Regulations, 2014] under the ITC Employee Stock Option Schemes. Further, the appointment of Mr. Madan is governed by the resolutions passed by the Board and the shareholders of the Company. The statutory provisions apply with respect to notice period and severance fee.

## B. Remuneration to other Directors:

(Amount in ₹)

Sl. No	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Independent Directors' Meeting Fee	
1.	<b>Independent Directors</b>				
	H. M. Jha	1,10,000	—	10,000	1,20,000
	P. K. Verma	1,40,000	—	10,000	1,50,000
	<b>Total Amount (B)(1)</b>	<b>2,50,000</b>	<b>—</b>	<b>20,000</b>	<b>2,70,000</b>
2.	<b>Other Non-Executive Directors</b>				
	S. Sivakumar	—	—	—	—
	S. Ganesh Kumar	—	—	—	—
	D. McDonald	—	—	—	—
	A. K. Mukerji	—	—	—	—
	<b>Total Amount (B)(2)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Amount (B) = (B)(1) + (B)(2)</b>					<b>2,70,000</b>
<b>Total Managerial Remuneration (A + B)</b>					<b>2,70,000</b>
<b>Overall ceiling as per the Companies Act, 2013 (11% of the net profits of the Company computed in accordance with Section 198 of the said Act)</b>					<b>1,50,77,612/-</b>

## C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Sanjeev Madan (Chief Financial Officer) (refer Note)
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	12,64,433
	(b) Value of perquisites under Section 17(2) of the Income-tax Act, 1961	—
	(c) Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	20,04,000
2.	Stock Option	—
3.	Sweat Equity	—
4.	Commission - as % of profit - others, specify	—
5.	Others, please specify	—
<b>Total Amount</b>		<b>32,68,433</b>

Note: Mr. Sanjeev Madan has been granted Stock Options by ITC Limited at 'market price' [within the meaning of the SEBI (Share Based Employee Benefits) Regulations, 2014] under the ITC Employee Stock Option Schemes.

## VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES against the Company, Directors and other Officers in Default under the Companies Act, 2013 : None

On behalf of the Board

S. Sivakumar  
Chairman

Dated : 30.04.2016

Annexure 5 to the Report of the Board of Directors for the financial year ended 31<sup>st</sup> March, 2016**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**i. **Conservation of Energy**

The Company continued its efforts to improve its energy usage efficiencies. Various key performance indicators like energy consumed per unit of production, trends in total energy consumed over the years etc. are constantly tracked to monitor energy consumption. However, the total cost of energy in the Company's operations is quite small. Some of the measures adopted include:

1. Improvement in energy usage efficiencies of lighting systems by switching over to higher efficiency Light Emitting Diodes (LEDs).
2. Utilising natural sunlight in the Company's office through large glass windows to reduce electrical consumption for lighting.
3. Replacement of reciprocating chillers with energy efficient screw chillers.

Given the limited cost of energy in its overall operations at present, the Company does not have any active proposal for using alternate energy sources.

ii. **Research and Development**

Your Company continues to be engaged in Research and Development activities in both TECHNITUBER® seed potato production as well as field generated seed potato production with the objectives of reducing consumption of water and fertilisers, using new chemicals to minimise disease pressure and thus agricultural risk of its contract farmers, enhancing farm yields etc. In order to further leverage its tissue culture capabilities, your Company has undertaken trial production of banana tissue culture plantlets and its test marketing in select States.

iii. **Technology Absorption, Adaptation and Innovation**

Based on the efforts made towards technology absorption, your Company achieved smooth nursery operations since the declaration of commercial production. Field progeny of the seed potatoes grown with the use of TECHNITUBER® seed potato technology has

exhibited qualitative and quantitative improvement over traditional seed at affordable cost.

- a) Technology Imported : Nursery and Growout Facility at Manpura, Himachal Pradesh, is based on TECHNITUBER® Seed Potato Technology from Technico Pty Limited, Australia, fellow subsidiary.
- b) Year of import : 2000
- c) Whether Technology fully absorbed :
- d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action :

The absorption of the Technology has taken place through two-phases. Your Company has been successfully growing TECHNITUBER® seed potatoes (G0) in its facility at Manpura. Subsequent stage multiplications have been successfully undertaken in leased and contract farms. However, your Company continues to refine and improve upon the Technology by drawing on the technical expertise of Technico Pty Limited, Australia.

iv. **Foreign Exchange Earnings and Outgo (₹ in crores)**

Foreign Exchange Earnings	:	2.66
Foreign Exchange Outgo	:	0.14

On behalf of the Board

S. Sivakumar  
Chairman

30.04.2016

**INDEPENDENT AUDITORS' REPORT**

To the Members of Technico Agri Sciences Limited

**Report on the Financial Statements**

1. We have audited the accompanying financial statements of Technico Agri Sciences Limited ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required

and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31<sup>st</sup>, 2016, and its profit and its cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

9. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31<sup>st</sup>, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup>, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- i. The Company has disclosed the impact, if any, of pending litigations as at March 31<sup>st</sup>, 2016 on its financial position in its financial statements – Refer Note 30;
- ii. The Company has long-term contracts as at March 31<sup>st</sup>, 2016 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31<sup>st</sup>, 2016.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31<sup>st</sup>, 2016.

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

Place of the Signature: Kolkata  
Date: 30.04.2016

**Avijit Mukerji**  
Partner  
Membership Number 056155

**Annexure A to Independent Auditors' Report**

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the members of Technico Agri Sciences Limited on the financial statements for the year ended March 31<sup>st</sup>, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

- We have audited the internal financial controls over financial reporting of Technico Agri Sciences Limited ("the Company") as of March 31<sup>st</sup>, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

- The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

- Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
- Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls Over Financial Reporting**

- A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

- Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

- In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31<sup>st</sup>, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Avijit Mukerji**  
Partner

Place of the Signature: Kolkata  
Date: 30.04.2016

Membership Number 056155

**Annexure B to Independent Auditors' Report**

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Technico Agri Sciences Limited on the financial statements as of and for the year ended March 31<sup>st</sup>, 2016

- The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
  - The title deeds of immovable properties, as disclosed in Note 7.1 on fixed assets to the financial statements, are held in the name of the Company, except for Freehold Land amounting to ₹ 3.28 lakhs which is pending registration in the name of the Company.
- The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.

Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

- The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
  - According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, service-tax, duty of customs, duty of excise, value added tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at

March 31<sup>st</sup>, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Penalty under section 271 (1)(c)	1,62,20,314	A/Y 2003-04 to A/Y 2006-07	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	9,61,060	A/Y 2011-12	Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income tax demand	2,35,30,480	A/Y 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax demand	4,96,81,850	A/Y 2013-14	Commissioner of Income Tax (Appeals)

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. As the Company has not paid any managerial remuneration during the year, the provisions of Clause 3(xi) of the Order are not

applicable to the Company.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For Price Waterhouse**  
Firm Registration Number: 301112E  
Chartered Accountants

**Avijit Mukerji**

Partner

Place of the Signature: Kolkata  
Date: 30.04.2016

Membership Number 056155

#### BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016

Particulars	Notes	(Amount in ₹ lakhs)	
		As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Equity and Liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	3,796.28	3,796.28
Reserves and surplus	4	9,884.06	8,308.09
		<u>13,680.34</u>	<u>12,104.37</u>
<b>Non-current liabilities</b>			
Long-term provisions	5	103.41	78.31
		<u>103.41</u>	<u>78.31</u>
<b>Current liabilities</b>			
Trade payables	6.1		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,315.81	2,346.49
Other current liabilities	6.2	535.21	1,823.30
Short-term provisions	5	844.04	239.52
		<u>2,695.06</u>	<u>4,409.31</u>
<b>Total</b>		<u>16,478.81</u>	<u>16,591.99</u>
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	7.1	1,036.71	943.19
Intangible assets	7.2	8.83	11.66
Capital work-in-progress		-	-
Non-current investments	10.1	1,000.00	-
Deferred tax assets	8.1	63.34	241.62
Long-term loans and advances	8.2	239.06	137.95
		<u>2,347.94</u>	<u>1,334.42</u>
<b>Current assets</b>			
Current investments	10.2	6,231.22	9,705.42
Inventories	11	7,205.85	5,293.02
Trade receivables	9.1	224.16	161.28
Cash and bank balances	12	111.03	37.25
Short-term loans and advances	8.2	354.02	60.39
Other current assets	9.2	4.59	0.21
		<u>14,130.87</u>	<u>15,257.57</u>
<b>Total</b>		<u>16,478.81</u>	<u>16,591.99</u>
Nature of operations	1		
Statement of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

**For Price Waterhouse**  
Firm registration number: 301112E  
Chartered Accountants

**For and on behalf of the Board of Directors of Technico Agri Sciences Limited**

**Avijit Mukerji**  
Partner  
Membership no.: 056155

**Arup Kumar Mukerji**  
Director

**Sachidanand S. Madan**  
Director and Company  
Secretary

**Sanjeev Madan**  
Chief Financial Officer

Place: Kolkata  
Date: 30.04.2016

Place: Kolkata  
Date: 30.04.2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Particulars	Notes	(Amount in ₹ lakhs)	
		For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Revenue</b>			
Revenue from operations (net)	13	9,526.93	10,554.13
Other income	14	516.86	492.43
<b>Total Revenue</b>		<b>10,043.79</b>	<b>11,046.56</b>
<b>Expenses</b>			
Cost of raw material and components consumed	15	660.29	511.37
Purchase of traded goods	16.1	1,529.74	584.41
(Increase)/ decrease in inventories of finished goods and work-in-progress	16.2	(1,630.80)	(927.20)
(Increase)/ decrease in inventories of traded goods	16.3	(288.72)	(37.25)
Employee benefits expense	17	637.00	604.88
Finance costs	18	0.86	3.16
Depreciation and amortization expense	19	98.15	91.18
Other expenses	20	7,283.02	5,555.31
<b>Total Expenses</b>		<b>8,289.54</b>	<b>6,385.86</b>
<b>Profit before tax</b>		<b>1,754.25</b>	<b>4,660.70</b>
Tax expenses:			
Current tax		124.10	83.50
MAT credit entitlement		(124.10)	(83.50)
Deferred tax (refer note 25)		178.28	135.41
<b>Total tax expense</b>		<b>178.28</b>	<b>135.41</b>
<b>Profit for the year</b>		<b>1,575.97</b>	<b>4,525.29</b>
<b>Earnings per share [nominal value of equity share ₹10 (31<sup>st</sup> March, 2015: ₹10)]</b>	22		
<b>Basic</b>			
Computed on the basis of total profit for the year		₹4.15	₹11.92
<b>Diluted</b>			
Computed on the basis of total profit for the year		₹4.15	₹11.92
Nature of operations	1		
Statement of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

**For Price Waterhouse**  
Firm registration number: 301112E  
Chartered Accountants

**For and on behalf of the Board of Directors of Technico Agri Sciences Limited**

**Avijit Mukerji**  
Partner  
Membership no.: 056155

**Arup Kumar Mukerji**  
Director

**Sachidanand S. Madan**  
Director and Company  
Secretary

**Sanjeev Madan**  
Chief Financial Officer

Place: Kolkata  
Date: 30.04.2016

Place: Kolkata  
Date: 30.04.2016

 CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>1,754.25</b>	<b>4,660.70</b>
Adjustments for :		
Depreciation and amortization expense	98.15	91.18
Provision for doubtful debts	0.53	-
Tangible fixed assets written off	0.03	0.52
Loss/(profit) on sale of fixed assets	(0.51)	(1.53)
Unrealized foreign exchange (gain)/loss	(15.00)	13.23
Interest expense	0.86	3.16
Interest income	(3.81)	(0.90)
Dividend income on current investments	-	(185.46)
Net gain on sale of current investments	(384.12)	(112.88)
Provisions/Liabilities written back to the extent no longer required	(5.41)	(97.92)
<b>Operating profit before working capital changes</b>	<b>1,444.97</b>	<b>4,370.10</b>
Movements in working capital :		
Increase/(decrease) in trade payables	(1,025.27)	788.38
Increase/(decrease) in long-term provisions	25.10	7.45
Increase/(decrease) in short-term provisions	604.52	(3.56)
Increase/(decrease) in other current liabilities	(1,288.10)	1,587.53
Decrease/(increase) in trade receivables	(48.51)	(46.12)
Decrease/(increase) in inventories	(1,912.83)	(967.45)
Decrease/(increase) in long-term loans and advances	(2.23)	0.74
Decrease/(increase) in short-term loans and advances	(293.63)	(13.54)
Decrease/(increase) in other current assets	(4.24)	8.01
<b>Cash generated from operations</b>	<b>(2,500.22)</b>	<b>5,731.54</b>
Taxes paid (including TDS recoverable)	(107.64)	(85.61)
<b>Net cash generated from/(used in) operating activities (A)</b>	<b>(2,607.86)</b>	<b>5,645.93</b>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016 (Contd)

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
<b>Cash flow from investing activities</b>		
Purchase of fixed assets, including intangible assets, capital work-in progress and capital advances	(181.43)	(128.75)
Proceeds from sale of fixed assets	0.98	2.77
Purchase of current investments	(33,374.00)	(39,271.00)
Proceeds from sale of current investments	36,232.32	33,589.34
Interest received	3.78	0.88
Dividends received	-	185.46
<b>Net cash from/(used in) investing activities (B)</b>	<b>2,681.65</b>	<b>(5,621.30)</b>
<b>Cash flow from financing activities</b>		
Interest paid	(0.01)	(3.16)
<b>Net cash used in financing activities (C)</b>	<b>(0.01)</b>	<b>(3.16)</b>
Net increase in cash and cash equivalents (A + B + C)	73.78	21.47
Cash and cash equivalents at the beginning of the year	37.25	15.78
<b>Cash and cash equivalents at the end of the period</b>	<b>111.03</b>	<b>37.25</b>
<b>Notes :</b>		
1. The above cash flow statement has been prepared under the "Indirect Method" as set out in accounting standard-3 cash flow statements.		
<b>2. Cash and cash equivalents :</b>		
Cash and cash equivalents comprise :		
Cash on hand	0.17	0.24
Balances with banks - on current accounts	110.86	37.01
Total Cash and cash equivalents (Note 12)	111.03	37.25

The accompanying notes are an integral part of the financial statements.

This is the Cash Flow Statement referred to in our report of even date.

**For Price Waterhouse**  
Firm registration number: 301112E  
Chartered Accountants

**For and on behalf of the Board of Directors of Technico Agri Sciences Limited**

**Avijit Mukerji**  
Partner  
Membership no.: 056155

**Arup Kumar Mukerji**  
Director

**Sachidanand S. Madan**  
Director and Company  
Secretary

**Sanjeev Madan**  
Chief Financial Officer

Place: Kolkata  
Date: 30.04.2016

Place: Kolkata  
Date: 30.04.2016

 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

**1. Nature of Operations**

The Company is in the Agricultural Bio-Technology business of growing and selling TECHNITUBER<sup>®</sup> Seed Potatoes and Field Generated Seed Potatoes and also engages in the trading in Field Generated Seed Potatoes and Potatoes.

TECHNITUBER<sup>®</sup> Seed Potatoes in the first stage (called the G-0 stage), are multiplied through Tissue Culture and grown under a controlled environment in the nurseries maintained at the facility situated at Village Manpura, District Solan, Himachal Pradesh. The TECHNITUBER<sup>®</sup> Seed Potatoes produced in the G-0 stage are taken for field planting for further growing to the next stage i.e. G-1, which is again taken for subsequent growing for another generation i.e. G-2 and so on depending on the quality and sales requirement. Due to agricultural land ceiling constraints as well as to provide gainful opportunities to farmers, the field production is currently done under contract farming with select trained farmers, as per strict agronomy protocols, under the supervision and guidance of the Company's agronomy team. In order to maintain the traceability and quality of each seed potato generation i.e. each multiplication from G-0 to say G-3 and to avoid any break in the chain due to agricultural and environmental risks, which can lead to substantial losses, the Company takes the seed potatoes back from the farmer at the end of each Generation and maintains the same in the cold stores till the next planting. In order to ensure quality seed potato production, the Company also supplies bought out Agri Inputs comprising Insecticides, Fungicides and Micronutrients to farmers associated with the Company for growing Field Generated Seed Potatoes. The trial growing of Tissue Culture Plantlets of Banana continues in the facility situated at Village Manpura, District Solan, Himachal Pradesh.

On 22<sup>nd</sup> March, 2016, ITC Limited acquired the entire shareholding of the Company from Technico Pty Limited, Australia. Consequently, with effect from the said date, the Company became a direct subsidiary of ITC Limited.

**2. Basis of Preparation**

The financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical

cost convention on an accrual basis. Pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 shall continue to apply. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities 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 of the Companies Act, 2013 based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

**2.1 Statement of Significant Accounting Policies**
**a) Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

**b) Fixed Assets**

Fixed Assets are stated at historical cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

**c) Depreciation on Tangible Fixed Assets**

Depreciation on Fixed Assets, except as set out below, is provided on the basis of useful life of assets at the rates prescribed in Schedule II to the Companies Act, 2013 on straight-line method. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition. Certain part of Plant and Machinery used in field operations is depreciated over five to eight years which is determined based on technical evaluation.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

Assets	Useful life	Useful life (years) as per Schedule II
Plant and Equipment – Irrigation equipments	5 - 8 years	15 years
Licenced Properties – Building Improvements	Over the period of primary lease	–

**d) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets representing Computer software and Trademarks are capitalized when they are expected to provide enduring benefit. Computer software are being amortized on a straight line basis over the estimated useful life of one to five years and Trademarks are being amortized on a straight line basis over a period of 10 years. The amortization period and the amortization method are reviewed at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

**e) Impairment of Assets**

- (i) The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- (ii) After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**f) Inventories**

Inventories are valued as follows:

- (i) Raw materials & components and Stores & Spares  
At cost, arrived at on FIFO basis or net realizable value, whichever is lower.
- (ii) TECHNITUBER<sup>®</sup> Seed Potatoes, Field Generated Seed Potatoes and Banana Tissue Culture Plantlets  
At cost or net realizable value whichever is lower. Cost for this purpose includes all direct costs incurred up to the stage of production of the respective inventories. Cost is determined on FIFO basis for TECHNITUBER<sup>®</sup> Seed Potatoes and Banana Tissue Culture Plantlets and weighted average basis for Field Generated Seed Potatoes.  
Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.
- (iii) Potatoes, Insecticides, Fungicides and Micronutrients  
At cost arrived at on FIFO basis or net realizable value, whichever is lower.

**g) Foreign Currency Transactions**

- (i) Initial Recognition  
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- (ii) Conversion  
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.
- (iii) Exchange Differences  
Exchange differences arising on the settlement of monetary items or on reporting monetary items of the Company, at rates different from those at which they were initially recorded during the year, or reported in previous financial statements are recognised as income or as expenses in the year in which they arise.

**h) Investment**

Investments that are readily realisable and intended to be held for not more than one year from the date, on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value, determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise

a decline other than temporary in the value of the investments, such reduction being determined and made for each investment individually.

**i) Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**(i) Sale of Goods**

Sales are recognized when significant risks and rewards of ownership in the goods are transferred to the buyer which normally coincides with the dispatch/delivery of goods to the customers.

**(ii) Interest**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**(iii) Dividend**

Dividend is recognised when right to receive dividend is established.

**(iv) Rental Income**

Rental income is recognised in the Statement of Profit and Loss as per lease terms.

**j) Proposed Dividend**

To provide for Dividends (including income tax thereon) in the books of accounts as proposed by the Directors, pending approval at the Annual General Meeting.

**k) Employee Benefits**

(i) Provident Fund: Contribution towards provident fund for employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. The contributions are charged to the Statement of Profit and Loss of the year, when the contributions to the respective funds are due.

(ii) Gratuity: Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

The Company has taken a Policy with Life Insurance Corporation of India (LIC) to cover the gratuity liability with respect to the employees and the premium paid to LIC is charged to Statement of Profit & Loss. The difference between the actuarial valuation of the gratuity with respect to employees at the year-end and the contribution paid to LIC is further adjusted in the books of accounts.

(iii) Compensated Absences: Short term compensated absences and Long term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method. Actuarial gains/ losses are recognised in the Statement of Profit and Loss in the year in which they arise.

(iv) Short Term Employee Benefits: Liability is recognised during the period when the employee renders the services.

(v) Long Term Incentive Scheme: Liability for Long Term Incentive Scheme is provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

**l) Income Tax**

Tax expense for the period, comprising current tax and deferred tax are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. If the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## m) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases.

Where the Company is the lessee, the operating lease payments are recognized as an expense in the Statement of Profit and Loss over the lease term.

Where the Company is the lessor, the assets subject to operating leases are included in the fixed assets and lease income is recognised in the Statement of Profit and Loss over the lease term.

## n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

## o) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present

value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## p) Cash and Cash equivalents

Cash and cash equivalents in the cash flow statement include cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

## q) Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

## r) Identification of Segments

## (i) Primary segment- Business Segment

The Company's Operations predominantly comprise of only one segment i.e. Seed Potatoes and Potatoes. In view of the same, separate segmental information is not required to be given as per the requirements of Accounting Standard 17.

## (ii) Secondary Segment- Geographical Segment

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosure are as follows:

Revenue from domestic market includes sales to customers located within India.

Revenue from overseas market includes sales to customers located outside India.

 NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 3. Share capital

(Amount in ₹ lakhs)

Particulars	As at	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
<b>Authorized</b>		
4,00,00,000 (31 <sup>st</sup> March, 2015: 4,00,00,000) equity shares of ₹10 each	<u>4,000.00</u>	<u>4,000.00</u>
<b>Issued, subscribed and fully paid-up</b>		
3,79,62,800 (31 <sup>st</sup> March, 2015 : 3,79,62,800) equity shares of ₹10 each	<u>3,796.28</u>	<u>3,796.28</u>
<b>Total issued, subscribed and fully paid-up share capital</b>	<u>3,796.28</u>	<u>3,796.28</u>

## a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at		As at	
	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
	Numbers	(Amount in ₹ lakhs)	Numbers	(Amount in ₹ lakhs)
At the beginning of the period	3,79,62,800	3,796.28	3,79,62,800	3,796.28
Issued during the period	-	-	-	-
<b>Outstanding at the end of the period</b>	<u>3,79,62,800</u>	<u>3,796.28</u>	<u>3,79,62,800</u>	<u>3,796.28</u>

## b. Right, preferences and restrictions attached to share

The equity shares of the company, having par value of ₹10 per share, rank pari passu in all respects including voting rights and entitlement to dividend.

## c. Shares held by holding company

Out of equity shares issued by the company, shares held by its holding company are as below:

Name of the Company	As at		As at	
	31 <sup>st</sup> March, 2016		31 <sup>st</sup> March, 2015	
	Numbers	(Amount in ₹ lakhs)	Numbers	(Amount in ₹ lakhs)
<b>Technico Pty Ltd., the Holding Company#</b>				
Equity shares of ₹10 each fully paid	-	-	3,79,62,794	3,796.28
<b>ITC Limited, the Holding Company#</b>				
Equity shares of ₹10 each fully paid	3,79,62,794	3,796.28	-	-
<b>Technico Pty Ltd., the Holding Company, jointly with other share holders#</b>				
Equity shares of ₹10 each fully paid	-	-	6	*
<b>ITC Limited, the Holding Company, jointly with other share holders#</b>				
Equity shares of ₹10 each fully paid	6	*	-	-

\*Amount is below the rounding off norm adopted by the company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

## d. Details of Shareholders holding more than 5% shares in the company

Name of the Shareholders	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Numbers	% holding	Numbers	% holding
<b>Equity shares of ₹10 each fully paid</b>				
Technico Pty Ltd., the holding company#	–	–	3,79,62,794	99.99%
ITC Limited, the holding company#	<b>3,79,62,794</b>	<b>99.99%</b>	–	–

# On 22<sup>nd</sup> March, 2016, ITC Limited acquired the entire shareholding of the Company from Technico Pty Limited, Australia. Consequently with effect from the said date, the Company became a direct subsidiary of ITC Limited.

## 4. Reserves and surplus

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Surplus in the Statement of Profit and Loss</b>		
Balance as at the beginning of the year	<b>8,308.09</b>	3,982.56
Profit for the year	<b>1,575.97</b>	4,525.29
<b>Net surplus in the Statement of Profit and Loss</b>	<b>9,884.06</b>	8,507.85
Less : Depreciation on transition to schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life (refer note 7.1)	–	(199.76)
<b>Total Reserves and surplus</b>	<b>9,884.06</b>	<b>8,308.09</b>

## 5. Provisions

Particulars	Long-term		Short-term	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Provision for employee benefits (refer note 28)</b>				
Provision for gratuity	<b>7.73</b>	5.46	–	–
Provision for leave benefits	<b>31.82</b>	31.65	<b>4.04</b>	4.52
Provision for long term incentive plan	<b>63.86</b>	41.20	–	–
<b>Other provisions :</b>				
Provision for farming charges (refer note below)	–	–	<b>840.00</b>	235.00
	<b>103.41</b>	78.31	<b>844.04</b>	239.52

(Amount in ₹ lakhs)

Note: In accordance with Accounting Standard 29 "Provisions, Contingent Liabilities and Contingent Assets", the movement of provisions is detailed below:

The above provision relate to the estimated outflow in respect of farming charges. Due to very nature of such costs, it is not practicable for the Company to exactly estimate the timing and cash outflows."

Description	(Amount in ₹ lakhs)			
	Balance as on April 1 <sup>st</sup> , 2015	Additions during the year*	Utilised / Reversed during the year	Balance as on March 31 <sup>st</sup> , 2016
Farming charges	235.00	840.00	235.00	<b>840.00</b>
	(180.00)	(261.93)	(206.93)	<b>(235.00)</b>

Included in 'Farming charges - Seed potato' (refer note 20)

Figures in bracket indicate previous year figures.

## 6.1 Trade payables

Particulars	(Amount in ₹ lakhs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Total outstanding dues of micro enterprises and small enterprises	–	–
Total outstanding dues of creditors other than micro enterprises and small enterprises	<b>1,315.81</b>	2,346.49
	<b>1,315.81</b>	<b>2,346.49</b>

Based on information available on the status of the suppliers, the Company does not have any dues to enterprises covered under Micro, Small and Medium Enterprises Development, Act 2006.

## 6.2 Other current liabilities

Particulars	(Amount in ₹ lakhs)	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Advances from customers	<b>465.86</b>	1,762.45
Deposit from dealers	<b>1.80</b>	1.80
Statutory dues including provident fund and tax deducted at source	<b>23.09</b>	21.41
Employee related payables	<b>43.95</b>	37.64
Payable for fixed asset [refer note 24(d)]	<b>0.51</b>	–
	<b>535.21</b>	<b>1,823.30</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

7.1. Tangible assets

(Amount in ₹ lakhs)

Particulars	Land (Freehold)	Buildings	Plant and equipment	Furniture and fixtures	Leasehold properties - Building improvements	Office equipment	Computers, servers & other IT equipments	Vehicles	Total
<b>At Cost</b>									
At 1 <sup>st</sup> April, 2014	151.93	465.48	1,376.53	23.22	50.29	7.17	46.41	44.47	2,165.50
Additions	-	-	108.20	-	-	0.82	6.79	-	115.81
Disposals	-	-	(3.68)	(0.80)	-	(3.13)	(6.25)	(4.75)	(18.61)
<b>At 31<sup>st</sup> March, 2015</b>	<b>151.93</b>	<b>465.48</b>	<b>1,481.05</b>	<b>22.42</b>	<b>50.29</b>	<b>4.86</b>	<b>46.95</b>	<b>39.72</b>	<b>2,262.70</b>
Additions	-	-	173.22	0.07	-	-	6.07	9.48	188.84
Disposals	-	-	(0.90)	-	-	(0.43)	(3.90)	-	(5.23)
<b>At 31<sup>st</sup> March, 2016</b>	<b>151.93</b>	<b>465.48</b>	<b>1,653.37</b>	<b>22.49</b>	<b>50.29</b>	<b>4.43</b>	<b>49.12</b>	<b>49.20</b>	<b>2,446.31</b>
<b>Depreciation</b>									
At 1 <sup>st</sup> April, 2014	-	177.77	790.44	17.57	21.63	2.95	28.91	9.48	1,048.75
Charge for the year	-	12.51	53.34	0.71	5.31	1.44	9.41	5.13	87.85
Transitional impact*	-	-	193.31	1.13	-	2.30	2.50	0.52	199.76
Disposals	-	-	(3.59)	(0.76)	-	(2.96)	(5.84)	(3.70)	(16.85)
<b>At 31<sup>st</sup> March, 2015</b>	<b>-</b>	<b>190.28</b>	<b>1,033.50</b>	<b>18.65</b>	<b>26.94</b>	<b>3.73</b>	<b>34.98</b>	<b>11.43</b>	<b>1,319.51</b>
Charge for the year	-	12.51	63.92	0.76	5.31	0.29	6.55	5.48	94.82
Transitional impact*	-	-	-	-	-	-	-	-	-
Disposals	-	-	(0.64)	-	-	(0.41)	(3.68)	-	(4.73)
<b>At 31<sup>st</sup> March, 2016</b>	<b>-</b>	<b>202.79</b>	<b>1,096.78</b>	<b>19.41</b>	<b>32.25</b>	<b>3.61</b>	<b>37.85</b>	<b>16.91</b>	<b>1,409.60</b>
<b>Net Block</b>									
<b>At 31<sup>st</sup> March, 2015</b>	<b>151.93</b>	<b>275.20</b>	<b>447.55</b>	<b>3.77</b>	<b>23.35</b>	<b>1.13</b>	<b>11.97</b>	<b>28.29</b>	<b>943.19</b>
<b>At 31<sup>st</sup> March, 2016</b>	<b>151.93</b>	<b>262.69</b>	<b>556.59</b>	<b>3.08</b>	<b>18.04</b>	<b>0.82</b>	<b>11.27</b>	<b>32.29</b>	<b>1,036.71</b>

Note :

- Freehold Land amounting to ₹3.28 lakhs (Previous Year ₹3.28 lakhs) is pending registration in the name of the Company.
  - Land amounting ₹101.99 lakhs (Previous Year ₹101.99 lakhs) has been given to Parent Company on operating lease.
  - During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1<sup>st</sup>, 2014, the Company had revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. The depreciation expense in the Statement of Profit and Loss for the previous year was lower by ₹5.54 lakhs consequent to the change in the useful life of the assets.
- \* Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated net carrying value of certain assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1<sup>st</sup>, 2014, and had adjusted an amount of ₹199.76 lakhs against the opening retained earnings under the head 'Reserves and surplus' in previous year.

7.2 Intangible assets

(Amount in ₹ lakhs)

Particulars	Technical know now	Computer software	Trademarks#	Total
Gross block				
At 1 <sup>st</sup> April, 2014	938.37	10.50	-	948.87
Purchase	-	5.54	-	5.54
<b>At 31<sup>st</sup> March, 2015</b>	<b>938.37</b>	<b>16.04</b>	<b>-</b>	<b>954.41</b>
Purchase	-	-	0.50	0.50
<b>At 31<sup>st</sup> March, 2016</b>	<b>938.37</b>	<b>16.04</b>	<b>0.50</b>	<b>954.91</b>
Amortization				
At 1 <sup>st</sup> April, 2014	938.37	1.05	-	939.42
Charge for the year	-	3.33	-	3.33
<b>At 31<sup>st</sup> March, 2015</b>	<b>938.37</b>	<b>4.38</b>	<b>-</b>	<b>942.75</b>
Charge for the year	-	3.33	0.00*	3.33
<b>At 31<sup>st</sup> March, 2016</b>	<b>938.37</b>	<b>7.71</b>	<b>0.00*</b>	<b>946.08</b>
Net block				
<b>At 31<sup>st</sup> March, 2015</b>	<b>-</b>	<b>11.66</b>	<b>-</b>	<b>11.66</b>
<b>At 31<sup>st</sup> March, 2016</b>	<b>-</b>	<b>8.33</b>	<b>0.50</b>	<b>8.83</b>

\* Amount is below the rounding off norm adopted by the company.

# Refer note 24(d).

8.1 Deferred tax assets

(Amount in ₹ lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
On account of unabsorbed depreciation	63.34	241.62
	<b>63.34</b>	<b>241.62</b>

8.2 Loans and advances

(Amount in ₹ lakhs)

Particulars	Long-term As at		Short-term As at	
	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2016	31 <sup>st</sup> March 2015
<b>Capital advances</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	7.91	-	-
(A)	-	7.91	-	-
<b>Security deposit</b>				
Secured, considered good	-	-	-	-
Unsecured, considered good	14.49	14.49	3.45	2.10
Doubtful	-	-	-	-
(B)	14.49	14.49	3.45	2.10
<b>Advances recoverable in cash or kind</b>				
Secured considered good	-	-	-	-
Unsecured considered good	-	-	323.79	36.64
Doubtful	-	-	3.93	3.93
Provision for doubtful advances	-	-	327.72	40.57
(C)	-	-	3.93	3.93
323.79	-	-	323.79	36.64
<b>Other loans and advances</b>				
Unsecured, considered good	-	-	-	-
Prepaid expenses	2.78	0.55	17.86	16.32
Advance income tax including TDS recoverable (Net of provisions)	12.50	29.81	-	-
MAT credit entitlement	209.29	85.19	-	-
Balances with statutory/ government authorities	-	-	8.92	5.33
(D)	224.57	115.55	26.78	21.65
<b>Total (A+ B + C +D)</b>	<b>239.06</b>	<b>137.95</b>	<b>354.02</b>	<b>60.39</b>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

## 9. Trade receivables and other assets

## 9.1 Trade receivables

Particulars	(Amount in ₹ lakhs)	
	Current As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Unsecured, considered good unless stated otherwise		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	183.70	183.17
	<u>183.70</u>	<u>183.17</u>
Provision for doubtful receivables	(183.70)	(183.17)
(A)	-	-
Other receivables		
Secured, considered good	-	-
Unsecured, considered good	224.16	161.28
Doubtful	-	-
	<u>224.16</u>	<u>161.28</u>

Particulars	Current	
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Provision for doubtful receivables	-	-
(B)	<u>224.16</u>	<u>161.28</u>
Total (A + B)	<u>224.16</u>	<u>161.28</u>

## 9.2 Other assets

Particulars	(Amount in ₹ lakhs)	
	Current As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Others		
Interest accrued on fixed deposits	0.23	0.20
Other receivables from related parties [refer note 24(d)]	4.36	0.01
	<u>4.59</u>	<u>0.21</u>

## 10. Investments

## 10.1 Non-current investments

Particulars	(Amount in ₹ lakhs)			
	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Quoted	Unquoted	Quoted	Unquoted
(At cost)				
Reliance Fixed Horizon Fund -XXVI - Series 31 50,00,000 (2015 - Nil) Units of ₹ 10.00 each	500.00	-	-	-
Birla Sun Life Fixed Term Plan - Series LQ (1113 D) 50,00,000 (2015 - Nil) Units of ₹ 10.00 each	500.00	-	-	-
	<u>1,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>
Market value of quoted investments	1,158.71	-	-	-

## 10.2 Current investments

Particulars	(Amount in ₹ lakhs)			
	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Quoted	Unquoted	Quoted	Unquoted
(At lower of cost and fair value)				
Reliance Fixed Horizon Fund -XXVI - Series 31 Nil (2015 - 50,00,000) Units of ₹ 10.00 each	-	-	500.00	-
Birla Sun Life Cash Manager 4,60,214 (2015 - 7,54,097) Units of ₹100.00 each	-	1,531.22	-	2,505.42
Reliance Medium Term Fund 24,73,428 (2015 - 24,73,428) Units of ₹10.00 each	-	700.00	-	700.00
ICICI Prudential Ultra Short Term Plan 50,32,098 (2015 - 50,32,098) Units of ₹10.00 each	-	700.00	-	700.00
ICICI Prudential Banking & PSU Debt Fund 46,26,539 (2015 - 46,26,539) Units of ₹10.00 each	-	700.00	-	700.00
Birla Sun Life Short Term Fund 13,75,081 (2015 - 13,75,081) Units of ₹10.00 each	-	700.00	-	700.00
HDFC Short Term Opportunities Fund 47,12,535 (2015 - 47,12,535) Units of ₹10.00 each	-	700.00	-	700.00
Reliance Liquid Fund Treasury Plan Growth 32,593 (2015 - Nil) Units of ₹1000.00 each	-	1,200.00	-	-
DWS Ultra Short Term Fund Nil (2015 - 1,64,95,964) Units of ₹10.00 each	-	-	-	2,700.00
Birla Sun Life Fixed Term Plan - Series LQ (368 D) Nil (2015 - 50,00,000) Units of ₹10.00 each	-	-	500.00	-
	<u>-</u>	<u>6,231.22</u>	<u>1,000.00</u>	<u>8,705.42</u>
Market value of quoted investments	-	-	1,067.25	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2016

<b>11. Inventories (valued at lower of cost and net realizable value)</b> (Amount in ₹ lakhs)			<b>Details of inventory</b> (Amount in ₹ lakhs)	
<b>Particulars</b>	<b>As at</b>	<b>As at</b>	<b>Particulars</b>	<b>As at</b>
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>		<b>31<sup>st</sup> March, 2016</b>
Raw materials and components (refer note 15)	84.17	92.90	<b>Raw materials and components</b>	
Work-in-progress (refer note 16.2)	8.57	56.65	Chemicals and fertilisers	22.09
Finished goods (refer note 16.2)	6,418.24	4,739.36	Packing stores	62.08
Traded goods (refer note 16.3)	668.66	379.94		<u>84.17</u>
Stores and spares	26.21	24.17		
	<u>7,205.85</u>	<u>5,293.02</u>	<b>16.1 Purchase of traded goods</b> (Amount in ₹ lakhs)	
			<b>Particulars</b>	<b>For the year ended</b>
<b>12. Cash and bank balances</b> (Amount in ₹ lakhs)				<b>31<sup>st</sup> March, 2016</b>
<b>Particulars</b>	<b>As at</b>	<b>As at</b>	Field generated seed potatoes	203.08
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	Potatoes	1,210.68
Cash and cash equivalents			Insecticides, fungicides and micronutrients	115.98
Cash on hand	0.17	0.24		<u>1,529.74</u>
<b>Balances with banks :</b>			<b>16.2 (Increase)/ decrease in inventory of finished goods and work-in-progress</b> (Amount in ₹ lakhs)	
On current accounts	110.86	37.01	<b>Particulars</b>	<b>For the year ended</b>
	<u>111.03</u>	<u>37.25</u>		<b>31<sup>st</sup> March, 2016</b>
			Finished goods and work-in-progress	
<b>13. Revenue from operations (net)</b> (Amount in ₹ lakhs)			Inventories at the end of the year	6,426.81
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>	Inventories at the beginning of the year	4,796.01
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	(Increase)/decrease	<u>(1,630.80)</u>
<b>Revenue from operations</b>			<b>Details of inventory</b> (Amount in ₹ lakhs)	
<b>Sale of products</b>			<b>Particulars</b>	<b>As at</b>
Finished goods	7,810.28	9,577.59		<b>31<sup>st</sup> March, 2016</b>
Traded goods	1,616.25	930.36	Finished Goods	
<b>Other operating revenue</b>			TECHNITUBER <sup>®</sup> seed potatoes	325.85
Sale of old empty bags	57.77	41.64	Field generated seed potatoes	6,092.39
Other	42.63	4.54	<b>Total (A)</b>	<u>6,418.24</u>
<b>Revenue from operations (net)</b>	<u>9,526.93</u>	<u>10,554.13</u>	<b>Work-in-progress</b>	
Details of products sold			Standing crop	-
			Banana tissue culture plantlets	8.57
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>	<b>Total (B)</b>	<u>8.57</u>
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	<b>Grand Total (A+B)</b>	<u>6,426.81</u>
Finished goods sold			<b>16.3 (Increase)/ decrease in inventories of traded goods</b> (Amount in ₹ lakhs)	
TECHNITUBER <sup>®</sup> seed potatoes	378.93	438.76	<b>Particulars</b>	<b>For the year ended</b>
Field Generated seed potatoes	7,357.75	9,121.90		<b>31<sup>st</sup> March, 2016</b>
Banana tissue culture plantlets	73.60	16.93	Traded goods	
	<u>7,810.28</u>	<u>9,577.59</u>	Inventories at the end of the year	668.66
<b>Traded goods sold</b>			Inventories at the beginning of the year	379.94
Field generated seed potatoes	507.22	329.53	(Increase)/decrease	<u>(288.72)</u>
Potatoes	975.29	484.39	<b>Details of inventory</b> (Amount in ₹ lakhs)	
Insecticides, fungicides and micronutrients	133.74	116.44	<b>Particulars</b>	<b>As at</b>
	<u>1,616.25</u>	<u>930.36</u>		<b>31<sup>st</sup> March, 2016</b>
	<u>9,426.53</u>	<u>10,507.95</u>	Traded goods	
<b>14. Other income</b> (Amount in ₹ lakhs)			Field generated seed potatoes	230.56
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>	Potatoes	438.08
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	Insecticides, fungicides and micronutrients	0.02
<b>Interest income on</b>				<u>668.66</u>
Bank deposits	0.04	0.21	<b>17. Employee benefits expense</b> (Amount in ₹ lakhs)	
Others	3.77	0.69	<b>Particulars</b>	<b>For the year ended</b>
Dividend income on current investments	-	185.46		<b>31<sup>st</sup> March, 2016</b>
Net gain on sale of current investments	384.12	112.88	Salaries, wages and bonus	592.12
Lease rental income	101.93	93.74	Contribution to provident and other fund	12.39
Exchange difference (net)	21.08	-	Gratuity expense (refer note 28)	3.27
Provisions/Liabilities written back to the extent no longer required	5.41	97.92	Staff welfare expenses	29.22
Profit on sale of fixed assets (net)	0.51	1.53		<u>637.00</u>
	<u>516.86</u>	<u>492.43</u>	<b>18. Finance costs</b> (Amount in ₹ lakhs)	
<b>15. Cost of raw material and components consumed</b> (Amount in ₹ lakhs)			<b>Particulars</b>	<b>For the year ended</b>
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>		<b>31<sup>st</sup> March, 2016</b>
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>	Interest expense	0.86
Inventory at the beginning of the year	92.90	86.98		<u>0.86</u>
Add: purchases	651.56	517.29	<b>19. Depreciation and amortization expense</b> (Amount in ₹ lakhs)	
	<u>744.46</u>	<u>604.27</u>	<b>Particulars</b>	<b>For the year ended</b>
Less: inventory at the end of the year	84.17	92.90		<b>31<sup>st</sup> March, 2016</b>
Cost of raw material and components consumed	<u>660.29</u>	<u>511.37</u>	Depreciation of tangible assets	94.82
<b>Details of raw material and components consumed</b> (Amount in ₹ lakhs)			Amortization of intangible assets	3.33
<b>Particulars</b>	<b>For the year ended</b>	<b>For the year ended</b>		<u>98.15</u>
	<b>31<sup>st</sup> March, 2016</b>	<b>31<sup>st</sup> March, 2015</b>		
Plantlets	13.97	7.47		
Chemicals and fertilisers	57.87	62.11		
Packing stores	588.45	441.79		
	<u>660.29</u>	<u>511.37</u>		

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Consumption of stores and spares (refer note 35)	7.99	5.28
Farming Charges		
- Seed potato	4,413.45	3,494.80
- Banana Plantlets	28.50	-
Power and fuel	140.31	114.20
Freight and forwarding charges	815.28	600.64
Rent (refer note 27)	59.45	55.05
Storage and handling cost	1,322.36	916.83
Rates and taxes	5.27	5.08
Insurance	18.48	16.71
Repairs and maintenance		
- Plant and machinery	133.80	27.55
- Buildings	0.51	3.04
- Others	22.12	25.36
Advertising and sales promotion	0.24	2.50
Sales commission	0.27	-
Travelling and conveyance	101.56	98.27
Telephone, postage and telegram expenses	24.25	21.64
Printing and stationery	5.80	5.49
Legal and professional fees	34.89	36.98
Payment to auditor (refer note 21)	14.99	8.56
Exchange differences (net)	-	12.67
Bad debts written off	- 6.45	-
Less : Existing provision utilised	- (6.45)	-
Provision for doubtful debts	0.53	-
Expenditure towards corporate social responsibility (CSR) (refer note 29)	51.00	24.00
Miscellaneous expenses	81.97	80.66
	<u>7,283.02</u>	<u>5,555.31</u>

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
As Auditor:		
Audit fee	6.90	6.18
Tax audit fee	1.73	1.69
Reimbursements	1.15	0.69
Other services	5.21	-
	<u>14.99</u>	<u>8.56</u>

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Profit after tax	1,575.97	4,525.29
<b>Net profit for calculation of basic EPS</b>	<u>1,575.97</u>	<u>4,525.29</u>
Net profit as above	1,575.97	4,525.29
<b>Net profit for calculation of diluted EPS</b>	<u>1,575.97</u>	<u>4,525.29</u>
	<b>Numbers</b>	<b>Numbers</b>
Weighted average number of equity shares in calculating basic EPS	3,79,62,800	3,79,62,800
Weighted average number of equity shares in calculating diluted EPS	3,79,62,800	3,79,62,800
<b>Earnings per share</b>		
Basic [Nominal value of shares ₹10 (Previous Year: ₹10)]	₹4.15	₹11.92
Diluted [Nominal value of shares ₹10 (Previous Year: ₹10)]	₹4.15	₹11.92

23. Segment reporting  
Geographical segment wise revenue : (Amount in ₹ lakhs)

S. No.	Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
(a)	Revenue from domestic market	9,211.11	10,281.84
(b)	Revenue from overseas market	215.42	226.11
	<b>Total</b>	<b>9,426.53</b>	<b>10,507.95</b>

Geographical segment wise trade receivables (Gross) : (Amount in ₹ lakhs)

S. No.	Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
(a)	Receivable from domestic market	196.55	199.46
(b)	Receivable from overseas market	211.31	144.99
	<b>Total</b>	<b>407.86</b>	<b>344.45</b>

The Company has common assets for producing goods for domestic markets and overseas markets. Hence, separate figures for assets/addition to fixed assets cannot be furnished.

24. Related party disclosures

(a) Names of related parties and nature of relationship

Ultimate Holding Company	: ITC Limited
	(Holding company w.e.f. 22 <sup>nd</sup> March, 2016)
Holding Company	: Technico Pty Limited, Australia (TPL)
	(Ceased to be Holding company w.e.f. 22 <sup>nd</sup> March, 2016)
	(Fellow subsidiary w.e.f. 23 <sup>rd</sup> March, 2016)

(b) Other related parties with whom transactions have taken place during the year

Enterprise under common control	: ITC Rural Development Trust
	ITC Infotech India Limited
	ITC Sangeet Research Academy

(c) Key Management Personnel (KMP)

Mr. Surampudi Sivakumar	Director
Mr. Arup Kumar Mukerji	Director
Mr. Ganesh Kumar Sundararaman	Director
Mr. David Charles McDonald	Director
Mr. Sachidanand Shivprakash Madan	Whole Time Director & Company Secretary
Mr. Hari Mohan Jha	Independent Director
Mr. Pawan Kumar Verma	Independent Director
Mr. Sanjeev Madan	Chief Financial Officer

(d) Details of transactions carried out during the financial year ended 31<sup>st</sup> March, 2016 with related parties in the ordinary course of business :

Particulars	Ultimate Holding Company (ITC Limited)*		Holding Company (Technico Pty Limited)*		Common Control		KMP	
	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Sale of products								
- ITC Limited	34.14	86.73	-	-	-	-	-	-
- Technico Pty Limited	-	-	197.74	172.77	-	-	-	-
Lease rental income								
- ITC Limited	101.93	93.74	-	-	-	-	-	-
Remuneration of managers on deputation reimbursed								
- ITC Limited	91.20	91.69	-	-	-	-	-	-
Purchase of services								
- ITC Limited	0.90	-	-	-	-	-	-	-
- ITC Infotech India Limited	-	-	-	-	8.89	7.51	-	-
Expenses reimbursed- ITC Limited	10.36	9.39	-	-	-	-	-	-
Expenses recovered								
- ITC Limited	0.23	0.35	-	-	-	-	-	-
- Technico Pty Limited	-	-	18.05	12.27	-	-	-	-
Sitting fees - Directors								
- Mr. Hari Mohan Jha	-	-	-	-	-	-	1.20	0.50
- Mr. Pawan Kumar Verma	-	-	-	-	-	-	1.50	0.40
Remuneration paid								
- Mr. Sanjeev Madan	-	-	-	-	-	-	34.20	21.22
CSR expenditure								
- ITC Sangeet Research Academy	-	-	-	-	-	24.00	-	-
- ITC Rural Development Trust	-	-	-	-	51.00	-	-	-
Cost towards taking on assignment / license								
- Technico Pty Limited	-	-	0.50@	-	-	-	-	-
<b>Balances as at year end</b>								
Trade receivables								
- Technico Pty Limited	-	-	211.31	144.99	-	-	-	-
Other receivables								
- ITC Limited	-	0.01	-	-	-	-	-	-
- Technico Pty Limited	-	-	4.36	-	-	-	-	-
Trade payables								
- ITC Limited	-	6.63	-	-	-	-	-	-
Other payables								
- Technico Pty Limited	-	-	0.51@	-	-	-	-	-

\* On 22<sup>nd</sup> March, 2016, ITC Limited acquired the entire shareholding of the Company from Technico Pty Limited, Australia. Thus, with effect from 22<sup>nd</sup> March, 2016, Technico Pty Limited, Australia, ceased to be Holding company of Technico Agri Sciences Limited and became fellow subsidiary with effect from 23<sup>rd</sup> March 2016.

@ Represents consideration of AUD 1000 payable to Technico Pty Limited, Australia, in terms of Memorandum of Agreement dated 29<sup>th</sup> March, 2016 for taking on assignment of TECHNITUBER®, TECHNICO™ and all other related trademarks registered / applied for in India and perpetual, royalty-free, non-exclusive license to the Company to use the aforesaid trademarks in Pakistan, Bangladesh, Nepal, Bhutan and Sri Lanka. The transaction has been approved by the Audit Committee and the Board of Directors at their meetings held on 28<sup>th</sup> March, 2016, in terms of Sections 177 and 188 of the Companies Act, 2013.

25. The Company has unabsorbed depreciation. The Company's main business comprises of production and sale of TECHNITUBER® Seed Potatoes and field generated Seed Potatoes which is an agricultural income. The Company also has future taxable income of lease rental as per the lease agreement for 35 years effective 18<sup>th</sup> February, 2009, short term capital gains arising from sale of current investments and income arising from sale of trading goods. Considering these income streams and the expected future taxable income on the same, the management is virtually certain that the Company will generate taxable profits to set-off the unabsorbed depreciation resulting into deferred tax asset. An amount of ₹ 178.28 lakhs has been adjusted against the deferred tax asset during the year.
26. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ Nil lakhs net of advance of ₹ Nil lakhs (Previous Year ₹ 1.70 lakhs net of advance ₹ 6.98 lakhs).

**27. Operating Lease as lessee**

General description of the Company's operating lease arrangements:

The Company has entered into operating lease arrangements primarily for Office premises, Godowns etc. Some of the significant terms and conditions for the arrangements are:

- agreements can generally be terminated by lessee/other parties by serving one to three months notice or by paying the notice period rent in lieu thereof;
- the lease is generally renewable on the expiry of lease period subject to mutual agreement;
- the Company has no obligation towards the owner in case of damage to the property on account of risk factors like fire, flood, riots, natural calamities, etc.

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Lease rentals charged to the Statement of Profit and Loss	59.45	55.05

**28. Employee benefit plans:**

**Defined Benefit Plan**

The Company has a gratuity plan for every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The employees are entitled for leave for each year of service and part thereof and subject to the limits specified. The unavailed portion of such leaves can be accumulated or encashed during/at the end, of the service period. The plan is unfunded.

Long Term Incentive Scheme: This scheme is for 5 year period from 1<sup>st</sup> April, 2014 to 31<sup>st</sup> March, 2019 and available to employees who have joined before or during this period and continue to be in service as on 30<sup>th</sup> June, 2019. Those employees joining in between the specified period will be entitled to receive pro-rata benefits under the scheme. The employees would be eligible to receive a lumpsum amount on 30<sup>th</sup> June, 2019, based on their actual Cost to Company for each respective year. The said payment will depend upon the achievement of cumulative adjusted profit after tax over 5 year period from financial year 2014-15 to financial year 2018-19 vis-a-vis target profit. An amount of ₹ 22.66 lakhs (Previous year: ₹ 41.20 lakhs) has been charged to the Statement of Profit and Loss during the year.

**Defined Contribution Plan**

The Provident Fund is being deposited with the Regional Provident Fund Commissioner, Chandigarh and Himachal Pradesh.

The following table summarises the components of net benefit expense recognised in the Statement of Profit and Loss, the funded / unfunded status and amounts recognised in the balance sheet for the Gratuity and Leave encashment.

**Statement of Profit and Loss**

Net employee benefit expense (recognised in Employee Cost)

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	(Funded)	(Unfunded)	(Funded)	(Unfunded)
Current service cost	4.93	1.98	4.66	1.43
Interest cost on benefit obligation	2.78	2.62	2.04	2.35
Expected return on plan assets	(2.63)	-	(2.16)	-
Net actuarial (gain)/ loss recognised in the year	(1.81)	(2.36)	3.18	2.44
Past service cost	-	-	-	-
<b>Net benefit expense</b>	<b>3.27</b>	<b>2.24</b>	<b>7.72</b>	<b>6.22</b>
Actual return on plan assets	5.83	-	4.31	-

**Balance Sheet**

Details of Provision for Gratuity and Leave Encashment

(Amount in ₹ lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Defined benefit obligation	(45.06)	(35.86)	(38.34)	(36.17)
Fair value of plan assets	37.33	-	32.88	-
Less: Un-recognized past service cost	-	-	-	-
<b>Plan asset / (liability)</b>	<b>(7.73)</b>	<b>(35.86)</b>	<b>(5.46)</b>	<b>(36.17)</b>

Changes in the present value of the defined benefit obligation are as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening defined benefit obligation	38.34	36.17	26.32	30.68
Interest cost	2.78	2.62	2.04	2.35
Current Service Cost	4.93	1.98	4.66	1.43
Past service cost	-	-	-	-
Benefits paid	(2.38)	(2.55)	-	(0.73)
Actuarial (gains)/ losses on obligation	1.39	(2.36)	5.32	2.44
Closing defined benefit obligation	45.06	35.86	38.34	36.17

Changes in the fair value of plan assets are as follows:

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016		For the year ended 31 <sup>st</sup> March, 2015	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Opening fair value of plan assets	32.88	-	22.89	-
Expected return	2.63	-	2.16	-
Contributions by employer	1.01	2.55	5.69	0.73
Benefits paid	(2.38)	(2.55)	-	(0.73)
Actuarial gains / (losses)	3.19	-	2.14	-
Closing fair value of plan assets	37.33	-	32.88	-

Amounts for the current and previous years are as follows:

(Amount in ₹ lakhs)

Particulars	Gratuity				
	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015	As at 31 <sup>st</sup> March, 2014	As at 31 <sup>st</sup> March, 2013	As at 31 <sup>st</sup> March, 2012
Defined benefit obligation	(45.06)	(38.34)	(26.32)	(25.41)	(18.40)
Fair value of Plan assets	37.33	32.88	22.89	21.76	18.74
Plan asset / (liability)	(7.73)	(5.46)	(3.43)	(3.65)	0.34
Experience loss/(gain) on plan liabilities	1.76	2.83	(2.53)	(0.56)	(0.24)
Experience loss/(gain) on plan assets	3.10	1.80	0.02	(1.43)	0.12

The Company expects to contribute ₹ 3.00 (Previous year ₹ 3.00) lakhs to gratuity fund in 2016-17.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	31 <sup>st</sup> March, 2016	31 <sup>st</sup> March, 2015
Investments with insurer	100%	100%

The principal assumptions are the discount rate & salary increase. The discount rate is based upon the market yields available on Government bonds at the accounting date with a term that matches that of liabilities and the salary increase takes in to account inflation, seniority, promotion and other relevant factors on long term basis.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	For the year ended 31 <sup>st</sup> March, 2016 (In %)	For the year ended 31 <sup>st</sup> March, 2015 (In %)
Discount rate	7.50	7.75
Expected rate of return on plan assets	7.50	7.75

**29. CSR Expenditure**

- (a) Gross amount required to be spent by the company during the year ₹ 50.84 lakhs.  
(b) Amount spent during the year on :

S. No.	Particulars	In cash	Yet to be paid In cash	Total
(i)	Construction/ acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	₹ 51.00 lakhs (₹ 24.00 lakhs)	-	₹ 51.00 lakhs (₹ 24.00 lakhs)

Figures in bracket indicate previous year figures.

**30. Contingent liabilities**

(Amount in ₹ lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Claims against the Company not acknowledged as debts		
Disputed income tax matters	162.20	171.62

It is not possible for the company to estimate the timings or amount of cash outflows, if any, in respect of the above pending resolution of the proceedings.

**31. Particulars of un-hedged foreign currency exposure**

(Amount in ₹ lakhs)

Particulars	Currency	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Trade receivables	AUD\$	4.145	3.050
Other payables	AUD\$	0.01	-

**For Price Waterhouse**  
Firm registration number: 301112E  
Chartered Accountants

**Avijit Mukerji**  
Partner  
Membership no.: 056155

Place: Kolkata  
Date: 30.04.2016

**For and on behalf of the Board of Directors of Technico Agri Sciences Limited**

**Arup Kumar Mukerji**  
Director

Place: Kolkata  
Date: 30.04.2016

**32. Earnings in foreign currency**

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
FOB value of Exports	215.42	226.11

**33. Expenditure in foreign currency**

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
Travelling	-	1.07
Testing Charges and Plantlets	13.25	10.34
Purchase of Trademarks	0.50	-

**34. Cost of raw material and components consumed**

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	%	For the year ended 31 <sup>st</sup> March, 2015	%
Imported	-	-	-	-
Indigenous	660.29	100.00	511.37	100.00
<b>Total</b>	<b>660.29</b>		<b>511.37</b>	

**35. Consumption of stores and spares**

(Amount in ₹ lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016	%	For the year ended 31 <sup>st</sup> March, 2015	%
Imported	-	-	-	-
Indigenous	7.99	100.00	5.28	100.00
<b>Total</b>	<b>7.99</b>		<b>5.28</b>	

36. Previous years' figures have been regrouped and/or rearranged wherever necessary to make their classification comparable with that of the current year.