

REPORT OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

Your Board of Directors ('the Board') hereby submit their Report for the financial year ended 31st March, 2019.

OPERATING ENVIRONMENT

The year under review continued to remain an extremely challenging for the seed potato industry. Potato prices which had ruled firm till November, 2018 dropped sharply due to higher left over stocks in cold stores and the upcoming fresh crop. This adversely impacted the seed market in West Bengal and Gujarat amongst others. In these difficult circumstances, the Company leveraged the strength of its brand, superior product quality, better on-field performance and strong trade & customer relationship to increase its Revenue from Operations to ₹ 160.26 crores (previous year: ₹ 76.89 crores), with Net Profit of ₹ 8.20 crores (previous year: loss of ₹ 14.07 crores).

The parent company continued to leverage your Company's leadership in the area of early generation seed potatoes and strengths in agronomy, to support its 'Bingo! Yumitos' range of potato chips and in servicing the seed potato requirements of its farmer base anchored to its e-choupal system. Further, during the year, your Company continued supply of fresh market potatoes and chipstock to organised retailers and processors, respectively, leveraging its existing competencies, while providing strong market linkages to farmers who buy the Company's seed potatoes.

SEEDS BUSINESS

(a) Growing of TECHNITUBER® Seed Potatoes

During the year under review, your Company harvested 133.82 lakhs TECHNITUBER® seed potatoes (previous year: 146.68 lakhs) at its green houses in Manpura, Himachal Pradesh.

(b) Field agricultural operations

Due to frequent and heavy rains during February and March, harvesting was delayed. Till 31st March, 2019, your Company harvested 79,440 MT (previous year: 82,558 MT) of early generation seed potatoes. Including the crop in the field, the final harvest is expected to be around 88,000 MT. Your Company continued to trial and introduce new varieties of potatoes that improve farm yields and augment farmer incomes on the one hand, while supporting the requirements of the processing industry on the other. Your Company also continued to promote farm & storage mechanisation and showcase the latest technology in the said areas, and quality seed & agronomy practices to farmers.

Your Company is exposed to the inherent risk of crop losses due to weather conditions and diseases. The Company seeks to address these risks by widening the geographical spread of farms and farmers, coupled with the use of multiple varieties of crop that have some resistance to the agricultural risks of frost, blight, rotting and so on.

(c) Marketing

Your Company sold 66,850 MT of early generation seed potatoes as against 58,909 MT in the previous year. TECHNITUBER® seed potato exports were lower at 27.57 lakhs vs. 42.09 lakhs in the previous year, since local demand was very strong.

Your Company is exposed to market risks arising from fluctuations in the demand and price environment in potato markets. While it has no control over market behaviour, your Company seeks to continually reinforce its market standing on the strength of its proprietary technology, package of agronomy practices and farmer relationships, and by diversifying the geographies in which it operates.

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, fueled by its superior technology and the expertise of its contract farmers and employees.

FRUITS AND VEGETABLES BUSINESS

Your Company has been building capabilities for sourcing and supply of fruits and vegetables, specially potatoes, onions and apples, from its farmer base and supplying to processors and retailers. This business has started scaling up in Delhi / NCR and the Company has also started providing back-end sourcing support to the 'Farmland' brand of potatoes and apples launched by its parent company.

FINANCIAL PERFORMANCE

The financial results of your Company, summarised, are as under:

	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(₹ in lakhs)		
Profits		
a. Profit / (Loss) Before Tax	847.06	(1,646.58)
b. Less : Tax Expense	27.56	(239.50)
c. Profit / (Loss) After Tax	819.50	(1,407.08)
d. Add : Other Comprehensive Income	3.50	5.37
e. Total Comprehensive Income / (Loss)	823.00	(1,401.71)
Retained Earnings		
a. At the beginning of the year	2,953.87	8,467.78
b. Add : Profit / (Loss) for the year	819.50	(1,407.08)
c. Add : Other Comprehensive Income	3.50	5.37
d. Less: Interim Dividend paid	-	3,416.65
e. Less: Income Tax on Interim Dividend	-	695.55
f. At the end of the year	3,776.87	2,953.87

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

During the year under review, Mr. Arup Kumar Mukerji, consequent to his retirement from the services of ITC Limited, the Holding Company, stepped down as Non-Executive Director of your Company with effect from 18th July, 2018. Your Directors place on record their appreciation for the contribution made by Mr. Mukerji during his tenure.

The Board at the meeting held on 20th August, 2018, appointed Mr. Dharmarajan Ashok (DIN: 02009735) as an Additional Director of the Company with effect from the said date. In accordance with Section 161 of the Companies Act, 2013 ('the Act') and Article 109 of the Articles of Association of the Company, Mr. Ashok will vacate office at the ensuing Annual General Meeting ('AGM') and is eligible for appointment as a Director of the Company.

Your Board at the meeting held on 26th April, 2019, recommended for the approval of the Members, the appointment of Mr. Ashok as a Non-Executive Director of your Company, liable to retire by rotation. Requisite Notice under Section 160 of the Act has been received by the Company for appointment of Mr. Ashok, who has filed his consent to act as a Director of your Company, if appointed. Appropriate resolution seeking your approval to Mr. Ashok's appointment is appearing in the Notice convening the ensuing AGM of the Company.

The Board at the meeting held on 26th April, 2019, also re-appointed Mr. Sachidanand S. Madan as Wholetime Director of the Company with effect from 1st June, 2019, in terms of the provisions of Sections 196, 197 and 203 of the Act, subject to the approval of the Members of the Company. Appropriate resolution seeking your approval to Mr. Madan's re-appointment as Wholetime Director is appearing in the Notice convening the ensuing AGM of the Company. Mr. Madan is also the Company Secretary of the Company.

In accordance with the provisions of Section 152 of the Act read with Article 123 of the Articles of Association of the Company, Mr. Surampudi Sivakumar (DIN: 00341392) Director, will retire by rotation at the ensuing AGM of the Company, and being eligible, offers himself for re-election. Your Board has recommended his re-election.

(b) Board Evaluation

The Board carried out annual performance evaluation of its own performance and that of the individual Directors, as required under Section 134 of the Act, based on criteria approved by the Board. The Chairman of the CSR Committee placed before the Board, report on functioning of the Committee during the year.

BOARD AND BOARD COMMITTEE

The composition of the CSR Committee is given below:

CSR Committee

Mr. S. Sivakumar	–	Chairman
Mr. D. Ashok	–	Member
Mr. Sachidanand S. Madan	–	Member

Five meetings of the Board were held during the year ended 31st March, 2019.

DIRECTOR'S RESPONSIBILITY STATEMENT

As required under Section 134 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 judgments 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 the 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 Board. The tenets of these Policies are implemented through the Accounting Manual, Standard Operating Procedures and pre-determined authority levels for executing transactions. These, along 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 Board 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 nature of its operations. Such Controls have been tested during the year taking into consideration the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. Based on the results of such assessment carried out by the management, no reportable material weakness or significant deficiency in the design or operation of internal financial controls was observed. 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 Auditor of the Company is mandated to carry out risk focused audits that enable review of risk management processes by the Board.

While your Company has no control over market behaviour, the management and mitigation of market risk is rooted in your Company's strategy of continually reinforcing its competitive edge in the market place premised on its proprietary technology 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 will continue to focus on strengthening its risk management framework to protect business value from uncertainty and consequent

losses through measures that are embedded in its business strategies and processes to the extent practical and effective in the long-term.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

PARTICULARS OF EMPLOYEES

The details of employee(s) drawing remuneration more than the limit specified in Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with the details of top ten employees of the Company in terms of remuneration drawn, as required under the said Rule, are provided in **Annexure 1** to this Report.

The Company seeks to enhance equal opportunities for men and women and is committed to a gender-friendly workplace. Your Company has constituted an Internal Complaints Committee in compliance with the applicable provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review, no complaint for sexual harassment was received.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

During the year ended 31st March, 2019, 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 material related party transactions of the Company in the prescribed Form No. AOC-2 are enclosed under **Annexure 2** 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.

COST RECORDS

The Company is not required to maintain cost records in terms of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in the prescribed Form No. MGT-9 is enclosed as **Annexure 3** to this Report.

STATUTORY AUDITORS

The Company's Auditors, Messrs. Price Waterhouse, Chartered Accountants, who were appointed with your approval at the 15th AGM for a period of five years, will complete their present term on conclusion of the ensuing 20th AGM of the Company.

The Board has recommended for the approval of the Members, the appointment of Messrs. S R B C & CO LLP, Chartered Accountants ('SRBC'), as the Auditors of the Company for a period of five years from the conclusion of the ensuing 20th AGM till the conclusion of the 25th AGM. SRBC have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act. The Board has also recommended for the approval of the Members, the remuneration of SRBC for the financial year 2019-20. Appropriate resolution seeking your approval to the appointment and remuneration of SRBC as the Auditors is appearing in the Notice convening the 20th AGM of the Company.

COMPLIANCE WITH SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 of the Act.

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

The information with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed under **Annexure 4** to this Report.

On behalf of the Board

S. Sivakumar
Chairman

Dated : 26th April, 2019

Annexure 1 to the Report of the Board of Directors for the financial year ended 31st March, 2019

[Information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014]

Name of employees	Age	Designation	Gross Remuneration (₹)	Net Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment/ Deputation	Previous Employment/ Position held
1	2	3	4	5	6	7	8	9
Sachidanand S. Madan *	60	Wholetime Director & Company Secretary	1,41,12,538/-	63,97,395/-	B.Com. (Hons.), A.C.A., A.C.S.	37	01.04.2012	Russell Credit Limited - on deputation to Technico Agri Sciences Limited
S. Pal Singh *	57	Vice President - Agronomy	73,22,586/-	40,77,111/-	M.Sc. (Agronomy)	33	01.04.2012	Russell Credit Limited - on deputation to Technico Agri Sciences Limited
N. K. Jha *	43	Head - Sales, Marketing & New Business	49,86,100/-	31,36,988/-	M.Sc. (Agriculture), M.S. (IT in Agriculture), M.B.A. (Marketing)	15	16.08.2007	Reliance Retail Limited - State Head - Planning & MIS
Sanjeev Madan	53	Chief Financial Officer	38,02,541/-	26,86,719/-	B.Com. (Hons.), F.C.A.	27	01.08.2005	Saboo Coatings Ltd. - Chief Finance Officer
A. Aggarwal	40	Deputy General Manager - Finance	21,32,532/-	15,83,832/-	B.Com., A.C.A.	17	03.03.2006	Satyam Computer Services Ltd. - Sr. Associate
R. Aggarwal	23	Deputy Manager - Finance	16,83,328/-	12,24,227/-	B.Com. (Hons.), A.C.A.	2	21.05.2018	ITC Limited - Manager, Finance
R. Singh	48	Deputy General Manager - Facility	19,40,353/-	15,39,481/-	M.Sc. (Agriculture)	24	15.05.2000	Salora Floritech Ltd. - Horticulturist
T. Pant	52	Deputy General Manager - Agronomy	18,70,930/-	14,77,921	M.Sc. (Agriculture)	24	01.08.2001	Indomint Agriproducts Pvt. Ltd. - Area Manager
S. Dua	38	Head - F&V (North)	15,73,573/-	12,79,423/-	B.Sc. (Hons.) (Agriculture), PGD -ABPM	15	01.05.2017	INI Farms Pvt. Ltd. / Asst. General Manager - Sales
S. Manjkhola	45	Manager - Facility	13,41,688/-	10,95,910/-	M.Sc. (Env. Science), Ph.D.	20	02.07.2007	Reliance Retail Limited - Dy. Manager

* On deputation from ITC Limited, the Holding Company (ITC)

** On deputation from ITC, with effect from 21st May, 2018.

Notes:

- Gross remuneration includes salary, variable pay, allowances & other benefits / applicable perquisites except provisions for gratuity and leave encashment which are actuarially determined on an overall Company basis. The term 'remuneration' has the meaning assigned to it under the Companies Act, 2013.
- Net remuneration comprises cash income less income tax, education cess deducted at source and employee's own contribution to provident fund.
- Certain employees (including deputed employees) have been granted Stock Options by ITC in previous year(s) under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. ITC has also granted Employee Stock Appreciation Linked Reward Units (ESAR Units) to deputed employees under its Stock Appreciation Linked Reward Plan. Since these Stock Options and ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units, and accordingly the said grant has not been considered as remuneration.
- All appointments (except deputed employees) are contractual in accordance with terms and conditions as per Company's rules.
- The aforesaid employees are neither relative of any Director of the Company nor hold any equity share in the Company.

On behalf of the Board

S. Sivakumar
Chairman

Dated : 26th April, 2019

Annexure 2 to the Report of the Board of Directors for the financial year ended 31st March, 2019

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	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)	Justification for entering into such contracts or arrangements or transactions	
f)	Date(s) of approval by the Board	
g)	Amount paid as advances, if any	
h)	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188	

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	ITC Limited, the Holding Company (ITC)
b)	Nature of contracts / arrangements / transactions	Sale of potatoes (chipstock), fruits and vegetables
c)	Duration of the contracts / arrangements / transactions	1 st April, 2018 to 31 st March, 2019
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	The Company sold potatoes and fruits & vegetables to ITC having aggregate sale value of ₹ 3,521.17 lakhs
e)	Date(s) of approval by the Board, if any	20 th March, 2018
f)	Amount paid as advances, if any	Nil

Dated : 26th April, 2019

On behalf of the Board
S. Sivakumar *Chairman*

Annexure 3 to the Report of the Board of Directors

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[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 rd 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 Finserv Private Limited Corporate one, First Floor, 5 Commercial Centre, Jasola, New Delhi – 110025 Phone: 011 – 4658 1300

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 Biological Assets	01135	65%
2.	Sale of Fruits and Vegetables	46301	35%

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)

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	
A. Promoters									
(1) Indian									
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	3,79,62,794	6	3,79,62,800	100.00	Nil
e) Banks / FI	-	-	-	-	-	-	-	-	N.A.
f) Any Other	-	-	-	-	-	-	-	-	N.A.
Sub-total (A)(1)	3,79,62,794	6	3,79,62,800	100.00	3,79,62,794	6	3,79,62,800	100.00	Nil
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	N.A.
b) Other – Individuals	-	-	-	-	-	-	-	-	N.A.
c) Bodies Corp.	-	-	-	-	-	-	-	-	N.A.
d) Banks / FI	-	-	-	-	-	-	-	-	N.A.
e) Any Other	-	-	-	-	-	-	-	-	N.A.
Sub-total (A)(2)	-	-	-	-	-	-	-	-	N.A.
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	3,79,62,794	6	3,79,62,800	100.00	3,79,62,794	6	3,79,62,800	100.00	Nil
B. Public Shareholding									
1. Institutions									
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.
Sub-total (B)(1)	-	-	-	-	-	-	-	-	N.A.
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	N.A.
ii) Overseas	-	-	-	-	-	-	-	-	N.A.
b) Individuals									
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.
Sub-total (B)(2)	-	-	-	-	-	-	-	-	N.A.
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	-	-	-	-	-	-	-	N.A.
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	N.A.
Grand Total (A+B+C)	3,79,62,794	6	3,79,62,800	100.00	3,79,62,794	6	3,79,62,800	100.00	Nil

(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.	ITC Limited	3,79,62,800	100.00	Nil	3,79,62,800	100.00	Nil	Nil

(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
	At the beginning of the year	No change during the year			
	Date wise Increase / Decrease in Promoter's Shareholding during the year				
	At the end of the year				

(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, Wholtime Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Sachidanand S. Madan (Wholtime Director and Company Secretary) (refer Note 1)
1.	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	117.32
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	17.61
	(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	-
Total Amount (A)		134.93
Ceiling as per the Companies Act, 2013		> ₹ 84 lakhs per annum (refer Note 2)

Note 1: Mr. Sachidanand S. Madan is on deputation from ITC Limited (ITC) and has been granted Stock Options in previous year(s) and Employee Stock Appreciation Linked Reward Units (ESAR Units) in the current year by ITC under its Employee Stock Option Schemes and Stock Appreciation Linked Reward Plan, respectively. Since these Stock Options / ESAR Units are not tradeable, no perquisite or benefit is conferred upon the employee by grant of such Options / Units, and accordingly the said grant has not been considered as remuneration. 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.

Note 2: Ceiling as per Part II of Schedule V to the Companies Act, 2013 has been disclosed, considering that the profits of the Company for the financial year ended 31st March, 2019 are inadequate.

B. Remuneration to other Directors:

(₹ in Lakhs)

Sl. No.	Name of the Directors	Particulars of Remuneration			Total Amount
		Fee for attending Board and Board Committee meetings	Commission	Others, please specify	
1.	Independent Directors				
	Total Amount (B)(1)				Nil
2.	Other Non-Executive Directors				
	S. Sivakumar	Nil	Nil	Nil	Nil
	D. Ashok				
	S. Ganesh Kumar				
	D. McDonald				
	Total Amount (B)(2)				
Total Amount (B) = (B)(1) + (B)(2)					Nil
Total Managerial Remuneration (A + B)					134.93
Overall ceiling as per the Companies Act, 2013					> ₹ 84 lakhs per annum (Refer Note)

Note: Ceiling as per Part II of Schedule V to the Companies Act, 2013 has been disclosed, considering that the profits of the Company for the financial year ended 31st March, 2019 are inadequate.

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

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Sanjeev K. 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	34.36
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.36
	(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	-
Total Amount		34.72

Note: Mr. Sanjeev Madan has been granted Stock Options by ITC Limited in previous year(s) under its Employee Stock Option Schemes at 'market price' [within the meaning of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014]. Since such Options are not tradeable, no perquisite or benefit is conferred upon him by such grant of Options, and accordingly the said grant has not been considered as remuneration.

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
ChairmanDated : 26th April, 2019

Annexure 4 to the Report of the Board of Directors for the financial year ended 31st March, 2019

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

i. **Conservation of Energy**

The Company continued to make 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 electricity consumption for lighting.

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 reduced 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 at a reputed third party facility and is presently marketing the same in select States on a test basis.

iii. **Technology Absorption, Adaptation and Innovation - Not Applicable**

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

Foreign Exchange Earnings	: 132.46
Foreign Exchange Outgo	: 15.16

On behalf of the Board

S. Sivakumar
ChairmanDated : 26th April, 2019

INDEPENDENT AUDITORS' REPORT**TO THE MEMBERS OF TECHNICO AGRI SCIENCES LIMITED****Report on the audit of the Financial Statements****Opinion**

1. We have audited the accompanying financial statements of Technico Agri Sciences Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. 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.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern,

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

7. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
 8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Report on other legal and regulatory requirements**
11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 12. 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 (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
- ii. The Company has long-term contracts as at March 31, 2019 for which there were no material foreseeable losses. The company did not have any derivative contracts as at March 31, 2019.
- 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, 2019.
- iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse

Firm Registration Number: 301112E

Chartered Accountants

Avijit Mukerji

Partner

Place : Kolkata

Date: April 26, 2019

Membership Number 056155

Annexure A to Independent Auditors' Report

Referred to in paragraph 12(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, 2019

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

1. We have audited the internal financial controls with reference to financial statements of Technico Agri Sciences Limited ("the Company") as of March 31, 2019 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

2. 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

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 : Kolkata

Date: April 26, 2019

Membership Number 056155

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 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, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) 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.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on Property, plant and equipment 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
- ii. The physical verification of inventory/biological assets excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory/biological assets lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory/biological assets as compared to book records were not material
- iii. 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.
- iv. 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.
- v. 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.
- vi. 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.
- vii. (a) 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, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.
- (b) 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 and duty of excise or value added tax or goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax as at March 31, 2019 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
The Income Tax Act, 1961	Penalty under section 271(1)(c)	16,220,314	A/Y 2003-04 to A/Y 2006-07	Income Tax Appellate Tribunal (Refer note below)
The Income Tax Act, 1961	Income tax demand	23,530,480	A/Y 2012-13	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax demand	49,681,850	A/Y 2013-14	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax demand	53,762,960	A/Y 2014-15	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income tax demand	106,685,254	A/Y 2016-17	Commissioner of Income Tax (Appeals)

Note: Subsequent to the year end, the Company has received an order in relation to A/Y 2003-04 to A/Y 2006-07 from Income Tax Appellate Tribunal (ITAT) dated April 18, 2019 pursuant to which the penalty is deleted.

- viii. According to the records of the Company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any bank as at the balance sheet date. The company does not have any loans or borrowings from any financial institution or Government nor has it issued any debentures as at the balance sheet date.
- 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. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 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 Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act. Further, the Company is not required to constitute an Audit Committee under Section 177 of the Act, and accordingly, to this extent, the provisions of Clause 3(xiii) of the Order are not applicable to the Company.
- 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
 Membership Number 056155

Place: Kolkata
 Date: April 26, 2019

BALANCE SHEET AS AT 31 MARCH 2019

(Amount in ₹ lakhs)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3.1	877.39	959.79
(b) Intangible assets	3.2	3.05	3.28
(c) Financial assets			
– Other financial assets	6	9.38	9.40
(d) Deferred tax assets (Net)	7	291.83	352.89
(e) Other non-current assets	8	130.97	71.88
Total non-current assets		1312.62	1397.24
Current assets			
(a) Inventories	9	1405.84	828.39
(b) Biological assets other than bearer plants	4	8160.32	8654.65
(c) Financial assets			
(i) Investments	5	1301.89	–
(ii) Trade receivables	10	435.63	149.23
(iii) Cash and cash equivalents	11	204.98	163.90
(iv) Other financial assets	6	6.74	0.28
(d) Other current assets	8	226.23	153.28
Total current assets		11741.63	9949.73
Total assets		13054.25	11346.97
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	3796.28	3796.28
(b) Other equity	13	3776.87	2953.87
Total equity		7573.15	6750.15
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
– Other financial liabilities	17	13.52	–
(b) Provisions	14	12.64	15.81
Total non-current liabilities		26.16	15.81
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	–	1056.28
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	16	–	–
(b) total outstanding dues of creditors other than micro enterprises and small enterprises”	16	3879.26	2447.47
(iii) Other financial liabilities	17	118.72	110.98
(a) Contract liabilities	17A	1371.13	891.18
(b) Other current liabilities	18	40.52	31.22
(c) Provisions	14	45.31	43.88
Total current liabilities		5454.94	4581.01
Total liabilities		5481.10	4596.82
Total equity and liabilities		13054.25	11346.97

The accompanying notes 1 to 46 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

S. Sivakumar
 Chairman

Sachidanand S. Madan
 Director and Company
 Secretary

Sanjeev K. Madan
 Chief Financial Officer

Place: Kolkata
 Date: 26 April, 2019

Place : Hyderabad
 Date : 26 April, 2019

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2019

Particulars	Notes	(Amount in ₹ lakhs)	
		For the year ended 31 March 2019	For the year ended 31 March 2018
I Revenue from operations	19	16025.83	7689.19
II Other income	20	235.03	507.77
III Total Income (I+II)		16260.86	8196.96
IV Expenses			
Cost of raw material and components consumed	21	946.54	829.58
Purchases of stock-in-trade and biological assets	22	4760.03	1500.43
Changes in inventories of finished goods, stock-in-trade and biological assets	23, 4	(91.38)	(1839.33)
Employee benefits expense	24	1015.76	1059.48
Finance costs	25	80.33	161.73
Depreciation and amortisation expense	26	105.00	111.88
Other expenses	27	8597.52	8019.77
Total expenses (IV)		15413.80	9843.54
V Profit/(Loss) before tax (III-IV)		847.06	(1646.58)
VI Tax expenses :			
(1) Current tax	28	(33.38)	110.57
(2) Deferred tax	7, 28	60.94	(350.07)
Total tax expenses		27.56	(239.50)
VII Profit/(Loss) for the year (V-VI)		819.50	(1407.08)
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
– Remeasurements of net defined benefit liability	33	3.62	5.74
(ii) Tax relating to items that will not be reclassified to profit or loss	28.2	(0.12)	(0.37)
Total other comprehensive income (i + ii)		3.50	5.37
IX Total comprehensive income for the year (VII+VIII)		823.00	(1401.71)
Earnings per share (in ₹) [(Face value ₹ 10 each (31 March 2018 : ₹ 10)]	29		
(1) Basic		2.16	(3.71)
(2) Diluted		2.16	(3.71)

The accompanying notes 1 to 46 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

S. Sivakumar
Chairman

Sachidanand S. Madan
Director and Company
Secretary

Sanjeev K. Madan
Chief Financial Officer

Place: Kolkata
Date: 26 April, 2019

Place : Hyderabad
Date : 26 April, 2019

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(Amount in ₹ lakhs)
For the year ended
31 March 2019

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Cash flow from operating activities		
Profit/(Loss) before tax	847.06	(1646.58)
Adjustments for :		
Depreciation and amortization expense	105.00	111.88
Loss/(Gain) on disposal of property, plant and equipment	-	(1.88)
Unrealized foreign exchange loss/(gain)	0.56	(0.03)
Gain on sale of current investments	(119.00)	(269.32)
Loss/(Gain) on fair value measurement of investments	(1.89)	-
Interest expense	80.33	161.73
Interest income	(0.08)	(13.47)
Provisions/Liabilities written back to the extent no longer required	(1.94)	(113.86)
Operating profit/(loss) before changes in working capital	910.04	(1771.53)
Changes in operating assets and liabilities		
(Increase)/decrease in trade receivables	(286.96)	155.84
(Increase)/decrease in inventories	(577.45)	(32.82)
(Increase)/decrease in biological assets other than bearer plants	494.33	(1877.76)
(Increase)/decrease in other financial assets	(6.41)	(0.16)
Decrease/(increase) in other non-current assets	(0.73)	1.83
(Increase)/decrease in other current assets	(72.95)	169.83
Increase/(decrease) in trade payables	1433.73	553.54
Increase/(decrease) in provisions	1.88	(78.16)
Increase/(decrease) in other financial liabilities	23.28	(336.08)
Increase/(decrease) in other current liabilities	489.25	652.69
Cash generated from/(used in) operations	2408.01	(2562.78)
Taxes paid (Including TDS recoverable)	(26.31)	(257.41)
Net cash inflow/(outflow) from operating activities (A)	<u>2381.70</u>	<u>(2820.19)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(24.39)	(52.28)
Payments for purchase of investments	(21980.00)	(410.00)
Proceeds from sale of investments	20799.00	6584.50
Proceeds from sale of property, plant and equipment	-	7.08
Interest received	0.05	13.47
Net cash inflow/(outflow) from investing activities (B)	<u>(1205.34)</u>	<u>6142.77</u>
Cash flows from financing activities		
Interest paid	(79.00)	(160.79)
Interim dividends paid to holding company	-	(3416.65)
Proceeds/(Repayment) from borrowings	(1056.28)	1055.33
Dividends distribution tax on interim dividend	-	(695.55)
Net cash (outflow) from financing activities (C)	<u>(1135.28)</u>	<u>(3217.66)</u>
Net increase in cash and cash equivalents (A+B+C)	41.08	104.92
Cash and cash equivalents at the beginning of the financial year	163.90	58.98
Cash and cash equivalents at end of the year (Refer Note 11)	<u>204.98</u>	<u>163.90</u>
Cash and cash equivalents as per above comprise of the following		
(a) Balances with Banks		
- In current account	200.57	163.66
(b) Drafts on hand	4.21	-
(c) Cash on hand	0.20	0.24
Total Cash and cash equivalents (Refer Note 11)	<u>204.98</u>	<u>163.90</u>

Notes :

- The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7 "Statement of cash flows".
- The accompanying notes 1 to 46 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

S. Sivakumar
Chairman

Sachidanand S. Madan
Director and Company
Secretary

Sanjeev K. Madan
Chief Financial Officer

Place: Kolkata
Date: 26 April, 2019

Place : Hyderabad
Date : 26 April, 2019

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

A. Equity Share Capital

(Amount in ₹ lakhs)

Balance at 1 April 2017	Changes in equity share capital during the year	Balance at 31 March 2018	Changes in equity share capital during the year	Balance at 31 March 2019
3796.28	-	3796.28	-	3796.28

B. Other Equity

(Amount in ₹ lakhs)

Particulars	Retained Earnings
Balance as at 1 April 2017	8467.78
- Profit / (Loss) for the Year	(1407.08)
- Other comprehensive income (net of tax)	5.37
Total comprehensive income	(1401.71)
Transactions with owners in their capacity as owners :	
Interim dividend paid	(3416.65)
Income tax on interim dividend paid	(695.55)
Balance as at 31 March 2018	2,953.87
- Profit / (Loss) for the Year	819.50
- Other comprehensive income (net of tax)	3.50
Total comprehensive income	823.00
Transactions with owners in their capacity as owners :	
Interim dividend paid	-
Income tax on interim dividend paid	-
Balance as at 31 March 2019	3776.87

The accompanying notes 1 to 46 are an integral part of the financial statements

This is the Statement of Changes in Equity referred to in our report of even date.

For Price Waterhouse
Firm registration number: 301112E
Chartered Accountants

Avijit Mukerji
Partner
Membership no.: 056155

Place: Kolkata
Date: 26 April, 2019

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

S. Sivakumar
Chairman

Sachidanand S. Madan
Director and Company
Secretary

Sanjeev K. Madan
Chief Financial Officer

Place : Hyderabad
Date : 26 April, 2019

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. Nature of Operations

Technico Agri Sciences Limited is a Company limited by shares, incorporated in India. Its registered office is situated at 25 Community Centre, Basant Lok, Vasant Vihar, Delhi and principal place of business is at SCO - 835, First and Second Floor, NAC Manimajra, Chandigarh. The Company is a wholly owned subsidiary of ITC Limited. The Company is primarily in the Agricultural Bio-Technology business of growing and selling TECHNITUBER® Seed Potatoes and Field Generated Seed Potatoes and also engaged in trading in Field Generated Seed Potatoes and Fruits & Vegetables. The Company is undertaking trials at a reputed third party facility for growing Tissue Culture Plantlets of Banana. (Refer note 4 for further details of operations of the Company).

2. Significant Accounting Policies

a. Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act). The financial statements are also prepared in accordance with the relevant presentation requirements of the Act.

The Company adopted Ind AS from 1st April, 2016 with the date of transition being 1 April, 2015.

b. Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies. The financial statements are presented in Rupees Lakhs.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share based payment transactions that are within the scope of Ind AS 102 – Share based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

In case of biological assets, cost approximates fair value when little biological transformation has taken place since initial cost incurrence or the impact of the biological transformation on price is not expected to be material.

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period; they are recognised in the period of the revision and future periods if the revision affects both current and future periods.

c. Operating cycle

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

d. Revenue

Revenue is recognized based on the price specified in the contract with customers, net of estimated returns, credit notes and discounts. Revenue

excludes Goods & Services Tax, where applicable on the supply of goods and services.

The Company recognises revenue when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable and specific criteria have been met for each of the company's activities as described below:

(i) Sale of Goods and Services

Sales are recognised when the control over goods are transferred to the customer, which is mainly upon dispatch / delivery. Revenue from services is recognised in the periods in which the services are rendered.

(ii) Rental income

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

e. Property, Plant and Equipment – Tangible Assets

Property, Plant & Equipment are stated at cost of acquisition or construction less accumulated depreciation and impairment, if any.

For this purpose, cost includes deemed cost which represents the carrying value of Property, Plant and Equipment recognized as at 1 April, 2015 measured as per the previous GAAP.

Cost is inclusive of inward freight, duties and taxes and incidental expenses related to acquisition. In respect of major projects involving construction, related pre-operational expenses form part of the value of assets capitalised. Expenses capitalised also include applicable borrowing costs for qualifying assets, if any. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain or loss arising on the disposal or retirement of an item of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in statement of Profit and Loss.

Depreciation of these assets commences when the assets are ready for their intended use which is generally on commissioning. Items of Property, Plant and Equipment are depreciated in a manner that amortises the cost (or other amount substituted for cost) of the assets after commissioning, less its residual value, over their useful lives as specified in Schedule II of the Companies Act, 2013 on a straight line basis. Freehold land is not depreciated.

The estimated useful lives of other Property, Plant and Equipment of the Company are as follows:

Buildings	30-60 Years
Building Improvements on Licensed Properties	Shorter of lease period or estimated useful life.
Plant and Equipment	8 – 15 Years
Furniture and Fixtures	10 Years
Vehicles	8 Years
Computers and Servers	3 – 6 Years
Office Equipment	5 Years

Residual values and useful lives of Property, Plant and Equipment are reviewed at each Balance Sheet date and changes, if any, are treated as changes in accounting estimate.

f. Intangible Assets

Intangible assets that the Company controls and from which it expects future economic benefits are capitalised upon acquisition and measured initially:

- i. for assets acquired in a business combination or by way of a government grant, at fair value on the date of acquisition / grant.
- ii. for separately acquired assets, at cost comprising the purchase price (including import duties and non-refundable taxes) and directly attributable costs to prepare the asset for its intended use.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

Internally generated assets for which the cost is clearly identifiable are capitalised at cost. Research expenditure is recognised as an expense when it is incurred. Development costs are capitalised only after the technical and commercial feasibility of the asset for sale or use has been established. Thereafter, all directly attributable expenditure incurred to prepare the asset for its intended use are recognised as the cost of such assets. Internally generated brands, websites and customer lists are not recognised as intangible assets.

The carrying value of intangible assets includes deemed cost which represents the carrying value of intangible assets recognised as at 1st April, 2015 measured as per the previous GAAP.

The useful life of an intangible asset is considered finite where the rights to such assets are limited to a specified period of time by contract or law (e.g., patents, licenses, trademarks, franchise and servicing rights) or the likelihood of technical, technological obsolescence (e.g., computer software, design, prototypes) or commercial obsolescence (e.g., lesser known brands are those to which adequate marketing support may not be provided). If, there are no such limitations, the useful life is taken to be indefinite.

Intangible assets that have finite lives are amortized over their estimated useful lives by the straight line method unless it is practical to reliably determine the pattern of benefits arising from the asset. An intangible asset with an indefinite useful life is not amortized.

All intangible assets are tested for impairment. Amortization expenses and impairment losses and reversal of impairment losses are taken to the Statement of Profit and Loss. Thus, after initial recognition, an intangible asset is carried at its cost less accumulated amortization and / or impairment losses.

The useful lives of intangible assets are reviewed annually to determine if a reset of such useful life is required for assets with finite lives and to confirm that business circumstances continue to support an indefinite useful life assessment for assets so classified. Based on such review, the useful life may change or the useful life assessment may change from indefinite to finite. The impact of such changes is accounted for as a change in accounting estimate.

g. Impairment of Assets

Impairment loss, if any, is provided to the extent, the carrying amount of assets or cash generating units exceed their recoverable amount.

The recoverable amount is the higher of the asset's net selling price and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset of cash generating unit and from its disposal at the end of its useful life.

The impairment losses recognised in prior years are reversed when there is an indication that the impairment losses recognised no longer exist or have decreased. Such reversals are recognised as an increase in carrying amounts of assets to the extent that it does not exceed the carrying amounts that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised in the previous years.

h. Biological Assets and Agricultural Produce

The Company's operations include activities which are agricultural in nature and are subject to the recognition, measurements and disclosure requirements of Ind AS 41 - Agriculture. Biological Assets are recognised when the Company controls the assets as a result of past events and it is probable that the future economic benefits associated with the asset will flow to the Company and fair value can be measured reliably. On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Cost to sell includes the incremental cost to sell including commission to traders, brokers and dealers and estimated cost to transport to the market but excludes finance costs and income taxes. Harvested biological assets (i.e. agriculture produce) are transferred to inventory at fair value less costs to sell when harvested.

Cost approximates fair value when little biological transformation has taken place since the costs were originally incurred or the impact of biological transformation on price is not expected to be material. Gains and losses arising on initial recognition of both biological asset

and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and Loss in the period in which they arise.

Cost for this purpose includes all direct costs incurred up to the stage of production of the respective inventories.

i. 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. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition.

(ii) Traded goods

At cost arrived at on FIFO basis or net realizable value, whichever is lower. Costs are determined after deducting rebates and discounts.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and sale.

(iii) Agricultural Produce

Agricultural produce is recognized at fair value less costs to sell at the date of harvest. Once harvested, these goods are subsequently accounted for under Ind AS 2 in the same manner as other inventories purchased from third parties.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

j. Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. 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.

Gains / losses arising on settlement as also on translation of monetary items are recognised in the Statement of Profit and Loss.

k. Financial instruments, Financial assets, Financial liabilities and Equity Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date when the Company commits to purchase or sell the asset.

Financial assets

Recognition: Financial assets include Investments, Trade Receivables, Advances, Security Deposits, Cash and cash equivalents. Such assets are initially recognised at transaction price when the Company becomes party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

Classification: Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

Financial assets are classified as those measured at:

- (a) amortised cost, where the financial assets are held solely for collection of cash flows arising from payments of principal and / or interest.
- (b) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in other comprehensive income.
- (c) fair value through profit or loss (FVTPL), where the assets are managed in accordance with an approved investment strategy that triggers purchase and sale decisions based on the fair value of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognised in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

Impairment: The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognised if the credit quality of the financial asset has deteriorated significantly since initial recognition.

Reclassification: When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognised gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

De-recognition: Financial assets are derecognised when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. Concomitantly, if the asset is one that is measured at:

- (a) amortised cost, the gain or loss is recognised in the Statement of Profit and Loss;
- (b) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

Income Recognition: Interest income is recognised in the Statement of Profit and Loss using the effective interest method. Dividend income is recognised in the Statement of Profit and Loss when the right to receive dividend is established.

Financial Liabilities

Borrowings, trade payables and other financial liabilities are initially recognised at the value of the respective contractual obligations. They are subsequently measured at amortised cost. Any discount or premium on redemption / settlement is recognised in the Statement of Profit and Loss as finance cost over the life of the liability using the effective interest method and adjusted to the liability figure disclosed in the Balance Sheet.

Financial liabilities are derecognised when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the

recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Equity Instruments

Equity instruments are recognised at the value of the proceeds, net of direct costs of the capital issue.

I. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. In the event that the proceeds have been drawn down or is likely to be drawn down in its entirety, any difference between the proceeds (net of transaction costs, including fees paid on establishing the loan facility) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. To the extent that it is probable that some or all of the facility will not be drawn down, the fee is capitalised as prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains / (losses).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

m. Employee Benefits

- (i) **Provident Fund and Employee State Insurance Scheme:** Contribution towards provident fund and employee state insurance scheme 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. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or loss on account of remeasurement are recognised immediately through Other Comprehensive Income in the period in which they occur.

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:** 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. The benefit is unfunded.
- (iv) **Short Term Employee Benefits:** Liability is recognised during the period when the employee renders the services.

n. Employee Share Based Compensation

The cost of stock options and stock appreciation units granted by ITC Limited, the Holding Company, to certain employees of the company / holding company on deputation is recognized at fair value. These Schemes are in the nature of equity settled / cash settled share based compensation and are assessed, managed / administered by the Holding Company.

In case of stock options, the fair value of stock options at the grant date is amortised on a straight line basis over the vesting period and cost recognized as employee benefits expenses in the Statement of Profit and Loss with a corresponding credit in equity, net of reimbursements, if any.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

In case of stock appreciation units, the fair value of stock appreciation units at the grant date is initially recognised and remeasured at each reporting date, until settled, and cost recognized as employee benefits expenses in the Statement of Profit and Loss with a corresponding increase in other financial liabilities.

o. Taxes on Income

Taxes on income comprise current taxes and deferred taxes.

Current tax in the statement of profit and loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted or substantively enacted, if applicable during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (Tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for the future tax consequences to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized.

Income tax, in so far as it relates to items disclosed under Other Comprehensive Income or Equity, are disclosed separately under Other Comprehensive Income or Equity, as applicable.

Deferred Tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

p. Leases

Leases are recognised as a finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Company as a Lessee

Assets used under finance leases are recognised as Property, Plant and Equipment in the Balance Sheet for an amount that corresponds to the lower of fair value and the present value of minimum lease payments determined at the inception of the lease and a liability is recognised for an equivalent amount.

The minimum lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in the Statement of Profit and Loss.

Rentals payable under operating leases are charged to the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Company as a Lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within Property, Plant and Equipment and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease unless the receipts increase in line with expected general inflation to compensate for expected inflationary cost increases, in which case, the same is recognised in accordance with the terms of the lease.

q. Provisions

Provisions are recognised when, as a result of a past event, the Company has a legal or constructive obligation; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. The amount so recognised is the best estimate of the consideration required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation.

r. 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.

s. Dividend Distribution

Dividends paid (including income tax thereon) is recognised in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

t. Operating Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. (Refer Note - 40)

Segments are organised based on business which have similar economic characteristics as well as exhibit similarities in nature of products and services offered, the nature of production processes, the type and class of customer and distribution methods.

Segment revenue arising from third party customers is reported on the same basis as revenue in the financial statements. Segment results represent profits before finance charges, unallocated corporate expenses and taxes.

"Unallocated Corporate Expenses" include revenue and expenses that relate to initiatives / costs attributable to the Company as a whole and are not attributable to segments.

u. 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.

v. 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.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

3.1. Property, plant and equipment

(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
Gross carrying amount									
At 1 April 2017	151.93	275.20	683.51	3.95	23.35	1.09	26.76	61.84	1227.63
Additions	-	-	32.59	-	-	-	11.72	-	44.31
Disposals	-	-	(5.20)	-	-	-	-	-	(5.20)
At 31 March 2018	151.93	275.20	710.90	3.95	23.35	1.09	38.48	61.84	1266.74
Additions	-	-	17.36	0.14	-	0.13	2.89	-	20.52
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2019	151.93	275.20	728.26	4.09	23.35	1.22	41.37	61.84	1287.26

(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
Accumulated Depreciation									
At 1 April 2017	-	25.02	135.37	1.49	10.62	0.47	12.53	13.28	198.78
Charge for the year	-	12.51	73.53	0.68	5.31	0.16	7.60	8.38	108.17
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2018	-	37.53	208.90	2.17	15.93	0.63	20.13	21.66	306.95
Charge for the year	-	12.51	69.90	0.50	4.91	0.16	6.56	8.38	102.92
Disposals	-	-	-	-	-	-	-	-	-
At 31 March 2019	-	50.04	278.80	2.67	20.84	0.79	26.69	30.04	409.87
Net carrying amount									
At 31 March 2018	151.93	237.67	502.00	1.78	7.42	0.46	18.35	40.18	959.79
At 31 March 2019	151.93	225.16	449.46	1.42	2.51	0.43	14.68	31.80	877.39

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 holding company on operating lease.

3.2 Intangible assets

(Amount in ₹ lakhs)

Particulars	Technical know how*	Computer software	Trademarks	Total
Gross carrying amount				
At 1 April 2017	-	13.04	0.50	13.54
Additions	-	0.29	-	0.29
At 31 March 2018	-	13.33	0.50	13.83
Additions	-	1.85	-	1.85
At 31 March 2019	-	15.18	0.50	15.68
Accumulated amortization				
At 1 April 2017	-	6.79	0.05	6.84
Charge for the year	-	3.66	0.05	3.71
At 31 March 2018	-	10.45	0.10	10.55
Charge for the year	-	2.03	0.05	2.08
At 31 March 2019	-	12.48	0.15	12.63
Net carrying amount				
At 31 March 2018	-	2.88	0.40	3.28
At 31 March 2019	-	2.70	0.35	3.05

* Gross block of ₹ 938.37 lakhs, accumulated depreciation ₹ 938.37 lakhs has been shown as ₹ Nil as the Company had elected to consider carrying value as deemed cost at the date of transition to Ind AS.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

4. Biological assets other than bearer plants (Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening value of biological assets	8654.65	6776.89
Biological assets acquired during the year	82.35	31.99
Cost Incurred during the year	8402.36	8339.57
Changes in fair value *	2230.29	(580.16)
Biological assets sold during the year	(10242.81)	(5452.46)
Harvested potatoes transferred to inventories and sold during the year	(684.22)	(139.14)
Harvested potatoes transferred to inventories	(282.30)	(322.04)
Closing value of biological assets	8160.32	8654.65

* Represents aggregate gain/(loss) arising on account of change in fair value less costs to sell during the year.

As at 31 March 2019, the Company had 9121664 Nos. TECHNITUBER® Seed Potatoes (31 March 2018 - 8779846 Nos.).

As at 31 March 2019, there were 71567 MT of field generated seed potatoes (31 March 2018 - 77548 MT). During the year, output of agricultural produce (potatoes) is 8241 MT (31 March 2018 - 4739 MT).

In October 2018 -13100 MT (October 2017 - 12573 MT) of seed potatoes were planted and in February/March 2019 - 79440 MT (February/March 2018 - 82558 MT) of seed potatoes were harvested as a result of quantitative biological transformation.

Estimated amount of contracts remaining to be executed for acquisition / development of biological assets as at 31 March 2019 ₹ 243.44 lakhs (31 March 2018 - ₹ 8.41 lakhs)

Groups of Biological Assets : The Company's biological assets comprise- TECHNITUBER® Seed, Field Generated Seed Potatoes and Banana Tissue Culture Plantlets under Ind AS 41 – Agriculture.

TECHNITUBER® Seed: The TECHNITUBER® seed i.e. Generation – 0 (G-0) are produced by the Company in the Greenhouse nurseries maintained at the facility situated at village Manpura, District Solan (HP). These seeds are produced through TECHNITUBER® Technology in greenhouses under controlled environment which involves a complex series of integrated processes being applied to pathogen tested tissue culture plantlets.

Field Generated Seed Potatoes : TECHNITUBER® seed produced through TECHNITUBER® technology are multiplied by growing high yielding early generation seed potatoes in farms. TECHNITUBER® seed (G-0) are planted in farms for further growing to the next stage i.e. G-1. These G-1 Seeds are again multiplied next year into G-2 and so on till it is ready for sale. The multiplication of G - 0 to G - 1 takes place in Company leased farms. The multiplication of G-2 onward seed is done with select trained growers as per strict agronomy protocols, with traceability, under the supervision and guidance of the Company's agronomy team.

The Company manages the biological transformation of its seed potatoes and monitors multiplication of the cycle(s) / generation(s) of such seed potatoes, which falls within the ambit of agricultural activity in accordance with Ind AS 41-Agriculture. This agricultural activity leads to the harvest of biological assets for sale or for conversion into agricultural produce or into additional biological assets. As these biological assets are consumable in nature, the operating cycle of biological transformation is less than one year for each stage of multiplication and hence the biological assets have been classified as current. During the process of managing the biological change based on certain attributes, the Company groups its biological assets depending on whether significant biological transformation has taken place since initial incurrence of cost. The marketability as a biological asset is dependent on various attributes including the potential to take the product to subsequent cycle(s) of biological transformation. The financial year end of the Company coincides with the harvest and at harvest, only quantitative biological transformation takes place, which is considered insignificant. Seed potatoes when harvested in February/March need to undergo the process of physiological ageing which takes place inside the cold stores under prescribed conditions before they are sold/transferred for further planting. Hence, as on 31 March, 2019, due to insignificant biological transformation till balance sheet date, the biological assets of the Company are valued at cost, which approximates fair value.

Banana Tissue Culture Plantlets : The Company imports mother cultures and multiplication of tissue culture banana plantlets takes place at the nurseries of a reputed third party facility using tissue culture technology under the Company's supervision.

Agricultural Produce : Agricultural produce is the harvested product of the entity's biological assets. Where the attributes of the biological asset attain the characteristics of agricultural produce, i.e., to be used for consumption, the same is fair valued on such date and is considered as inventory thereafter.

Risk Management Strategy : The Company is exposed to market risks arising from fluctuations in the demand and price environment in potato markets. While it has no control over market behaviour, the Company seeks to continually reinforce its market standing on the strength of its proprietary technology, package of agronomy practices and farmer relationships and by diversifying the geographies in which it operates. It also aligns its production to anticipated demand and recognises and disposes excess stocks to the extent practical. Early generations of the Company's field produced seed potatoes are also exposed to the inherent risk in agriculture of crop losses due to weather or disease that it seeks to address by widening the geographical spread of farms and farmers, multiple varieties of crop (with each one of them having some resistance to virus, other diseases and climatic conditions) and expertise in agronomy. Accordingly, the Company employs its wide-ranging processes, procedures and protocols developed on the basis of its long experience, including regular inspection of crops and monitoring of weather conditions during the growing phase and preventive pest and disease sprays, to mitigate such risks.

5. Current investments (Amount in ₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Investment in mutual funds		
(measured at fair value through profit or loss)		
Unquoted		
ICICI Prudential Liquid Fund	1301.89	-
470,988 (2018- Nil) Units of ₹100.00 each		
Total unquoted investments	<u>1301.89</u>	-
Total Current Investments	<u>1301.89</u>	-
Total current investments		
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	1301.89	-
Aggregate amount of impairment in the value of investments	-	-

6. Other Financial assets (Amount in ₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Non-Current		
Security deposits	9.38	9.40
Total	<u>9.38</u>	<u>9.40</u>
Current		
Interest accrued on fixed deposits	0.31	0.28
Incentive receivable	6.43	-
Total	<u>6.74</u>	<u>0.28</u>

7. Deferred tax assets/(liabilities) (net) (Amount in ₹ lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax assets	292.60	353.05
Deferred tax liabilities	(0.77)	(0.16)
Total	<u>291.83</u>	<u>352.89</u>

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

Movement in deferred tax assets/(liabilities) balances

FY 2018-19				(Amount in ₹ lakhs)
Particulars	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
Deferred tax assets in relation to:				
Remeasurements of net defined benefit liability	–	–	–	–
Total Deferred tax assets	–	–	–	–
Deferred tax liabilities in relation to :				
Gain on financial assets designated at FVTPL	–	0.49	–	0.49
Remeasurements of net defined benefit liability	0.16	–	0.12	0.28
Total Deferred tax liabilities	0.16	0.49	0.12	0.77
Deferred tax assets/(liabilities) (net) before MAT credit entitlement	(0.16)	(0.49)	(0.12)	(0.77)
MAT Credit Entitlement	353.05	(60.45)	–	292.60
Deferred tax assets/(liabilities) (net)	352.89	(60.94)	(0.12)	291.83

FY 2017-18				(Amount in ₹ lakhs)
Particulars	Opening Balance	Recognized in profit or loss	Recognized in OCI	Closing Balance
Deferred tax assets in relation to:				
Remeasurements of net defined benefit liability	0.42	–	(0.42)	–
Total Deferred tax assets	0.42	–	(0.42)	–
Deferred tax liabilities in relation to :				
Gain on financial assets designated at FVTPL	350.07	(350.07)	–	–
Remeasurements of net defined benefit liability	0.21	–	(0.05)	0.16
Total Deferred tax liabilities	350.28	(350.07)	(0.05)	0.16
Deferred tax assets/(liabilities) (net) before MAT credit entitlement	(349.86)	350.07	(0.37)	(0.16)
MAT Credit Entitlement	245.04	108.01	–	353.05
Deferred tax assets/(liabilities) (net)	(104.82)	458.08	(0.37)	352.89

8. Other assets

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Non-current		
Others		
– Prepaid expenses	2.81	2.08
– Security deposits	10.06	10.06
– Advance income tax including TDS recoverable (Net of provision for income tax)	118.10	59.74
Total	130.97	71.88
Current		
Unsecured considered good		
– Advances to suppliers	146.51	81.34
– Advances to employees	0.22	0.99
– Prepaid expenses	21.44	26.10
– Balance with government authorities	58.06	44.85
Unsecured considered doubtful		
– Advances to suppliers	3.28	3.28
– Provision for doubtful advances	(3.28)	(3.28)
Total	226.23	153.28

9. Inventories

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Inventories (valued at lower of cost and net realisable value)		
Raw materials and components (Refer Note 21)	204.98	216.01
Finished goods (Agricultural Produce)*	282.30	322.04
Traded goods	900.60	275.15
Stores & Spares	17.96	15.19
Total	1405.84	828.39

* Agricultural produce has been valued at fair value less cost to sell at the time of harvest and written down by ₹ 395.66 lakhs (31 March 2018 ₹ 103.00 lakhs) to arrive at fair value less cost to sell.

10. Trade receivables

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Current		
Unsecured, considered good (Refer Note 37)	435.63	149.23
Unsecured, considered doubtful	183.70	183.70
Less : Allowance for doubtful receivables	(183.70)	(183.70)
Total	435.63	149.23

11. Cash and cash equivalents

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
(a) Balances with Banks		
– In current account	200.57	163.66
(b) Drafts on hand	4.21	–
(c) Cash on hand	0.20	0.24
Total	204.98	163.90

 12. Equity share capital
 Authorised Equity Share capital

Particulars	(Amount in ₹ lakhs)	
	Number of Shares	Amount
As at 1 April 2017	40000000	4000.00
Increase during the year	–	–
As at 31 March 2018	40000000	4000.00
Increase during the year	–	–
As at 31 March 2019	40000000	4000.00
Issued, subscribed and fully paid-up		
As at 1 April 2017	37962800	3796.28
Increase during the year	–	–
As at 31 March 2018	37962800	3796.28
Increase during the year	–	–
As at 31 March 2019	37962800	3796.28

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

12.1 Reconciliation of the shares outstanding at the beginning and at the end of the year

(Amount in ₹ lakhs)

(Amount in ₹ lakhs)		
Particulars	Number of Shares	Amount
Balance at 1 April 2017	37962800	3796.28
Shares issued/(bought back) during the year	-	-
Balance at 31 March 2018	37962800	3796.28
Shares issued/(bought back) during the year	-	-
Balance at 31 March 2019	37962800	3796.28

Particulars	Numbers	Amount
As at 31 March 2019		
Equity shares of ₹ 10 each fully paid		
ITC Limited, holding company	37962794	3796.28
ITC Limited, holding company, jointly with other shareholders	6	*
As at 31 March 2018		
Equity shares of ₹ 10 each fully paid		
ITC Limited, holding company	37962794	3796.28
ITC Limited, holding company, jointly with other shareholders	6	*

12.2 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.

12.3 Details of shares held by the holding company

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

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

12.4 Details of shares held by each shareholder holding more than 5% shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity Shares of ₹ 10 each fully paid				
ITC Limited, holding company	37962794	99.99%	37962794	99.99%

13. Other equity

Retained Earnings

(Amount in ₹ lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at beginning of year	2953.87	8467.78
Add : Profit / (Loss) for the year	819.50	(1407.08)
Add : Other comprehensive income arising from remeasurement of net defined benefit obligation (net of income tax)	3.50	5.37
Less : Payment of interim dividend	-	(3416.65)
Less : Dividend distribution tax on interim dividend	-	(695.55)
Balance at end of year	3776.87	2953.87

14. Provisions

(Amount in ₹ lakhs)

Particulars	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Provision for employee benefits (refer note 33)				
Provision for gratuity	12.64	15.81	-	-
Provision for leave benefits	-	-	45.31	43.88
Total	12.64	15.81	45.31	43.88

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Secured		
Short term loan from bank	–	1056.28
Total	–	1056.28

Other information :

a) Short term loan is secured by way of exclusive charge on current assets.

b) Loan is in the nature of fixed rate short tenure loan at 8.15% p.a.

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Cash and cash equivalents	204.98	163.90
Borrowings	–	(1056.28)
Net debt	204.98	(892.38)

Particulars	(Amount in ₹ lakhs)		
	Cash and Cash equivalents	Borrowings	Total
Net debt as on 1 April 2017	58.98	–	58.98
Cash flows	104.92	(1055.34)	(950.42)
Interest expense	–	(161.73)	(161.73)
Interest paid	–	160.79	160.79
Net debt as on 31 March 2018	163.90	(1056.28)	(892.38)
Cash flows	41.08	1056.28	1097.36
Interest expense	–	(79.00)	(79.00)
Interest paid	–	79.00	79.00
Net debt as on 31 March 2019	204.98	–	204.98

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
- Dues to micro enterprises and small enterprises	–	–
- Dues to creditors other than micro enterprises and small enterprises	3879.26	2447.47
Total	3879.26	2447.47

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 as at 31 March 2019 (31 March 2018 : ₹ Nil).

Particulars	(Amount in ₹ lakhs)			
	Non-Current		Current	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Employee related payables	–	–	79.72	80.01
Deposit from dealers / customers	–	–	1.70	5.18
Payable for fixed asset	–	–	–	2.02
Payable to holding company (Refer Note 39)	13.52	–	37.30	23.77
Total	13.52	–	118.72	110.98

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Contract liabilities	1371.13	891.18
Total	1371.13	891.18

Note : Out of balance as on 31 March 2018, ₹ 724.19 lakhs (previous year ₹ 253.98 lakhs) was recognised as revenue during the year.

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Statutory dues including provident fund and tax deducted at source	40.52	31.22
Total	40.52	31.22

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of products		
Biological assets	10242.81	5452.46
Agricultural Produce	870.99	395.98
Traded Goods	4744.10	1726.99
	15857.90	7575.43
Other operating revenues		
Sale of old empty bags	135.65	81.92
Others*	32.28	31.84
	167.93	113.76
Total	16025.83	7689.19

* Others comprise incentives from suppliers, incentive from farmer funding by bank etc.

Notes :

- Generally the goods are dispatched against advance payment. However, in certain cases credit is allowed based on market requirements which is generally less than one year. Accordingly, there is no significant financing component.
- The Company primarily deals in biological assets and agricultural produce, where performance depends on germination / edible quality of product. The customer claims, if any, are generally settled within the same financial year.

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income on Bank Deposits and Others	0.08	13.47
Lease rental income [Refer Note 32(ii)]	112.12	103.11
Provisions/Liabilities written back to the extent no longer required	1.94	113.86
Gain on disposal of property, plant and equipment	–	1.88
Exchange differences (net)	–	6.13
Gain on sale of current investments	119.00	269.32
Gain on fair value measurement of investments	1.89	–
Total	235.03	507.77

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Inventory at the beginning of the year	216.01	138.99
Add: purchases	935.51	906.60
	1151.52	1045.59
Less: inventory at the end of the year	204.98	216.01
Cost of raw material and components consumed	946.54	829.58

Details of raw material and components consumed

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Plantlets	13.25	8.79
Chemicals and fertilizers	75.64	65.59
Packing stores	857.65	755.20
Total	946.54	829.58

Details of inventory

Particulars	(Amount in ₹ lakhs)	
	As at 31 March 2019	As at 31 March 2018
Raw materials and components		
Chemicals and fertilizers	10.10	6.84
Packing stores	194.88	209.17
Total	204.98	216.01

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Biological assets		
- Field generated seed potatoes	82.35	31.99
Stock-in-trade		
- Potatoes	4551.25	1131.54
- Apples	209.30	229.67
- Onions	15.03	107.23
- Banana Tissue Culture Plantlets	2.10	–
Total	4760.03	1500.43

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

23. Changes in inventories of finished goods, stock-in- trade and biological assets			27. Other expenses		
(Amount in ₹ lakhs)			(Amount in ₹ lakhs)		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Finished goods - Traded goods			Consumption of stores and spares	4.69	7.20
Inventories at the end of the year	900.60	275.15	Farming Charges	3789.93	3858.59
Inventories at the beginning of the year	275.15	271.31	Power and fuel	123.21	126.70
(Increase)/decrease (a)	(625.45)	(3.84)	Freight and forwarding charges	1305.12	808.44
Finished Goods - Agricultural Produce			Lease rent [Refer Note 32(i)]		
Inventories at the end of the year	282.30	322.04	– Agricultural land	931.71	946.72
Inventories at the beginning of the year	322.04	364.31	– Office and Others	80.20	74.44
(Increase)/decrease (b)	39.74	42.27	Storage and handling cost	1982.16	1810.06
Biological assets			Rates and taxes	4.63	5.07
Inventories at the end of the year	8160.32	8654.65	Insurance	31.48	22.30
Inventories at the beginning of the year	8654.65	6776.89	Repairs and maintenance		
(Increase)/decrease (c)	494.33	(1877.76)	– Plant and machinery	23.73	23.29
Total Changes in inventories of finished goods, stock-in- trade and biological assets (a+b+c)	(91.38)	(1839.33)	– Buildings	0.01	0.05
Details of inventory and Biological assets			– Others	26.94	28.89
(Amount in ₹ lakhs)			Advertising and sales promotion	0.05	0.30
Particulars	As at 31 March 2019	As at 31 March 2018	Sales commission	0.80	2.58
Finished Goods			Travelling and conveyance	101.43	99.78
Field generated potatoes (Agriculture Produce)	282.30	322.04	Telephone, postage and telegram expenses	13.01	17.10
Total (a)	282.30	322.04	Printing and stationery	4.97	5.78
Traded goods			Legal and professional fees	54.74	31.28
Potatoes	897.11	275.15	Payment to auditors including taxes (Refer Note 27.1 below)	22.77	13.62
Apple	3.49	–	Exchange differences (net)	0.87	–
Total (b)	900.60	275.15	Expenditure towards corporate social responsibility (CSR) (Refer Note 30)	–	56.00
Total (a+b)	1182.90	597.19	Miscellaneous expenses	95.07	81.58
Biological assets	8160.32	8654.65	Total	8597.52	8019.77
Total	8160.32	8654.65			
24. Employee benefits expense			27.1. Payment to auditors including taxes		
(Amount in ₹ lakhs)			(Amount in ₹ lakhs)		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries and wages	791.29	786.58	As Auditor:		
Contribution to provident and other funds (Refer Note 33)	34.04	35.62	Audit fee	9.44	9.44
Share-based payments to employees (Refer Note 34)	130.06	210.62	Tax audit fee	1.77	1.77
Staff welfare expenses	60.37	26.66	In other capacities		
Total	1015.76	1059.48	Re-imbursment of expenses	0.94	0.64
			Other services	10.62	1.77
			Total	22.77	13.62
25. Finance costs			28. Income taxes		
(Amount in ₹ lakhs)			28.1. Tax expenses recognised in Statement of Profit and Loss		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	(Amount in ₹ lakhs)		
Interest expense			Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- On financial liabilities measured at amortised cost	79.00	161.73	Current tax		
- Others	1.33	–	In respect of the current year	53.07	131.95
Total	80.33	161.73	In respect of the prior year	(86.45)	(21.38)
			Total (a)	(33.38)	110.57
			Deferred tax		
			In respect of the current year	0.49	(350.07)
			MAT credit entitlement	60.45	–
			Total (b)	60.94	(350.07)
			Grand Total (a+b)	27.56	(239.50)
26. Depreciation and amortisation expense			28.2 Tax expenses recognised in Other comprehensive income		
(Amount in ₹ lakhs)			(Amount in ₹ lakhs)		
Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation of property, plant and equipment (Refer Note 3)	102.92	108.17	Deferred tax charge/(credit) :		
Amortisation of intangible assets (Refer Note 3)	2.08	3.71	Arising on remeasurements of net defined benefit liability	(0.12)	(0.37)
Total	105.00	111.88	Total	(0.12)	(0.37)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

28.3 Reconciliation of effective tax rate

The reconciliation between the income tax expenses and amount computed by applying the standard rate of income tax to profit before taxes is as follows :

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(Loss) before tax	847.06	(1646.58)
Income Tax expense calculated at 27.82% (2018-33.063%)	235.65	(544.41)
Effects of :		
- Difference in recognition of income from sale of investments	-	196.59
- Agricultural income/(Loss) - exempt from Income tax in determining taxable profit	197.66	(584.95)
- Adjustments for current tax of prior periods	(86.45)	(21.38)
- Difference in tax rate	-	(65.97)
- Others	(76.02)	(3.90)
Income Tax expenses recognised in Statement of Profit and Loss	27.56	(239.50)

The tax rate used for the year 2017-18 and 2018-19 reconciliations above is the corporate tax rate of 27.82% (25% + surcharge @ 7% and education cess @ 4%) in 2018-19 and 33.063% (30% + surcharge @ 7% and education cess @ 3%) in 2017-18 payable on taxable profits under the Income Tax Act, 1961.

29. Earnings per share (EPS)

Particulars	(Amount in ₹ lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit/(Loss) after tax	819.50	(1407.08)
Net profit/(loss) for calculation of basic EPS	819.50	(1407.08)
Net profit/(Loss) as above	819.50	(1407.08)
Net profit/(loss) for calculation of diluted EPS	819.50	(1407.08)
	Numbers	Numbers
Weighted average number of equity shares in calculating basic EPS	37962800	37962800
Weighted average number of equity shares in calculating diluted EPS	37962800	37962800
Earnings per share		
Basic [Nominal value of shares ₹10 (Previous Year : ₹10)]	2.16	(3.71)
Diluted [Nominal value of shares ₹10 (Previous Year : ₹10)]	2.16	(3.71)

30. CSR Expenditure

- (a) Gross amount required to be spent by the Company during the year ₹. Nil (previous year ₹. 55.88 lakhs).
 (b) Amount spent during the year on:

S.No.	Particulars	(₹ in lakhs)	
		For the year ended 31 March 2019	For the year ended 31 March 2018
(i)	Construction/acquisition of any asset	-	-
(ii)	On purposes other than (i) above	-	56.00
		(56.00)	(53.50)

(Figures in bracket indicate previous year figures)

31. Contingent liabilities

Particulars	(₹ in lakhs)	
	As at 31 March 2019	As at 31 March 2018
Claims against the Company not acknowledged as debts (Refer notes below)		
Disputed income tax matters (Refer notes i and ii below)	625.67	320.38

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.

Notes:

- i. The Company has received demand of ₹ 235.30 lakhs, ₹ 496.82 lakhs, ₹ 537.63 lakhs and ₹ 1066.85 lakhs for assessment years 2012-13, 2013-14, 2014-15 and 2016-17 respectively wherein the assessing officer has denied the agricultural income of the assessee vide assessment

orders passed under Section 143(3) of the Income Tax Act, 1961. The Company has preferred an appeal with the Commissioner of Income Tax (Appeals) against the said demand. With respect to appeal filed by the Company for AY 2012-13, Commissioner of Income Tax (Appeals) has treated the income from sale of TECHNITUBER® Seed, as an Agriculture Income. However, Commissioner of Income Tax (Appeals) has treated the income arising from sale of early generation seed potatoes as business income. The Company has filed an appeal with the Income Tax Appellate Tribunal against the order of Commissioner of Income Tax (Appeals).

In addition to this, the Company has also filed rectification applications under section 154 of the Income Tax Act, 1961 for these years as the assessing officer has not considered the remaining brought forward business losses and/or unabsorbed depreciation available for all those years. Considering the remaining brought forward losses and/or unabsorbed depreciation available for those years and correct tax calculations, the possible net liability included in the above is ₹ 625.67 lakhs (2018- ₹ 156.62 lakhs).

- ii. These amounts represent the estimates on the basis of available information. The uncertainties are dependent on outcome of the legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately. The Company engages competent advisors to protect its interest and has been advised that it has strong legal positions against such disputes.

32. Operating Lease
i. As lessee

General description of the Company's operating lease arrangements:

The Company has entered into cancellable operating lease arrangements primarily for office premises, guest house, godowns etc. Some of the significant terms and conditions for the arrangements are:

- agreements range for period from 1 to 3 years except for lease of office which is for nine years and 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.

(₹ in lakhs)

Particulars	(₹ in lakhs)	
	For the year ended 31 March 2019	For the year ended 31 March 2018
Lease rentals charged to the Statement of Profit and Loss	1011.91	1021.16

ii. As lessor

The Company has entered into cancellable operating lease agreement with its holding Company for its land at the Manpura facility. The lease can be terminated by lessee by serving three months' notice or by paying the notice period rent in lieu thereof.

33. Employee benefit plans:
Defined Benefit Plan

Gratuity: The Company has a gratuity plan for its employees as per the Payment of Gratuity Act, 1972. Employees who have completed five years or more of service are eligible for 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.

Leave Encashment: 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. The Company presents the entire liability towards compensated absences as a current liability in the Balance Sheet, since it does not have an unconditional right to defer its settlement for 12 months after reporting date.

Defined Contribution Plan

The Company has defined contribution plans and contributions are made to provident fund and employee's state insurance scheme for employees as per regulations. The provident fund is being deposited with the Regional Provident Fund Commissioner, Chandigarh and Himachal Pradesh. The employee state insurance is being deposited with the Employee State Insurance Corporation, Chandigarh and Himachal Pradesh. The obligation of the Company is limited to the amount contributed.

Risk Management

The defined benefit plans expose the Company to actuarial deficit arising out of investment risk, interest rate risk, salary cost inflation risk. These plans are not exposed to any unusual, entity specific or scheme specific risks but there are general risks. Investment risks may arise from volatility in

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

asset values and losses arising due to impairment of assets. The Scheme's accounting liabilities are calculated using a discount rate set with reference to the Government security yields. A decrease in yields will increase the fund liabilities, leading to accounting deficit in the funds. However, this may be partially offset by an increase in capital value of the scheme assets that have similar characteristics. Increase in salary due to adverse inflationary pressures might lead to higher liabilities. The gratuity scheme is funded with an insurance company in the form of the qualifying insurance policy. The plan liability are calculated using the discount rate with reference to bond yield, if plan asset underperform, these will create the deficit.

The following tables sets out the Defined Benefits Plan as per Actuarial Valuation as on 31 March 2019 and 31 March 2018 and recognised in the financial statements in respect of Employee Benefit Scheme.

(₹ in Lakhs)

	Particulars	For the year ended	
		31 March 2019	31 March 2018
I	Components of Employer Expense		
	(A) Recognised in Statement of Profit and Loss		
1	Current Service Cost	8.25	7.74
2	Past Service Cost	-	3.99
3	Net Interest Cost	0.75	0.77
4	Total expense recognised in the Statement of Profit and Loss	9.00	12.50
	(B) Re-measurements recognised in Other Comprehensive Income		
5	(Return) on plan assets (excluding amounts included in Net interest cost)	0.92	(1.11)
6	Effect of changes in demographic assumptions	3.10	2.51
7	Effect of changes in financial assumptions	(5.46)	(2.73)
8	Changes in asset ceiling (excluding interest income)	-	-
9	Effect of experience adjustments	(2.18)	(4.41)
10	Total re-measurements included in OCI	(3.62)	(5.74)
11	Total defined benefit cost recognised in Statement of Profit and Loss and Other Comprehensive Income (4+10)	5.39	6.76

The current service cost and net interest expense for the year pertaining to Gratuity expenses have been recognized in 'Contribution to provident and other fund' under Note 24. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

(₹ in Lakhs)

	Particulars	For the year ended	For the year ended
		31 March 2019	31 March 2018
II	Actual Returns	2.95	4.00
III	Net (Asset/Liability) recognised in Balance Sheet		
1	Present Value of Defined Benefit Obligation	68.16	63.57
2	Fair Value of Plan Assets	55.52	47.76
3	Status [(Surplus/Deficit)]	12.64	15.81

(₹ in Lakhs)

		As at 31 March 2019		As at 31 March 2018	
		Current	Non-Current	Current	Non-Current
4	Net (Asset)/Liability recognised in Balance Sheet	-	12.64	-	15.81

(₹ in Lakhs)

	Particulars	For the year ended	For the year ended
		31 March 2019	31 March 2018
IV	Change in Defined Benefit Obligation (DBO)		
1	Present Value of DBO at the beginning of the year.	63.57	55.57
2	Current Service Cost	8.25	7.74
3	Past Service Cost	-	3.99
4	Interest Cost	4.63	3.66
5	Re-measurement gains/(losses):		

	Particulars	For the year ended	For the year ended
		31 March 2019	31 March 2018*
	Effect of changes in demographic assumptions.	3.10	2.51
	Effect of changes in financial assumptions.	(5.46)	(2.73)
	Effect of experience adjustments.	(2.18)	(4.41)
6	Benefits Paid	(3.75)	(2.76)
7	Present Value of DBO at the end of the year.	68.16	63.57
Particulars		For the year ended	For the year ended
		31 March 2019	31 March 2018
V	Change in Fair Value of Assets		
1	Plan Assets at the beginning of the year	47.76	37.79
2	Return on Plan Assets	3.87	2.89
3	Re-measurement of Gains/(Losses) on plan assets	(0.92)	1.11
4	Actual Company Contributions	8.55	8.73
5	Benefits paid	(3.75)	(2.76)
6	Plan Assets at the end of the year	55.52	47.76

	Particulars	As at 31 March 2019	As at 31 March 2018
		VI	Actuarial Assumptions
1	Discount Rate (%)	7.50	7.50
2	Expected Return on plan Assets (%)	7.50	7.50
3	Attrition Rate	6.75	10.00
4	Long term rate of compensation increase (%)	11.00	12.50

The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

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

	Particulars	31 March 2019	31 March 2018
		VII	Investments with insurer *

* In the absence of availability of information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

VIII Basis Used to determine the Expected Rate of return on Plan Assets

The expected rate of return on plan assets is based on the current portfolio of assets, investment strategy and market scenario. In order to protect the capital and optimise returns within acceptable risk parameters, the plan assets are well diversified.

(₹ in Lakhs)

	Particulars	For the year ended	
		31 March 2019	31 March 2018
IX	Net Asset/Liability recognised in Balance sheet (Including Experience adjustment impact)		
1	Present Value of Defined Benefits Obligations	68.16	63.57
2	Fair Value of Plan Assets	55.52	47.76
3	Status [(Surplus/Deficit)]	12.64	15.81
4	Experience Adjustment of Plan Assets [Gain/ (loss)]	(0.92)	1.11
5	Experience Adjustment of Obligation [Gain/ (loss)]	(2.18)	(4.41)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

X Expected contributions to defined benefit plan for year ending 31 March 2020 are ₹ 7.71 lakhs. Details of expected cash flows for following years is given below: (₹ in Lakhs)

	Particulars	For the year ended	For the year ended
		31 March 2019	31 March 2018
1	Expected employer contributions next year	7.71	8.80
2	Expected benefits payment		
	Year 1	3.62	4.63
	Year 2	3.93	4.63
	Year 3	3.77	4.97
	Year 4	4.30	4.90
	Year 5	11.53	5.24
	Next 5 years	26.86	29.20

XI Sensitivity Analysis

The sensitivity analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of defined benefit obligation has been calculating using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above.

(₹ in Lakhs)

Particulars		DBO as at 31 March 2019	DBO as at 31 March 2018
1	Discount Rate + 100 basis points	62.98	59.22
2	Discount Rate - 100 basis points	74.07	68.48
3	Attrition Rate +1%	67.03	62.38
4	Attrition Rate -1%	69.39	64.87
5	Long term rate of Compensation Increase Rate +1%	73.16	67.71
6	Long term rate of Compensation Increase Rate -1%	63.63	59.78

Amount towards defined contribution plans have been recognised under 'Contribution to provident and other fund' in Note 24 - ₹25.03 lakhs (2018: ₹ 23.12 lakhs).

XII. Weighted Average Duration of Defined Benefit Obligations

The weighted average duration of defined benefit obligation is 9 years (2018 : 6 years).

34. Share Based Payment

The eligible employees of the Company, including employees deputed from ITC Limited (ITC), are covered under the ITC Employee Stock Option Schemes (ITC ESOS) and the ITC Employee Cash Settled Stock Appreciation Linked Reward Plan (ITC ESAR Plan) in accordance with the terms and conditions of such schemes, details of which are as under:

ITC ESOS:

Each Option entitles the holder thereof to apply for and be allotted ten ordinary shares of ₹ 1.00 each of ITC upon payment of the exercise price during the exercise period. These options vest over a period of three years from the date of grant and are exercisable within a period of five years from the date of vesting.

The options have been granted at the 'market price' as defined under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

ITC ESAR:

Under the ITC ESAR Plan, eligible employees would receive cash linked to appreciation in the value of the shares of ITC in accordance with the terms and conditions of this Plan. The stock appreciation units (SARs) vest over a period of five years from the date of grant and entitles each ESAR grantee to the appreciation for the total number of ESAR Units vested.

The cost of stock options granted under ITC ESOS / SARs granted under ITC ESAR have been recognized as equity settled / cash settled share based payments respectively in accordance with Ind AS 102 – Share Based Payment. In terms of said deputation arrangement, the Company has accounted for the cost of the fair value of options / stock appreciation units granted to the deputed employees on-charge by ITC. The fair value of the options / SARs granted is determined, using the Black Scholes Option Pricing model, by ITC for all the grantees covered under ITC ESOS / ITC

ESAR as a whole.

In accordance with Ind AS 102, an amount of ₹ 116.54 lakhs (2018 – ₹ 210.62 lakhs) towards ITC ESOS and ₹ 13.52 lakhs (2018 - ₹ Nil) towards ITC ESAR has been recognized as employee benefits expense (Refer Note 24). Such charge has been recognised as employee benefits expense with corresponding credit to current / non – current financial liabilities, as applicable. Out of the above ₹ 57.73 lakhs (2018- ₹ 111.92 lakhs) is attributable to key management personnel [Mr. Sachidanand S. Madan ₹ 47.03 lakhs (2018 - ₹ 94.33 lakhs); Mr. Sanjeev Madan ₹ 10.70 lakhs (2018 - ₹ 17.59 lakhs)]

The summary of movement of such options granted by ITC and status of the outstanding options is as under:

Particulars *	As at 31 March 2019	As at 31 March 2018
	No. of Options	No. of Options
Outstanding at the beginning of the year	1,81,347	1,58,776
Add: Granted during the year @	–	34,045
Less: Lapsed during the year	–	–
Add / (Less): Movement due to transfer of employees within the group.	–	–
Less: Exercised during the year	40,580	11,474
Outstanding at the end of the year	140,767	1,81,347
Options exercisable at the end of the year	107,076	1,15,032

* The Weighted average exercise price of the options granted under the ITC ESOS to all Optionees covered under the Scheme is computed by ITC as a whole.

@ Includes Nil (2018 – 16,875) number of options granted to the Key Management Personnel of the Company.

35. Capital Management

a. Risk Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return of the stakeholders through optimum fund utilization. The capital structure of the Company comprises of equity as detailed in the Statement of Changes in Equity as well as borrowings. The Company does not have any long-term debt obligation and funds its operations mainly through internal accruals and short term borrowings. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value. Further, the Company is not exposed to any externally imposed capital requirements.

b. Dividend

(₹ in lakhs)

Particulars	31st March 2019	31st March 2018
Equity shares	–	3416.65
Interim dividend for the year ended 31 March 2019 of ₹ Nil per fully paid share (31 March 2018 - of ₹ 9 per fully paid share)		

36. Categories of Financial Instrument

(₹ in lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value
A. Financial Assets				
a) Measured at fair value through profit and loss (FVTPL)				
Investments in Mutual Funds	1301.89	1301.89	–	–
b) Measured at amortised cost				
Cash and Bank Balances	204.98	204.98	163.90	163.90
Trade Receivables	435.63	435.63	149.23	149.23
Other Financial Assets	16.12	16.12	9.68	9.68
B. Financial Liabilities				
Measured at amortised cost				
Borrowings	–	–	1056.28	1056.28
Trade Payables	3879.26	3879.26	2447.47	2447.47
Other Financial Liabilities	132.24	132.24	110.98	110.98

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

37. Financial Risk Management Objectives

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company continues to focus on a system based approach to business risk management. The Company's financial risk management process seeks to enable the early identification, evaluation and effective management of key risks facing the business. Backed by strong internal control systems, the current Risk Management Framework rests on policies and procedures issued by appropriate authorities; process of regular reviews / audits to set appropriate risk limits and controls; monitoring of such risks and compliance confirmation for the same.

(a) Market risk

The Company's business operations expose it to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Such market risk may arise out of volatility in currency rates, interest rates and prices. The Company has in place appropriate risk management policies to limit the impact of these risks on its financial performance.

The Company ensures optimisation of cash through fund planning, robust cash management practices and manages interest rate risk and foreign exchange risk.

i) Foreign currency risk

The Company undertakes transactions denominated in foreign currency which results in exchange rate fluctuations. Such exchange rate risk primarily arises from transactions made in foreign exchange and reinstatement risks arising from recognised assets and liabilities which are not in the Company's functional currency (INR). Further, in view of low proportion of export/imports, as compared to the overall operations, the exposure of the Company to foreign exchange risk is also not considered to be material. Particulars of un-hedged foreign currency exposure are given hereunder.

Particulars	Currency	As at 31 March 2019	As at 31 March 2018
Trade receivables	AUD\$	234,200	-
Trade receivables	EUR€	-	300

No sensitivity analysis is given due to immaterial balances of financial assets and financial liabilities at the year end.

ii) Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from short-term borrowings where the rate of interest is fixed. The Company's borrowings are carried at amortised cost. The borrowings of the Company at the end of the reporting period are ₹ Nil (2018: ₹ 1056.28 lakhs). As there is no outstanding loan as on 31 March, 2019, no sensitivity analysis is given.

iii) Price risk

The Company invests its surplus funds primarily for short tenor in debt mutual funds measured at fair value through profit or loss. Aggregate value of such investments as at 31 March 2019 is ₹ 1,301.89 lakhs (31 March 2018 - Nil). Accordingly, these do not pose any significant price risk, hence, no sensitivity analysis is given.

(b) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations as they become due. The Company's investment decisions relating to deployment of surplus liquidity are guided by the tenets of safety, liquidity and return. The Company manages its liquidity risk by ensuring that it will always have sufficient liquidity to meet its liabilities when due. Considering the dynamic nature of business, the Company also maintains committed credit lines with its bankers.

The table below provides details regarding the remaining contractual maturities of significant financial liabilities at the reporting date.

(₹ in lakhs)

As at 31 March 2019 Contractual cash flows *						
Particulars	Carrying Value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year	Total
Borrowings	-	-	-	-	-	-
Trade Payables	3879.26	3584.28	-	294.98	-	3879.26
Other Financial Liabilities	132.24	52.42	45.86	20.44	13.52	132.24
Total	4011.50	3636.70	45.86	315.42	13.52	4011.50

(₹ in lakhs)

As at 31 March 2018 Contractual cash flows *						
Particulars	Carrying Value	Less than 3 months	More than 3 months up to 6 months	More than 6 months up to 1 year	More than 1 year	Total
Borrowings	1056.28	-	1056.28	-	-	1056.28
Trade Payables	2447.47	2155.74	-	291.73	-	2447.47
Other Financial Liabilities	110.98	57.74	42.16	11.08	-	110.98
Total	3614.73	2213.48	1098.44	302.81	-	3614.73

* The table has been drawn up based on the earliest date on which the Company can be required to pay.

(c) Credit risk

Credit risk is the risk that Counterparty will not meet its obligations under a financial instrument which may lead to a financial loss to the Company. Apart from its operating activities, wherein the Company deals with large number of customers, the Company is also exposed to credit risk from its investing activities.

There is no significant increase in credit risk since previous year. The Company believes that credit risk is low at the reporting date as the

terms of trade are generally in advance / cash payment. In certain circumstances credit is extended to customers, taking into account market conditions, general economic scenario etc. A default on a financial asset is when the counterparty fails to make contractual payments within the credit period when they fall due. This definition of default is determined by considering the business environment in which the Company operate and other micro economic factors. Interest is generally not charged and / or paid on customer balances.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

Credit risk with respect to trade receivables is not material and is limited due to the diverse customer base. The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets. Individual customer credit limits are imposed based on relevant factors such as market feedback, banker's introduction, business potential etc. All Customer balances which are overdue for more than 180 days are evaluated for provisioning and considered for impairment on an individual basis. The customer balances are written-off as bad debts, when legal remedies available to the Company are exhausted and / or it becomes certain that said balances will not be recovered. The Company has used practical expedient in computing allowance for doubtful receivables based on the ageing of the customer's balances, specific credit circumstances and Company's historical and forward looking information.

Movement in the provisions for impairment of trade receivables is as follows:

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Balance at the beginning of the year	183.70	183.70
Provided during the year	-	-
Adjusted during the year	-	-
Balance at the end of the year	183.70	183.70

Investment in mutual funds are made only with approved mutual funds and credit risk in such funds are limited because the underlying investments are diversified and the Company's investment framework considers the credit quality of the underlying investments made by the fund house.

38. Fair Value Measurement

Fair value hierarchy:

Fair value of the financial instruments is classified in various fair value

39. Related party disclosures

(a) Names of related parties and nature of relationship

Holding Company : ITC Limited

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

Enterprises under common control : Technico Pty Limited, Australia (TPL)
ITC Infotech India Limited

(c) Key Management Personnel (KMP)

Mr. Surampudi Sivakumar : Director
Mr. Arup Kumar Mukerji : Director (till 17 July 2018)
Mr. Dharmarajan Ashok : Director (from 20 August 2018)
Mr. Ganesh Kumar Sundararaman : Director
Mr. David Charles McDonald : Director
Mr. Sachidanand Shivprakash Madan : Whole Time Director & Company Secretary
Mr. Sanjeev Kumar Madan : Chief Financial Officer

(d) Details of transactions carried out during the financial year ended 31 March 2019 with related parties in the ordinary course of business:

(₹ in lakhs)

Particulars	Holding Company (ITC Limited)		Entities under Common Control		KMP	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Sale of products						
- ITC Limited	3521.17	174.58	-	-	-	-
- Technico Pty Limited	-	-	108.59	171.40	-	-
Purchase of products						
- ITC Limited	1.06	-	-	-	-	-
Lease rental income						
- ITC Limited	112.12	103.11	-	-	-	-
Remuneration of managers on deputation reimbursed #						
- ITC Limited	274.29	260.82	-	-	-	-
Value of Share based payment						
- Reimbursement	130.06	210.62	-	-	-	-
Interim Dividend						
- ITC Limited	-	3416.65	-	-	-	-
Purchase of services						
- ITC Limited	0.96	0.84	-	-	-	-
- ITC Infotech India Limited	-	-	13.45	12.94	-	-
Expenses reimbursed						
- ITC Limited	21.85	22.69	-	-	-	-
Expenses recovered						
- ITC Limited	-	0.06	-	-	-	-
- Technico Pty Limited	-	-	6.67	8.89	-	-

hierarchies based on the following three levels:

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted price including within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case with listed instruments where market is not liquid and for unlisted instruments.

There are no assets or liabilities, the fair value of which has been benchmarked / derived with quoted benchmarks and accordingly, there are no assets / liabilities classified at Level 2.

The following table provides the fair value measurement hierarchy for financial assets measured at fair value:

(₹ in lakhs)

Financial Asset	Fair Value Hierarchy	Valuation Techniques	Fair Value as at	
			31 March 2019	31 March 2018
Investments in Mutual Funds	Level 1	Net Asset Value as declared by the Fund/quoted prices in active markets	1301.89	NIL

The fair value of trade receivables and payables, other financial assets and other financial liabilities is considered to be equal to the carrying amounts of these items due to their short – term nature.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

Particulars	Holding Company (ITC Limited)		Entities under Common Control		KMP	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Sitting fees - Directors						
- Mr. Hari Mohan Jha	-	-	-	-	-	1.50
- Mr. Pawan K. Verma	-	-	-	-	-	1.40
Remuneration paid**						
- Mr. Sachidanand S. Madan	-	-	-	-	145.80	127.76
- Other KMP	-	-	-	-	38.02	39.41

Reimbursement of managers on deputation includes remuneration paid to Mr. Sachidanand S. Madan (Wholetime Director) disclosed separately.

(e) Details of balances with the related parties :

(₹ in lakhs)

Particulars	Holding Company (ITC Limited)		Entities under Common Control	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Trade receivables				
- ITC Limited	97.86	56.64	-	-
- Technico Pty Limited	-	-	114.80	-
Other payables				
- ITC Limited	50.82	23.77	-	-

**Compensation of key managerial personnel

(₹ in lakhs)

The remuneration of directors and other members of key managerial personnel #	For the year ended 31 March 2019	For the year ended 31 March 2018
Short term benefits	183.82	167.17

Post-employment benefits and other long term employee benefits are actuarially determined on overall basis and hence not separately provided. Also refer note 34 on share based payment.

Significant terms & conditions :

All the transactions with related parties are in ordinary course of business and on arm's length basis. The amount outstanding are unsecured and will be settled in cash.

40. Segment reporting

The operating segments are presented in a manner consistent with the internal reporting provided to the Board of Directors, which is the CODM.

Business segments comprises:

- I. Seed Business: TECHNITUBER® Seed, Field Produced seed potatoes, Banana Tissue Culture
- II. Fruits and Vegetables Business: Trading in table potatoes, Potatoes for processing industry, Onion, Apple etc.

A. Segment Results :

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Segment Revenue:		
- Seed (Biological assets and Agricultural Produce)	11113.80	5848.44
- Fruits and Vegetables (Traded goods)	4744.10	1726.99
Gross Revenue from sale of products	15857.90	7575.43
Segment Results:		
- Seed	783.88	(1659.24)
- Fruits and Vegetables	(89.58)	(155.51)
Segment Total	694.30	(1814.75)
Unallocated Expenses net of unallocated Income	(112.12)	(60.55)
Profit/(Loss) before Interest etc. and taxation	806.42	(1754.20)
Finance Costs	80.33	161.73
Income from current and non-current investments, interest earned on deposits, profit/loss on sale of investments etc.	(120.97)	(269.35)
Profit/(Loss) before tax	847.06	(1646.58)
Tax expenses	27.56	(239.50)
Profit/(Loss) for the year	819.50	(1407.08)

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 (Contd.)

B. Segment Assets and Liabilities:

(₹ in lakhs)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Assets	Liabilities	Assets	Liabilities
Seed	9950.70	5005.50	10314.41	3346.60
Fruits and Vegetables	1186.74	450.03	456.03	169.48
Segment Total	11137.44	5455.53	10770.44	3516.08
Unallocated Assets and Liabilities	1916.81	25.57	576.53	1080.74
Total	13054.25	5481.10	11346.97	4596.82

Segment Assets and Liabilities are measured in the same way as in the financial statements. These assets are allocated based on the operations of the respective segment.

C. Geographical segment wise revenue:

(₹ in lakhs)

S. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
(a)	Revenue from domestic market	15735.95	7404.03
(b)	Revenue from overseas market	121.95	171.40
	Total	15857.90	7575.43

No customer individually accounts for more than 10 % of the revenue of the Company.

D. Depreciation and Amortization :

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Seed	103.73	110.94
Fruits and Vegetables	1.27	0.94
Total	105.00	111.88

E. Non Cash expenditure other than depreciation and amortization :

(₹ in lakhs)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Seed	0.56	-
Fruits and Vegetables	-	-
Total	0.56	-

41. Use of Estimates and Judgements

The key estimates and assumptions used in the preparation of financial statements are set out below:

- The Company has ongoing litigations with income tax authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.
 - The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the Statement of Profit and Loss and in other comprehensive income. Such valuation depends upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.
 - On initial recognition and at the end of each reporting period, the biological assets are measured at fair value less cost to sell. Gains and losses arising on initial recognition of both biological asset and agricultural produce and any subsequent changes in fair value are recognised in the statement of Profit and Loss in the period in which they arise.
42. The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on 28 March 2018 which includes Ind AS 115 'Revenue from Contracts with Customers' effective 1 April 2018. The Company has adopted Ind AS 115 using modified retrospective method, wherein the Company has elected to apply practical expedient for contracts that were not completed on or before 31 March, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The Company has evaluated and there is no material impact on the financial statements resulting from the implementation of this standard.
- No significant judgements have been made by the Company in applying Ind AS 115 that significantly affect the determination of the amount and timing of revenue from contracts with customers.
43. Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on March 30, 2019 notifying new Standard Ind AS 116 "Leases". This Ind AS is applicable for annual period beginning on or after April 01, 2019. The Company expects that there will be no material impact on the financial statements resulting from implementation of this standard.
44. On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for taxes on dividend. The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company expects that the said amendment will not have any impact on the Company.
45. The financial statement for the year ended 31 March 2019 are adopted and authorized for issue by Board of Directors on 26 April 2019.
46. As required by Ind AS, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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

S. Sivakumar
Chairman

Sachidanand S. Madan
Director and Company
Secretary

Sanjeev K. Madan
Chief Financial Officer

Place: Kolkata
Date: 26 April, 2019

Place : Hyderabad
Date : 26 April, 2019