

Delivering Consumer **Delight**,
Creating Sustainable **Growth**.





An Emerging **Global Food** Company

The global food industry finds itself passing through a period of dynamic and exciting transformation. Growing urbanisation, rising disposable incomes, a growing working class population, and an overarching increase in health consciousness are creating, a greater demand for value-added products.

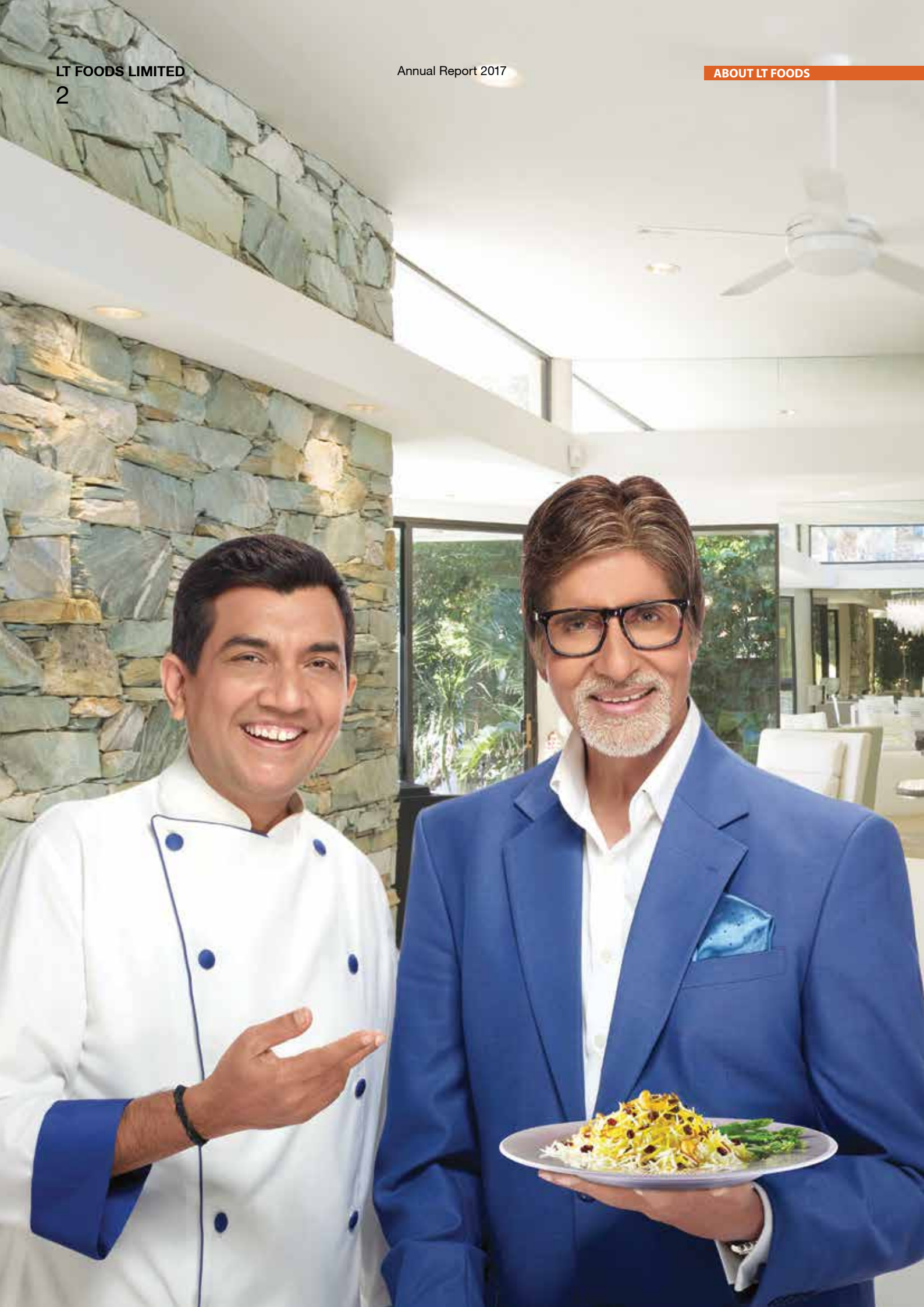
With this changing consumption pattern, we are emerging as a Global Food Company with a focus on basmati and other speciality rices, organic food and convenience rice based products. We are now pursuing strategies that involve greater differentiation and allow us to create sustainable value for all our stakeholders. To capitalise on the growing market opportunities, we embarked on diversifying our business, adding value through synergistic staples and organic foods business. At the same time, we aim to diversify into value added products to maximise shareholders value.

We work with the single-minded belief to transform LT Foods into a food company with a focus on basmati and other speciality rices, organic food and convenience rice based products. Our steady focus on creating a vibrant portfolio has resulted in the success of several leading brands such as Daawat, Royal, Ecolife, Devaaya, and many more. Going forward, our diversified business portfolio and persistent efforts will help maximise our return on equity and capital employed.



We have capitalised on global trends and invested in growing our product base to include organic range, saute sauces and fast cooking brown rice.





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CHAIRMAN'S MESSAGE



We have embarked on sustainable business strategies and have built future drivers of growth.

Vijay Kumar Arora
Chairman



Dear Shareholders,

We are pleased to present the annual review for FY2016-17. The fiscal gone year by has been an eventful year. We continued to out perform sectoral growth. The Company also created wealth for its shareowners and it consistently achieved high margins and reported robust year-on-year growth.

However, the past financial year did not come without its own set of challenges. We faced significant foreign exchange headwinds, as well as economic and political disruptions in many large markets.

Overview

Despite another year of tough economic conditions, FY2016-17 once again saw the delivery of sustainable, competitive, profitable and responsible growth, a trend that has now been firmly established at LT Foods.

Over the past years, LT Foods has undergone noteworthy changes. We consistently augmented our proficiencies. The portfolio strategy has been sharpened and adapted in order to increase LT Food's presence in faster growing and more profitable segments of the market. Innovations have been made bigger and stronger, and many more products have been introduced successfully. We also heightened our investments to enhance plant's product, quality and information technology. In this process, we modernised the Company's essential infrastructure and to support growth over the longer term.

Further, we streamlined our organisational structure and re-aligned our business on a clear distinction of product segments. These together have helped enhance focus on each business segment while also resulting in significantly higher levels of operational discipline.

Forging Stronger Ties with Farmers

As an organisation, we have forged stronger ties with the farmer community. We continued to focus on strengthening our partnership with the farmers by undertaking welfare initiatives and to improve their economic well-being. In doing so, we imparted education on sustainable farming practices, provided technical assistance and promoted the use of ecologically sound agriculture technologies. This has helped LT Foods to maintain superior farm output and deliver consistent quality. We consistently delivered pesticide compliant product for our international market.

Advancing Growth

LT Foods is now an emerging global Food Company with a focus on basmati and other speciality rices, organic foods and convenience rice based product.

We invested in branding by increasing our advertising and promotion spends to 1% in FY2017 from 0.1% in FY2013. We diversified our business by increasing the share of branded, organic, staples, and valued added products. This has been supported by widening of distribution reach across India as well as globally.

With c.60% of brand-led business and a high market share in our key markets of US and India, LT Foods today, enjoys better pricing power, distribution leverage, and a strong brand recall. In US alone, LT Foods has a market share of over 40% and is growing at a CAGR of more than 20%.

Today, we are evolving swiftly from being an established branded rice company to an emerging global Food Company, with new strategic advancements and product developments underway.

CHAIRMAN'S MESSAGE

 We have capitalised on global trends and invested in growing our product base to include our organic range, sauté sauces and fast cooking brown rice.

Transforming with Changing Trends

The consumer landscape is in a constant state of transformation and it is vital to keep pace with the changing trends. The growing population of working women, and the wave of consumer awareness about health and nutrition, has created a significant business opportunity to be tapped. At LT Foods, we are capturing these opportunities by investing in products that are appealing to contemporary consumers.

We have embarked on sustainable growth strategies and have built future drivers of growth. We have capitalised on global trends and invested in growing our product base to include our organic range, sauté sauces and fast cooking brown rice. Going forward, in line with this changing consumption pattern, we are setting a plant for Ready-to-Heat (RTH) organic products in the US.

The consumers of today are looking for convenience, along with healthy, nutritious and flavourful products. To further expand our portfolio and the backend knowhow, we entered into a JV with Kameda Seika of Japan to manufacture rice-based snacks. There is an increasing demand for shelf steady ready meals due to changing consumer lifestyles, including

longer work hours and multi-schedule of a household leading to unstructured meal times.

India Growth Story

We are happy to share that our India Business has been growing at a CAGR of 14% over the period FY 2012-17. This was achieved owing to our robust business model, created around our careful understanding of the needs of Indian consumer. The result is that we are continuously future-facing, and creating new lines of branded products based on extensive market research.

Our products are supported with parallel brand investments. Our consistent efforts and investment in this direction has elevated our brand equity, which can be further leveraged to launch newer products. In addition, we widened and deepened our distribution reach across all channels, retailers, distributors, HORECA and modern trade. We also entered into Joint Venture with Future Group to source and manufacture regional rice such as sona masoori, a South Indian rice variant. This association will help us expand our product portfolio, while leveraging our distribution network.

Expanding Horizons Globally

Growth is the mantra of LT Foods. Keeping this in mind we invested in greenfield expansion to establish our first rice processing

 We are assertive towards meeting our goals and relentlessly work towards enhancing value for all our stakeholders.

plant in Europe at Rotterdam, Netherlands. This is first rice processing plant by any Indian food brand in Europe. Going forward, the strategic location of Rotterdam is expected to give us an easy access to the whole of Europe and UK.

We have also undertaken the inorganic route of acquisitions to add value to our portfolio and widen our reach. We acquired HUL's branded rice businesses - 'Gold Seal Indus Valley' and 'Rozana' which will help us enter into the markets of Qatar, Oman, and Bahrain; while the acquisition of the rice brand '817 Elephant' from the Amritsar-based parent company will strengthen our presence in Canada, USA, Australia, and Israel.

Support System

To enhance our growth, we focused on creating a robust foundation for our support system. We are harnessing technology to build a leading edge in operational and marketing capabilities. We have extensively worked on strengthening our system and processes with the help of technology and SAP compliance tools, while reaching higher standards of corporate governance.

We nurtured our strengths by relentlessly focusing on execution and our cost efficiency.

We exercised our resources more productively, including infrastructure, brand, distribution and the people. We have been successful in creating a strong overall talent pipeline to ensure highest commitment of performance. Furthermore we are working on expanding our distribution reach, not only in India, but globally as well.

Supported by strong systems and strategies, we are geared to keep ourselves ahead of the challenges that we continue to face. We are assertive towards meeting our goals and relentlessly work towards enhancing value for all our stakeholders.

Acknowledgement

We would like to take this opportunity to thank each and every one of our employees, whose commitment and hard work helped deliver another successful year. We would also like to thank you, all our shareholders, for your continued support in our journey to deliver value to all our stakeholders.



Sincerely,

Vijay Kumar Arora
Chairman

A CONVERSATION WITH MR. ASHWANI KUMAR ARORA

Managing Director and Chief Executive Officer

 We remain prudent in our approach and single-mindedly focus on building resilience and agility of our portfolio and organisation.

Q How would you summarise the last financial year?

A Our vision is to emerge as a global Food Company, admired for its wide range of quality products, while delivering sustainable, consistent, competitive and responsible growth. This is increasingly difficult in today's volatile environment, characterised by low growth and geopolitical challenges. Despite this, we delivered another year of strong growth with solid underlying sales growth of 27% and 14% in India and the International market respectively. The Company reported an EBITDA and cash profit growth of 11% and 9% respectively over the previous year. Our profits grew 26% over the previous year to ₹ 129 Crores. The growth has been driven by consistent brand investments, along with the addition of new consumers in each segment globally.

The gearing in the Company has been kept under control. It has been further bought down during the year, despite expansion and increase in the product portfolio. As a result our debt equity ratio reduced from 2.77 in the previous year to 2.30. Our PAT margins improved by 45 bps to 3.87%, during the year. The improvement in margins is attributed to favourable product mix, scale and continuous focus on efficiency enhancing initiatives.

Q What reasons would you ascribe for your growth?

A Our growth has been bolstered by our consistent investment in brand building and distribution. It is further supported by our integrated approach, right from procurement, based on our extensive farm extension practices, fully automated state-of-the-art plants, strong focus on product development and quality.

The basmati rice constitutes majority of our business. India remains a dominant player in the global basmati rice industry both in terms of consumption, production, and exports. Besides our presence in India, we continue to be amongst the few handful players with strong presence in the US, Middle East, Europe, and rest of the world. The demand for basmati rice has been constantly increasing from India as well as the developed economies such as the US and Europe, in addition to the traditional Middle East markets. The favourable industry dynamics aided LT Foods to strengthen its basmati rice-oriented business, despite the macro-economic challenges. This in turn, helped us in keeping up the price realisation and maintaining healthy gross margin.

Overall, while our direct exports continue to reach over 65 countries; the product reached a much larger number of countries through re-export of our products from other countries.

Q What is your strategy to consistently deliver responsible growth?

A To augment growth and enhance focus on each product, we have organised our business around five segment category-based business units, namely Consumer Business, Strategic Private Label Business, Organic Business, Value-Added Business and International Trading Business. These are the categories where we are relentlessly working towards creating market leading positions in the regions of our presence.

Within these business segments, we are streamlining our product lines. We are making smart choices by developing consumer-preferred and differentiated products in a number of markets around the world. As we continue to evolve our portfolio of brands and products, we will be better positioned for even stronger and more profitable growth.

Further, to support the overall growth, we continue to strengthen our relationship with farmers. We are imparting knowledge and educating them on best farm practices to improve their productivity. We have also made ourselves accessible by establishing a farm centres to address farmer enquiries.

Q Can you highlight upon the performance of each of these business segments?

A Each of our businesses and functions had a strong role to play in delivering these robust results. As we have embarked on our new strategy, we believe that this segmentation of businesses will gradually help in further improving the performance of each vertical, owing to a stronger focus and segmental empowerment towards improving the competitiveness of each business.

Our relentless focus on strengthening our consumer business has helped in gaining 20% market share of the branded basmati rice market in India, roughly double the

Mr. Ashwani Kumar Arora
Chief Executive Officer and Managing Director



A CONVERSATION WITH MR. ASHWANI KUMAR ARORA

market share that we had a decade ago. Besides India, we are constantly working on strengthening our brand in the overseas market. We continue to enjoy leadership position in the US, where our share continues to be around 40% under our strong brand - Royal. As you are aware, we have taken concrete steps over the last few quarters by acquiring two brands - Gold Seal Indus Valley and Rozana, from HUL in the Middle East. Besides, we have also acquired iconic brand 817 Elephant for American and European market. These initiatives have helped us increase the sales of our consumer business by 28% compared to FY2015-16. Our branded business contributes over 71% of the company's overall volumes.

During the year, institutional sales to our robust customer base has also seen a growth of 14%. Overall growth in the volume has been 7% year-on-year basis. Our trading business remained consistent and contributed 9% to our revenues.

The organic business has witnessed an increased acceptance globally, owing to the perceived positive health aspects. The organic products are currently being sold both in Europe and the US markets. Leveraging the distribution network of Royal Brand, ecoLife was recently launched in the US with a presence across all the chains of Walmart and other ethnic channels. LT Foods is also working towards launching this brand in the Indian market with a full range of products, including Pulses, Spices, Oil, and Nuts, beside Rice and Flour.

The value added segment is witnessing continued success owing to our efforts on consistently creating innovative products. Some recent examples of these are Fast Cooking Brown Rice and Daawat Saute Sauces. Both the products have been well accepted by the consumer and are performing exceedingly well. Daawat Saute Sauces include a range of Ready to Cook Sauces, available in seven variants to create exciting rice dishes instantly. Currently well-placed and well-distributed in modern retail stores of Mumbai and Bangalore, we plan to launch the product in standalone stores in other cities as well. Furthermore, the recent addition – Daawat Rozana Gold Plus and Daawat Sona Masoori rice are also adding to the growth of the organisation.

Q What is the outlook of the Company, going forward?

A To prosper in this increasingly dynamic environment, we have adopted ways to respond quickly and innovatively to rapidly changing consumer preferences and market conditions, showcasing our agility on one hand and resilience on the other. The changes, which have been undertaken over last few years, will help us sharpen our performance culture, that we have built up at LT Foods.

The growth due to the strong brand strength of Daawat and Royal are expected to continue. Our continuous innovation and introduction of brands like Devaaya and ecoLife in the new markets would drive volume growth in future. The Company's recently acquired additional brands such as Gold Seal Indus Valley, Rozana and 817 Elephant, gave us a convenient entry into specific global markets and also strengthened our channel networks.

Growing urbanisation, rising disposable personal income, and above all rising health consciousness may lead to greater



We have adopted ways to respond quickly and innovatively to rapidly changing consumer preferences and market conditions.

demand for quality assured products. The implementation of the 7th Pay Commission, infrastructure development, thrust on reviving manufacturing sector, building smart cities, and financial inclusion are some key initiatives from government aimed at strengthening socio-economic fundamentals. These will help raise personal income, which will get translated into the rise in demand for quality assured products.

LT Foods, with its organic and value added products, provides great choice to health conscious and convenience seeking customers. Being an early mover in these segments, the Company is well placed to make the most of the given opportunities. We expect to launch Ready-to-Heat organic rice product in the US market during the next fiscal. We foresee a high demand potential for this product, going forward.

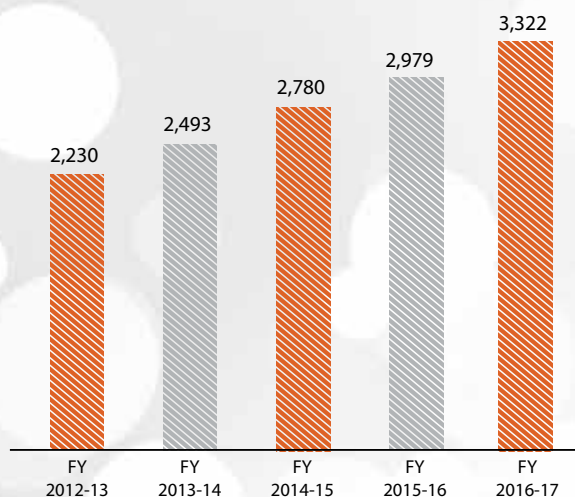
As we grow, we will continue to deliver consistent results. Such consistency is of growing importance to stakeholders and investors looking for steadiness in a world of escalating change and increasingly volatile markets. The Company will continue to focus on strengthening its consumer branded business, organic, and value added business in India, as well as globally. With the transition from a rice company to an emerging food company we instill a pride amongst our employees, which motivates and drives them towards delivering excellence.

We strive towards building our corporate brand by establishing LT Foods as a responsible food company and enhancing shareholder value. We remain prudent in our approach, single-mindedly focusing on the resilience and the agility of our portfolio and our organisation. We will strengthen our operational efficiencies to keep improving our margins. This will be achieved through working capital optimisation, efficiency in procurement and process improvements. This will further bolster our ability to keep generating sustainable and value accretive growth. We are confident that we can continue to deliver on our objective of consistent top and bottom line growth, to the benefit of our long-term shareholders and the many others who rely on LT Foods.

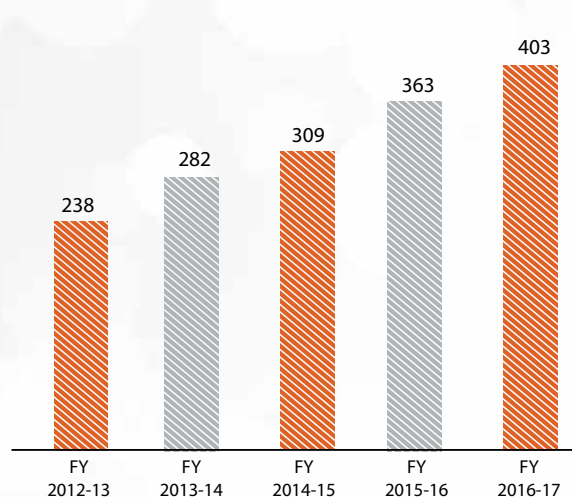
PERFORMANCE HIGHLIGHTS

FY 2016-17

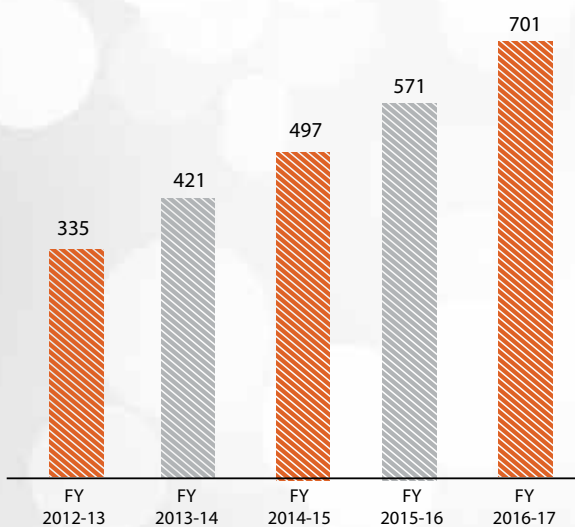
Net Sales (₹ Crore)



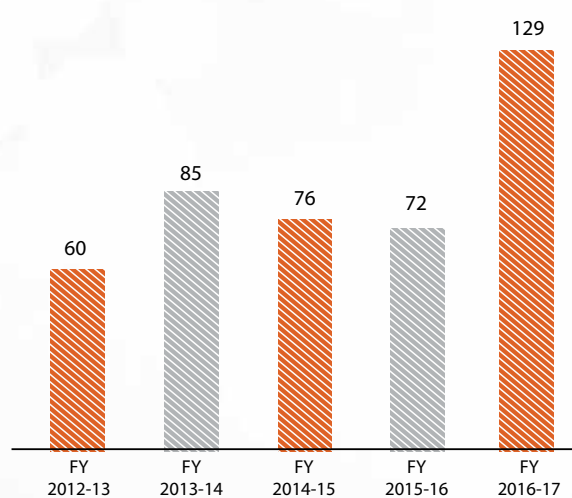
EBIDTA (₹ Crore)



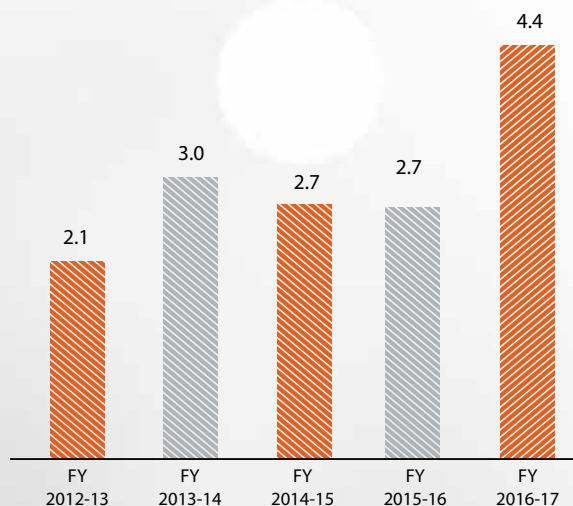
Net Worth (₹ Crore)



Profit after Tax (₹ Crore)



EPS (₹)*



*The face value of equity share is ₹ 1.



 The growth has been driven by consistent brand investments, along with the addition of new consumers in each segment globally.



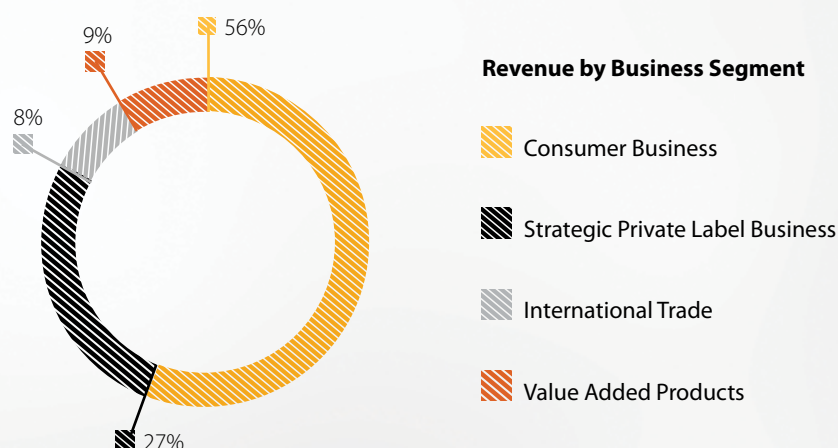
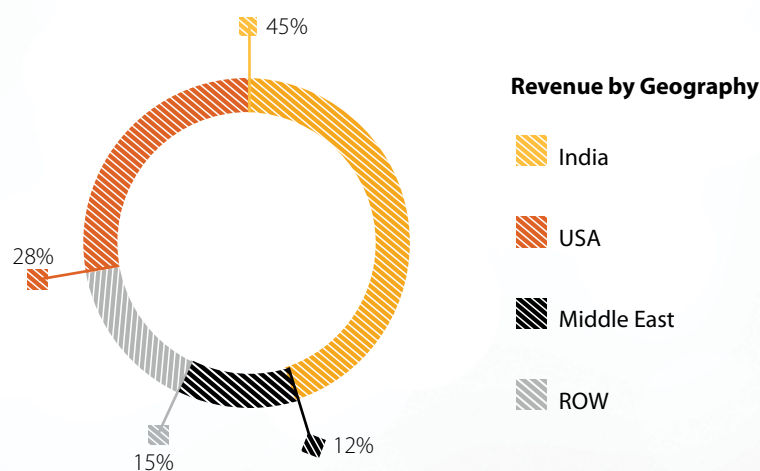
#1 SELLING
BASMATI RICE IN AMERICA.



OPERATIONAL HIGHLIGHTS

FY 2016-17

- Incorporated a subsidiary in UK and acquired brand 817 Elephant to strengthen its presence in Europe.
- Opened a branch and established a plant in Rotterdam to strengthen its presence in Europe.
- Acquired two iconic brands - Gold Seal Indus Valley and Rozana to strengthen its foothold in the Middle East region.
- Entered in a JV with Japanese Snack Food major Kameda to manufacture and market rice based snacks in India.
- Entered in a JV with Future Group for sourcing and manufacturing of regional rice. Inaugurated a plant for the same in Tumkur, Karnataka.
- Expanded geographic reach with addition of 300 new distributor towns and retail outlets in India.





A TRADITION OF EXCELLENCE
ROYAL



هدیل
HÄDEEL

DAAWAT



Devaaya



ecoLife

AT A GLANCE



Driving Force behind the Growth of the Organisation

Incorporated in the year 1990, LT Foods Limited (erstwhile LT Overseas Ltd.) is a consumer focused company, dealing in specialty branded basmati rice, organic foods and convenience rice based products.

Promoted by four brothers – Mr. Vijay Kumar Arora, Mr. Ashok Kumar Arora, Mr. Surinder Arora and Mr. Ashwani Kumar Arora, the Company is being driven by highly experienced professional. The Company has an established brand presence, both in the India and International markets.

The Company has five state-of-the-art manufacturing units, producing high-quality food products in India. The business is supported by a wide distribution network, with access to more than 1,50,000 retail outlets, 3,000+ wholesalers, and 2,100+ modern trade stores including

hypermarkets, supermarkets and mini markets. It has also established a manufacturing facility in Rotterdam and three packaging facilities in the US .

No. 1
Branded Rice in the US - Royal

65+
Presence across countries

1,50,000 +
Retail outlets reached directly by
LT Foods distribution network

BRAND PORTFOLIO



LT Foods



We are an emerging global Food Company with a focus on basmati and other speciality rice organic food and convenience rice based product.

Daawat (The Finest): With a legacy of over 30 years, Daawat is the flagship brand of the Company. Offering premium quality basmati rice, it is the leading brand in India with 20%+ market share and 35%+ market share in Premium segment. Apart from its global presence, Daawat is quickly gaining market share in Europe, Middle East and other geographies. Its sub-brands, Rozana and Chef's secretz, are also gaining market share in the mid-price and institutional segments.

Royal (No. 1 brand in US): It is the largest selling basmati rice brand in the US. Besides premium basmati rice, the brand also offers jasmine rice, arborio rice, and wheat flour. It is expanding its reach and product portfolio on continuous basis. It is growing at a CAGR of 21% over the last five years.

Devaaya (Tested Safe): Catering to the mid-price segment in India, Devaaya offers branded Basmati rice and staples like wheat flour, refined flour, flattened rice, chickpea flour, and semolina. The brand stands for assured quality, with products tested for and free from nearly 500 impurities.

Heritage (Trusted Basmati): It is a popular basmati rice brand catering to the mass segment, and is widely accepted for its aroma and quality.

Ecolife (100% Organic): The Company's organic food brand is well accepted in advanced markets. Its range includes rice, pulses, oil seeds, cereal grains, spices, nuts, fruits, and vegetables. Organic business has been one of the fastest growing segments within the Company.

Gold Seal Indus Valley & Rozana: The recent acquisition of iconic brands of Middle East have helped us to strengthen our position in Saudi Arabia, UAE and Kuwait.

817 Elephant: The said acquisition helped the Company to enter into the large India & Middle Eastern ethnic population in US, Canada, Australia, Europe & Middle East.



FROM FARM TO FORK

An Integrated Business Model

With annual sales over c. **3,00,000** MT of branded rice, we are an emerging Food Company offering premium basmati rice, globally. Branded basmati rice constitutes **c.60%** of our revenue. Our integrated operations span across the entire rice value chain – right from farm to fork. Our operations include **contract farming**, procurement, storage, processing, packaging, and distribution.



FARMING

Robust backward integration through partnerships with farmers under Sustainable Rice Production programs.

PROCUREMENT

Established a wide procurement network with strong quality control across all mandis.

STATE-OF-ART PROCESSING FACILITIES

Five own facilities with basmati rice capacity of 82 TPH and two facilities under Joint Venture for regional rices. A new facility has been set up in Europe as well.

FINEST PACKAGING

We have state-of-the-art Packaging facilities not only in India but US and Europe as well.

STRONG DISTRIBUTION

Strong Pan-India distribution serving 1,50,000+ retail outlets and robust presence in modern retail and HoReCa. Globally, it has ground presence in the US, Europe and Middle East, a tie-up with distribution in 65+ countries.



EXECUTING ON OUR EXPANSION STRATEGIES

Over the years, LT Foods has grown its presence within the food industry by focusing on nutrition, health, and well-being. LT Foods engaged in a number of concurrent initiatives to extend from the mainstream production of Basmati Rice, adding complimentary products to its product portfolio. This has helped in enhancing margins and profitability, while moderating its gearing.

Expansion in Branded Rice Market

LT Foods has leveraged its strong brand presence with the help of Royal, the largest selling basmati rice brand in the US, and Daawat, the leading basmati rice brand of India. These strong brands, along with its large Indian and global distribution networks, enables LT Foods to cater to the rising demand of basmati rice. Over the years, we have widened our geographic footprint, doing business in countries with a strong demand for basmati rice, while simultaneously building a stronger position in existing markets.

We have deepened our reach to wholesalers enabling an expansion of our retailer base through these wholesalers, making it possible to put our products within the arm's reach of our consumers whenever they intend to buy them. The Company also made the brand more endearing to its consumer by emotionally connecting more strongly by engaging

celebrities like Amitabh Bachchan and Chef Sanjeev Kapoor to endorse its products in the Indian market.

Expansion in Product Portfolio

The overarching philosophy at LT Foods is to address the latent needs of consumers. LT Foods has established a reputation by relentlessly launching path-breaking products by leveraging the brands and distribution networks of its existing basmati rice portfolio. With expansion in mind, LT Foods has introduced relevant extensions of its existing brands, and launched new products with the proposition of quality checked sourcing and the absence of chemicals.

Expansion of Business

At LT Foods, we created a business model around our sensitive understanding of our consumers' needs. As a result, we are continuously future-facing, able to plug any gaps that may emerge in the marketplace.

Hence, we have not solely focused on brand extensions, but also on the creation of entirely new categories wherein we can leverage our strengths be it brand, distribution or infrastructure. Based on extensive market research, we have consciously selected relatively under-penetrated segments that are nascent, yet complimentary to our business. This has translated into the successful creation of brands like ecolife and Daawat Saute Sauce.





AUGMENTING GROWTH BY RIDING ON THE PACKAGED FOOD CONSUMPTION WAVE

At LT Foods, we are building world-class brands that create new opportunities of growth. We are capitalising on the demands arising from changing lifestyles and consumption patterns.

Indian consumers are moving fast in terms of consumption; and the shift in food consumption from unpackaged to packaged food, and from unbranded to branded products, is clearly palpable. While the consumption volume of packaged food per capita in India is still lower when compared to the western markets, but it is steadily growing.

This shift in consumers' behaviour towards packaged food consumption is primarily due to the need of consistent finest quality and high awareness of food safety. Consumer have a

greater willingness to experiment, accompanied with the ability to pay. In addition, the expanded presence of modern grocery retailers are creating demand for packaged food, that is more convenient to store and easy to consume. With the increasing disposable income and brand awareness in India, the shift in the favour of organised food industry is likely to accelerate further.

LT Foods has been the key beneficiary, owing to its capability to create brands that resonate with quality and health. Supported with a strong distribution network, the Company has an access to more than 1,50,000+ retail outlets, 3,000+ wholesalers, and 2100+ modern trade stores including hypermarkets, supermarkets and mini markets. Besides branded basmati rice, the Company offers value-added products and organic food. The contribution of the same is gradually increasing in the overall revenue. LT Food's top quality products and marketing efforts have helped in further enhancing its brand potential.



The result of the changing market dynamics and Company's initiatives towards growing its presence in the branded segments is clearly visible from the revenue growth. LT Foods Indian branded business is growing at a 5-year CAGR of more than 10%. The branded product sales have registered an improvement of 23% y-o-y. In absolute terms, out of total revenue of over ₹ 3,300 crore in FY2017, more than ₹ 1,900 crore has been contributed by its own brands. At LT Foods, we are positive about the future business growth; and confident about market's potential and consumer acceptance.

23%

Growth in Branded Business in FY2017
(in Volume Terms)

19%

Growth in Branded Business in FY2017
(in Value Terms)

ecoLife

CREATING MULTIPLE DRIVERS OF GROWTH

Being an emerging Food Company LT Foods is now set to emerge as a 'Food Company with Leading Global and Regional Brands'.

LT Foods, as a strategic choice, is gradually moving towards products leveraging its organisational strengths. The inherent working capital intensive nature of the basmati rice industry, accentuated this strategic shift. The Company leveraged its well-established brand legacy and robust distribution network to expand its product portfolio, thereby maximising ROI (Returns on Investment) and optimising working capital requirements.

LT Foods is an integrated player with strong capabilities in the food sector coupled with equally strong backward and forward linkages. Furthermore, its strong and innovative R&D capabilities has helped LT Foods in developing products of the future, which ensure nutrition, health, and well-being.

LT Foods augmented its product portfolio with the launch of value-added staples such as wheat flour, refined flour, flattened rice, chickpea flour, and semolina under the brand 'Devaaya'. These staples are now available in 11 countries, including India, and are witnessing growing consumer acceptance. LT Foods also launched Sauté Sauces inline with the regional recipes, making the cooking process for tasteful rice dishes easy, and more convenient. It also forayed into producing a fast cooking brown rice.

The Indian market is witnessing an increasing trend towards the consumption of healthy food products. LT Foods capitalised on this opportunity and launched its organic range. Its portfolio comprises 40 products and includes organic rice, pulses, soya and spices; launched across 13 states in India. It is the first Company in India to export certified organic basmati rice. The brand brings the promise of natural freshness, nutrition, and longer shelf life, all without compromising on tastes.

Today we have evolved to become a food company that matches consumer preferences and enhances consumer convenience. These new launches enhance the equity of our brand. Furthermore, the Company entered in a JV with Japan's Kameda Seika to launch several rice snacks. This will help LT Foods enter into the rice-based snacks market. Kameda has proprietary manufacturing capabilities of rice-based snacks.

With a view to be abreast with new global flavour, trends and technologies, the Company's R&D teams at Gurugram and California (USA) are continuously working on developing products in line with the evolving customer tastes. As a result, LT Foods managed to reduce its inventory cycle from 234 days in FY2012 to 220 days in FY2017. This has been possible on account of introducing faster moving products, as well as better inventory management.

Specialty rice (non-Basmati)

- Jasmine Thai
- Brown Jasmine Thai
- Arborio
- Sona Masoori
- Sona Masoori Organic
- Kerala Mata rice
- Ponni rice





Other food products

- Cooking sauces
- Wheat flour
- Couscous
- Tea
- Ecolife organic range
- Rice mixes
- Grape seed oil

Basmati rice

- White Basmati
- Brown Basmati
- Sela Basmati
- Organic Basmati
- Traditional Basmati



CORPORATE SOCIAL RESPONSIBILITY

Being Socially Responsible

Corporate Social Responsibility is an integral part of LT Foods business philosophy and operations. Through its multiple initiatives, the Company aims to promote sustained growth for the communities that it serves. Since its inception, the Company has been committed to sustainable business practices. This commitment extends to every facet of its business and guides the plans for sustainable growth.

LT Foods is deeply engaged with its grass root level working partners – the farming families, and is working towards enhancing their lives. LT Group has created wealth based upon a sustainable business concept of linked prosperity, combining social, product and economic values.

The Company has embarked on CSR activities in the areas covering education, rural development, environment protection, women empowerment and livelihood, with a focus on the sustainable development of all sections of the society.

Our success stories are powerful statements to consumers about the integrity of our work & our strong association with the community. One of such stories revolves around the community members of Nandalpura village.

LT Foods has adopted the village in Chhatarpur District of Madhya Pradesh to redefine the lives of people in and around the village by providing them with facilities for a well-developed and sustainable living. Nandalpura village has seen numerous noteworthy developments, since its adoption by the Company. The project initiative started in 2015, and it has already made a discernible difference to the lives of villagers. During the year, the Company continued its efforts to make the village self-sustainable.

Going forward, the Company remains committed to undertake initiatives towards the benefit of the society. It will also continue its journey of excellence and integrity for improving the lives of people.



 Through its multiple programmes, the Company aims to promote sustained and inclusive growth for the communities that it serves.



BOARD OF DIRECTORS



Vijay Kumar Arora
Chairman & Managing Director



Ashwani Kumar Arora
CEO & Managing Director



Surinder Kumar Arora
Managing Director



Rajesh Kumar Srivastava
Nominee Director



Radha Singh
Independent Director



Pramod Bhagat
Independent Director



Suparas Bhandari
Independent Director



Gokul Patnaik
Independent Director

CORPORATE INFORMATION

Board of Directors

Vijay Kumar Arora, *Chairman and Managing Director*
 Surinder Kumar Arora, *Managing Director*
 Ashwani Kumar Arora, *Managing Director*
 Rajesh Kumar Srivastava, *Nominee Director*
 Radha Singh, *Independent Director*
 Pramod Bhagat, *Independent Director*
 Suparas Bhandari, *Independent Director*
 Gokul Patnaik, *Independent Director*

Company Secretary & Compliance Officer

Monika Chawla Jaggia

Key Management Team

Corporate Office

Ashok Kumar Arora, *President Punjab Operations*
 Vivek Chandra, *CEO-Global Branded Business*
 S. K. Salhotra, *Group Head Treasury*
 Rajinder Wadhawan, *Director Operations*
 Kamal Poplai, *Head Quality*
 Dipol Dhole, *Vice President HR & Admin*
 J. S. Oberoi, *Senior Consultant Projects*

LT Foods Americas

Abhinav Arora, *President*
 Jerry Taylor, *Vice President Marketing*
 Mukesh Aggarwal, *Chief Financial Officer*
 Kaizer Colombowala, *Head Research & Development*
 Andrew W Cops, *Senior Vice President (Marketing)*
 Sai S. Krishnan, *Vice President Supply Chain & Operations*
 Chris Skolmutch, *Product Development Manager*

Nature Bio Foods Limited

Tapan Ray, *CEO*
 Anmol Arora, *Director*

LT Foods Middle East

Vijay Malik, *Associate Director & Head Middle East*
 Gursajan Arora, *Director*

LT Foods Europe

Aditya Arora, *Director*
 Anubha Bajaj, *Sales*
 Vikram Patil, *Operations*

Statutory Auditors

Walker, Chandio & Co

Internal Auditors

Pro Legal Advisory LLP

Secretarial Auditors

D Dixit & Associates

Manufacturing Facilities

Basmati & Other Value Added Products
 43Km Stone, GT Road, Bahalgarh
 Kamaspur, Bahalgarh, Sonapat
 Mandideep, Bhopal
 Phoola Raod, Amritsar
 Varpal, Punjab
 Rotterdam, Netherlands

Kurkure

Kamaspur, Sonapat
 Silos Plant, Punjab
 Silos Plant, Madhya Pradesh

Packaging Facilities

Cypress
 Houston
 New Jersey

Bankers to the Company

Oriental Bank of Commerce (Lead Bank)
 Corporation Bank
 Punjab National Bank
 State Bank of India
 Bank of Baroda
 Allahabad Bank
 IDBI Bank Ltd.
 ICICI Bank Ltd.
 Union Bank of India
 The Karur Vysya Bank Ltd.
 Indian Overseas Bank
 Axis Bank Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS



 The fading impact of demonetisation and economic dividends from the introduction of GST, are expected to stimulate private consumption.

Economic Overview

Low commodity prices, low inflation rates, tepid growth in advanced economies and geopolitical uncertainties, continue keep the Global Economy's growth in check. According to The International Monetary Fund (IMF), the Global Economy grew by 3.1% in 2016, with expectations for it to improve to 3.4% in 2017.

Despite these tough global conditions, the Indian economy's expansion has been noteworthy. India's GDP grew at 7.1% as opposed to 8% in 2015-16. However, this decline in growth was exacerbated by the shrinking manufacturing sector, the decline in budgetary capital expenditure and the temporary drag from demonetisation. Despite these challenges, in relative terms

India will still be one of the fastest growing large economies in the world.

Looking forward into FY2018, declining borrowing costs; the fading impact of demonetisation and economic dividends from the introduction of the new Goods & Services Tax, are expected to further stimulate private consumption and the demand for goods and services in general. The introduction of GST is expected to bring in multiple forms of efficiencies within the administrative and logistics aspects of businesses; improve the compliance and governance of companies; and give impetus to further domestic and foreign investments into the economy in general. Due to favourable indicators such as moderate

levels of inflation, a reduced current account deficit (CAD), fiscal consolidation, and the transitory impact of demonetisation, the country is currently characterised as a stable macroeconomic situation. Going forward, the Government expects India's GDP to expand at a growth rate between 6.75-7.5% in 2017-18.

Indian Food Industry

Food and Grocery are the backbone of the Indian retail sector. It is valued at ₹ 20,000 billion and accounts for over 57% of the total retail market. As per industry reports, this category is expected to grow 3.5x to ₹ 71,000 billion by 2025. This growth will be driven by growing disposable income, which will lead to higher spend on food. In addition, increasing awareness, health consciousness and changing lifestyles will increase the share of processed and packaged foods. Cereals, pulses and staples form the largest part of this consumption basket, contributing 38% to the overall sector. Further rice constitutes significant portion of this list.

As per various reports, the Indian food processing industry is one of the largest industries in India. It ranks 5th in terms of production, consumption and exports; and accounts for 32% of the country's total food market. It contributes around 14% of manufacturing Gross Domestic Product (GDP), 13% of India's exports and 6% of total industrial investment. The organised sector is estimated to account for 58% of India's total food processing industry. Rice mills account for the largest share of processing units in the organised sector.

Indian Rice Market

Rice is the most important food crop in India, contributing to more than 40% of total food grain production. It is one of the most essential food crops in the world, and a part of the staple diet for nearly half the global population. Over 90% of the global rice output and consumption is concentrated in Asia, where the world's largest rice producers - China and India - are also the world's largest rice consumers. Among the several varieties of rice, Basmati is considered to have the most superior product characteristics, making it the most premium rice grain available in the market.

Basmati Rice Market

Basmati Rice contributes 37% of India's overall exports of rice. India exports 108 lakh MT of rice, of which Basmati contributes 40 lakh MT. However, in value terms, Basmati Rice contributed 56% of the total exports.

The domestic basmati rice market is estimated to be around ₹ 12,000-15,000 crore. India's rice industry has seen a transformation in the last decade, with growth of branded businesses in the Indian market and a strong impetus to exports. As branded basmati is only 26% of the total basmati rice sold in India, the opportunity for large players to gain market share is abundant. Additionally, consumers are gradually switching towards branded Basmati Rice as they are becoming more quality and health conscious. However, the consumption of basmati as a percentage of total rice consumption is at a comparatively low 2% in India, as opposed to 38% in the Middle East.

Iran and China resumes purchases of Basmati rice

Iran has uplifted the ban on import of Basmati rice and this will give boom to the exports of Basmati.

Another positive development for the rice industry comes from China agreeing to import basmati rice from 14 companies in India, including LT Foods. The opening up of the Chinese market as an export destination is a positive for the Indian basmati rice industry, aiding exporters that are recovering from the recent muted global demand and a correction in prices. According to ICRA, India and China together contribute to around 40% of the global rice production, which is estimated to be around 740 million tonnes of paddy.



MANAGEMENT DISCUSSION AND ANALYSIS

Company Overview

The Company's vision is to become a Global Food Company with a focus on basmati and other speciality rices, organic food and convenience rice based products. Our aim is to be admired for our wide range of quality products. Being in the basmati business for decades, the Company is leveraging its existing strengths of brands and distribution. Over the years, it has evolved from being a rice trader in the 1980s, to an emerging Food Company with a growing portfolio of complimentary products. Recently, the Company added organic products, staples, sauces, rice based snacks and fast cooking brown rice to its product portfolio. The Company is a fully integrated entity, present across the entire supply value chain – from production, to processing, to distribution, and to sales. Today, LT Foods has a diversified geographical presence across 65 countries, backed by an established marketing network and market-leading brands.

Strengths of the Business

Brand: LT Foods is home to a number of highly visible and enduring brands, renowned for their taste and quality. One of the topmost selling brand 'Royal', holds the No. 1 position in the US, while the brand 'Daawat', which has the largest market share of branded premium rice, enjoys the premier position in India. The Company also leads in other geographies, including the Middle East, Australia, and Israel among others.

Market share: While the industry is dominated by unorganised players, LT Foods has a leading market share of 22% in India's rural and urban markets, with 19% market share within the fast growing modern-trade segment and 35% share in the premium segment. Within the food service category, the Company is ranked as the No. 1 supplier amongst the premium hotels and restaurants, with over 50% share in this segment.

Strong management team: While promoters remain closely involved, preserving the heritage and culture of the organisation, the business is strongly steered and navigated by a highly experienced and professional management team. In addition, its strong advisory team is also helping the organisation to drive its strategic agendas for future growth of the Company.

Strong distribution network in India:

With an access to over 1,50,000 traditional retail outlets, and 3,000+ wholesalers, The Company is also associated with 2100+ modern trade stores, including 600+ hypermarkets, 35+ super markets and 1500+ mini markets.

Global presence: LT Foods has a global footprint, selling their flagship basmati rice brands – Royal and Daawat, into 65 countries. Further, LT Foods has dedicated network to expand its global reach. The Company's established onground presence in the US, Europe and Middle East is helping LT Foods to unlock the full potential of these territories. In addition, the Company's other product brand such as ecoLife and Devaaya are being strongly appreciated globally.

Enduring relationships: The Company enjoys long-term partnerships and relationships with farmers for procuring paddy. Regular and on-going engagement by the Company with farmers has resulted in harvest yields improving year after year. LT Foods continuously imparts education on sustainable farming practices, provides farmers with technical assistance and promotes the use of sound agriculture technologies.

Integrated Player: LT Foods has an integrated business model spanning across the entire rice value chain – right from farm to fork. The supply chain includes production, processing, distribution, and

sales. Furthermore, the Company's expertise in paddy procurement and its state-of-the-art manufacturing facilities adds to its competence.

Food Safety: LT Foods is renowned for its stringent practices towards food safety. Strict quality protocol and procedural guidelines are followed across its manufacturing facilities.

Building Future Growth Drivers

Widening Reach through Inorganic Route

'Gold Seal Indus Valley' and 'Rozana' brands: LT Foods recently acquired HUL's branded rice businesses, 'Gold Seal Indus Valley' and 'Rozana'. These acquisitions have strengthened the Company's position within the Middle-East markets, and marks LT Foods' entry into specific markets of Qatar, Oman, and Bahrain. They also reinforced the Company's existing presence in Saudi Arabia, UAE, and Kuwait. Furthermore, these acquisitions have broadened the Company's basket of offerings, and expanded its distribution reach.

817 Elephant Brand: LT Foods acquired the rice brand '817 Elephant' from the company Deva Singh Sham Singh (DSSS). This acquisition has further strengthened the Company's presence in Canada, USA, Australia, and Israel.



LT Foods has successfully strengthened its brand portfolio through these acquisitions. These brands are having a positive synergistic effect on the overall business of the Company. During the year, the performance for all the three brands has been in line with the Company's expectations.

Widening Reach through Joint Ventures (JV)

JV with Future Consumer: LT Foods entered into a JV with Future Consumer for promising opportunities to manufacture, regional rice. LT Foods acquired a 50% stake in Genoa Rice Mills, a Future Consumer company, which trades in 'Sona Masoori' – a regional South Indian rice. The Sona Masoori rice under Daawat brand has been successfully launched and is performing well in their respective target markets.

JV with Japanese Snack Food major Kameda: During the year, LT Foods has entered into a JV with KAMEDA SEIKA, of Japan, to manufacture and market rice-

based snacks in India. KAMEDA is the global leader in rice based snacks, with a market share of 30% in Japan, and a prominent presence in the gluten free cracker market in the USA. The JV will receive assistance from Kameda in technical matters relating to manufacturing, flavour development, and package design. Kameda will also lend its experience to LT Foods for marketing rice-based snacks globally.

The large and expanding urban middle-class in India are ready for a healthy and tasty alternative to fried potatoes and wheat-based snacks. Growing health awareness and the focus on wellness, are expected to drive the growth of this product category. Furthermore, a detailed consumer research has been undertaken and post test runs, the Company expects to launch a range of rice based snacks by the end of 2018.

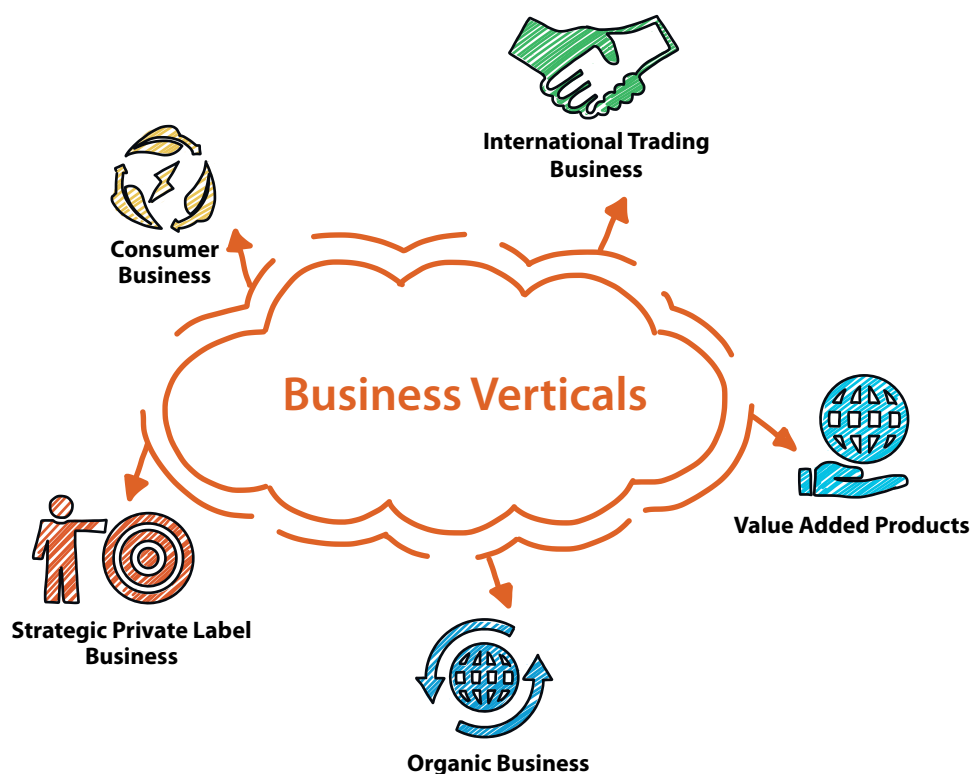
Organic growth through Rotterdam Plant

Expanding the product portfolio and global geographical reach are central to LT Foods business plans. With this objective, the

Company has incorporated a subsidiary in UK, and has set up a state-of-the-art manufacturing facility in Rotterdam, Netherlands. The facility is being built on 12,000 sq. mtrs of land. This new facility, along with the acquisition of the iconic brand '817 Elephant', shall further advance LT Foods' foothold in European markets.

Our Business Verticals

LT Foods is an emerging a Global Food Company with a focus on basmati and other speciality rices, organic and value added products. To accomplish this objective, the Company has successfully undertaken several strategic initiatives to venture into complementary and synergic businesses, by leveraging newly acquired and existing brands and its strong distribution network. To create focus on improving the performance and enhance competitiveness of each business, the Company functions through five separate and distinct verticals.



MANAGEMENT DISCUSSION AND ANALYSIS

Consumer Business

Brand Royal

LT Foods' brand 'Royal' holds the No. 1 position in the premium segment, with more than 40% of the market share in the US branded basmati segment. The brand's product portfolio consists of Basmati rice, Jasmine rice, Arborio rice, wheat flour, and flavoured rice. LT Foods has systematically been leveraging the brand's equity and distribution network, to expand its product portfolio in the US market.

Under the brand 'Royal Ethnic', the international line - the Company introduced 'Royal Staples'. The products launched include – Besan, Sooji, Poha, Maida, and Daliya.

Brand Daawat

'Daawat' is the flagship brand with a legacy of over 30 years. This premium quality basmati rice is the leading brand within India, with 20% overall market share, and

more than 35% share in the premium segment. This flagship brand is also quickly gaining market share in other markets including Europe, the Middle East, and Australia.

'Daawat' is the first rice brand to enjoy high visibility with help of celebrity endorsements across India. The TV Commercials feature renowned actor Amitabh Bachchan and celebrated Chef Sanjeev Kapoor, who resonate well with consumers.

Growing Portfolio of Brands

Within the Consumer business vertical, the Company has been adding new brands to cater to the broader needs of the segment. The Company expanded its reach and

diversified the brand product categories through the inorganic route as well. The details are mentioned below:

- LT Foods acquired premium Basmati rice brand '817 Elephant' to strengthen its existing presence in countries like US, Canada, and in the Middle East.
- It acquired HUL's branded rice business, including the 'Gold Seal Indus Valley' and 'Rozana' brands. This enlarged the Company's basket of goods, and provided access to HUL's established distribution network.

The Company's revenue from the branded business stood at c. ₹ 1,900 crore and it contributed c.60% to the overall top line. This business has been growing at a 5-year CAGR of 16%.



LT Foods



 LT Foods has successfully capitalised on the existing brand equity and global distribution network, to diversify its product offerings.

Strategic Private Label Business

Contributing 27% to the overall revenues, this business vertical deals with large institutional customers. Within this vertical, the Company has long standing relationships with customers of repute. This segment also helps the Company to strengthen its operational processes and increase the bar of quality assurance in line with the stringent requirements from leading corporate customers.

Organic Business

Nature Bio-Foods Ltd (NBF) is a wholly owned subsidiary of LT Foods dedicated primarily to its organic business. The segment has continually been following its growth trajectory since its formation. The organic business have been contributing to the Company's success story by creating one of the world's largest and the most integrated and sustainable organic food supply chains right from the farm to fork. This business has been one of the fastest growing segments in the Company, growing at CAGR 44% from FY2012 to FY2017, and has contributed Rs 240 crore to the top-line in FY2017.

Its Certified Organic groceries range includes Basmati and Non-basmati rice, pulses, oil seeds, cereal grains, spices, nuts, fruits and vegetables. Nature Bio-Foods

Ltd has one of the largest procurement ecosystems for organic foods, that are sourced from approximately 80,000 farmers, cultivating c.115,000 ha of land (8% of the total certified organic land of India) across 15 states.

Amongst the products, Organic pulses and Non-Basmati Rice category were the major contributors to the business growth, during the year. The Company added a new product - Organic Rice Syrup, which was successfully exported to New Zealand.

The Company's dedicated organic brand ecoLife was introduced in USA and India. The brand is equipped with the certifications from various reputable national and international certification agencies, including ECO-CERT, the Control Union Certification, BIO-CERT, ONE-CERT, NPOP Standard of India, EU Organic Standard, USDA'S NOP, and Bio-Suisse Standard of Switzerland. These certifications ensure that organic products are grown to go directly from the farm to the family.

In the domestic market, besides ecoLife branded sales, B2B business opportunities are being explored. The first successful tie up has happened to supply the ingredients Amaranth for one of the popular brands 'Paper Boat' which is not only certified Organic but Fairtrade as well. Similar tie up with other brands are being explored.

Nature Bio-Foods Ltd has topped in the export of Organic Grains in India in FY2017. The Organic food export from India is on the rise and the value realised in FY 2016-17 stood at USD 370 Million. The contribution of Nature Bio-Foods Ltd in the overall organic food export from India remained significant with a share of 10% (Source: APEDA).

International Trading Business

LT Foods has over 50 years legacy of experience in the international trading of non-basmati rice. The Company continues to support such transactions, owing to its established network, strong familiarity with the business and the relatively low cost of doing business. While now a less significant part of the Company's total business,

the vertical continues to contribute meaningfully to the Company's EBITDA and towards the partial recovery of its overheads.

Value Added Products

LT Foods' vertical focusing on value Added Products have successfully capitalised on the existing brand equity and global distribution network of the Company. Advantaged by higher margins and lower working capital intensity, this business helps to positively contribute towards improving the Company's over all returns on investment (ROI). This vertical caters to the transforming consumer trends by developing innovative products for health conscious and convenience-seeking consumers. These value added products are the outcome of robust backend and R&D infrastructure set-ups of the Company in Bhopal, Indore, Delhi and the USA.

The Company is expanding its product portfolio based on the properties of rice. LT Foods has launched innovative value added products such as fast cooking brown rice, convenience sauces, and blend of white and brown rice that offers taste and health to the Consumer.

Daawat is always known as the most innovative brand in the category. With changing trends and lifestyles in the consumer segment, the Company launched additional innovative products during FY 2018. A line of seven flavourful Daawat Rice Sauté Sauces - Tamarind, Lemon Rice, Hot Garlic, Manchurian, Sweet Saffron Pista, Cranberry, and Methi were launched. These products are currently available at modern retail stores across Mumbai and Bangalore.

Daawat Fast Cooking Brown Basmati Rice has also been launched across India and this segment is growing at a CAGR of more than 40% over the last three years.

The Company also introduced Daawat Rozana Gold Plus, a brand that offers a perfect blend of taste and health, both in one pack. Rozana Gold Plus offers a unique mix of 80% Rozana basmati rice and 20% Daawat brown basmati Rice. It offers great taste of aromatic and flavoursome white basmati rice along with the goodness of fibre rich brown Rice in one pack. Rozana Gold Plus was launched in April 2017 and is presently available in over 30,000 outlets across India.

MANAGEMENT DISCUSSION AND ANALYSIS

'Devaaya' caters to the mid-price segment in India, and has expanded its presence in the US and the Middle East too. It offers branded Basmati rice, with staples such as wheat flour, refined flour, flattened rice, chickpea flour, and semolina. Based on the proposition of 'Tested Safe', the product is tested for and is free from over 500 types of impurities. The Devaaya staples product range is expected to give steady growth as more and more consumers switch to this brand for being both clean and safe.

During the year, under the Devaaya portfolio, the Company added Mongra Basmati, Mini Mongra Basmati, and Mini Dubar Basmati Rice. Devaaya staples are now available in 10 countries apart from India, and are witnessing a growing consumer acceptance.

Other Strategic Initiatives

Modern Wheat Silos: Madhya Pradesh Warehousing & logistics Corporation (MPWLC) had awarded LT Foods two projects in Bhopal and Indore in [year], for the construction, operation, and maintenance (DBFOT) of modern wheat silos, for a period of 30 years, under the PPP mode. All operations in the silos for the handling, preservation, and discharge of wheat are fully automated and computer controlled. This increases the accuracy of the weighing process, helping save farmers time and ensuring only the good quality wheat is accepted for storage.

The Company has been awarded projects in the past as well. Of the 10 similar projects awarded in 2014, only those given to LT Foods were completed within the allotted timeframe. .

Fortified Rice: LT Foods is working with DSM Nutritional products to introduce fortified rice as a new offering in the nutritional range. This venture will strengthen the Company's presence in the nutritional product segment, where it currently offers products such as brown basmati rice. The target audience of new product is every household in general, specifically young children and discerning mothers.

A sophisticated and fully certified food plant has been set up in Mandideep, Bhopal. It has all the modern facilities, and is equipped



with a state-of-the-art Quality Laboratory. The lab houses are capable of mycotoxin testing, product and environmental microbiology, as well as in-process quality monitoring and checking. The unit is a FSSC 22000 certified facility and approved by USFDA and certified for Kosher and Halal products.

Pesticide Controlled Farming: With the aim of gaining a competitive advantage, LT Foods launched an ambitious programme to work with farmers in basmati growing areas to encourage the production of paddy in conformity with pesticide residue regulations. This programme is being implemented with the support of the Indian Council of Agriculture Research (ICAR) for Madhya Pradesh and Rallis India, Haryana. As a part of the programme, the Company intends to provide strong IT support to farmers and field officials who collect, transmit, and analyse data. This will help to provide them with predictive recommendations, in an attempt to remove or reduce the uncertainty associated with farming.

An additional component of the farmer programme is to encourage Sustainable Rice Production (SRP) methods to optimise water usage and minimise the nutrient intake into the soil, as well as worker health and safety programmes. LT Foods is now a member of the International Sustainable Rice Programme, which helps to preserve the environment and increases farmer incomes. During the year, SRP was launched in Haryana for 50 farmers, and the results were subjected to an external audit in which LT Foods scored favourably. Going forward, it is intended to enlarge the coverage of this program in Haryana and Madhya Pradesh.

MARS Ambassador Programme: LT Foods organised a one-week familiarisation programme for the middle level managers Mars Inc., its key buyer in Europe and USA. Ten managers spent a week in the villages of Haryana, spreading the message of safe pesticide usage through street plays and music. LT Foods will continue to organise other similar programmes in the coming years as well.

 The Company has an overarching brand strategy to position itself as a premium, contemporary, high quality and innovative product manufacturer.

Our Business Drivers

1. Branding and Distribution

LT Foods is committed to provide modern contemporary home-makers a range of innovative cooking ingredient products. These products are aimed at enabling convenience and creating a joyful meal experience for family.

The Company has an overarching brand strategy to position itself as a premium, contemporary, high quality and innovative product manufacturer. The Company's association with Amitabh Bachchan and Sanjeev Kapoor, has reinforced LT Foods as a premium and quality driven brand respectively. In addition, during the year, the Company engaged on several above the line marketing initiatives for its innovative Quick Cooking Brown rice. This has helped the Company to build its innovative and health brand equity.

In India, LT Foods has widespread operations in both, retail and modern trade, reaching 93% of the towns with a population of over 200,000. It has partnerships with more than 1,50,000 retail outlets and 3,000+ wholesalers. The Company has its reach in over 2100+ modern trade stores, including 600+ hypermarkets, 35+ super markets and 1500+ mini markets. LT Foods has a separate team for institutional sales, servicing over 6,000 outlets, which gives

it a commanding share of over 50% in the institutional business. At trade level, LT Foods constantly invested in building relationship with its business partners through various loyalty programmes. Under the modern retail chain, it participated in various annual events, to leverage upon the consumer footfalls, which can be translated to purchase.

Globally, the Company has a well-entrenched sales network in USA, Europe and, West Asia. LT Foods is steadily expanding its international presence to over 65 countries by deploying differentiated growth strategies. The Company has recently acquired brands such as 'Gold seal' in Indus Valley, Rozana, as well as '817 Elephant'. These brands offer LT Foods a pre-established entry into specific global markets, which further intensifies the Company's channel network. It is also working towards expanding its distribution reach in India, the US, Middle East and Europe. The Company has a dedicated team, working on strengthening the Company's presence in Africa, to unlock the full potential of the market.

2. Consistent Quality

LT Foods is committed to provide safe and superior quality products to its valued customers. By way of stringent

quality assurance norms, and state-of-the-art technology with a high degree of automation, the Company ensures robust quality control. Critical tests are performed at each stage of manufacturing, and are supplemented by rigorous QC programs, to ensure the consistent high quality of the final product. The Company's unwavering focus on quality and innovation, backed by deep consumer insights, world-class R&D, and an efficient and responsive supply chain, will further strengthen its leadership position.

Certification bodies such as SGS, Intertek, Eurofins and BV among others regularly audit the Company. In addition, retail customers both from India and overseas markets also conduct regularly audits. This ensures that the Company's adherence and compliance to the standards are of the highest standard and maintained at all times.

The Company propagates globally accepted and permitted farming methods for the cultivation Basmati. The Company's Integrated Pest Management Program works to prevent and control any pest problems. In order to mitigate any food safety risks, critical control points are established not just at the farm level, but across multiple stages until the product is dispatched from the factory.



MANAGEMENT DISCUSSION AND ANALYSIS

 The Company's adherence to the quality compliances are of the highest standard and maintained at all times.

Quality certifications

BAHALGARH-SONEPAT

ISO 9001:	2008 (Quality Management System)
ISO 14000:	2004 (Environment Management System)
SQF:	(Safe Quality for Food Safety)
BRC:	(Global Standard for Food Safety)
IFS:	(Food Safety)
NABL:	(Laboratory Management System)
SA:	8000(Social Standard)
Halal	
Kosher Certification:	(OU)
fssc 22000:	(Food Safety Standard)

NATURE BIO-FOODS LTD. (ORGANIC DIVISION) & DAAWAT FOODS LTD, KAMASPUR, SONEPAT

NOP	(National Organic Programmer) of USFDA Organic Standard
NPOP	(National Programme for Organic Production)
EEC 837:2007	(Europe Organic Standard)
IFS	(Food Safety)
Kosher Certification from jk kosher	
Rice Plant - fssc 2000: 2010	

DAAWAT FOODS LTD, MANDIDEEP, BHOPAL(MP)

Food Plant	FSSC 22000: 2010
Grain Plant	BRC: Global Standard for Food Safety
Grain Plant	Fssc 22000: 2010

LT FOODS LTD. VARPAL, AMRITSAR

FSSC 22000: 2010 (Inclusive ISO-22000 & ISO/TS 22002-1)
BRC Global Standard for Food Safety version-6

3. Strong Infrastructure

LT Foods has five state-of-the-art manufacturing units to produce high-quality food products in India. These are located in Haryana, Punjab, and Madhya Pradesh, with a combined milling capacity of 82 tonnes per hour (TPH).

During the year, the Company achieved 79% of its processing capacity. The Current Packaging capacity in the Bahalgarh unit stood at 2,04,000 MT per

annum, with a capacity utilisation of 94%, serving 1,91,000 MT of the annual demand. The annual milling capacity of the Bahalgarh unit is 2,50,000 MT, out of which 68% of the capacity was utilised during FY2017.

To cater to the increasing demand, packaging capacities were enhanced during FY2017. The existing packing section in Bahalgarh was restructured to enhance the packaging capacity by 24,000 MT per annum. The unit was



State-of-the-art Manufacturing Facilities

	Sonepat (Bahalgarh)	Sonepat (Kamaspur)	Bhopal	Amritsar	Varpal
Rice Capacity (TPH)	33	5 (Organic)	26	6	12
Key Products	Raw rice	Organic rice, snack	Rice, plain chips, chips seasoning, rice/wheat flour, brown rice	Rice, parboiled rice	Rice (golden, creamy, boiled, parboiled and raw)
Accreditation	ISO, SQF, BRC, SA, Kosher, OU, Halal	ISO, NOP, NPOP, EEC and Kosher	FSSC, Halal, Kosher and BRC	ISO	FSSC and BRC
USP	First to have complete storage in 1 MT bags	100% organic facility with cold and CO2 treatment	First to get FSSC 22000 certification		Fully integrated and automated facility



MANAGEMENT DISCUSSION AND ANALYSIS

also renovated to meet the industry standards in terms of Food Safety and Hygiene. Investments were also made towards enhancing the flour capacity (from 1 TPH to 2 TPH) and setting up a CO2 treatment plant in Bhopal. The annual milling capacity of Bhopal is 1,80,000 MT, of which 85% of the capacity was utilised during the year.

Integrated business model across the value chain

LT Foods has an integrated business model and strong relationships with farmers. This model spans across the entire rice value chain – right from farm to fork. The Company's expertise in paddy procurement and its state-of-the-art manufacturing facilities adds to this advantage.

In order to secure the availability of paddy supplies, the Company initiated contract farming since 2006. Under the contract farming mechanism, the Company sells superior quality seeds to the farmers and also provides them with technical knowhow of rice farming.

However, apart from contract farming, the Company purchases majority of paddy capacity from open markets. To ascertain the quality of the paddy procured, the Company has developed a tool for strengthening its paddy procurement process. The Company has a strong procurement network with agents covering mandis across Punjab, Haryana, Madhya Pradesh and Uttar Pradesh. The paddy procured from these mandis go through stringent quality checks at each stage. The Company has a team of over 100 team members to handle the paddy procurement process. Furthermore, the Company has five milling plants with combined capacity of 82 TPH. Domestic packing is carried in all five facilities, while it has three packaging facility in the US.

Asset Light Approach

The Company is gradually moving towards an asset light model. Going forward, LT Foods will steadily outsource the manufacturing of low value items, and utilise its facility for manufacturing value added products. This will help

the Company grow its sales volume without any significant expenditure on capacity expansion in the medium to long-term. Taking steps in this direction, the Company has recently entered into a JV with the Future Group, which allows LT Foods to expand its product portfolio while Future Group makes all the required capex investments.

Currently, the Company has utilised 79% of its core capacities, and has the option to continue growing by taking the asset-light model approach of strategically outsourcing from supply partners. It expects that these initiatives and efforts will lead to an improvement in efficiency, therefore resulting in an overall improvement in the EBITDA margin in the near future.

4. People

To achieve successful growth and profitability, the Company relies on its greatest assets - its intellectual capital. The Company's human resource practice revolves around LET: Learning, Empowerment and Togetherness.



 LT Foods values its employees and invests towards capability building with a long-term orientation.

Learning and Development

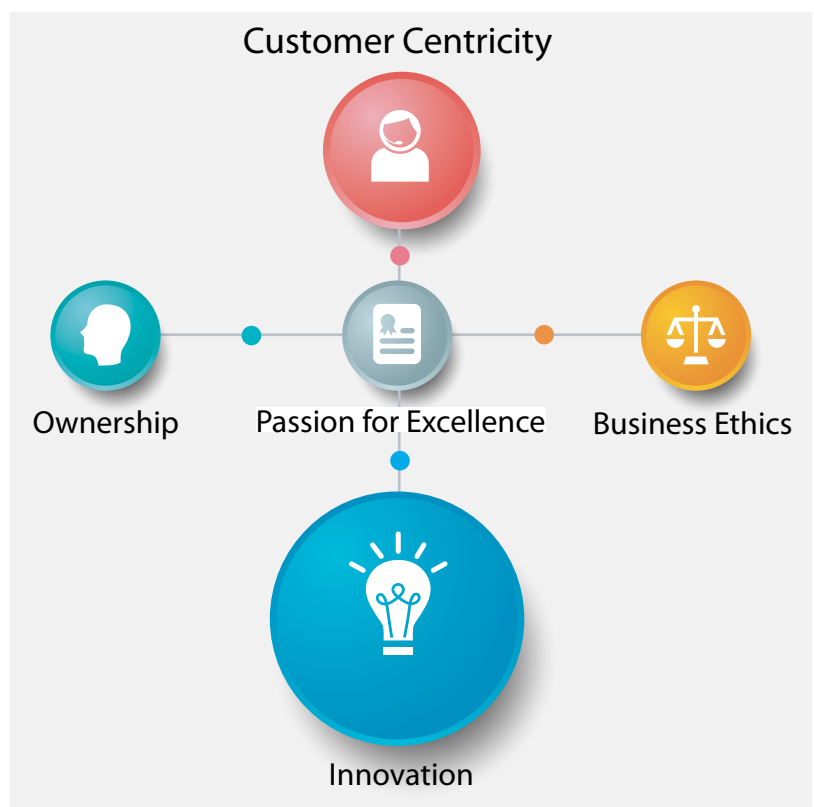
LT Foods values its employees and invests towards capability building with a long-term orientation. The Company has been building its skill-sets by adding new competences through hiring, grooming of internal talent and functional capability building.

The Company's learning and development initiatives are geared towards building leadership pipeline and to enhance organisational proficiency to compete in the market place. The learning and development initiatives offered during FY 2017 were aligned to this objective. The on-going core programs were fortified to address the emerging capability requirements. In addition, customised programs were undertaken to meet the needs of businesses, aimed at building specific capabilities at various levels of the organisation.

Furthermore, the Company's development plans continued its focus on 3E development model of Experience, Exposure and Education. As on 31st March, 2017, the Company has more than 1000 employees.

Core Values

The Company's value-system guides its actions and behaviour in everyday business, which creates a unique culture at LT Foods. These values are the DNA of the organisation, which are ingrained in every member across hierarchies and geographies.



MANAGEMENT DISCUSSION AND ANALYSIS

Engagement

At LT Foods, employees are encouraged to have Fun at Work. A number of employee engagement events are conducted to promote collaborative and conducive work environment. All major festivals are celebrated with enthusiasm across our plants and offices, to bring people together.

Role Goal Clarity

The Company's approach has transitioned from traditional manufacturing set-up, to an empowering and enriching work environment. Cascading of organisational goals using the Intranet driven PMS called PRIDE, helps to bring in role clarity and alignment at all levels. To create a sense of empowerment, it provides the employees with opportunities to explore career mobility options within the organisation.

At LT Foods, the elements of LIFE, both from a business perspective and people perspective are interwoven closely with its core values of BIPCO (Business Ethics, Innovation, Passion of Excellence, Customer centricity and Ownership).

5. Information Technology

The Company is enhancing the use of Information Technology tools and applications in their business processes to become more competitive, efficient

and effective. Its robust IT infrastructure acts as a growth enabler and helps achieve cost leadership, process orientation and higher productivity.

LT Foods is increasingly using IT as part of its strategic planning process and tactical execution of their business strategies. Its goal is to use Information Technology to create the most efficient and effective link between suppliers and consumers.

Better IT applications are helping us reach target market segments more cost effectively, track data, improve productivity levels and maximise our returns on investment.

The Company has made investments towards various modules of SAP software, in line with the changing scenario. These modules are being implemented across the organisation.

6. Research and Development

LT Foods has a formidable track record in developing new products. The Company's research and development programme are central to expanding value to its products, and to keeping aligned to new global flavour trends and technologies. The R&D team is

dedicated towards deepening the Company's pipeline of products focused on consumers looking for health and convenient options.

During FY2017, LT Foods launched Sauté Sauces with regional recipes to bring convenience and ease to the preparation of tasteful rice dishes.

LT Foods Americas (the wholly owned North America subsidiary) has been expanding its ecoLife Brand of Organic products in North America. New products like Grains, Ancient Grains, Lentils, and Beans, were developed in organic format and launched with major retailers in USA. Going forward, five new organic 'Ready to Heat' retorted pouch products are planned to be launched under the ecoLife banner. Furthermore, new retort processing capability is being added at Houston site in North America, by LT Foods Americas.

During FY2017, LT Foods transformed itself from a company known for its rice, to one known for its range of food solutions. The Company believes that delivering the consumers' needs of tomorrow, today, will keep LT Foods on track of delivering sustainable value creation.

 The R&D team is dedicated towards growing the Company's pipeline of products for consumers looking for health and convenient options.



Consolidated Financial Performance Overview

PROFIT AND LOSS SUMMARY

		(₹ In Lakhs)
	FY 2017	FY 2016
Revenue from operations	3,32,210.96	2,97,962.61
Operating EBITDA	40,339.57	36,281.34
Depreciation and amortisation expense	5,415.67	5,151.93
Interest Expense	15,455.02	14,780.20
Other expenses	39,652.95	42,221.90
Profit before prior period items, exceptional items and tax	19,468.88	16,349.21
Profit Before Tax	19,308.58	11,954.79
Tax Expense	6,439.37	4,707.29
Profit After Tax	12,869.21	7,247.50

- The Revenue of the Company increased to ₹ 3,32,211 lakhs, as against ₹ 2,97,963 lakhs in the previous year, up by 11.49%
- The operating EBITDA of the Company increased to ₹ 40,339 lakhs, as against ₹ 36,281 lakhs in the previous year, up by 11.18%
- The Profit before prior period items, exceptional items and tax for the Company increased to ₹ 19,469 lakhs, as against ₹ 16,349 lakhs in the previous year, up by 19%
- The Profit After Tax (PAT) increases to ₹ 12,869 lakhs, as against ₹ 10,196 lakhs (Normalized) in the previous year, up by 26% (Normalized)



 The Revenue of the Company increased to ₹ 3,32,211 lakhs, up by 11.49%

MANAGEMENT DISCUSSION AND ANALYSIS

 Going forward, the Company will continue to deepen its presence in India and advanced markets, and established access to new high-potential global markets.

Future Outlook

LT Foods is taking concrete steps to match the evolving consumer trends; and emerge as a Global Food Company with a focus on basmati and other speciality rices, organic and value added products. The Company leveraged its existing strength of brands and distribution to expand its products portfolio and create synergistic businesses. To enhance focus and deliver sustained growth in each of its trades, the Company has segregated its business into five business verticals. This, it believes, will continue to keep LT Foods on the right track to generate sustainable and value accretive growth.

Going forward, the Company will continue to deepen its presence in India and advanced markets, and established access to new high-potential markets. Its cutting-edge research and development will enable the introduction of differentiated products. Moving ahead, the Company endeavours to augment its product portfolio with the successful launch of value-added staples and organic products, and strengthen its operational efficiencies, to keep improving its margins.

Risk Management

A corporate is exposed to multiple risks owing to various business transactions it undertakes. The risks are classified broadly into two categories – external and internal risks. External risks can be attributed to the various macroeconomic risks faced by the Company like the slowdown of economic activity, unfavourable exchange rate fluctuations, a change in the regulatory framework, as well as climatic risks. The internal risks comprise of operational risks, raw material uncertainty, human capital risks, and financial risks.

The Company has a strong risk management model in place, which identifies the key external and internal risks associated with the Company. After assessing their impact on LT Foods, mitigation measures are evaluated and suitable changes are made, keeping the evolving business scenarios in mind.



Internal Audit Control System

The Company has a well-established system of internal controls and procedures, which commensurate with the size and nature of its operations. A regular Internal Audit of operations, establishments and stockyards are conducted by leading Internal Audit Firms, in order to ensure that the set processes are properly adhered to.

The Audit Committee reviews the reports of the Internal Auditors and monitors the effectiveness and operational efficiency of these internal control systems. The Audit Committee gives valuable suggestions for the improvement of the Company's business processes, systems, and internal controls. The annual internal audit plans are prepared by Internal Auditors in consultation with the Audit Committee. The Company also implemented the world's leading ERP system - SAP - throughout the organisation, which focuses the approach towards automating the internal control environment.

Cautionary Statement

This document contains statements about expected future events, as well as the financial and operating results of LT Foods Limited, which are forward looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. They face the risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause the assumptions and actual future results or events to differ from those expressed. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of LT Foods Limited's Annual Report, 2016-17.

 LT Foods is a professionally run enterprise, with a deep talent pool of future leaders.



NEXTGEN LEADERS



Abhinav Arora
US Business



Aditya Arora
Europe Business



Rohan Grover
Sourcing & Development
of Staples Business



Gursajan Arora
Middle East Business



Ritesh Arora
New Business (India)



Anmol Arora
Organic Business



STATUTORY REPORTS

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting their 27th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2017.

1. Financial Performance of the Company (Standalone)

		(₹ In lakhs)
Particulars	2016-17	2015-16
Gross Income	2,10,032.86	1,84,669.15
Profit Before Interest and Depreciation	17104.01	16,394.16
Finance Charges	10,041.34	9,074.66
Gross Profit	42,150.30	46,086.79
Provision for Depreciation	2,292.73	2,635.99
Net Profit Before Tax	4,769.94	4,683.51
Net Profit After Tax	3,013.80	3,038.30
Balance of Profit brought forward	22,707.85	20,152.85
Balance available for appropriation	25,721.65	23,191.15
Proposed Dividend on Equity Shares	-	401.88
Tax on proposed Dividend	-	81.42
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	25,721.65	22707.85

2. Company's working during the year

During the year, the Company has achieved a topline of ₹ 3,32,210.96 lakhs as compared to ₹ 2,97,962.61 lakhs in the last year with a growth of 11.5% on consolidated basis. The Company has earned a profit of ₹ 19,468.88 lakhs in the previous year with a growth of 19% in comparison to financial year 2015-16. The Company has achieved revenue of ₹ 96,774.09 lakhs and earned PAT of ₹ 3,800.46 lakhs in March quarter on group level. As per AC Nielsen data we have gained over 20% market share in the branded basmati market in India. This has been possible because of our constant focus towards strengthening our consumer focus. Besides India, we are constantly working on strengthening our brands in overseas markets. We continue to enjoy leadership position in the US where our share continues to be around 40% under our strong brand Royal. The Company has taken concrete steps over the last few quarters by acquiring two brands – Gold Seal Indus Valley and Rozana from HUL in Middle East. Besides, the Company also acquired iconic brand 817 Elephant for European market. These initiatives have helped us increase our branded sales by ~25% compared to FY2016. The institutional sales to our strong customers have also seen a growth of 15%. Overall growth in volume stood at ~20% YoY basis. The volume growth in Indian market was 27% and in international market was 14%, which again reflects the increased confidence of consumers in our Company. The increased volumes have led to a healthy growth in Sales, EBITDA and PAT both in Q4FY17 and financial year ended 31st March 2017.

3. Change in the nature of business, if any-

During the current year, there has been no major change in the business.

4. Dividend

Your Board of Directors has recommended a dividend of ₹ 0.15/- (fifteen Paisa) per equity share of Re. 1/- each, out of the profits of the Company for the Financial Year ended 31st March, 2017 subject to share holder's approval in the ensuing Annual General Meeting.

5. Reserves

Out of the amount available for appropriation, the Company's Directors propose to transfer ₹ NIL /- to General Reserve and retain ₹ 25,721.65/- lakhs to Profit and Loss Account.

6. Share Capital

During the Financial year 2016-17, the Company has not allotted Equity Shares and also has not issued any Equity Shares with differential rights or any sweat equity shares. However the Company has split the face value of Equity Shares from ₹ 10 to ₹ 01/- each. Resultantly, the Company has 26,66,31,870 equity shares of ₹ 1/- each as at 31st March, 2017.

7. Details of Directors and Key Managerial Personnel Appointed and Resigned during the year

The following Directors and Key Managerial Personnel has been appointed and resigned during the year:-

Directors' Report

S. No.	Name of the Person	Designation	Appointment/Resignation	Date of Appointment / Resignation
1.	Som Nath Chopra	Chief Financial Officer	Resignation	25/05/2016
2.	Suparas Bhandari	Independent Director	Appointment	21/09/2016
3.	Gokul Patnaik	Independent Director	Appointment	21/09/2016
4.	Adesh Kumar Gupta	Independent Director	Appointment	21/09/2016
5.	Ashwani Kumar Arora	Chief Financial Officer	Appointment	14/11/2016

8. Particulars of Employees & Employee Remuneration

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, the information required is as follows.

Managerial Remuneration:

1.	Ratio of remuneration of each director to median remuneration of employees	
	Vijay Kumar Arora	1.51
	Ashwani Kumar Arora	NA
	Surinder Kumar Arora	1.43
2.	Percentage increase in remuneration of each director and KMPs	%
	Vijay Kumar Arora	17%
	Surinder Kumar Arora	50%
	Ashwani Kumar Arora	N.A.
	Som Nath Chopra	N.A.
	Monika Chawla Jaggia	31%
3.	Percentage increase in the median remuneration of employees	5%
4.	Number of permanent employees	1027
5.	Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	
	Managerial Increase	33%
	Non Managerial Increase	5%
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

As per rule 5(3) of Companies (Appointment and Remuneration) Rules, 2014, the employees who draw salary exceeding the limits of ₹1.02 Crores is as follows:

Name	Designation	Remuneration (in Crores)	Nature of employment	Qualification	Experience	Age	Last employment	% of shares held
VIJAY KUMAR ARORA	MANAGING DIRECTOR	1.41	Permanent	B.Sc.	41	59	NA	7.98
SURINDER KUMAR ARORA	MANAGING DIRECTOR	1.16	Permanent	Under Graduate	35	55	NA	7.98

Directors' Report

Mr. Vijay Kumar Arora and Mr. Surinder Kumar Arora, both are Promoter Managing Directors of the Company. They are related to Mr. Ashwani Kumar Arora and holding more than 2% of equity shares of the Company.

9. Board Meetings

During the Year four Board Meetings were held, the dates on which these meeting were held are 27th May, 2016, 11th August 2016, 14th November, 2016 and 09th February, 2017. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. Board Evaluation

In pursuance of Section 178 of the Companies Act, 2013 read with Regulation 4(2), 17(10) and 19(4) read with Schedule II Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards-I, the Nomination and Remuneration Committee has framed the evaluation process and the performance evaluation of Independent Directors, Executive Directors and Board as a whole as well as working of its Audit, Nomination & Remuneration and other Committees has been carried out during the financial year 2016-17.

11. Statement of Declaration by an Independent Director(s) and re- appointment, if any

All the Independent directors have given their Independency declaration as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

12. Remuneration Policy

The Company has framed Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 and remuneration policy of the Company in compliance of Section 178 (4) of the Companies Act, 2013. The Remuneration policy can be referred at weblink <http://www.ltgroup.in/pdf/LT-Foods-Remuneration-Policy.pdf>

13. Extract of Annual Return:

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT 9 as a part of this Annual Report as ANNEXURE I.

14. Corporate Social Responsibility (CSR)

The disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 related to CSR activities is detailed in (Annexure II).

15. Auditors

The Auditors, M/s Walker Chandiok & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment and have confirmed that they are not disqualified under any provisions of Section 141(3) of the Companies Act, 2013 and have shown their willingness to accept the office of Statutory Auditors.

The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits u/s 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for re-appointment.

16. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 (Annexure III). With reference to Section 134(3) (h) of Companies Act, 2013 all contracts and arrangement with related parties under Sec 188(1) entered by the Company during the financial year were in ordinary course of business and on arms length basis.

17. Auditors' Report

The Auditors' Report does not contain any qualification. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

18. Details of Subsidiary/Joint Ventures/Associate Companies

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing the salient feature of the financial statement of a Company's subsidiary or subsidiaries, associate company or companies and joint venture or ventures is given as Annexure-IV [Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.

The Company has entered into Joint Venture with Future Group and incorporated Genoa Rice Mills Private Limited on 27th May, 2015 to source and manufacture regional rice such as Sona Masoori which will help the Company to expand its product portfolio while leveraging its distribution network.

Directors' Report

During the year, the Company generated revenue of ₹3,322 Crores at Group Level. Its subsidiary plays an important role in contributing to the overall revenue. Kusha Inc the fellow Company contributed approx 28% to the overall revenue. Daawat Foods Limited 70% owned subsidiary of LT Foods contributed 22% to the total revenue. The organic arm NBFL, wholly owned subsidiary contributed approx 7% to the group revenue.

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

Name of the Companies, which become or ceased as Subsidiaries/Joint Ventures/Associates Companies during the year.

During the year, the Company has incorporated a foreign subsidiary in United Kingdom (UK) namely LT Foods International Limited which was incorporated on 24.06.2016 for strengthening its presence in Europe. Further, the Company has set up a facility in Europe to service customers in International markets more effectively. The UK Company incorporated a subsidiary in Netherlands named as LT Foods Europe B.V. and set up a rice plant in Rotterdam.

Further in order to expand our product portfolio and backend knowhow, the Company has entered into Joint Venture with KAMEDA SEIKA Co. Limited, a leading manufacturing Company since 1946 in Japan and USA in the field of rice Based snacks. The said joint venture will manufacture rice based snacks.

The Company has also entered into Joint Venture with Future group to source, manufacture, market, sell and distribute regional rice such as sona masoori. This association will help us help expand our product portfolio leveraging our distribution network.

19. Audit Committee

In pursuance of Section 177 of the Companies Act, 2013 read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Audit Committee and the details in pursuance of Section 177

(8) of the Companies Act, 2013 in respect of composition of Audit Committee of the Company is given in Corporate Governance Report of the Company.

20. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, M/s. D Dixit & Associates, Practicing Company Secretary have been appointed Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure V to this report. The point-wise comments are enumerated as follows.

1. Delay in filing forms
Due to oversight, the Company failed to file some of the forms in prescribed time frame of Companies Act, 2013 and applicable fees has already been paid to Ministry of Corporate Affairs.
2. CSR Spent
The Company will spent the balance amount in the coming years.
3. Gratuity Payment to Ex- employees
The Company will pay the dues on time as per the Company's policy.
4. Non filing of half yearly return as per Industrial disputes rule, 1957
The Company has filed the return after the observation.
5. Non filing of return under Payment of Bonus Act, 1965
The Company will file the return on priority basis.

21. Internal Audit & Controls

In terms of Compliance of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) rules, 2014, the Company continues to engage Pro Advisory India LLP as its Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

Directors' Report

22. Issue of employee stock options

The details of ESOP as per rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014

Particulars	Option 1	Option 2
Approval	648,329	201,209
Options granted	648,329	201,209
Options vested	20,577	34,656
Options exercised	317,794	39,784
Total number of shares arising out of exercise of options	317,794	39,784
Options forfeited/lapsed/cancelled	128,677	70,533
Variations of terms of options	NIL	NIL
Money realised by exercise of options	12,076,172	1,511,792
Total number of options in force	20,577	84,598

Notes:-

- Details of options granted during the fiscal 2012 to:

Particulars	
(a) Directors and key managerial personnel	
1. Som Nath Chopra	46,318
2. Monika Chawla Jaggia	18,177
(b) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year (includes employees and group Company employees)	The following employees have received a grant in any one year of options amounting to 5% or more of the options granted during the year 2011-12 - Mr. S.K. Salhotra - Mr. Som Nath Chopra - Mr. Dipol Dhole - Mr. Vijay Malik - Mr. Vivek Chandra - Mr. Vikram Patil - Mr. Kamal Poplai The following employees have received a grant in any one year of options amounting to 5% or more of the options granted during the year 2012-13 - Mr. Mukesh Aggarwal - Mr. Sandeep Lamba - Mr. Gerald Taylor - Mr. Mrinal Mathur
(c) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None

Directors' Report

23. Risk Management Policy

LT has in place comprehensive risk assessment and minimisation procedures, which are reviewed by the top management. During the year, as per the requirements of Listing Agreement with the Stock Exchanges, the Company has renamed Audit Committee as Audit Committee / Risk Management Committee who plans risk management, reviews, monitors and identify the risk on regular basis.

24. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report

There has been no material change in the business, which may affect financial position of the Company.

25. Compliance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirement), Regulations 2015 (Details of Suspense A/c) 01.04.2016 to 31.03.2017

S. No.	Particulars	No. of Shareholders	No. of Shares*
i.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the beginning of the year	7	64940
ii.	Number of shareholders who approached for transfer of shares from Unclaimed Suspense Account during the year	1	6040
iii.	Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	1	6040
iv.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the end of the year	6	58900

*Number of Shares has increased at the end of the year due to change in face value of share

The voting rights on the above stated shares shall remain frozen till the rightful owner of such shares claims the shares

26. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

The Company has not received any significant or material orders passed by any regulatory authority, Court or Tribunal which shall impact the going concern status & Company's operations in future.

The Company has a well placed internal financial control system which ensures the all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal financial control system also comprises due compliances with Company's policies and Standard Operating Procedures (SOPs) and audit and compliance by Internal Audit team, Pro Legal Advisory, India, LLP.

27. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

According to Section-134 (5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company 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.

28. Deposits

The Company has neither accepted nor renewed any deposits falling under Chapter V of Companies Act, 2013.

Directors' Report

29. Particulars of loans, guarantees or investments under section 186.

Details of Investments:-

S. No.	Date of Investment	Details of Investee	Amount (In lakhs)	Purpose for which the proceeds from investment is proposed to be utilised by the recipient	Date of Board resolution	Date of special resolution	Expected rate of return
1	06.09.2016	LT Foods International Limited, UK	54.15	Business Purpose	31.05.2016*	N.A.	N.A.
2	01.02.2017	Genoa Rice Mills Private Limited	125.00	Business Purpose	24.01.2017*	N.A.	N.A.
TOTAL			179.15				

* Management Committee Meeting of Board of Directors

Details of Loans:-

S. No.	Date of making loan	Details of Borrower	Amount (In lakhs)	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
1	01.02.2017	Genoa Rice Mills Private Limited	125.00	Working Capital Requirement	3 Years	24.01.2017*	N.A	12.50%	--

*Management Committee meeting of Board of Directors

Details of Guarantee / Security Provided:

Sl. No.	Details of recipient	Amount (In lakhs)	Purpose for which the security/guarantee is proposed to be utilised by the recipient
1	Daawat Foods Limited	35883.68	Business purpose
2	Nature Bio Foods Limited	12035.00	-do-
3	Raghunath Agro Industries Private Limited	458.40	-do-
4	LT Foods Europe B.V.	5155.26	-do-

30. Corporate Governance Certificate

The report on Corporate Governance as Stipulated under Regulation 34(3) read with Para C of Schedule V of the Listing Regulations is presented in separate section forming part of this Annual Report.

A Certificate from the Practicing Company Secretary CS Debasis Dixit, regarding compliance of conditions of corporate governance as stipulated in Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 is annexed with the report.

31. Management Discussion and Analysis

The Management Discussion and Analysis Report prepared in accordance of Regulation 34(2)(e) of Listing Regulations forms part of this Annual Report for the year ended 31st March, 2017.

32. Obligation of Company under the sexual harassment of women at workplace (Prevention, prohibition and redressal) Act, 2013.

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year, the Company has not received any complaint of harassment.

Directors' Report

33. Conservation of energy, technology absorption and foreign exchange earnings and outgo

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

Conservation of energy

The company continued to give major emphasis for Conservation of Energy, and the measures taken previous year were continued. The efficiency of Energy utilisation is being monitored at every Quarter, in order to achieve effective Conservation of Energy. The significant energy conservation during the year were:

Installation of Solar Plant

Over the Years, Renewal energy sector in India has emerged as a significant player in the Grid connected power Generation Capacity. It has been realized that renewable energy has to play a much deeper role in achieving energy security in the years ahead and be an integral part of the energy planning Process. Working in this direction and contributing towards Renewal Energy generation, LT Foods has successfully installed Rooftop Solar Plants of 500 KW & 200 KW at its Bahalgarh & Kamasapur unit respectively.

Energy Savings through High Efficiency Motors:

High-efficiency motor is a term applied to an electric motors whose energy losses have been reduced to a minimum.

Energy efficiency improvements upto 5% are possible if Electrical motors are being replaced with High Efficiency Motors. Such step has been taken and during Internal Audits few aged motors were identified which were resulting in overconsumption of Energy. Such motors are being replaced by High Efficiency 2 motors, which helped in reducing the Power consumption.

Lighting:

To conserve energy from Lighting, replacement of Convectional Lamps, Street Lighting Halogen, HPSV WITH LED Light Fixtures were undertaken at various stations during the year. As LEDs are extremely energy efficient and consume up to 60% less power than incandescent bulbs, this helped in reducing the Power consumption and decreasing the maintenance cost due to its long lifespan.

Plant Automation

PLC is an electronic device used in many industries to monitor and control Production Processes. LT Foods at its Bahalgarh unit has initiated a step forward to completely automate its Milling Plant through PLC and SCADA. This will help in increasing the Production Efficiency as well as reduction in Power Cost due to optimal use of Resources.

Power Factor

The Company has continued to achieved Power Factor of 0.99 to ensure optimum utilisation of Power.

Power & Fuel Consumption (Bahalgarh Plant)

(₹ in lakhs)		
PARTICULARS	2016-17	2015-16
ELECTRICITY		
Through Purchases		
Units	15,357,320	1,478,419
Total Amount (₹)	125,704,991	131,107,004
Rate/Unit(₹)	8.19	8.99
Through Diesel Generator		
Units generated	515,993	388,901
TOTAL AMOUNT (₹)	85,824,285	5,118,150
Cost/Unit (₹)	16.63	13.61

Power & Fuel Consumption (Varpal Plant)

(₹ in lakhs)		
PARTICULARS	2016-17	2015-16
ELECTRICITY		
Through Purchases		
Units	4,272,220	4,451,984
Total Amount (₹)	30,718,756	33,478,920
Rate/Unit(₹)	7.19	7.52
Through Diesel Generator		
Units generated	75,600	96,900
TOTAL AMOUNT (₹)	1,533,930	1,707,690
Cost/Unit (₹)	20.29	17.62

Directors' Report

(b) Technology, Absorption, Adaption and Innovation

Technology is changing day by day. During the years the Company has taken significant steps in adoption of new technologies thus improving overall efficiency of Plants. Similar steps were taken in the current year as well by replacing the lower capacity machines with the New Higher capacity Machines. Some such machines includes the Color Sorters which is one of the critical machine involved in the Rice processing industry. Some of the old lower capacity color sorters were replaced with new upgraded and high capacity machines resulting in reduction of rejection percentage, improvement in final output and increasing overall throughput.

The Company has realised and agrees that the continuous improvement can be achieved only if the employees involved in the process directly or indirectly are highly trained on modern techniques and are aware of Global Standards. One such step taken by the Company in that direction is to start Manufacturing Excellence and Improvement Program. The key highlights of this improvement drive were – 5S, Maintenance Improvement Techniques, Reliability Matrix, MTTR & MTBF etc., which are highly beneficial and globally accepted programs for process improvement.

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹ 1,689.98 lakhs and the total foreign exchange earned was ₹ 78,441.53 lakhs.

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Value of imports on CIF basis		
Capital goods	88.38	516.46
Stores and spares	63.50	25.74
Other Food Items	513.17	-
Other	2.53	-
Total	667.58	542.20
Expenditure in foreign currency		
Legal fees	54.48	18.14
Interest and other charges to bank	44.81	136.76
Steamer freight	831.71	1,312.44
Sales promotion	292.86	41.57
Commission on export sales	136.20	3,255.76
Others	329.92	404.54
Total	1689.98	5,169.21
Earnings in foreign currency		
FOB value of exports		
Rice	78,441.53	76,977.49
Total	78,441.53	76,977.49

34. Human Resources

Your Company treats its "human resources" as one of its most important assets.

Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Company maintains healthy, cordial and harmonious industrial relation at all levels. The enthusiasm amongst employees has enabled the Company to remain at a leadership position in the industry.

Directors' Report

35. Directors' Responsibility Statement

Pursuant to Section-134(3)(C) of the Companies Act, 2013, the Director's based on the representations received from the operating management and after due inquiry confirm that:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

36. Transfer of Amounts to Investor Education and Protection Fund

Pursuant to Section 205A and 205C of the Companies Act, 1956* read with 124 and 125 of the Companies Act, 2013, the dividend which remains unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the Company has transferred unclaimed dividend for the financial year 2008-09 to Investor Education and Protection Fund and such unclaimed dividend cannot be claimed by the Investors from the Company. However Investors can claim the unpaid dividend from appropriate authority in accordance

of the Investor Education and Protection Fund Authority (Accounting, audit, transfer and Refund) Rules, 2016

Further the amount of Dividend unclaimed/unpaid for the financial year 2009-10 to 2015-16 lies in the respective unpaid dividend account and can be claimed from Company's Register and Share Transfer Agent i.e. Big Share Services Private Limited, before the due date for transfer of the same in IEPF account.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company, as on 21st September 2016, with the Ministry of Corporate Affairs.

During the year, the Company has transferred unpaid dividend of ₹ 5,176,15 to IEPF for dividend declared in 2008-09

37. Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2016-17 to NSE and BSE where the Company's Shares are listed.

38. Acknowledgements

Your Director place on record their gratitude to all stakeholder for there assistance, cooperation and encouragement. Your Director also wish to place on record their sincere thanks to all investor, vendor, employees for their outstanding performance.

For and on behalf of the Board of Directors

Sd/-

Vijay Kumar Arora

DIN:00012203

Chairman & Managing Director

Place: Gurugram

Date: 10/08/2017

Directors' Report

ANNEXURE INDEX

Annexure	Content
I.	Annual Return Extracts in MGT 9
II.	Report on Corporate Social Responsibility
III.	AOC 2 – Related Party Transactions disclosure
IV.	Details of subsidiaries and Joint Venture in AOC-1
V.	MR-3 Secretarial Audit Report

Directors' Report

ANNEXURE - I TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Form No. MGT-9

Extract of Annual Return as on the financial year ended 31st March, 2017 (pursuant to Section-92(3) of the Companies Act 2013 & Rule 12(1) of the Companies Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L74899DL1990PLCO41790
2.	Registration Date	16/10/1990
3.	Name of the Company	LT FOODS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	UNIT NO-134, FIRST FLOOR, RECTANGLE-1, SAKET DISTRICT CENTRE, NEW DELHI, DELHI-110017 Tel: 011-26857099 Fax: 011-26859344
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PVT. LTD. E-2&3, ANSA INDUSTRIAL ESTATE, SAKI-VIHAR ROAD, SAKINAKA, ANDERI EAST, MUMBAI-400072, MAHARASHTRA Tel: 011-28470652, 28470653 Fax: 011-28475207

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)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	RICE	10612	91

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%age of Shares Held	Applicable Section
1	Daawat Foods Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15209DL2005PLC135838	Subsidiary	70.48	2(87)(ii)
2	SDC Foods India Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U52201DL2007PLC241225	Subsidiary	80.00	-do-
3	LT International Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74899DL1999PLC097892	Subsidiary	89.98	-do-
4	LT Overseas North America Inc. 11130, Warland Drive, Cypress, CA	26-1422699	Subsidiary	100	-do-
5	Sona Global Limited Office 104 Plot No. 358-615, Al Quoz 3, P.O. Box 17870, Dubai, UAE	OF 1027	Subsidiary	100	-do-
6	Raghuvesh Foods & Infrastructure Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15139DL2010PLC207824	Subsidiary	100	-do-

Directors' Report

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%age of Shares Held	Applicable Section
7	LT Foods International Limited Regus, 268 Bath Road, Slough SL1 4DX United Kingdom	10250873	Subsidiary	100	-do-
8	Nature Bio Foods Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15134DL2005PLC143017	Subsidiary	100	-do-
9	LT Agri Services Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2009PTC189462	Subsidiary	70.48	-do-
10	Kusha Inc. 11130,warland drive, Cypress,CA	33-0525788	Subsidiary	100	-do-
11	LT Foods USA LLC	-----	Subsidiary	100	-do-
12	LT Foods Middle East DMCC Unit 706-707, BB2,Mazaya Business Avenue, JLT, Dubai, UAE	DMCC 4037	Subsidiary	100	-do-
13	Raghuvesh Power Projects Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74140DL2011PLC222060	Subsidiary	35.94	-do-
14	Universal Traders Inc. 11130,warland drive, Cypress,CA	46-5216235	Subsidiary	100	-do-
15	Ecolife LLC 11130,warland drive, Cypress,CA	----	Subsidiary	100	-do-
16	Expo Services Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2009PTC241224	Subsidiary	80	-do-
17	Fresco Fruits N Nuts Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51909DL2011PTC222196	Subsidiary	70.48	-do-
18	LT Foods Europe B.V. Broekdijk West 18, 3621LV Breukelen	-----	Subsidiary	100	-do-
19	Raghuvesh Agri-Foods Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017]	U63000DL2014PTC267604	Associate	40	2(6)
20	Raghuvesh Warehousing Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63020DL2014PTC267603	Associate	40	-do-
21	Raghuvesh Infrastructure Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2015PTC284471	Associate	30	-do-
22	Genoa Rice Mills Private Limited Knowledge House, Shyam Nagar Off Jogeshwari Vikhroli Link Road, Jogeshwari (E) Mumbai 400060	U1100MH2015PTC264954	Associate	50	-do-

Directors' Report

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

A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	65481720	0	65481720	24.56	84296840	0	84296840	31.62	7.06
b) Central Govt	0	0	0	0	0	0	0	0	-
c) State Govt(s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	0	0	0	0	0	0	0	0	-
e) Banks / FI	0	0	0	0	0	0	0	0	-
f) Any Others									
i) Directors and Relatives	82675880	0	82675880	31.01	63860760	0	63860760	23.95	(7.06)
ii) Group Companies	30984130	0	30984130	11.62	30984130	0	30984130	11.62	-
Sub-Total (A)(1)	179141730	0	179141730	67.19	179141730	0	179141730	67.19	-
2. Foreign									
a) Non-Resident Indians-Individual	0	0	0	0	0	0	0	0	-
b) Other-Individual	0	0	0	0	0	0	0	0	-
c) Bodies Corporate	0	0	0	0	0	0	0	0	-
d) Banks/Financial Institution	0	0	0	0	0	0	0	0	-
e) Any Other	0	0	0	0	0	0	0	0	-
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	-
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	179141730	0	179141730	67.19	179141730	0	179141730	67.19	-
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	-
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Bank/FI	92230	0	92230	0.03	3038310	0	3038310	1.14	1.11
c) Central Govt	0	0	0	0	0	0	0	0	-
d) State Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify)									
(Foreign Portfolio Investors)	0	0	0	0	3240611	0	3240611	1.21	1.21
Sub-total (B)(1): -	92230	0	92230	0.03	6278921	0	6278921	2.35	2.33

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	4199160	0	4199160	1.57	3360596	0	3360596	1.26	(0.31)
i) Indian	0	0	0	0	0	0	0	0	-
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to 1 lakh	16909830	1456820	18366650	6.84	24093034	1299017	25392051	9.52	2.68
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	25046400	0	25046400	9.39	20833895	0	20833895	7.81	(1.58)
c) Others (specify)	-	-	-	-	-	-	-	-	-
i) Non Resident Indians	1291890	0	1291890	0.48	1515196	0	1515196	0.57	0.09
ii) Overseas Corporate Bodies	37762530	500000	38262530	14.35	28200735	500000	28700735	10.76	(3.59)
iii) Foreign Nationals	0	0	0	0	0	0	0	0	-
iv) Clearing Members	161430	0	161430	0.06	1347346	0	1347346	0.51	0.45
v) Unclaimed Suspense Account	64940	0	64940	0.02	58900	0	58900	0.02	-
vi) Trusts	4910	0	4910	0.00	2500	0	2500	0.00	-
vii) Foreign Bodies	0	0	0	0	0	0	0	0	-
Sub-total (B)(2):-	85441090	1956820	87397910	32.78	79412202	1799017	81211219	30.46	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	85533320	1956820	87490140	32.81	85691123	1799017	87490140	32.81	-
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	264675050	1956820	266631870	100	264832853	1799017	266631870	100	-

*Note: The Number of Shares given at the beginning of has been increased by 10 times in respect category of shareholders due to spilt of shares from ₹ 10 to ₹01/-.

Directors' Report

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% change in shareholding during the year
1	Raghuvesh Holdings Private Ltd	30984130	11.62	80.69	30984130	11.62	0	-
2	Surinder Kumar Arora	28201520	10.66	0	21286920	7.98	0	(2.68)
3	Ashok Kumar Arora	27424180	10.29	0	21286920	7.98	0	(2.31)
4	Ashwani Arora	27231520	10.21	0	21286920	7.98	0	(2.23)
5	Vijay Kumar Arora	27242840*	10.22	0	21286920	7.98	0	(2.24)
6	Gurucharan Dass Arora	26834520**	10.06	0	21286920	7.98	0	(2.08)
7	Parvesh Rani	6800000	2.55	0	6800000	2.55	0	-
8	Vandana Arora	1040000	0.39	0	8371500	3.14	0	2.75
9	Munish Kumar Arora	643660	0.24	0	643660	0.24	0	-
10	Abhinav Arora	633340	0.24	0	633340	0.24	0	-
11	Gurucharan Dass Arora (HUF)	633340	0.24	0	633340	0.24	0	-
12	Aditya Arora	633340	0.24	0	633340	0.24	0	-
13	Ranju Arora	395340	0.15	0	7738160	2.90	0	2.75
14	Vaneet Arora	160000	0.06	0	160000	0.06	0	-
15	Gursajan Arora	126660	0.05	0	126660	0.05	0	-
16	Anita Arora	87340	0.03	0	7611500	2.85	0	2.82
17	Sakshi Arora	70000	0.03	0	8371500	3.14	0	3.11

*Shareholding includes 1606320 Shares holding jointly with Ashwani Kumar Arora

**Shareholding includes 1109520 Shares holding jointly with Surinder Kumar Arora

C) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	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	70000	0.03	70000	0.03
	Name: Sakshi Arora Date of Change: 30/09/2016 Reason for Change: Acquisition	8301500	3.11	8371500	3.14
	At the end of the year	8371500	3.14	-	-
2	At the beginning of the year	87340	0.03	87340	0.03
	Name: Anita Arora Date of Change: 30/09/2016 Reason for Change: Acquisition	7524160	2.82	7611500	2.85
	At the end of the year	7611500	2.85	-	-
3	At the beginning of the year	395340	0.15	395340	0.15
	Name: Ranju Arora Date of Change: 30/09/2016 Reason for Change: Acquisition	7342820	2.75	7738160	2.90
	At the end of the year	7738160	2.90	-	-

Directors' Report

S. No.	Particulars	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
4	At the beginning of the year	1040000	0.39	1040000	0.39
	Name: Vandana Arora	7331500	2.75	8371500	3.14
	Date of Change: 30/09/2016				
	Reason for Change: Acquisition				
	At the end of the year	8371500	3.14	-	-
5	At the beginning of the year	11095200	4.16	11095200	4.16
	Name: Guruchanran Dass Arora and Surinder Kumar Arora	11095200	4.16	0	0
	Date of Change: 30/09/2016				
	Reason for Change: Sale				
	At the end of the year	0	0.00	-	-
6	At the beginning of the year	11179640	4.19	11179640	4.19
	Name: Vijay Kumar Arora	10107280	3.79	21286920	7.98
	Date of Change: 30/09/2016				
	Reason for Change: Acquisition				
	At the end of the year	21286920	7.98	-	-
7	At the beginning of the year	15739320	5.90	15739320	5.90
	Name: Gurucharan Dass Arora	5547600	2.08	21286920	7.98
	Date of Change: 30/09/2016				
	Reason for Change: Acquisition				
	At the end of the year	21286920	7.98	-	-
8	At the beginning of the year	16063200	6.02	16063200	6.02
	Name: Vijay Kumar Arora and Ashwani Kumar Arora	16063200	6.02	0	0
	Date of Change: 30/09/2016				
	Reason for Change: Sale				
	At the end of the year	0	0.00	-	-
9	At the beginning of the year	27231520	10.21	27231520	10.21
	Name: Ashwani Kumar Arora	5944600	2.23	21286920	7.98
	Date of Change: 30/09/2016				
	Reason for Change: Sale				
	At the end of the year	21286920	7.98	-	-
10	At the beginning of the year	27424180	10.29	27424180	10.29
	Name: Ashok Kumar Arora	6137260	2.30	21286920	7.98
	Date of Change: 30/09/2016				
	Reason for Change: Sale				
	At the end of the year	21286920	7.98	-	-
11	At the beginning of the year	28201520	10.58	28201520	10.58
	Name: Surinder Kumar Arora	6914600	2.59	21286920	7.98
	Date of Change: 30/09/2016				
	Reason for Change: Sale				
	At the end of the year	21286920	7.98	-	-

Directors' Report

D) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year				
	India Agri Business Fund Ltd	37762530	14.16	37762530	14.16
	Date of change: April 2016 Reason: Sale	2530	0.00	37760000	14.16
	Date of change: May 2016 Reason: Sale	898180	0.34	36861820	13.82
	Date of change: June 2016 Reason: Sale	583000	0.22	36278820	13.60
	Date of change: July 2016 Reason: Sale	3231870	1.21	33046950	12.39
	Date of change: August 2016 Reason: Sale	50000	0.01	32996950	12.38
	Date of change: December 2016 Reason: Sale	182880	0.07	32814070	12.31
	Date of change: January 2017 Reason: Sale	2273460	0.85	30540610	11.46
	Date of change: February 2017 Reason: Sale	2093970	0.79	28446640	10.67
	Date of change: March 2017 Reason: Sale	245905	0.09	28200735	10.58
	At the end of the year	28200735	10.58	-	-
2	At the Beginning of the year	0	0.00	0	0.00
	Punjab National Bank				
	Date of change: May 2016 Reason: Purchase	2668630	1.00	2668630	1.00
	Date of change: December 2016 Reason: Purchase	335010	0.13	3003640	0.13
	At the End of the year	3003640	1.13	-	-
3	At the Beginning of the year	0	0.00	0.00	0.00
	Alliance Berntein India Growth (Mauritius) Limited				
	Date of change: February 2017 Reason: Purchase	1080400	0.41	1080400	0.41
	At the end of the year	1080400	0.41	-	-
4	At the Beginning of the year	1342800	0.51	1342800	0.51
	Bharat Damji Salva	Nil	Nil	1342800	0.51
	At the end of the year	1342800	0.51	-	-

Directors' Report

S. No.	For Each of the Top 10 Shareholders	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
5	At the Beginning of the year	1250440	0.47	1250440	0.47
	Umesh Chimanlal Shah Date of change: February 2017 Reason: Sale	25038	0.01	1225402	0.46
	Date of change: March 2017 Reason: Purchase	70000	0.03	1295402	0.49
	At the end of the year	1295042	0.49	-	-
6	At the Beginning of the year	1298670	0.49	1298670	0.49
	Syed Arshad Ali	Nil	Nil	1298670	0.49
	At the end of the year	1298670	0.49	-	-
7	At the Beginning of the year	2388960	0.90	2388960	0.90
	Seetha Kumari Date of change: July 2016 Reason: Purchase	550	0.00	2389510	0.00
	Date of change: September 2016 Reason: Purchase	112230	0.04	2501740	0.94
	Date of change: November 2016 Reason: Purchase	4760	0.00	2506500	0.94
	Date of change: December 2016 Reason: Sale	25940	0.01	2480560	0.93
	Date of change: February 2017 Reason: Sale	100715	0.04	2379845	0.89
	At the end of the year	2379845	0.89	-	-
8	At the Beginning of the year	900000	0.34	900000	0.34
	Shivali Nitin Prakash	Nil	Nil	900000	0.34
	At the end of the year	900000	0.34	-	-
9	At the Beginning of the year	789850	0.30	789850	0.30
	Kapil Ahuja	Nil	Nil	789850	0.30
	At the end of the year	789850	0.30	-	-
10	At the Beginning of the year	1702970	0.64	1702970	0.64
	Dolly Khanna				
	Date of change: April 2016 Reason: Purchase	16500	0.01	1719470	0.65
	Date of change: May 2016 Reason: Purchase	57000	0.02	1776470	0.67
	Date of change: July 2016 Reason: Purchase	16400	0.01	1792870	0.68
	Date of change: August 2016 Reason: Purchase	47490	0.02	1840360	0.70

Directors' Report

S. No.	For Each of the Top 10 Shareholders	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
	Date of change: November 2016 Reason: Purchase	19500	0.01	1859860	0.71
	Date of change: December 2016 Reason: Purchase	44500	0.01	1904360	0.72
	Date of change: January 2017 Reason: Purchase	502890	0.19	2407250	0.91
	Date of change: February 2017 Reason: Purchase	515650	0.18	2922900	1.09
	Date of change: February 2017 Reason: Sale	9090	0.00	2913810	1.09
	Date of change: March 2017 Reason: Sale	9325	0.00	2904485	1.09
	Date of change: March 2017 Reason: Purchase	52795	0.02	2957280	1.11
	At the end of the year	2957280	1.11	-	-

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	11179640	4.19	11179640	4.19
	Vijay Kumar Arora Date of Change:30.09.2016 Reason:Acquistion	10107280	3.79	21286920	7.98
	At the end of the year	21286920	7.98	-	-
2	At the beginning of the year	Nil	Nil	Nil	Nil
	Pramod Bhagat	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
3	At the beginning of the year	Nil	Nil	Nil	Nil
	Rajesh Kumar Srivastava	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
4	At the beginning of the year	28201520	10.58	28201520	10.58
	Surinder Kumar Arora Date of Change:30.09.2016 Reason: Sale	6914600	2.59	21286920	7.98
	At the end of the year	21286920	7.98	-	-
5	At the beginning of the year	27231520	10.21	27231520	10.21
	Ashwani Kumar Arora Date of Change:30.09.2016 Reason: Sale				
	At the end of the year	21286920	7.98	-	-

Directors' Report

S. No.	Shareholding of each Directors and each Key Managerial Personnel	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
6	At the beginning of the year	Nil	Nil	Nil	Nil
	Radha Singh	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
7	At the beginning of the year	36490	0.01	36490	0.00
	Som Nath Chopra* Date:13.05.2016 Reason:	15780	0.00	20710	0.00
	At the end of the year	20710	0.01	-	-
8	At the beginning of the year	181770	0.07	181770	0.07
	Monika ChawlaJaggia	Nil	Nil	181770	0.07
	At the end of the year	181770	0.07	-	-
9	At the beginning of the year	Nil	Nil	Nil	Nil
	Adesh Kumar Gupta	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
10	At the beginning of the year	Nil	Nil	Nil	Nil
	Gokul Patnaik	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
11	At the beginning of the year	Nil	Nil	Nil	Nil
	Suparas Bhandari	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-

*resigned w.e.f. 25/05/2016

F) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	(₹ in lakhs)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	86278.38	-	-	86278.38
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	24.44	-	-	24.44
Total (i+ii+iii)	86302.82	-	-	86302.82
Change in Indebtedness during the financial year				
* Addition	5690.57	-	-	5690.57
* Reduction	(3526.92)	-	-	(3526.92)
Net Change	2163.65			2163.65
Indebtedness at the end of the financial year				
i) Principal Amount	88442.03			88442.03
ii) Interest due but not paid				
iii) Interest accrued but not due	7.63			7.63
Total (i+ii+iii)	88449.66			88449.66

Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

				(₹ in lakhs)
Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	Vijay Kumar Arora	Surinder Kumar Arora	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	140.67	116.67	257.34
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.8
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total (A)	141.07	117.07	258.14
	Ceiling as per the Act	Being 10% of net profits of the Company calculated as per Section-198 of the Companies Act, 2013		

Mr. Ashwani Kumar Arora was paid from foreign subsidiary.

B. Remuneration to other directors

							(₹ in lakhs)
S. No.	Particulars of Remuneration	Name of Directors					Total Amount
1	Independent Directors	Radha Singh	Pramod Bhagat	Gokul Patnaik	Adesh Kumar Gupta	Suparas Bhandari	
	Fee for attending board committee meetings	6.05	5.69	2.76	-	2.76	17.25
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (A1)	6.05	5.69	2.76	-	2.76	17.25
2	Other Non-Executive Directors	Rajesh Kumar Srivastava					
	Fee for attending board committee meetings	0.13	0.13				
	Commission	-	-				
	Others, please specify	-	-				
	Total (A2)	0.13	0.13				
3	Total B=(A1+A2)	17.38	17.38				
4	Total Managerial Remuneration	17.38	17.38				
5	Ceiling as per Act	₹ 1 Lakhs Per Meeting					

Directors' Report

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

(₹ in lakhs)				
Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	26.83	-	26.83
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.15	-	0.15
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit			
	others, specify			
5	Others, please specify (Allowances)	-	-	-
Total		26.98	-	26.98

* Mr. Ashwani Kumar Arora is Designated CFO of the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
B. DIRECTORS					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		
C. OTHER OFFICERS IN DEFAULT					
Penalty			Nil		
Punishment			Nil		
Compounding			Nil		

For and on behalf of the Board of Directors

Place: Gurugram
Date: 10.08.2017

Sd/-
Vijay Kumar Arora
Chairman & Managing Director
DIN: 00012203

Directors' Report

ANNEXURE -II TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Key Points of Our CSR POLICY

OBJECTIVE

- I. To set up the guiding principles for carrying out CSR activities.
- II. To set up processes for promoting, investing, engaging, collaborating, implementing and monitoring of the CSR activities to be undertaken by the Company.
- III. To conduct its business in line with the Responsible Business framework.
- IV. To create superior value for our stakeholders.
- V. Implementation of the CSR activities in Projects / Programme mode through a focused approach for generating maximum approach.

IV. The company will claim CSR expenditure only for the funds that are provided from its own resources and not for the contribution received from the other sources.

V. The CSR budget will be used as per the activities mentioned in the schedule VII in project / Programme mode with a process of monitoring, evaluation and clear outlining of desired outcomes.

One of event such as marathons/ awards/ charitable contribution/ advertisement/ sponsorship of TV programmes and the like would not qualify as part of CSR expenditure.

- Salaries paid by the Company to regular CSR staff as well as volunteers of the Company can be counted as CSR project cost/ expenditure
- Contribution to corpus of a trust, society, Section-8 Company etc can qualify as CSR expenditure.

FOCUS AREAS

- I. Livelihood security and enhanced income for farmers/ producers.
- II. Skill development and training
- III. Environmental sustainability
- IV. Access to drinking water

CSR BUDGET

- I. The Board of Directors will ensure that the Company spends, in every financial year, at least 2% of the average net profit (to be calculated in accordance with the provision of section 198) of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility policy.
- II. Any surplus or profit generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus or as a supplement to the CSR budget. These funds will be further used in development of the CSR projects and will not be added to the normal business profit.
- III. In the event that the amount to be spent on CSR activities is not spent in its entirety in that FY, the reasons thereof will be outlined as per section 134 (3) (o).

PLANNING AND IMPLEMENTATION

All CSR activities will be in the form of Projects/Programmes, which will, as far as possible, entail the following components:

- Details of annual financial allocation.
- Baseline Survey/Need Assessment where considered necessary/feasible.
- Identification of Beneficiaries.
- Signing of agreement with implementing agency.
- Formulation of detailed Project Report with clear deadlines.
- Preparation and Implementation of a comprehensive and concurrent documentation procedure.
- Regular Monitoring & Periodic review of the projects.
- Evaluation & Assessment by a third party.
- Mandatory Reporting

The Company endeavours at all times to develop the skills of the CSR team and capacity building of implementing agency that it engages with, but the budget on the same limited to 5 percent of the total CSR budget in the financial year.

Directors' Report

Mode of carrying CSR activities

- Collaborating with other corporate, Government, International organization participating in projects/programmes where more than one corporate or International agency is involved.
- Through a trust/ society, Section-8 Company set up by the Company or its holding, subsidiary or associate Company.
- If executed through an independent entity, the entity should have three years track record

In order to ensure the long term outcomes and impacts, company will lay emphasis on the sustainability of its Projects/Programmes so that they remain sustainable and viable even after the company's withdrawal from the project on completion. Such an entity would have to adhere to modalities of utilizing funds as well as monitoring and reporting requirements.

(1) The Composition of the CSR Committee.

CSR Committee consist of Mrs. Radha Singh (Chairman), Mr. Vijay Kumar Arora, Executive Director, Mr. Gokul Patnaik, Independent Director and Mr. Rajesh Kumar Srivastava, Nominee Director of the Company

(2) Average net profit of the company for last three financial years- ₹ 4,774.75 lakhs

(3) Prescribed CSR Expenditure (2% of the amount as in item 3 above) – ₹ 95.49 lakhs

(4) Details of CSR spent during the financial year.

- Total amount to be spent for the financial year:- ₹ 95.49 lakhs
- Amount unspent, if any;- ₹71.74 lakhs
- The Company is exploring projects for CSR activities and the balanced amount will be spent in the Financial Year 2017-18.

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

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

- The following table provides a summary of the domain wise expenditure on CSR for the Financial Year 2016-17 along with the geographies. The list of partners with who we collaborate is available right below the table
- In the column 'Cumulative expenditure till reporting period', we have chosen to take 2016-17 as the base year. Many of our programs go back more than 3 years and some more than 5 years. Given the practical challenges in reporting the cumulative expenditure from inception, we have chosen to start with the current year as the base year.
- All our programs are executed and implemented through our partners.

(Amount in ₹)						
SI. No	PARTICULARS	1	2	3	4	TOTAL
1	CSR project and activity identified	Providing Computer Education	Healthcare, Sanitation awareness programs, Making village clean.	Maintenance of rural infrastructure developed by us. Conduct Exposure visits, Trainings.	Promoting women groups in income generation activities, Sewing centre, Dairy Farm, Register file making unit	
2	Sector in which the project is covered	Promoting Education	Promoting Preventive Healthcare & Sanitation	Rural Development	Women Empowerment & Livelihood Enhancement	

Directors' Report

(Amount in ₹)						
Sl. No	PARTICULARS	1	2	3	4	TOTAL
3	Projects or Programme					
	(1) Local area or other					
	(2) Specify the state and district where projects or programmes was undertaken	Chhatarpur, (Madhya Pradesh)	Chhatarpur, (Madhya Pradesh)	Chhatarpur, (Madhya Pradesh)	Chhatarpur, (Madhya Pradesh)	
4	Amount outlay(budget project or programme wise)	42000	40000	360000	235000	6,77,000
5	Amount spent in the project or programme Sub heads; (1) Direct expenditure on projects or programmes (2) Overheads	42000	40000	(1)300000 (2) 60000	235000	6,17,000 60,000
6	Cumulative expenditure up to reporting period	42000	40000	360000	235000	6,77,000
7	Amount spent through implementing agency	42000	40000	360000	235000	6,77,000

ABOUT FAIR FARMING FOUNDATION

Fair Farming Foundation(FFF) is a non-governmental, non-profit organisation engaged in a broad range of rural development interventions throughout India. It is a movement to support the sustainable development in the country. Since 2009, the Company is engaged in rural development through the promotion and implementation of various development projects. FFF strongly believes that collective participatory action is required for balanced and sustainable community development. It is carrying out need based welfare and integrated programs of development by assisting in strengthen the farming community and by contributing to economically, ecologically and socially sustainable development.

Fair Farming Foundation Programs are designed on the principle that communities can take ownership of their own development through participation and implementation of Projects. Rural communities work together to create sustainable programs for managing water resources, increasing agricultural productivity, creating rural infrastructure, promoting education, ensuring environment sustainability, providing safe drinking water, women empowerment and livelihood Enhancement. Our key strategies for creating sustainable rural development are using a rights-based approach and leveraging people's participation.

Since inception, Fair Farming Foundation have been and continue to be involved in meaningful, welfare driven initiatives that distinctively impact the quality of life of the rural poor with an aim to improve the social and economic situation of people in underdeveloped areas of rural India.

Directors' Report

UDAYAN CARE

FINANCIAL REPORT OF LT FOOD - UDAYAN SHALINI FELLOWSHIP PROGRAMME AS ON March 31, 2017

Name of Programme	UDAYAN SHALINI FELLOWSHIP PROGRAMME
Programme supported by	M/s. LT Foods Ltd
Project Period	April 01, 2016 to March 31, 2017

Project fund Summary

	(Amount in ₹)				
	Delhi	Gurugram	Haridwar	Dehradun	Total
Opening Balance available with us on April 01, 2016	83,409	-	-		120,742
Fund Received during FY 2016-17	387,189	500,000	250,000	300,000	1,572,489
	470,598	500,000	250,000	300,000	1,693,231
Interest Income on Corpus Fund of ₹ 6 lakhs @ 7 %	26,047		15,953	-	42,000
Total available fund	496,645	500,000	265,953	300,000	1,735,231
Expenses incurred during the FY 2016-17	242,447	465,296	265,953	300,000	1,394,696
Balance fund to be carried forward to next Year	254,198	34,704	-	-	340,535

(Amount in ₹)						
S. No.	PARTICULARS	1	2	3	4	TOTAL
1	CSR project and activity identified					
2	Sector in which the project is covered	Girl's education				
3	Projects or Programme					
1	Local area or other					
2	Specify the state and district where projects or programmes was undertaken	Gurugram	Haridwar	Dehradun	Corpus Investment	
4	Amount outlay(budget project or programme wise)	387,189	500,000	250,000	300,000	1,572,489
5	Amount spent in the project or programme					
1	(a) Direct payments to Beneficiaries	164,000	310,500	180,000		764,500
	(b) Direct programme running expenses	56,406	112,496	85,953		254,855
2	Overheads (Programme Supervsion and monitoring expenses at HO level)	22,041	42,300			75,341
3	Corpus Investment on USF programmes				300,000	300,000
6	Cumulative expenditure up to reporting period	242,447	465,296	265,953	300,000	1,394,696
	Actual Surplus of Funds	254,198	34,704	-	-	340,535
7	Amount spent through implementing agency					

Sd/-
(Ashwani Kumar Arora)
(Chief Executive Officer)

Sd/-
(Radha Singh)
(Chairman CSR Committee)

Directors' Report

ANNEXURE - III TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 arms length transaction under third proviso thereto.

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions'	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Not Applicable
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

2. Details of contracts or arrangements or transactions at Arm's length basis.

(₹ in lakhs)						
S. No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
1.	Dawaat Foods Limited (Subsidiary Company)	Sales / Purchase / Rent Paid / Interest Received / Purchase of Fixed Assets/ Sale of Fixed Assets / Guarantees given	01.04.16 to 31.03.2017	57,870.35	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
2.	Nature Bio Foods Limited (Subsidiary Company)	Sales / Purchase / Rent Received / Sale of Fixed Assets / Guarantees given / Misc Income received / Processing charges received	01.04.16 to 31.03.2017	12,989.18	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
3	Kusha Inc. (Subsidiary Company)	Sale of Fixed Assets / Sales	01.04.16 to 31.03.2017	5,310.15	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
4	LT Foods Middle East DMCC (Subsidiary Company)	Sales	01.04.16 to 31.03.2017	11,174.44	26-05-2016 11-08-2016 14-11-2016 10-02-2017	--

Directors' Report

(₹ in lakhs)						
S. No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
5	Raghunath Agro Industries Private Limited (Company under Same Management)	Sales / Purchase / Interest income / Share of profit / Balance payable at the end of year / Guarantees given	01.04.2016 to 31.03.2017	8,687.33	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
6	V.K.Foods (Entities of KMP)	Sales / Rent Received	01.04.2016 to 31.03.2017	158.13	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
7	SK Engineering Company (Entities of KMP)	Rent	01.04.2016 to 31.03.2017	2.40	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
8	Super Texfab Private Limited (Company under same management)	Purchase	01.04.2016 to 31.03.2017	383.05	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
9	LT International Limited (Subsidiary Company)	Sale of Services	01.04.2016 to 31.03.2017	60.50	26-05-2016 11-08-2016 14-11-2016 10-02-2017	-
10	LT Foods International Limited UK (Subsidiary Company)	Sales	01.04.2016 to 31.03.2017	8,033.14	11-08-2016 14-11-2016 10-02-2017	-
11	Deva Singh Sham Singh Exports Private Limited	Sales	01.04.2016 to 31.03.2017	472.22	10-02-2017	-
12	Genoa Rice Mills Private Limited	Investment /Inter corporate deposit	01.04.2016 to 31.03.2017	250.00	14-11-2016 10-02-2017	-
13	LT Foods Europe B.V.	Guarantees Given	01.04.2016 to 31.03.2017	5155.26	14-11-2016 10-02-2017	-

All material transactions were approved by shareholders in the Annual General meeting of the Company held on 21st September, 2016

Directors' Report

ANNEXURE -IV TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

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

To,
The Members,
LT Foods Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s LT Foods Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s LT Foods Limited books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

PARA ONE

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s LT Foods Limited ("the Company") for the financial year ended on 31st March, 2017 according to the provisions of:

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

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) *The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-; and
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-

* No Event took place under these regulations during the Audit Period.

- (vi) I have also examined the Compliances of the Provisions of the following other laws applicable specifically to the Company wherein I have also relied on the Compliance Certificates/declaration issued by the head of the respective department/management in addition to the checks carried out by me and found that company has complied with all the provisions of said Acts subject to the below mentioned observation in respect of the said Acts.

- (1) The Employee's Provident fund & Miscellaneous Provisions Act, 1952
- (2) The Equal Remuneration Act, 1976
- (3) The Maternity Benefit Act, 1961

Directors' Report

- (4) The Minimum wages Act, 1948
- (5) The Water (Prevention and Control of Pollution) Act, 1974
- (6) The Air (Prevention and Control of Pollution) Act, 1981
- (7) The Environment (Protection) Act, 1986
- (8) The Employee's State Insurance Act, 1948
- (9) Legal Metrology Act, 2009
- (10) The Factories Act, 1948
- (11) Payment of Gratuity Act, 1972
- (12) The Payment of Wages Act, 1956
- (13) The Contract Labour (Regulation and Abolition) Act, 1970
- (14) The Industrial Employment (Standing Orders) Act, 1946
- (15) The Industrial Dispute Act, 1947
- (16) The Payment of Bonus Act, 1965

Observations in Clause (i) Para One of Our Report

1. According to information and Explanation and verification of forms and returns maintained by Company, the Company as required under Section 403 pays the prescribed additional fees in case of delayed filing.
2. During the FY 2016-17, the Company has spent ₹ 23.75 Lakhs out of allocated ₹95.49 Lakhs for the purpose of CSR activities, as required under Companies Act, 2013 and rules thereunder.

Observations in Clause (vi) (11) of Para One of Our Report

1. As per sub-section (3) of Section 7 of The Payment of Gratuity Act, 1972 "The employer shall arrange to pay the amount of gratuity within 30 days from the date it becomes payable to the person to whom the gratuity is payable". However on verification of records of Company it, has been found that the Company has defaulted payment of Gratuity to ex-employees as prescribed.

Observations in Clause (vi) (15) of Para One of Our Report

1. The Company has not filed the half yearly return in accordance of Rule 56A of The Industrial Disputes (Central) Rules, 1957

Observations in Clause (vi) (16) of Para One of Our Report

1. The Company has not filed the return in accordance of The Payment of Bonus Act, 1965

PARA SECOND

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

- (i) Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) issued by Institute of Company Secretaries of India.
- (ii) The Listing Regulations executed by the Company with BSE Ltd & National Stock Exchange India Limited.

Based on our verification of the Company's Books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents, and its authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company is duly constituted with proper Balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

I further report that during the audit period the company has:

Directors' Report

1. Taken Approval of Shareholders in Annual General Meeting of the Company held on 21st September, 2016
 - (a) Appointment of Mr. Ashok Kumar Arora as President (Punjab Operations).
 - (b) Appointment of Mr. Gokul Patnaik as Independent Director of the Company.
 - (c) Appointment of Mr. Adesh Kumar Gupta as Independent Director of the Company.
 - (d) Appointment of Mr. Suparabhandari as Independent Director of the Company.
 - (e) Approval of all material related party transactions under section 188 of the Companies Act, 2013 and Regulation 23 of the SEBI (LODR), Regulations 2015 for the financial year 2016-17.
 - (f) Authorization to Board of Directors to borrow money upto ₹ 1100 Crores or sum of the paid-up capital and free reserves, whichever is higher.
 - (g) Authorization to Board of Directors to create mortgages/Charges/Hypothecation on whole or substantially the whole of the undertaking.
- (h) Approval of Grant of Employee Stock Options Plan 2016 to the Employees of the Company and its subsidiary Companies.
2. The Company has conducted the Postal Ballot during the year under review and declared the result of said postal ballot as on 28th December 2016 and passed the following resolution: -
 - (a) Authorization to the Board of Directors to invest, to give loan or to give guarantees or to provide security not exceeding the limits permitted under Companies Act, 2013 or ₹ 900 Crore whichever is higher.
 - (b) Determination of fees to be paid for delivery of any document through a Particular mode of delivery under Section 20 of the Companies Act, 2013.
 - (c) Sub-Division of 1 (One) Equity Share of face value of ₹ 10 each into 10 (Ten) Equity shares of face Value of ₹ 01/- each fully paid up.

For D Dixit and Associates

Company Secretaries

Debasis Dixit

FCS No. 7218, CP No.: 7871

Place: New Delhi

Date: 25.06.2017

Note: This report is to be read with our letter of even date, which is annexed as Annexure-A, and forms an integral part of this report.

Directors' Report

Annexure A to the Secretarial Audit Report

The Members
LT Foods Limited

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date: 25.06.2017
Place: New Delhi

Directors' Report

ANNEXURE -V TO DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH, 2017

Statement Containing certain financial information of subsidiaries, associate Companies and Joint Ventures of LT Foods Limited as at 31st March 2017

STATEMENT PURSUANT TO FIRST PROVISIO TO SUB –SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014

PART-A SUBSIDIARIES

(₹ in lakhs)															
S. No.	Name Of The Subsidiary	Date Since When Subsidiary Was Acquired	Reporting Period Of The Subsidiary If Different From The Holding Company's Reporting Period.	Reporting Currency And Exchange Rate As On The Last Date Of The Relevant Financial Year In The Case Of Foreign Subsidiaries.	Share Capital	Reserves And Surplus	Tota Assets	Total Liabili-ties	Invest-ments	Turn Over	Profit / Loss Before Tax	Provision For Tax	Profit / Loss After Tax	Proposed Dividend	Extent Of Share-holding (In Percent-age)
1	LT Overseas North America, Inc. USA (Wholly Owned Subsidiary)	02.11.2007	31.03.17	USD *	67.70	(12.39)	18.62	142.02	178.71	-	(0.33)	1.77	1.44	-	100
2	Kusha, Inc. USA (Fellow Subsidiary)	18.08.1992	31.03.17	USD *	21.00	297.42	829.46	531.04	-	1384.20	105.56	36.70	68.86	-	100
3	LT Foods USA LLC (Wholly Owned Subsidiary)	22.09.2010	31.03.17	USD *	-	(4.64)	24.20	28.83	-	-	(0.82)	0.31	(0.51)	-	100
4	Universal Traders, Inc. (Fellow Subsidiary)	19.07.2012	31.03.17	USD *	0.10	-	0.11	-	-	16.60	-	-	-	-	100
5	LT Foods Middle East DMCC (Fellow Subsidiary)	17.04.2013	31.03.17	AED **	10.00	45.82	328.10	272.28	-	899.85	2.84	-	2.84	-	100
6	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	19.03.2005	31.03.17	AED **	65.20	6.96	62.39	0.23	10.00	2.40	(0.80)	-	(0.80)	-	100
7	Daawat Foods Limited (Subsidiary)	04.05.2005	31.03.17	INR	1915.53	13938.53	71285.87	57676.23	2244.42	71981.88	5247.64	1253.97	3993.67	-	70.48
8	Nature Bio Foods Limited (Wholly Owned Subsidiary)	25.11.2005	31.03.17	INR	200.00	4170.54	17874.46	13518.06	14.14	24056.65	2219.27	913.41	1305.86	-	100
9	Expo Services Private Limited (Fellow Subsidiary)	18.12.2009	31.03.17	INR	1.00	22.38	149.39	126.01	-	3.44	(10.02)	0.31	(10.34)	-	80
10	SDC Foods India Limited (Subsidiary)	02.01.2009	31.03.17	INR	100.00	(408.11)	61.38	370.69	1.20	3.76	(8.90)	-	(8.90)	-	80
11	Fresco Fruits & Nuts Pvt Limited (Fellow Subsidiary)	28.08.2014	31.03.17	INR	435.69	(542.35)	2.87	109.53	-	145.91	(16.84)	0.09	(16.93)	-	84.94
12	LT Agri Services Private Limited (Fellow Subsidiary)	17.04.2009	31.03.17	INR	1.00	(2.15)	0.55	1.69	-	-	(0.13)	-	(0.13)	-	70.48
13	LT International Limited (Subsidiary)	12.01.1999	31.03.17	INR	200.00	(12.41)	1511.52	1323.93	-	3340.95	45.06	8.63	36.43	-	89.98
14	Raghuvesh Foods & Infra-structure Limited (Subsidiary)	03.09.2010	31.03.17	INR	5.00	(4.92)	5.33	5.25	-	0.17	-	-	-	-	100
15	Raghuvesh Power Projects Limited (Subsidiary)	07.07.2011	31.03.17	INR	5.00	(5.00)	-	-	-	0.24	(4.03)	0.02	(4.05)	-	35.94
16	Raghunath Agro Industries Private Limited (Subsidiary)	20.07.2015	31.03.17	INR	424.79	1729.41	7422.23	5268.02	-	20477.75	37.66	11.64	26.02	-	4
17	LT Foods International Limited (Wholly owned Subsidiary)	24.06.2016	31.03.17	USD*	0.81	14.51	123.93	115.03	6.42	406.81	18.13	3.63	14.51	-	100
18	LT Foods Europe B.V. (Fellow Subsidiary)	06.09.2016	31.03.17	EURO	5.90	0.78	26.30	19.61	-	0.98	0.98	0.20	0.78	-	100

- Names of subsidiaries which are yet to commence operations: LT Foods Europe B.V.
- Names of subsidiaries which have been liquidated or sold during the year: NA

* USD : Exchange Rate as on 31/03/2017 is ₹ 64.16 per USD

**AED: Exchange Rate as on 31/03/2017 is ₹ 18.23 per AED

*** EURO: Exchange Rate as on 31/03/2017 is ₹ 72.4 per EURO

Directors' Report

PART- B ASSOCIATES AND JOINT VENTURES

					(₹ in lakhs)
Sl. No.	Name of Associates or Joint Ventures	Raghuvesh Agri Foods Private Limited (Associate)	Raghuvesh Warehousing Private Limited (Associate)	Raghuvesh Infrastructure Pvt. Ltd. (Associate)	Genoa Rice Mills Private Limited (Joint Venture)
1.	Last Audited Balance Sheet date	06/04/2017	06/04/2017	24/05/2017	22/05/2017
2.	Date on which the Associate or Joint Venture was associated or acquired	20/05/2014	20/05/2014	24/08/2015	06/12/2016
3.	Shares of the Associate or Joint Venture held by the company on the year end				
	No.	1600000	1600000	15000	1250,000
	Amount of Investment in the Associate or Joint Venture	160.00	160.00	1.50	125.00
	Extent of holding (in percentage)	40	40	30	50
4.	Description of how there is significant Influence	Holding More than 20% of Total Share Capital of the Company			
5.	Reason why the associate/joint venture is not consolidated	Not Applicable			
6.	Networth attributable to shareholding as per latest audited balance sheet	182.44	121.70	4.75	126.36
7.	Profit or Loss for the year				
(i)	Considered in consolidation	(39.97)	(38.66)	-	(61.82)
(ii)	Not Considered in consolidation	(59.95)	(57.99)	-	(61.82)

- Names of associates or joint ventures which are yet to commence operations: Joint Venture with KAMEDA SEIKA of Japan to manufacture and market rice based snacks in India. The said joint venture will start manufacturing the snack range in sonapat later in financial year 2017-2018 depending on the result of Consumer research.
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of Board of Directors of

LT Foods Limited

Ashwani Kumar Arora
Managing Director & CFO
DIN:01574773

Surinder Kumar Arora
Managing Director
DIN:01574728

Monika Chawla Jaggia
Company Secretary
Membership No: F5150

Directors' Report

CEO/CFO Certification pursuant to Regulation 17(8) of SEBI(Listing Obligations & Disclosure Requirements). 2015 for the financial year ending 2016-17.

To
The Board of Directors
LT Foods Limited,
Unit-134, 1st Floor, Rectangle-1,
Saket District Centre, Saket,
New Delhi-110017

This is to certify that

- a. We have reviewed financial statements and cash flow statement for the year 2016-17 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee,
 - I. Significant changes in internal control over financial reporting during the year,
 - II. Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Thanking you,

For **LT Foods Limited**

Place: Gurugram
Date: 25/05/2017

Ashwani Kumar Arora
Chief Executive Officer

Corporate Governance Report

Much before the concept of Corporate Governance was statutorily introduced in the corporate world, your Company LT Foods Limited, was already standing high on its strong foundation of business ethics and principles. Corporate Governance has been the guiding philosophy in your Company's day-to-day business functioning.

The Company to be successful over long term must endeavor to continue its value creation for shareholders as well as for the society. Our approach towards enhancing shared value is guided by a set of strong principles and values set by our Board of Directors.

A set of systems and practices have been put in place to ensure that the Company's affairs are being managed to ensure accountability, transparency and fairness in all transactions in the widest sense. The objective is to meet the shareholders' aspirations and to discharge social responsibility with the best of our capabilities. Good governance practices stem from a dynamic culture and positive mindset of the Organization. We are committed to meet the aspirations of all our stakeholders. This is demonstrated in return to shareholders, governance processes and an entrepreneurial and performance focused work environment. Additionally, our customers benefit from high quality products delivered at competitive prices.

Our Corporate Governance framework also ensures that we make timely disclosures and share accurate information regarding our performance including financials. An active, well informed and Independent Board ensures the highest standards of Corporate Governance and protection of the long term interests of stakeholders. In LT Foods, Corporate Governance measures are an integral part of its business strategy.

Whistle Blower Policy/ Vigil Mechanism

LT Foods introduced its Whistle Blower Policy with the belief that a fearless environment must exist for the employees and stakeholders to report any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy to the Independent Ombudsman. The Whistle Blower Policy / Vigil Mechanism Policy is available on the Company's website www.ltgroup.in; <http://www.ltgroup.in/pdf/whistle-blower-policy.pdf>

The policy aims to:

Allow stakeholder to bring to the management's notice any malpractice, fraud or unethical behaviour.

Build and strengthen a culture of transparency and trust; and

Provide protection against victimization

BOARD OF DIRECTORS

In strict adherence to our corporate governance philosophy, we have diverse Board with an appropriate mix of skills and integrity of Independent Directors to maintain its independence. The Company has always recognized the advantages of diversified Board for better decision making, for better ideas, enhancement of knowledge and improvement of brand and reputation.

Detailed diversity policy is available on the website of the company at weblink <http://www.ltgroup.in/pdf/LT-Foods-Diversity-Policy.pdf>.

- a) On March 31, 2017, our Board consisted of nine members, three of whom are Executive, five are Non Executive Independent members and one is Non Executive Nominee Director. The Company has one women director on its Board. The Board has formed six Committees. These are the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Management Committee, Governance Committee, Corporate Social Responsibility Committee.

Neither any of the Non Executive Independent Director serve as an Independent Director in more than seven Listed Companies and none of the Executive or Whole-time Directors serve as an Independent Director in any Listed Company. During the year, the Company has appointed three Independent Directors who are experts in their fields, complementing the existing blend of our professional Board.

The Company has issued appointment letters to the Directors with detailed terms and conditions of appointment. This is available on website of the Company. The weblink for the same is <http://www.ltgroup.in/pdf/terms-and-conditions-of-appointment-of-independent-director.pdf>

- b) None of the Directors on the Board are members of more than ten (10) committees or hold the post of Chairman on more than five (5) Committees in other companies. Necessary disclosures regarding the Committee positions on the Board of other Public Companies, as on March 31, 2017, have been made by the Directors.
- c) Since Chairman of the Board is Executive, more than half of the Board is Independent.
- d) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the numbers of Directorships and Committee Chairmanships/ Memberships held by them in other Companies are given below.

Corporate Governance Report (Contd.)

The Composition of the Board and Attendance record of Directors for 2016-17:

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2016-17		Whether attended last AGM	Number of Directorships in other public companies	Number of Committee positions held in public companies	
			Held	Attended			Chairman	Member
Vijay Kumar Arora	Chairman & Managing Director (Executive)	21286920	4	3	NO	4	NIL	NIL
Ashwani Kumar Arora	Managing Director (Executive)	21286920	4	4	YES	3	NIL	NIL
Surinder Kumar Arora	Managing Director (Executive)	21286920	4	3	NO	4	NIL	NIL
Pramod Bhagat	Non Executive (Independent)	Nil	4	4	YES	1	2	NIL
Rajesh Kumar Srivastava	Non Executive (Nominee Director)	Nil	4	2	NO	6	NIL	4
Radha Singh	Non Executive (Independent)	Nil	4	4	NO	3	1	3
Adesh Kumar Gupta@	Non Executive (Independent)	Nil	4	1	NA	2	0	0
Suparas Bhandari	Non Executive (Independent)	Nil	4	4	NA	8	NIL	2
Gokul Patnaik	Non Executive (Independent)	Nil	4	4	NA	0	NIL	2

1 includes only Audit and Stakeholders Relationship Committees

@ Mr. Adesh Kumar Gupta and Mr. Suparas Bhandari joined the Board on 12th February 2016 as Additional Directors and were regularized in the last Annual General Meeting held on 21st September 2016. Mr. Gokul Patnaik joined the Board on 29th March, 2016 as Additional Director and was duly regularized in the Annual General Meeting.

- | | |
|--|---|
| <p>d) During the year, four meetings were held and the gap between two meetings did not exceed one hundred twenty days. The dates on which these meetings were held are: May 27, 2016; August 11, 2016; November 14, 2016; and February 09, 2017.</p> <p>e) During the year, information as mentioned in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements) has been placed before the Board for its consideration.</p> <p>f) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.</p> <p>g) There is no inter se relationship between the Independent Directors. However, Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora are related to each other.</p> <p>h) The Board reviews the compliance report pertaining to all applicable laws, as well as the steps taken by the Company to rectify the instances of non compliance.</p> | <p>e) The Non- Executive Directors donot hold any convertible instruments in the Company.</p> <p>j) The Senior management has disclosed to the Board of directors that they have not entered into any material, financial, commercial transaction having any potential conflict with the interest of the company.</p> <p>k) No employee including Key Managerial Personnel or Director or Promoter of a listed entity enter to has not entered enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity.</p> <p>l) Mr. Rajesh Kumar Srivastava is a Nominee Director representing India Agri Business Fund.</p> |
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Corporate Governance Report (Contd.)

Role of the Board of Directors

The primary role of the Board is that of trusteeship to protect and enhance shareholder value through strategic direction to the Company. As trustees, the Board has fiduciary responsibility to ensure that the Company has clear goals aligned to shareholder's value and its growth. The Board exercises its duties with care, skill and diligence and also exercises independent judgement. The Board sets strategic goals and seeks accountability for their attainment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance, so that it can be included in the Agenda for the Board/Committee meetings.

Definition of Independent Directors

The Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines an 'Independent Director' as a person who is not a promoter or employee or one of the key managerial personnel of the Company or its subsidiaries. The laws also state that the person should not have a material pecuniary relationship or transactions with the Company or its subsidiaries, apart from receiving remuneration as an Independent Director.

Familiarization Programme of Independent Directors

All new Non – Executive Directors inducted in to the Board are introduced to the Company's culture through orientation sessions. Current Executive Directors and the senior management provide an overview of the operations to familiarize the new Non – Executive Director. They have been introduced to the organisation's structure, services, group structure and subsidiaries, constitution, Board procedures, matters reserved for the Board major risks and risk management strategies.

They are provided with full opportunity to interact with senior management and are provided with the documents to enable them to have good understanding of the Company, its business model and operations.

The weblink for the details of familiarisation programme imparted to Independent Directors is <http://www.ltoverseas.com/india/pdf/familiarization-programme-for-independent-directors.pdf>. The Independent Directors have attended two programmes in the financial year 2016-17. They have spent sixteen hours in the familiarization programmes about the Company. All Business updates of the Company are shared with the Directors to keep them aligned about the Company.

Performance Evaluation of Independent Directors

The Board of Directors upon recommendation of Nomination and Remuneration Committee have laid down the criteria for performance evaluation of the Board of the Company, its Committees and the individual Board members including Independent Directors. The Performance Evaluation of the Board is done by each Director and during such evaluation the Director being evaluated did not participated. The Criteria for the performance evaluation is posted on the website of the company.

Separate Meeting of Independent Directors

The Listed Company needs to conduct atleast one meeting in a year wherein Independent Directors can evaluate the Board, Independent Directors individually, Committees as well as the Board procedures of the Company. All Independent Directors met separately on 09th February, 2017 without presence of Non Independent Directors.

In compliance with Listing Regulations, following matters were reviewed and discussed:

- Performance of non Independent Directors and Board of Directors as a whole
- Quality and timeliness of flow of information between the Company management and the Board.
- Performance of the Chairperson of the Company.

Succession Plan

The Board has reviewed the Company's plans for orderly succession of outgoing members of Board of Directors and Senior Management Personnel.

Appointment, Re-appointment, Removal, Resignation of Independent Directors is in strict adherence to Schedule IV of the Companies Act, 2013. Re-appointment of the Independent Directors is based on the report of performance evaluation.

Corporate Governance Report (Contd.)

I BOARD COMMITTEES

Audit Committee		Nomination & Remuneration Committee	
1.	Pramod Bhagat (Chairman of the Committee) Independent Director	1.	Radha Singh (Chairperson of the Committee) Independent Director
2.	Radha Singh Independent Director	2.	Pramod Bhagat Independent Director
3.	Rajesh Kumar Srivastava Nominee Director	3.	Rajesh Kumar Srivastava Nominee Director
4.	Gokul Patnaik Independent Director		
Governance Committee		Corporate Social Responsibility Committee	
1.	Vijay Kumar Arora (Chairman of the Committee) Executive Director	1.	Radha Singh (Chairperson of the Committee) Independent Director
2.	Ashwani Kumar Arora Executive Director	2.	Vijay Kumar Arora Executive Director
3.	Rajesh Kumar Srivastava Nominee Director	3.	Rajesh Kumar Srivastava Nominee Director
		4.	Gokul Patnaik Independent Director
Stakeholders Relationship Committee		Management Committee	
1.	Pramod Bhagat (Chairman of the Committee) Independent Director	1.	Vijay Kumar Arora (Chairman of the Committee) Executive Director
2.	Radha Singh Independent Director	2.	Ashwani Kumar Arora Executive Director
3.	Rajesh Kumar Srivastava Nominee Director	3.	Surinder Kumar Arora Executive Director
4.	Suparas Bhandari Independent Director		

Audit Committee

Brief description & Terms of reference:

The Audit Committee of the Board has been constituted in accordance with the requirements prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 of Listing Obligation and Disclosure Regulations, 2015. Members of the Audit Committee possess financial accounting expertise and exposure.

The Committee oversees the work carried out by the Management and Internal Auditors on the financial reporting process and the safeguards employed by them.

Powers of the Audit Committee

To investigate any activity within its terms of reference.

To seek information from any employee. To obtain outside legal or other professional advice. To secure attendance of outsiders with relevant expertise, if considered necessary.

Role of the Audit Committee

Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

Corporate Governance Report (Contd.)

Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.

Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.

Reviewing with the management, the annual financial statements and Auditors Report thereon, before submission to the Board for approval, with particular reference to:

- a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013
- b. Changes, if any, in accounting policies and practices and reasons for the same
- c. Major accounting entries involving estimates based on the exercise of judgement by the management
- d. Significant adjustments made in financial statements arising out of audit findings
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Disclosure of any related party transactions; and
- g. Qualifications in the draft Audit Report

Audit Committee terms of reference are:

Reviewing with the management, the quarterly financial statements, before submission to the Board for approval.

Monitoring and reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the Report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.

Reviewing and monitoring the auditors independence and performance, and effectiveness of the audit process.

Approval or any subsequent modification of transactions of the Company with the related parties.

Valuation of undertakings or assets of the Company, wherever necessary.

Evaluation of Internal Financial Controls and Risk Management Systems.

Reviewing with the management, the performance of statutory auditors, internal auditors, adequacy of internal control systems.

Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.

Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

Discussions with internal auditors of any significant findings and follow-up thereon.

Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.

To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

To review the functioning of the Vigil Mechanism and Whistle Blower mechanism.

Approval of appointment of CFO (i.e. the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate.

Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.

Reviewing the following information:

- e) The Management Discussion and Analysis of the financial condition and result of operations.
- b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the Management.
- c) Management letters/letters of internal control weaknesses issued by the statutory auditors.
- d) Internal audit reports relating to internal control weaknesses; and.
- e) Reviewing appointment, removal and terms of remuneration of the Chief Internal Auditor/ Internal Auditors.

Corporate Governance Report (Contd.)

During the financial year under review, four Audit Committee Meetings were held. The dates and other details of these meetings are as follows:

Dates: 27th May 2016, 11 August 2016, 14th November 2016, 9th February 2017.

Members of the Committee	Category and Designation	Number of meetings held during the year 2016-17	
		Held	Attended
Pramod Bhagat	Independent, Non Executive (Chairman)	4	4
Radha Singh	Independent, Non Executive	4	4
Rajesh Kumar Srivastava	Nominee, Non Executive	4	2
Gokul Patnaik	Independent Non-Executive	0	0

The Audit Committee invites executives whom it considers appropriate functional heads (particularly the head of finance), representatives of the Statutory Auditors and representatives of the Internal Auditors to be present at the meeting. The Company Secretary of the Company acts as the Secretary of the Audit Committee.

All the members of the Audit Committee are financially literate.

Mr. Pramod Bhagat was present at the Twenty Sixth Annual General Meeting of the Company to answer the queries of shareholders.

The Audit Committee was reconstituted on 9th February 2017 with the appointment of Mr. Gokul Patnaik as member of the Audit Committee .

II. NOMINATION & REMUNERATION COMMITTEE

Brief Description & Terms of Reference:

The Nomination and Remuneration Committee is formed in pursuance of Section 178 of the Companies Act, 2013 and Regulation 19 of the LODR.

The Committee comprises two Independent Directors and one Non-Executive Nominee Director, viz. Ms. Radha Singh (Chairperson), Mr. Pramod Bhagat and Mr. Rajesh Kumar Srivastava (Member), respectively.

Dates: May 27, 2016, August 11, 2016 and February 09, 2017

Members of the Committee	Category and Designation	Number of meetings held during the year 2016-17	
		Held	Attended
Radha Singh	Independent, Non- Executive (Chairperson)	3	3
Rajesh Kumar Srivastava	Nominee, Non- Executive	3	2
Pramod Bhagat	Independent, Non- Executive	3	3

In line with the strong focus of the Company on fair practices, the Nomination & Remuneration Committee frames suitable policies and procedures to ensure that there is no violation of any laws applicable. On behalf of the Board and the shareholders, it determines the Company's policy on specific remuneration packages for executive directors, including pension rights, and any compensation payment. ESOP plans, sitting fees to Non Executive Directors and such functions are required to be performed by the Remuneration Committee under the ESOP Guidelines. Over and above this, it oversees other matters that may arise from time to time and attends to any statutory, contractual or other regulatory requirements that need the attention of such a Committee.

It identifies persons who are qualified to become Directors and who may be appointed in Senior Management, recommend to the Board their appointment and removal and carry out evaluation of every Director and perform all other functions as enumerated by Companies Act, 2013 and LODR.

During the financial year, three Nomination & Remuneration/ Compensation Committee Meetings were held.

The dates and other details of these meetings are as follows:

Corporate Governance Report (Contd.)

I. Remuneration Policy

The remuneration paid to the Executive Directors of the Company is approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The Company's remuneration strategy aims at attracting and retaining high calibre talent.

The strategy is in consonance with the existing industry practice and is directed towards rewarding performance based on review of achievements on a periodical basis.

The Remuneration policy have been disclosed in the Directors report which forms part of the Annual Report.

II. Directors Remuneration Policy

1. Independent Non Executive Directors - The Non - Executive Directors are given sitting fees only, as recommended by Nomination & Remuneration Committee and approved by the Board.

2. Executive Directors - The Executive Directors are remunerated on the recommendation of the Nomination & Remuneration Committee and the approval of Board of Directors and the Shareholders of the Company.

III. Details of Remuneration paid to Non-Executive Directors

No remuneration was paid to Non-Executive Directors during the financial year ended 31st March, 2017, except sitting fees for attending meetings of the Board and other Committees.

The details of sitting fees paid to the Non-Executive Directors for attending the meetings of the Board(s)/ and Committee(s) during the financial year ending 31st March, 2017 are as under:

(₹ in lakhs)	
Name of the Directors	Sitting Fees paid
Radha Singh	6.05
Suparas Bhandari	2.76
Gokul Patnaik	2.76
Pramod Bhagat	5.69
Total	17.25

Service Period :-

The Executive Directors have been appointed for a period of five years from their respective dates of appointment. The details of remuneration paid to the Executive Directors for the financial year ending 31st March, 2016, are as under:

(₹ in lakhs)	
Name	Salary & Allowances
Vijay Kumar Arora	141.07
Ashwani Kumar Arora	120.58
(Salary paid from foreign subsidiary)	
Surinder Kumar Arora	116.67

Performance Evaluation criteria for the Board have been laid down and posted on the Company's website.

Criteria for payment to Non-Executive Directors is disclosed on the website of the company.

Disclosure as per Companies Act, 2013 as required under Schedule V(C) (5)(c) of LODR has been disclosed in the Director's Report.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholder Relationship Committee was formed in pursuance of Section 178 of the Companies Act, 2013 and Regulation 20 of LODR.

Brief Description & Terms of Reference:

The Committee comprises two Independent Directors and one Non-Executive Nominee Director:

Name	Designation	Category
Pramod Bhagat	Chairman	Independent Non-Executive Director
Radha Singh	Member	Independent Non-Executive Director
Suparas Bhandari	Member	Non-Executive Nominee Director
Gokul Patnaik	Member	Non-Executive Independent Director

The Stakeholders Relationship Committee monitors the redressal of investor requests/ complaints pertaining to transfers/ transmissions/demat/remat/split of shares, non-receipt of dividend and oversees the performance of Registrar and Share Transfer Agent of the Company.

The Stakeholder Relationship Committee was reconstituted on 9th February 2017 with the appointment of Mr Suparas Bhandari as member of the Committee.

Corporate Governance Report (Contd.)

Reasonable opportunity is given to all the shareholders to ask question to the board of directors ,to place items on the agenda of general meeting(s)and to propose resolution.

Shareholder's Complaints: 2016-17

During the year, the Company received two complaints, which was duly resolved within the stipulated time.

IV. MANAGEMENT COMMITTEE

Brief Description & Terms of Reference:

The Management Committee comprises of three directors:

Name	Designation	Category
Vijay Kumar Arora	Chairman	Executive Director
Ashwani Kumar Arora	Member	Executive Director
Surinder Kumar Arora	Member	Executive Director

The Board has delegated some of its powers to the Management Committee for smooth functioning of the Company.

V. GOVERNANCE COMMITTEE

Brief Description & Terms of Reference:

The Governance Committee comprises of three members:

Name	Designation	Category
Vijay Kumar Arora	Chairman	Executive Director
Ashwani Kumar Arora	Member	Executive Director
Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director

The Committee considers and discusses certain matters listed in Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and makes recommendations to the Board for their consideration and approval.

VI. CORPORATE SOCIAL RESPONSIBILITY(CSR) COMMITTEE

Corporate Social Responsibility Committee (CSR) is formed in pursuance of Section 135 of the Companies Act,2013.

The CSR Committee comprises of the following members:

Name	Designation	Category
Radha Singh	Chairperson	Non-Executive Independent Director
Vijay Kumar Arora	Member	Executive Director
Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director
Gokul Patnaik	Member	Non-Executive Independent Director

Role of CSR Committee

- Formulate and recommend to Board the CSR policy indicating the activities to be undertaken by the Company in compliance with Companies Act, 2013 and Rules thereunder.
- Recommendation of amount of expenditure to be incurred.
- Monitoring of the CSR Policy, activities and programmes under taken

During the year, two CSR meetings were held.

CSR committee was re-constituted on 9th February 2017 with the appointment of Mr. Gokul Patnaik as member of the Committee.

RISK MANAGEMENT

LT Foods is exposed to various business risks as it has national and international exposure. The risks that the company faces are procurement risk, currency risk, climate risk, market & product risk, interest rate risk, technology crisis and natural crisis. The Company has a comprehensive risk management platform in place to identify the principal risks to the company and that the best practical procedures are in place to monitor and mitigate the risks. Detailed risk management policy is formulated to inform members of the Board of Directors about risk assessment and minimisation procedure .The policy is available at weblink: <http://www.ltgroup.in/pdf/LT-Foods%20Risk-Management.pdf>

MATERIAL SUBSIDIARY COMPANIES

Daawat Foods Limited is an unlisted material subsidiary of the Company with one Independent Director Mr. Pramod Bhagat of LT Foods Limited on the Board of Daawat Foods Ltd.. The Audit Committee and the Board of Directors of the Company review the financial statements of the subsidiary.

The Financial statement of all the unlisted subsidiaries of the Company were periodically reviewed by the Audit Committee of LT Foods Limited.

Corporate Governance Report (Contd.)

Minutes of all the unlisted subsidiaries were duly placed at the meeting of Board of directors of the LT Foods Limited.

Significant transactions of unlisted subsidiaries if any at any given point of time were duly brought to the notice of Board of Directors of LT Foods Limited.

The Company has formulated a policy for determining the Material Subsidiaries and the same is available on our website www.ltgroup.in. The weblink for the same is: <http://www.ltoverseas.com/india/pdf/policy-for-determining-material-subsidiary-policy.pdf>.

DETAILS OF THE ANNUAL GENERAL MEETINGS

Location, date and time where our Annual General Meetings (AGM) have been held:

Financial Year	General Meeting	Location	Date	Time
2015-16	26th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	21.09.2016	03.00 PM
2014-15	25th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	18.09.2015	03.00 PM
2013-14	24th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	09.09.2014	03.00PM

During the last three Annual General Meetings, the Shareholders of the Company has approved the Special Resolutions as listed in the notices of the respective Annual General Meetings. Brief details of such resolutions are as under:

Financial Year	General Meeting	Particulars of Special Resolution(s) passed
2015-16	26th AGM	- To appoint Mr. Ashok Kumar Arora as President(Punjab Operations). - Approval of Employee Stock Option Plan 2016. - to approve grant of employee stock options to the employees of subsidiary company under employee stock option plan 2016. - To approve Related Party Transactions for the Financial year 2016-17.
2014-15	25th AGM	- Reappointment of Mr. Ashwani Kumar Arora as Managing Director of the Company. - Reappointment of Mr. Surinder Kumar Arora as Managing Director of the Company - Approval of Related party transactions for the financial year 2015-16 - Ratification of resolution passed through Postal ballot dated 30th March, 2015
2013-14	24th AGM	- Adoption of New Articles of Association - Re-appointment of Mr. Vijay Kumar Arora as Chairman & Managing Director of the Company - Authorize the Board to borrow money in excess of prescribed limit under Section 180(1)(c) of Companies Act, 2013 - Authorize the Board to create Charges under Section 180(1)(a) of Companies Act, 2013

POSTAL BALLOT

During the year 2016-17, out of three resolutions passed two were passed as special resolutions.

Details of voting pattern;

Corporate Governance Report (Contd.)

Resolution 1: To authorize the Board of Directors to invest, to give loan or to give guarantee or to provide security in the excess of the Prescribed Limit

Resolution Required : (Ordinary/Special)					Special	
Whether Promoter/Promoter Group was interested in the Agenda resolution					No	
Category	Mode of Voting	No. of share held	No. of Votes Poll	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Vote Against
		(1)	(2)	(3)	(4)	(5)
Promoter and Promoter Group	E-voting		Nil	Nil	Nil	Nil
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.
	Postal Ballot	17914173	6901405	38.52	6901405	Nil
	Total	17914173	6901405	38.52	6901405	Nil
Public-Institutions	E-voting	275775	Nil	N.A.	N.A.	N.A.
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.
	Postal Ballot		Nil	N.A.	N.A.	N.A.
	Total	275775	Nil	N.A.	N.A.	N.A.
Public-Non Institutions	E-voting	8473239	3342276	39.45	3340345	1931
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.
	Postal Ballot		416	0.00	416	Nil
	Total	8473239	3342692	39.45	3340761	1931
Total		26663187	10244097	38.42	10242166	1931

Resolution 3 Sub-division of Face Value of Equity Shares of the Company

Resolution Required : (Ordinary/Special)					Special	
Whether Promoter/Promoter Group was interested in the Agenda resolution					No	
Category	Mode of Voting	No. of share held	No. of Votes Poll	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Vote Against
		(1)	(2)	(3)	(4)	(5)
Promoter and Promoter Group	E-voting		Nil	Nil	Nil	Nil
	Poll (N.A.)		N.A.	N.A.		N.A.
	Postal Ballot	17914173	6901405	38.52	6901405	Nil
	Total	17914173	6901405	38.52	6901405	Nil
Public-Institutions	E-voting		Nil	N.A.	N.A.	N.A.
	Poll (N.A.)	275775	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		Nil	N.A.	N.A.	N.A.
	Total	275775	Nil	N.A.	N.A.	N.A.
Public-Non Institutions	E-voting		3342276	39.45	3342208	68
	Poll (N.A.)	8473239	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		416	0.00	416	Nil
	Total	8473239	3342692	39.45	3342624	68
Total		26663187	10244097	38.42	10244029	68

Corporate Governance Report (Contd.)

Mr. Debasis Dixit, Practicing Company Secretary conducted the postal ballot.

No resolution is proposed to be conducted through postal ballot

DISCLOSURES

- 1) During the financial year ended 31st March, 2017, there were no materially significant transactions with related parties, viz. promoters, relatives, the management, and subsidiaries, among others, that may have a potential conflict with the interest of the Company at large. The relevant disclosures on related parties and transactions with them appear in the Notes to the Accounts (Schedule-21). The Company has formulated a policy on materiality of Related Party transactions and on dealing with RPT in accordance with relevant provision of Companies Act, 2013 and Listing Regulations, 2015. The policy has been disclosed on the website of the Company at weblink: <http://www.ltgroup.in/pdf/policy-for-determining-material-subsidiary-policy.pdf> under the investors section. Necessary disclosure has been made in Director's Report Annexure III

All the related party transactions get prior approval of Audit Committee before being approved by the shareholders. All related parties were abstained from voting on such resolutions irrespective of the entity is related party to the particular transaction or not.

- 2) No non compliance have been done by the Company and no penalty or stricture was imposed on the Company by any Stock Exchange, SEBI or any statutory authority on account of non-compliance by the Company on any matter related to the Capital Market during the last three financial years.
- 3) The CEO/CFO Certificate in terms of Reg 17(8) of SEBI (Listing Obligations and Disclosure Requirements) 2015 has been placed before the Board.
- 4) In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended till date, on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The Code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company. It also cautions them on the consequences of non-compliance thereof.
- 5) The Company follows the practice of 'Closure of Trading Window' prior to the publication of price sensitive information. During this period, the Company has set up a

mechanism whereby the management and relevant staff and business associates of the Company are informed regarding the same and are advised not to trade in the Company's securities.

- 6) The Company complies with all the mandatory requirements of Listing Regulations, 2015. It is in the process of also complying with the non-mandatory requirements of the LODR on 'Corporate Governance'.
- 7) **Reconciliation of Share Capital Audit**
A qualified Company Secretary carried out a secretarial audit to reconcile the total admitted equity capital with the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total issued and listed equity capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.
- 8) **Disclosure of accounting treatment in preparation of financial statements.**

The Company has followed prescribed accounting standards as laid down by ICAI in preparation of its financial statements.
- 9) The Company has established effective whistle blower mechanism and also hereby affirms that no personnel or stakeholder has been denied access to the Audit Committee.
- 10) Necessary disclosure have been made on the website of the Company as required under Regulation 46(2) of LODR.

Required disclosure on the Company's website is been done timely for the matters as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of LODR.

CODE OF CONDUCT

The Company has adopted revised Code of Conduct and Ethics for Directors and Senior Management personnel including duties of the Independent Directors vide Board Meeting held on 27th May, 2016. A copy of the revised Code has been placed on the Company's website. The Code has been circulated to all members of the Board and Senior Management personnel, who have confirmed compliance with the Code of Conduct for the year under review.

Corporate Governance Report (Contd.)

A DECLARATION SIGNED BY THE CHAIRMAN AND THE MANAGING DIRECTOR IS GIVEN BELOW

I hereby confirm that:

The Company has obtained from all members of the Board and Senior Management personnel affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management personnel for the financial year 2016-17.

Sd/-

(Vijay Kumar Arora)

Chairman and Managing Director

DIN: 00012203

MEANS OF COMMUNICATION

- The Quarterly and Annual results were generally published in the Economic Times, Financial Express and Jansatta.
- The Quarterly results are also displayed on the website of the Company i.e., www.ltgroup.in. And also available on the website of BSE and NSE.
- The Management Discussion and Analysis (MDA) report, which covers the operations of the Company, forms part of the Annual Report.
- The Company has made presentation to Institutional Investor.

Website link whereupon the official news releases are displayed <http://www.ltoverseas.com/india/media.html#press>

GENERAL SHAREHOLDER'S INFORMATION

Twenty Seventh Annual General Meeting

Date & Time	Tuesday, 19th September, 2017 at 12.00 noon
Venue	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi – 110010.

Financial Calendar for the Year 2016-17:

Financial Year	April 2016 to 31st March 2017
Dividend payment Date	The final dividend, if declared, shall be paid / credited on or after September 24, 2017
Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, 12th September, 2017 to Tuesday, 19th September, 2017, both days inclusive.

Registered Office & Corporate Office

Registered Office	Unit-134, 1st Floor, Rectangle-1, Saket District Centre, New Delhi-110017
Corporate Office	4th Floor, MVL-i-Park, Sector- 15, Gurugram-122001.

Listing on Stock Exchanges:

The Equity shares of the Company are listed on the Bombay Stock Exchange Ltd (BSE) and the National Stock Exchange of India Limited (NSE) since 18th December, 2006.

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Tel. No. 022- 22721233/34 Fax: 022- 22721919 Security Code: 532783	Exchange Plaza, 5thFloor, Plot No. C-1, G- Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. Tel.: 022- 26598110- 14 Fax: 022- 26598120 Security Code: DAAWAT

Corporate Governance Report (Contd.)

ISIN No. for NSDL & CDSL: INE818H01012

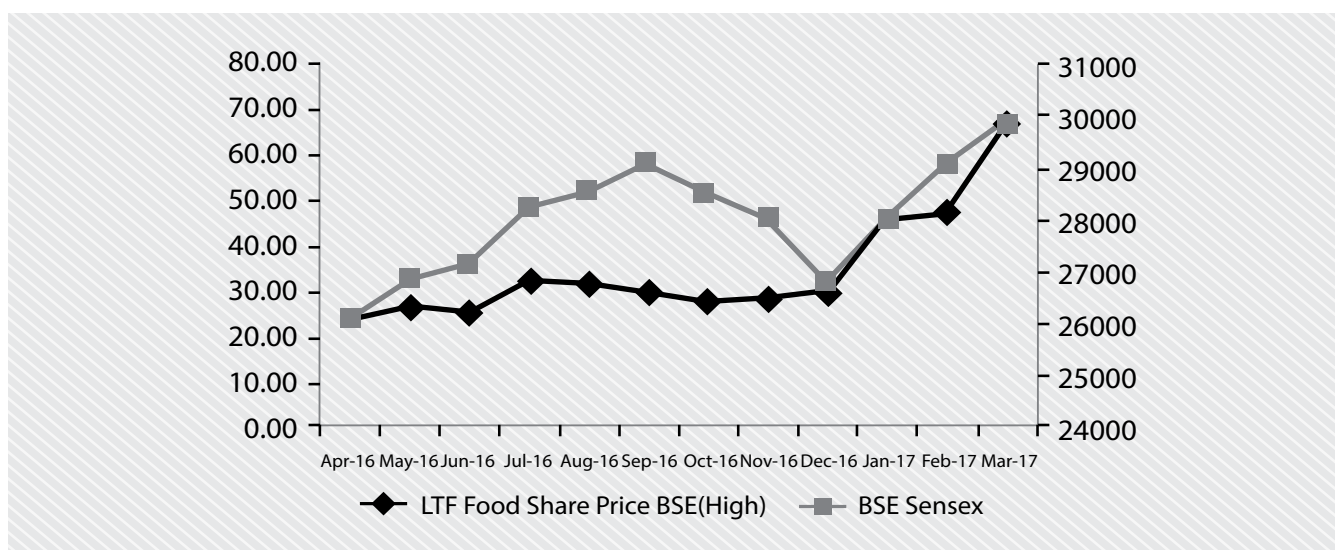
Listing Fees / Custodial Fees for 2016 -17:

The annual listing fees have been paid to BSE and NSE. Annual custodian fees have also been paid to NSDL and CDSL for the financial year 2016-17.

Stock Market Data on BSE and NSE

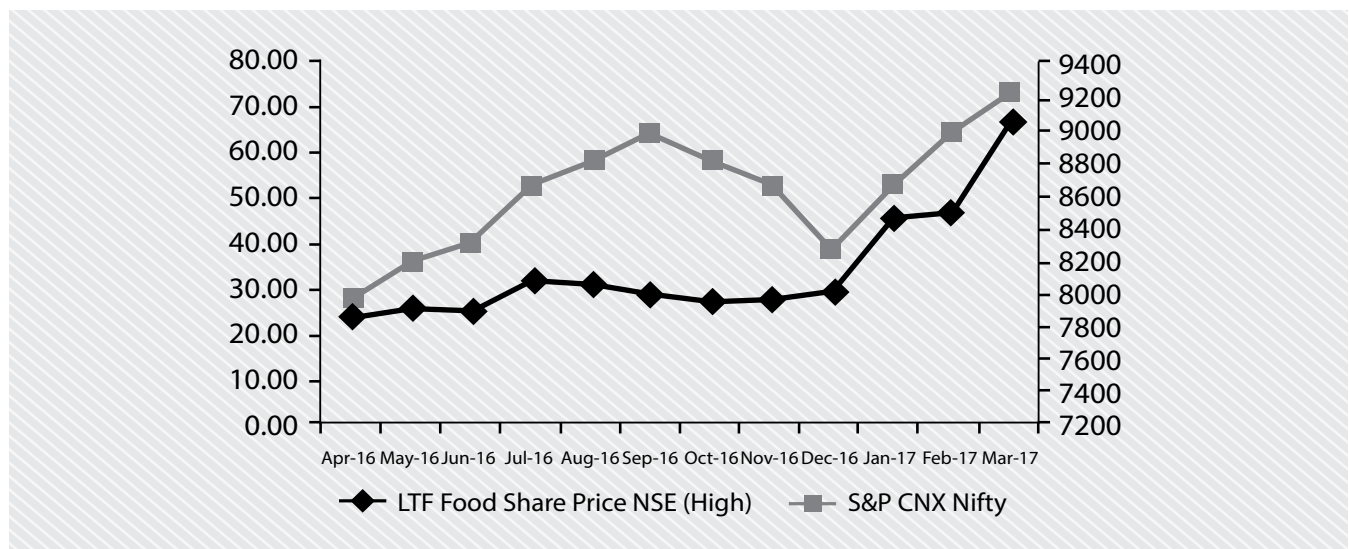
Month	Bombay Stock Exchange Limited					National Stock Exchange Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	S&P CNX Nifty
Apr-16	24.13	21.90	23.16	25659	26101	24.35	22.00	23.34	163125	7992
May-16	26.50	22.40	23.08	180378	26837	26.50	22.21	23.10	846791	8214
Jun-16	25.72	21.73	25.02	117546	27105	25.69	21.80	24.88	689222	8308
Jul-16	31.92	24.30	29.51	356386	28240	31.97	24.43	29.71	2361504	8675
Aug-16	31.58	26.90	29.11	79960	28532	31.59	26.62	29.17	437149	8819
Sep-16	29.46	25.00	26.77	41048	29077	29.58	22.55	26.56	208493	8969
Oct-16	27.70	25.65	27.38	26422	28478	27.90	26.08	27.09	125881	8807
Nov-16	28.00	21.11	26.40	61437	28030	27.94	21.52	26.48	276731	8670
Dec-16	30.00	25.65	28.43	171518	26804	29.99	25.65	28.49	950654	8275
Jan-17	46.13	28.26	44.35	1086784	27980	46.13	28.36	44.40	5104303	8673
Feb-17	47.19	45.10	54.55	5247673	29065	47.25	41.30	54.35	23289280	8982
Mar-17	67.65	52.70	66.05	2947590	29825	67.85	52.65	65.80	16149671	9218

STOCK PRICE VS BSE SENSEX



Corporate Governance Report (Contd.)

STOCK PRICE VS NSE NIFTY



Unclaimed Dividend

The shareholders who have not encashed their dividend warrants for the year 2015-16 are requested to claim the amount from the Registrar & Share Transfer Agent (in case shares are held in the demat form) or the Corporate Office (in case shares are held in the physical form).

As per Companies Act, 2013, any money transferred by the Company to the Unpaid Dividend Account, which remains unclaimed for a period of seven years from the date of the transfer shall be transferred to a fund called 'The Investor Education and Protection Fund' set up by the Central Government.

Details of Unclaimed Suspense Account as required as per schedule V part C and sub part F, has been disclosed in the Director's report.

Share Transfer System and Registrar & Share Transfer Agent

All requests for dematerialization, rematerialization, transfer, transmission, issue of duplicate share certificates, sub-divisions, issue of demand drafts in lieu of dividend warrants, etc. are being handled by the Registrar & Share Transfer Agent and registered within 15 days of receipt of documents, if found in order.

All requests for transfer of shares in the physical form are processed and the duly transferred share certificates are returned to the transferee within the time prescribed by the law in this regard, subject to the share transfer documents being valid and complete in all respects.

Address & Contact No. of Registrar & Share Transfer Agent are as follows

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai
Pin Code-400072.

Contact Person: Mr. N.V.K.Mohan

Tel No. 022-28470652

Fax No. 022-28475207

Email id:mohan@bigshareonline.com and
bssdelhi@bigshareonline.com

Corporate Governance Report (Contd.)

The Board has authorised the Stakeholders Relationship Committee to sub-delegate its power to the officers of the Company for prompt redressal of investor requests/complaints. Accordingly, the Committee has sub-delegated its powers to approve transfers/demat/remat/sub-division/consolidation of share certificates to the Company Secretary. A summary of requests for transfers/demat/remat approved by the Company Secretary between two meetings of the Committee is placed at the subsequent meeting of the Committee.

As required under Regulation 40(9) of the Listing Regulations, the Company obtains a certificate regarding share transfer compliances, on a half-yearly basis, from a Practicing Company Secretary. A copy of this certificate is filed with the Stock Exchanges.

Dematerialization of Shares & Liquidity

Procedure for dematerialization/rematerialization of shares

Shareholders seeking demat/remat of their shares must approach the Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Registrar and Share

transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request the National Securities Depository Ltd. (NSDL)/Central Depository Services Ltd. (CDSL) to confirm the demat request. The demat account of the concerned shareholder will be credited with an equivalent number of shares. In case of a rejection of the request, it will be communicated to the shareholder.

In the case of remat, upon receipt of a request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests the NSDL and CDSL to confirm the request. The approval of the Company is sought and an equivalent number of shares are issued in the physical form to the shareholder.

The share certificates are dispatched within 15 days from the date of issue of shares.

No GDRs/ADRs/warrants or any convertible instruments have been issued by the Company.

Distribution of Shareholding as on dated March 31st, 2017:

(A) Distribution of Shareholding by Ownership

Category	Total Shareholders	% Of Shareholders	Voting Strength	%
CLEARING MEMBER	333	1.4421	1347346	0.5051
CORPORATE BODIES	218	0.9441	3360596	1.2599
DIRECTORS	4	0.0173	63860760	23.9408
EMPLOYEE	36	0.1559	2972560	2972560
FINANCIAL INSTITUTIONS	1	0.0043	374	0.0001
FOREIGN COMPANY	1	0.0043	28200735	10.5722
FOREIGN PORTFOLIO INVESTOR	4	0.0173	3240611	1.2149
GROUP COMPANIES	2	0.0087	30984130	11.6156
NON NATIONALISED BANKS	1	0.0043	34296	0.0129
NON RESIDENT INDIANS	228	0.9874	1515196	0.5680
OVERSEAS CORPORATE BODIES	1	0.0043	50000	0.1874
PROMOTERS	13	0.0563	84296840	31.6021
PUBLIC	22245	96.3362	43253386	16.2153
TRUSTS	2	0.0087	2500	0.0009
UNCLAIMED SUSPENSE ACCOUNT	1	0.0043	58900	0.0221
TOTAL	23091	100	266631870	99.9577

Corporate Governance Report (Contd.)

(B) Distribution of Shareholding by Size

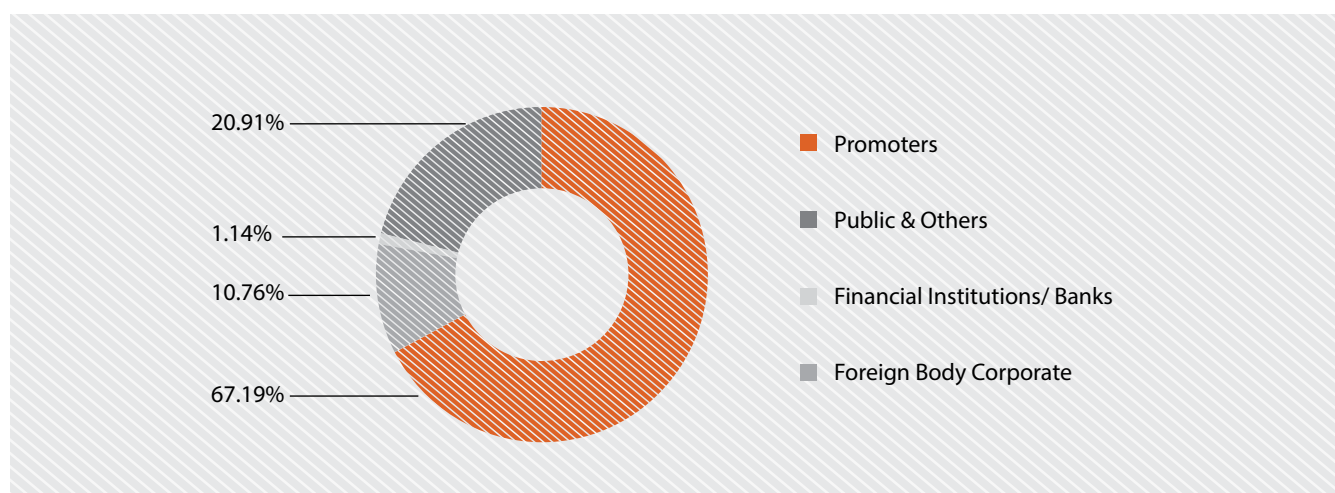
No. of shares	No. of shares	No of shareholders	% of total shareholders	Share Amount(₹)	% of total
1	5000	21783	94.3355	9774047	3.6657
5001	10000	624	2.7024	5170263	1.9391
10001	20000	374	1.6197	5622990	2.1089
20001	30000	101	0.4374	2540144	0.9527
30001	40000	57	0.2468	1980403	0.7427
40001	50000	29	0.1256	1317805	0.4942
50001	100000	43	0.1862	3075026	1.1533
100001	500000	48	0.2079	10399483	3.9003
500001	1000000	11	0.0476	7441860	2.7911
1000001	5000000	7	0.0303	14797724	5.5499
5000001	10000000	7	0.0303	54896790	20.5890
10000001	999999999	7	0.0303	149615335	56.1131
Total		23091	100	266631870	100.0000

(C) Top Shareholders as on 31st March, 2017

S. No.	CATEGORY	NAME	Shares	%
1	FOREIGN COMPANY	INDIA AGRI BUSINESS FUND LTD	28200735	10.5767
2	GROUP COMPANIES	RAGHUVESH HOLDINGS PRIVATE LIMITED	30984130	11.6206
3	DIRECTORS	SURINDER ARORA	21286920	7.9836
4	PROMOTERS	ASHOK KUMAR ARORA	21286920	7.9836
5	DIRECTORS	ASHWANI ARORA	21286920	7.9836
6	DIRECTORS	VIJAY KUMAR ARORA	21286920	7.9836
7	PROMOTERS	GURUCHARAN DASS ARORA	21920260	8.2212
8	PROMOTERS	VANDANA ARORA	8371500	3.1397
9	PROMOTER	SAKSHI ARORA	8371500	3.1397
10	PROMOTER	RANJU ARORA	7738160	2.9022
Total			1907733965	71.5346

Corporate Governance Report (Contd.)

Shareholding Pattern as on 31st March, 2017



Plant Locations:

At present, the Company has six plants including its Subsidiaries:

1. 43 K. Stone, GT Road, Bahalgarh, Sonapat.
2. Phoola Road, Distt. Amritsar, Punjab.
3. Mandideep, Bhopal, Madhya Pradesh.
4. Kamaspur, Bahalgarh, Sonapat.
5. Varpal, Punjab.
6. Rotterdam, Netherland.

Investors Correspondence:

Registered Office

Unit No. 134, 1st Floor,
Rectangle – I, Saket District Centre,
New Delhi – 110017.
Mail id: ir@ltgroup.in

Corporate Office & Investor Cell:
4th Floor, MVL-i-Park, Sector – 15,
Gurugram – 122001

Company Secretary & Compliance Officer

Name: Monika Chawla Jaggia
Address: 04th Floor, MVL-i-Park, Sector-15,
Gurugram, Haryana – 122001

Contact Details: Ph: 91-124-3055101
Fax: 91-124-3055199
Mail Id: monika.jaggia@ltgroup.in
On behalf of the Board of Directors

Sd/-
Place: Gurugram (Vijay Kumar Arora)
Date: 10.08.2017 Chairman & Managing Director
DIN: 00012203

Corporate Governance Report (Contd.)

PRACTICING COMPANY SECRETARY'S CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

I have examined the compliance of conditions of Corporate Governance by LT Foods Limited, for the year ended March 31, 2017 as stipulated in applicable Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance.

It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D Dixit & Associates
Company Secretaries

Date: 31st July 2017
Place:- New Delhi

Debasis Dixit
FCS-7218, CP-7871

Independent Auditor's Report

To the Members of LT Foods Limited

Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of LT Foods Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure I, 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 purpose 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 standalone financial statements dealt with by this report are in agreement with the books of account;

Independent Auditor's Report

- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the Internal Financial Controls Over Financial Reporting (IFCoFR) of the Company as on March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 25, 2017 as per Annexure II expresses our unmodified opinion on the adequacy and operating effectiveness of internal controls over financial reporting; and
- 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 28 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. the Company, as detailed in Note 44 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Place: Gurgaon

Date: May 25, 2017

per **Neeraj Goel**

Partner

Membership No.: 099514

Independent Auditor's Report

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year except for stocks lying with third parties. For stock lying with third parties at year end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities though there has been a slight delay in a few cases, except for advance income-tax where significant delays in deposit have occurred during the year. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Statement of arrears of statutory dues outstanding for more than six months

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due date	Date of payment
Income- tax act, 1961	Advance income tax	212.48	Financial year 2016-17	15 June 2016	Not yet paid
Income- tax act, 1961	Advance income tax	424.96	Financial year 2016-17	15 September 2016	Not yet paid

- (b) The dues outstanding in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Independent Auditor's Report

Statement of disputed dues

Name of the statute	Nature of dues	Amount (₹ in lakhs)	Amount paid under Protest (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income- tax act, 1961	Income tax demands	57.54	-	Financial Year 2002-03	Income tax Appellate Tribunal
Income- tax act, 1961	Income tax demands	0.65	-	Financial Year 2003-04	Income tax Appellate Tribunal
Income- tax act, 1961	Income tax demands	26.81	609.20	Financial Year 2004-05	Income tax Appellate Tribunal
Income- tax act, 1961	Income tax demands	4.84	-	Financial Year 2006-07	Income tax Appellate Tribunal
Income- tax act, 1961	Income tax demands	327.62	250.00	Financial Year 2007-08	Income tax Appellate Tribunal
Income- tax act, 1961	Income tax demands	235.95	123.95	Financial Year 2008-09	Income tax Appellate Tribunal
Income- tax act, 1961	Income tax demands	346.01	-	Financial Year 2009-10	Commissioner of income tax (Appeals)
Income- tax act, 1961	Income tax demands	829.80	191.00	Financial Year 2010-11	Commissioner of income tax (Appeals)
Income- tax act, 1961	Income tax demands	155.52	19.50	Financial Year 2011-12	Commissioner of income tax (Appeals)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures and no loans or borrowings payable to the government during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurgaon

Date: May 25, 2017

Independent Auditor's Report

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the standalone financial statements of LT Foods Limited ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the '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 the company's 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 IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR 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 IFCoFR 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.

Independent Auditor's Report

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR 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, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Place: Gurgaon

Date: May 25, 2017

per **Neeraj Goel**

Partner

Membership No.: 099514

Balance Sheet

as at March 31, 2017

(₹ in lakhs)			
	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,666.32	2,666.32
Reserves and surplus	4	33,592.80	30,166.82
		36,259.12	32,833.14
Non-current liabilities			
Long-term borrowings	5	559.75	1,811.29
Deferred tax liabilities (net)	6	567.92	216.36
Other long-term liabilities	7	9.78	9.89
Long-term provisions	8	134.74	89.87
		1,272.19	2,127.41
Current liabilities			
Short-term borrowings	9	86,373.32	81,807.56
Trade payables	10		
total outstanding dues of micro, small and medium enterprises		425.86	220.63
total outstanding dues of creditors other than micro, small and medium enterprises		5,619.38	7,186.93
Other current liabilities	11	5,153.41	6,963.69
Short-term provisions	8	1,650.31	2,117.79
		99,222.28	98,296.60
		136,753.59	133,257.15
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	15,628.57	15,796.59
Intangible assets	13	446.69	107.14
Capital work-in-progress		375.54	1,716.40
Non-current investments	14	6,341.16	6,199.96
Long-term loans and advances	15	2,372.25	2,537.70
Other non-current assets	16	56.75	9.49
		25,220.96	26,367.28
Current assets			
Inventories	17	68,828.53	65,712.78
Trade receivables	18	32,535.40	26,650.87
Cash and bank balances	19	957.22	1,249.97
Short-term loans and advances	15	8,113.90	13,276.25
Other current assets	16	1,097.58	-
		111,532.63	106,889.87
		136,753.59	133,257.15

Summary of significant accounting policies and other explanatory information
This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

For and on behalf of the Board of Directors of
LT Foods Limited

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Pramod Bhagat
Director
DIN 00198092

Surinder Kumar Arora
Managing Director
DIN 01574728

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Statement of Profit and Loss

for the year ended March 31, 2017

		(₹ in lakhs)	
	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	20	207,636.77	182,120.10
Other income	21	2,396.09	2,549.05
Total revenue		210,032.86	184,669.15
Expenses			
Cost of materials consumed	22	139,116.39	114,451.78
Purchase of stock-in-trade	23	35,618.74	22,032.97
Changes in inventories of finished goods and stock-in-trade	24	(6,852.57)	2,097.61
Employee benefits expense	25	5,003.56	4,142.60
Finance costs	26	10,041.34	9,074.66
Depreciation and amortisation expense	12 & 13	2,292.73	2,635.99
Other expenses	27	19,875.68	25,561.25
Total expenses		205,095.87	179,996.86
Profit before prior period items and tax		4,936.99	4,672.29
Prior period expenses/(income)	37	167.05	(11.22)
Profit before tax		4,769.94	4,683.51
Tax expense			
Current year			
Current tax		1,497.78	1,574.68
Deferred tax		165.04	(7.10)
Earlier year			
Current tax		93.32	77.63
Profit for the year		3,013.80	3,038.30
Earnings per equity share in ₹	32		
Basic		1.13	1.15
Diluted		1.13	1.14

Summary of significant accounting policies and other explanatory information
This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

For and on behalf of the Board of Directors of
LT Foods Limited

per **Neeraj Goel**
Partner

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Place : Gurgaon
Date : May 25, 2017

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Cash Flow Statement

for the year ended March 31, 2017

		(₹ in lakhs)	
		Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from operating activities:			
Profit before tax		4,769.94	4,683.51
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		2,292.73	2,635.99
Profit on sale of fixed assets		(12.14)	(235.76)
Unrealised foreign exchange (gain)/loss		(294.03)	240.44
Amounts written off		-	207.38
Share of profit of partnership firm		-	(0.51)
Interest from partnership firm		-	(2.43)
Interest expense		9,635.95	8,827.56
Interest income		(30.95)	(22.01)
Liabilities written back		(201.03)	(259.31)
Dividends income from non trade investments		(0.09)	(0.16)
Operating profit before operating assets and liabilities		16,160.38	16,074.70
Changes in operating assets and liabilities			
Decrease in trade payables		(1,386.57)	(147.96)
Decrease in provisions and other liabilities		(403.36)	(1,629.51)
Increase in trade receivables		(6,244.29)	(7,898.27)
(Increase)/Decrease in inventories		(3,115.75)	109.67
Decrease in loans and advances and other current assets		4,891.24	16,015.20
Cash generated from operations		9,901.65	22,523.83
Income taxes paid (net of refunds)		(1,149.34)	(1,923.91)
Net cash generated from operating activities	A	8,752.31	20,599.92
Cash flow from investing activities			
Purchase of fixed assets including intangible assets, capital work in progress and capital advances		(1,217.06)	(2,050.81)
Proceeds from sale of fixed assets		118.08	1,162.19
Purchase of non-current investments		(141.20)	(1.31)
Interest received		30.95	22.50
Investment in fixed deposits and unpaid dividend account		(357.72)	(380.69)
Withdrawal in fixed deposits and unpaid dividend account		278.19	153.06
Dividends received from non trade investments		0.09	0.16
Net cash used in investing activities	B	(1,288.67)	(1,094.90)

Cash Flow Statement

for the year ended March 31, 2017

		(₹ in lakhs)	
		Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from financing activities			
Proceeds from issue of equity shares		-	79.64
Proceeds from long-term borrowings		1,124.82	22.96
Repayment of long-term borrowings		(3,526.92)	(4,156.21)
Proceeds from/(Repayment) from short term borrowings (net)		4,697.31	(5,676.45)
Interest paid		(9,652.76)	(8,832.08)
Dividends paid on equity shares		(399.88)	(529.07)
Capital subsidy received		50.00	-
Tax on equity dividend paid		(81.42)	(105.78)
Net cash used in financing activities	C	(7,788.85)	(19,196.99)
Net (decrease)/increase in cash and cash equivalents	A + B + C	(325.21)	308.03
Cash and cash equivalents at the beginning of the year		879.85	571.82
Cash and cash equivalents at the end of the year		554.64	879.85
Components of cash and cash equivalents (refer note 19)			
Cash on hand		24.16	50.42
Balances with banks			
- on current account		530.48	829.43
Total cash and cash equivalents		554.64	879.85

Summary of significant accounting policies and other explanatory information
This is the cash flow statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

For and on behalf of the Board of Directors of
LT Foods Limited

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Pramod Bhagat
Director
DIN 00198092

Surinder Kumar Arora
Managing Director
DIN 01574728

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

1. Corporate information

LT Foods Limited (the 'Company') is a public Company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. LT Foods Limited is primarily in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. LT Foods Limited operations include procurement, storage, processing, packaging and distribution. LT Foods Limited is also engaged in research and development to add value to rice and rice food products. The Company's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavoured rice in the ready to cook segment.

2. Significant accounting policies

a. Basis of preparation

The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India, including the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in Schedule III to the Companies Act, 2013.

b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

c. Revenue recognition

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

Sale of goods:

Revenue from sale of goods is recognised when the significant risks and rewards associated with the ownership of the goods are transferred to the customer and is stated net of sales returns, trade discounts and indirect taxes.

Dividend:

Income from dividend is recognised when the right to receive dividend has been established.

Interest:

Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Share of profit and interest in partnership

Share of profit in the partnership firm, where Company is a partner is recognised as income, based on the profit transferred to the partner's account by the partnership firm.

Income from services

The Company derives its other operating revenue primarily from service charges and processing charges and the revenue from these services are recognised as revenue when the related services are rendered.

d. Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses (if any). Cost comprises purchase price and any attributable costs of bringing the assets to their working condition for their intended use.

Intangible assets are stated at the cost of acquisition less accumulated amortisation and impairment loss, if any.

Capital work-in-progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

e. Depreciation and amortisation

Depreciation on tangible fixed assets is provided under written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 or the management estimate of the useful life of the asset.

Based on internal assessment and independent technical evaluation carried out by external valuer, the management has re-estimated the useful life of Silos included in Plant and Machinery from 15 years to 40 years with effect from 1 April 2016. The management believes that the useful life represents the period over which the assets are expected to be used. The useful life of this asset is different from the useful life as prescribed under part C of schedule II of the Companies Act, 2013. In accordance with Accounting standard 5, "Net Profit or loss for the period, prior period items and change in accounting policies", the impact on depreciation due to change in the useful life has been accounted for prospectively.

Depreciation on additions is being provided on pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the period is being provided up to the date on which such assets are sold/disposed off.

Amortisation of intangibles is based on the estimated useful life, as estimated by management. The useful life is as follows:

Intangible assets	Useful life (in years)
Goodwill	20
Brand	20
Software	3

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

f. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost, however, provision for diminution in value is made to record other than temporary diminution in the value of such investments.

g. Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost or net realisable value. Cost is determined on 'First in First Out' basis and includes interest on raw materials as a carrying cost of materials where such materials are stored for a substantial period of time.

Work in progress

At raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion.

Finished goods

Lower of cost and net realisable value. Cost includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition and also includes interest as a carrying cost of goods where such goods are stored for a substantial period of time.

h. Foreign currency transactions and translations

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent recognition

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

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.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

The exchange differences arising on forward contracts to hedge foreign currency risk of an underlying asset or liability existing on the date of the contract are recognised in the statement of profit and loss of the period in which the exchange rates change, based on the difference between:

- i. foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and
- ii. the same foreign currency amount translated at the later of the date of the inception of the contract and the last reporting date, as the case may be.

The premium or discount on all such contracts arising at the inception of each contract is amortised as expense or income over the life of the contract.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal.

Till the year ended March 31, 2016 Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market (MTM) at the balance sheet date if such mark to market results in exchange loss. Such exchange loss is recognised in the profit and loss account immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

As per Guidance Note on "Accounting for Derivative Contracts" (the 'Guidance Note') applicable effective April 1, 2016, MTM gains on Derivative contracts as on March 31, 2016 are also to be adjusted with the opening reserves as at April 1, 2016.

i. Employee benefits

Provident fund

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. Contribution paid/ payable is recognised as an expense in the period in which the services are rendered by the employee.

Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

The defined benefit/obligations calculated at the balance sheet date by an independent actuary using projected unit credit method. The actuarial gains or losses are recognised immediately in the statement of profit and loss.

Compensated absences

Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. The actuarial gains or losses are recognised immediately in the statement of profit and loss.

Other short-term benefits

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

j. Borrowing costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Borrowing cost which are not relatable to qualifying asset are recognised as an expense in the period in which they are incurred.

k. Earnings per share

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

l. Income tax

Provision for current income tax is made on the assessable income at the tax rate applicable to the relevant assessment year. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. However, deferred tax arising from brought forward losses and depreciation are recognised only when there is virtual certainty supported by convincing evidence that such assets will be realized.

Deferred tax asset or liability arising during tax holiday period is not recognised to the extent it reverses out within the tax holiday period.

Minimum Alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified year.

m. Contingent liabilities and provisions

The Company makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- i. possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company; or
- ii. present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- iii. present obligation, where a reliable estimate cannot be made.

n. Impairment of assets

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

o. Share-based payment

The Company operates equity-settled share-based plans for its employees. Where share-based payments are awarded, the fair values of services rendered by employees and others are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model at the respective measurement date. In the case of employees and others providing similar services, the fair value is measured at the grant date. In the case of franchisees, consultants and investors the fair value is determined as services are received, using average fair values during each year. The fair value excludes the impact of non-market vesting conditions. All share-based remuneration is recognised as an expense, allocated by the management to cost of sales, selling and distribution expenses and administration and other expenses in statement of profit and loss with a corresponding credit to 'retained earnings'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates and any impact of the change is recorded in the year in which change occurs.

Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as securities premium reserve

p. Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term.

q. Government grant

Grants and subsidies from the government are recognised when there is reasonable assurance that (i) the Company will comply with the conditions attached to them, and (ii) it is certain that the ultimate collection will be made. Where the government grants are of the nature of promoters' contribution, i.e., they are given with reference to the total investment in an undertaking or by way of contribution towards its total capital outlay, it is recognised as capital reserve which can be neither distributed as dividend nor considered as deferred income

r. Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash on hand and short-term investments with an original maturity of three months or less.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

3 Share capital

(₹ in lakhs)				
	March 31, 2017		March 31, 2016	
	Number	Amount	Number	Amount
Authorised share capital				
-Equity shares of ₹ 1 each (previous year ₹ 10 each)	300,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up capital				
-Equity shares of ₹ 1 each (previous year ₹ 10 each)	266,631,870	2,666.32	26,663,187	2,666.32
Total	266,631,870	2,666.32	26,663,187	2,666.32

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(₹ in lakhs)				
	March 31, 2017		March 31, 2016	
	Number	Amount	Number	Amount
Equity shares				
At the beginning of the year	26,663,187	2,666.32	26,453,582	2,645.36
Add : Issued during the year	-	-	209,605	20.96
Add : Increase in shares on account of subdivision (refer note e)	239,968,683	-	-	-
At the end of the year	266,631,870	2,666.32	26,663,187	2,666.32

During the year, Company had issued and allotted Nil (previous year 209,605) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 1 per share (previous year ₹ 10 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2017 the amount of per share dividend recognised as distributions to equity shareholders was Nil per share (previous year ₹ 1.50 per share).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of the equity shares of the Company

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 1 each (previous year ₹ 10 each)				
India Agri Business Fund Limited	28,200,735	10.58%	3,776,253	14.16%
Ashwani Arora	21,286,920	7.98%	2,723,152	10.21%
Surinder Arora	21,286,920	7.98%	2,820,152	10.58%
Gurucharan Dass Arora	21,920,260	8.22%	1,573,932	5.90%
Ashok Kumar Arora	21,286,920	7.98%	2,742,418	10.29%
Raghuvesh Holdings Private Limited	30,984,130	11.62%	3,098,413	11.62%
Vijay Kumar Arora and Ashwani Arora	-	-	1,606,320	6.02%
Vijay Kumar Arora	21,286,920	7.98%	1,117,964	4.19%

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

d) Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments

The Company on April 01, 2011 granted 648,329 options to employees specified in the Employee Stock Option Scheme of 2010. Pursuant to the accounting enunciated in the guidelines issued by the Securities & Exchange Board of India, the Company has recorded an expense on the basis of fair valuation of the underlying options. The Remuneration Committee on February 7, 2013 has approved additional grant of 201,209 options to the eligible employees of the Company. Further under the above Scheme, the Committee in the previous meetings had allotted 544,773 shares, and 11,291 have been allotted in the meeting held on May 25, 2017 to the employees who have exercised their options. However, 199,230 options granted to the employees specified have lapsed till date. The aforementioned shares are before share split (refer note e below). Appropriate modifications in the Employee Stock Option Scheme shall be made to take impact of the share split.

e) Subdivision of equity shares

(i) During the year the equity shares of the Company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having a face value of ₹ 1 (Rupee one only) each. Accordingly 26,663,187 equity shares of face value of ₹ 10 each were sub divided into 266,631,870 equity shares of face value of ₹ 1 each.

(ii) The earning per share in respect of current and previous year has been restated considering the aforesaid sub division of shares.

f) The Company has not issued any equity shares pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last five years.

4 Reserves and surplus

		(₹ in lakhs)	
		March 31, 2017	March 31, 2016
Capital reserve	(A)		
Balance at the beginning of the year		108.61	108.61
Add : Additions made during the year (refer note 40)		50.00	-
Balance at the end of the year		158.61	108.61
Securities premium reserve	(B)		
Balance at the beginning of the year		5,652.06	5,593.38
Add : Additions made during the year		-	58.68
Balance at the end of the year		5,652.06	5,652.06
General reserve	(C)		
Balance at the beginning of the year		1,514.72	1,514.72
Add : Additions made during the year (refer note 43)		362.18	-
Balance at the end of the year		1,876.90	1,514.72
Share options outstanding amount	(D)		
Balance at the beginning of the year		183.58	183.22
Add : Additions made during the year		-	0.36
Balance at the end of the year		183.58	183.58
Surplus in the statement of profit and loss	(E)		
Balance at the beginning of the year		22,707.85	20,152.85
Add : Transferred from statement of profit and loss		3,013.80	3,038.30
Less : Proposed dividend*		-	(401.88)
Less : Corporate dividend tax*		-	(81.42)
Balance at the end of the year		25,721.65	22,707.85
Total reserves and surplus	(A+B+C+D+E)	33,592.80	30,166.82

* In respect of the current year, the directors propose that a dividend of ₹ 0.15 per share to be paid on equity shares of ₹ 1 per share. This equity dividend is subject to approval by shareholders at the ensuing Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders whose name is appearing on the Register of Members as on record date. The total estimated equity dividend to be paid is ₹ 399.94. The payment of this dividend is estimated to result in payment of dividend tax of ₹ 81.42 on the amount of dividends grossed up for the related dividend distribution tax.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

5 Long-term borrowings

(₹ in lakhs)				
		March 31, 2017		March 31, 2016
		Non-current	Current	Non-current Current
Secured				
Rupee term loans				
From banks		523.30	1,453.78	1,736.43 2,006.12
Foreign currency term loans				
From banks		-	-	- 580.40
Vehicle loans		36.45	55.18	74.86 73.00
		559.75	1,508.96	1,811.29 2,659.52
a) Details of guarantee for each type of borrowings				
Guaranteed by directors				
Rupee Term loans		1,977.08		3,742.55
Foreign currency term loans		-		580.40

b) Details of rupee term loans:

(₹ in lakhs)						
Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installment	March 31, 2017	March 31, 2016
Oriental Bank of Commerce	1,156	2014-15	12 equal quarterly	96.33	289.00	674.33
Oriental Bank of Commerce	1,810	2016-17	6 equal half yearly	300.00	603.33	-
Oriental Bank of Commerce	150	2016-17	12 equal quarterly	12.50	85.40	-
Allahabad Bank	2,700	2011-12	32 equal quarterly	156.25	831.90	1,305.99
Indian Overseas Bank	2,227	2013-14	11 equal quarterly	186.60	-	925.00
			12th installment	181.00		
Karur Vysysa Bank	1,644	2014-15	12 equal quarterly	45.67	167.45	837.23
					1,977.08	3,742.55

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2017 the interest rates ranges from 10.70% to 13.15% per annum (previous year 10.70% to 13.50% per annum).

c) Details of foreign currency term loan:

(₹ in lakhs)						
Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installment	March 31, 2017	March 31, 2016
Oriental Bank of Commerce	2,855	2014-15	12 equal quarterly	237.91	-	580.40
					-	580.40

The interest on above term loan from bank is linked to the respective banks base rate which is floating in nature. As of March 31, 2017 the interest rate is Nil (previous year LIBOR + 2%).

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

d) Details of vehicle loan :

						(₹ in lakhs)	
Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installment	March 31, 2017	March 31, 2016	
HDFC Bank	22.25	2013-14	60	0.48	9.89	14.33	
ICICI Bank	17.83	2010-11	60	0.38	-	0.27	
HDFC Bank	17.87	2016-17	36	0.57	14.78	-	
ICICI Bank	12.3	2013-14	60	0.26	5.52	8.02	
HDFC Bank	54.00	2012-13	60	1.13	9.82	21.83	
State Bank of India	48.00	2012-13	60	1.02	4.00	15.21	
ICICI Bank	49.77	2014-15	60	1.06	24.06	33.84	
HDFC Bank	19.00	2012-13	60	0.40	0.40	4.95	
HDFC Bank	79.50	2012-13	60	1.10	8.59	25.56	
HDFC Bank	6.00	2014-15	60	0.19	0.39	2.56	
HDFC Bank	16.31	2015-16	36	0.52	10.08	15.13	
HDFC Bank	6.65	2015-16	36	0.21	4.10	6.16	
					91.63	147.86	

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2017 the interest rates ranges from 8.50% to 12.00% per annum (previous year 8.50% to 12.00% per annum).

e) Details of security for each type of borrowing :

- Rupee term loan from all banks, other than those mentioned in (ii) below are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders, and Second Pari Passu on current assets of the Company.
- Rupee term loan from Allahabad Bank amounting to ₹ 831.90 (previous year ₹ 1,305.99) is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar.
- In previous year, foreign currency term loan from Oriental Bank of Commerce are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu on current assets of the Company.
- Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Deferred tax liabilities (net)

			(₹ in lakhs)	
			March 31, 2017	March 31, 2016
a) Deferred tax liabilities arising on account of				
Timing difference on depreciation/amortisation on fixed assets			181.28	184.38
Keyman insurance policy			61.39	74.52
Unrealised foreign exchange gain on forward contracts			379.85	-
			622.52	258.90
b) Deferred tax assets arising on account of				
Provision for employee benefits			35.16	23.10
Diminution in value of investment			19.44	19.44
			54.60	42.54
Net deferred tax liability			567.92	216.36

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

7 Other long-term liabilities

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Security deposits from distributors	9.78	9.89
	9.78	9.89

8 Provisions

	(₹ in lakhs)			
	March 31, 2017		March 31, 2016	
	Long-term	Short-term	Long-term	Short-term
Proposed dividend to equity shareholders (Also refer note (a) below)	-	-	-	399.95
Corporate dividend tax	-	-	-	81.42
Provisions for employee benefits (Also refer note (b) below)	134.74	14.93	89.87	21.76
Provision for taxation (net of advance tax)	-	1,634.48	-	1,614.42
Others	-	0.90	-	0.24
	134.74	1,650.31	89.87	2,117.79

a) Details with respect to proposed dividend

	(₹ in lakhs)
Dividends proposed to	
Equity shareholders	399.95
Proposed dividend per share	
Equity shareholders	1.50

b) Employee benefits

The Company has taken a group gratuity for its employees with the Life Insurance Corporation of India (LIC). Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes upto a maximum limit of ₹ 10 lakhs.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	305.21	252.90
Service cost	56.94	55.35
Interest cost	25.58	21.35
Actuarial gains	(42.29)	(13.45)
Benefits paid	(17.26)	(10.94)
Projected benefit obligation at the end of the year	328.18	305.21

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Change in plan assets		
Fair value of plan assets at the beginning of the year	260.32	200.84
Expected return on plan assets	20.78	17.33
Employer contributions	21.44	50.74
Actuarial (losses)/ gains	(5.18)	2.35
Benefits paid	(17.26)	(10.94)
Fair value of plan assets at the end of the year	280.10	260.32
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	328.18	305.21
Funded status of the plan assets	280.10	260.32
Liability recognised in the balance sheet	48.08	44.89
Components of net gratuity costs are		
Service cost	56.94	55.35
Interest cost	25.58	21.35
Expected returns on plan assets	(20.78)	(17.33)
Recognised net actuarial gains	(42.29)	(13.45)
Net gratuity costs	19.45	45.92

Amounts for the current year and previous four years are as follows :

	(₹ in lakhs)				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Gratuity					
Defined benefit obligation	328.18	305.21	252.90	205.72	202.36
Plan assets	280.10	260.32	200.84	166.04	118.21
Deficit	(48.08)	(44.89)	(52.06)	(41.67)	(84.15)
Experience (loss) / gain adjustments on plan assets	(5.18)	2.35	(0.21)	0.77	-
Assumptions used				March 31, 2017	March 31, 2016
Discount rate				7.27%	7.92%
Long-term rate of compensation increase				5.00%	5.00%
Rate of return on plan assets				7.65%	7.92%
Average remaining life				23.61	22.78

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Notes

- (i) The gratuity expenses have been disclosed under note 25

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

Compensated absences:

The following table set out the status of the Compensated absences (unfunded) as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	66.74	89.81
Current service cost	8.24	6.57
Interest cost	5.30	7.10
Actuarial loss / (gain)	29.20	(28.66)
Benefits paid	(7.89)	(8.08)
Projected benefit obligation at the end of the year	101.59	66.74
Expenses recognised in the statement of profit and loss		
Current service cost	8.24	6.57
Interest cost	5.30	7.10
Recognised net actuarial loss / (gain)	29.20	(28.66)
Net costs	42.74	(14.99)
Assumptions used		
Discount rate	7.27%	7.92%
Long-term rate of compensation increase	5.00%	5.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Note:

- (i) The gratuity and compensated absence expenses have been disclosed under note 25

9 Short-term borrowings

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Secured		
Rupee working capital loans		
From banks	83,401.36	79,389.43
From others	851.53	-
Foreign currency working capital loans		
From banks	2,120.43	2,418.13
	86,373.32	81,807.56

Details of security for each type of borrowing :

Working capital loans from banks and others are secured by hypothecation of inventories and trade receivables of the Company.

The working capital demand loans are repayable on demand and the interest on above loans from banks are linked to the respective bank's base rates which are floating in nature. The interest rate ranges from 8.55 % to 12.50 % (previous year 9.55% to 12.00%) on rupee working capital loan and 2.00% to 5.50% (previous year 2.75% to 6.00%) on foreign currency working capital loans.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

10 Trade payables

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Dues to		
Micro, small and medium enterprises (Also refer note (a) below)	425.86	220.63
Others	5,307.10	6,658.33
Acceptances	312.28	528.60
	6,045.24	7,407.56

- a) Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount remaining unpaid	425.86	220.63
Interest accrued and remaining unpaid as at year end	-	-
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	-
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

11 Other current liabilities

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Current maturity of long term debts (refer note 5)	1,508.96	2,659.52
Interest accrued but not due on borrowings	7.63	24.44
Unclaimed dividend *	14.50	14.43
Advances from customers	799.98	620.14
Book overdraft	96.28	-
Other liabilities	2,726.06	3,645.16
	5,153.41	6,963.69

* Not due for deposit to Investor education and protection fund.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

12	Tangible assets	Gross block							(₹ in lakhs)
		Land Freehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipments	Vehicles	Total	
Balance as at March 31, 2015		3,337.13	9,054.10	19,867.02	555.94	959.21	1,622.60	35,396.00	
Additions during the year		-	348.32	738.86	4.60	(189.83)	84.40	986.36	
Disposals during the year		(45.25)	(327.75)	(1,081.28)	(2.83)	(3.08)	(38.17)	(1,498.36)	
Balance as at March 31, 2016		3,291.88	9,074.67	19,524.60	557.71	766.30	1,668.83	34,883.99	
Additions during the year		-	477.16	1,271.62	59.69	59.12	71.32	1,938.91	
Disposals during the year		(85.00)	-	(88.23)	(7.59)	(0.23)	(40.36)	(221.40)	
Adjustments*		(12.66)	(4.84)	(172.95)	184.89	21.19	(201.01)	(185.37)	
Balance as at March 31, 2017		3,194.22	9,546.99	20,535.04	794.69	846.38	1,498.78	36,416.11	
Accumulated depreciation									
Balance as at March 31, 2015		-	2,433.00	12,640.19	245.35	825.56	1,176.96	17,321.06	
Depreciation charge for the year		-	471.84	1,744.59	109.28	(131.29)	143.84	2,338.26	
Reversal on disposal of assets		-	(117.81)	(428.24)	(1.51)	(2.57)	(21.78)	(571.93)	
Balance as at March 31, 2016		-	2,787.02	13,956.54	353.12	691.71	1,299.01	19,087.40	
Depreciation charge for the year		-	436.35	1,219.06	82.73	74.44	115.55	1,928.13	
Reversal on disposal of assets		-	-	(9.30)	(5.38)	(0.17)	(27.76)	(42.60)	
Adjustments*		-	(27.07)	22.58	95.14	(68.92)	(207.09)	(185.36)	
Balance as at March 31, 2017		-	3,196.29	15,188.87	525.61	697.04	1,179.72	20,787.52	
Net block									
Balance as at March 31, 2017		3,194.22	6,350.70	5,346.17	269.08	149.34	319.07	15,628.57	
Balance as at March 31, 2016		3,291.88	6,287.65	5,568.07	204.59	74.59	369.81	15,796.59	

13 Intangible assets

Gross block	Goodwill				(₹ in lakhs)	
	Goodwill	Brand	Software	Total		
Balance as at March 31, 2015	22.39	300.00	-	322.39		
Additions during the year	-	-	318.87	318.87		
Balance as at March 31, 2016	22.39	300.00	318.87	641.26		
Additions during the year	-	-	704.15	704.15		
Adjustments*	(10.28)	10.28	-	-		
Balance as at March 31, 2017	12.11	310.28	1,023.02	1,345.41		
Accumulated Amortisation						
Balance as at March 31, 2015	10.89	225.50	-	236.39		
Amortisation charge for the year	0.25	16.08	281.39	297.73		
Balance as at March 31, 2016	11.15	241.58	281.39	534.12		
Amortisation charge for the year	0.18	12.72	351.71	364.61		
Balance as at March 31, 2017	11.33	254.30	633.09	898.72		
Net block						
Balance as at March 31, 2017	0.78	55.98	389.92	446.69		
Balance as at March 31, 2016	11.25	58.42	37.48	107.14		

* Represents adjustment in the value of gross block and accumulated depreciation of fixed assets as per fixed asset register and books of accounts of the Company.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

14 Non-current investments

(Valued at cost unless stated otherwise)

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Trade investments		
Investments in equity instruments (unquoted)		
(i) Subsidiary companies		
-LT International Limited		
1,799,581 (previous year 1,799,581) fully paid up equity shares of ₹10 each	179.96	179.96
-Nature Bio Foods Limited		
2,000,000 (previous year 2,000,000) fully paid up equity shares of ₹10 each	200.00	200.00
-Sona Global Limited- Dubai		
65,200 (previous year 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
-Daawat Foods Limited		
13,249,944 (previous year 13,249,944) fully paid up equity shares of ₹10 each	1,324.99	1,324.99
250,050 (previous year 250,050) non voting equity shares of ₹10 each fully paid up	25.01	25.01
-SDC Foods India Limited		
800,000 (previous year 800,000) fully paid up equity shares of ₹10 each*	80.00	80.00
-LT Overseas North America, Inc		
338,500 (previous year 338,500) shares fully paid up equity shares of USD 20 each	2,822.31	2,822.31
-Raghuvesh Foods and Infrastructure Limited		
49,994 (previous year 49,994) equity shares fully paid up of ₹10 each	5.00	5.00
-Raghunath Agro Industries Private Limited**		
169,918 (previous year 169,918) equity shares fully paid up of ₹10 each	185.66	185.66
-LT Foods International Limited		
61,000 (previous year Nil) shares fully paid up equity shares of Pound 1 each	54.15	-
(ii) Investment in associate's		
-Raghuvesh Warehousing Private Limited		
1,600,000 (previous year 1,600,000) equity shares of ₹10 each	160.00	160.00
-Raghuvesh Agri Foods Private Limited		
1,600,000 (previous year 1,600,000) equity shares of ₹10 each	160.00	160.00
-Raghuvesh Infrastructure Private Limited		
15,000 (previous year 15,000) equity shares of ₹10 each	1.50	1.50
(iii) Investment in joint venture		
-Genoa Rice Mills Private Limited		
1,250,000 (previous year nil) equity shares of ₹10 each	125.00	-
Non trade investments		
(iv) Keyman insurance policies	177.37	215.32

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Other investments- Quoted		
(a) Fully paid-up equity shares		
2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
(b) Investment in mutual funds		
50,000 (previous year 50,000) units of ₹ 10 each of Principal Emerging Blue Chip Fund-Regular Plan Growth	5.00	5.00
48,875.85 (previous year 48,875.85) units of ₹ 10.23 each of Templeton India Equity Income Growth Fund	5.00	5.00
12,999.61 (previous year 12,999.61) units of ₹ 11.54 each of HDFC MIP Long Term Dividend Fund	1.50	1.50
2,023.63 (previous year 2,023.63) units of ₹ 14.82 each of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
894.05 (previous year 894.05) units of ₹ 44.74 each of Reliance Vision Fund	0.40	0.40
Other investments- Unquoted		
(a) Fully paid-up equity shares (unquoted)		
500 (previous year 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
	6,421.16	6,279.96
*Less: permanent diminution in value of investment	80.00	80.00
	6,341.16	6,199.96
Aggregate amount of		
Non trade quoted investments	12.43	12.43
Market value of non trade quoted investments	44.11	34.60
Unquoted trade investments	6,231.31	6,052.16
Unquoted non trade investments	177.42	215.37

** The Company earned income of nil (previous year ₹ 0.51) as share in profit from partnership firm and nil (previous year ₹ 2.43) as interest on capital in partnership firm till September 30, 2015. Effective October 1, 2015, Raghunath Agro Industries ('RAI'), the partnership firm was acquired by Raghunath Agro Industries Private Limited ('RAIPL') and correspondingly, the Company was allotted equity shares in RAIPL in proportion to its share of partnership in the RAI.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

Share of Investments in partnership firm : The Company had 4% interest in partnership firm M/s Raghunath Agro Industries, which is engaged in the business of milling and export of rice. The financial results of the partnership firm for the previous year ended September 30, 2015 are as under:

	(₹ in lakhs)
September 30, 2015	
Assets	11,684.87
Liabilities	9,580.17
Revenues	14,447.78
Expenditure	14,367.19
Outstanding capital/reserves	2,104.70

15 Loans and advances

	(₹ in lakhs)	
	March 31, 2017	
	Long-term	Short-term
Unsecured, considered good, unless otherwise stated		
Capital advances	9.84	-
Security deposits	377.79	30.15
Loans and advances to related parties	-	1,910.83
Advance income tax (net of provision for tax)	1,965.96	-
Loan to employees	-	35.48
Staff advance	-	48.48
Balances with central excise authorities	-	16.65
	2,353.59	2,041.59
Advances recoverable in cash or in kind or value to be received		
- Unsecured, considered good	18.66	6,072.31
	18.66	6,072.31
	2,372.25	8,113.90
	March 31, 2016	
	Long-term	Short-term
	22.12	-
	291.41	30.15
	-	1,579.81
	2,201.13	-
	-	-
	-	-
	-	78.65
	2,514.66	1,688.61
	23.04	11,587.64
	23.04	11,587.64
	2,537.70	13,276.25

16 Other assets

	(₹ in lakhs)	
	March 31, 2017	
	Non-current	Current
Unrealised foreign exchange gain on forward contracts (refer note 43)	-	1,097.58
Bank deposits with maturity of more than 12 months (refer note 19)	56.75	-
	56.75	1,097.58
	March 31, 2016	
	Non-current	Current
	-	-
	9.49	-
	9.49	-

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

17 Inventories (valued at lower of cost and net realisable value)

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Raw material		
Paddy*	23,104.03	27,188.62
Bardana	977.19	950.76
Finished goods*	42,692.54	31,659.20
Traded goods	256.85	4,438.36
Stores and spares	415.58	368.75
Packing material	1,382.34	1,107.09
	68,828.53	65,712.78

* Includes interest capitalised during the year of ₹ 1,402.60 (previous year: ₹ 1,614.63)

18 Trade receivables

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured considered good	1,448.06	-
Other debts		
-Unsecured considered good	31,087.34	26,650.87
	32,535.40	26,650.87

19 Cash and bank balances

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Cash and cash equivalents		
Cash on hand		
In Indian currency	23.12	48.12
In foreign currencies	1.04	2.30
Balances with banks		
In current accounts	530.48	829.43
Other bank balances		
Unpaid dividend account	14.50	14.31
Deposits with original maturity more than 3 months but residual maturity less than 12 months	388.08	355.81
Bank deposits with residual maturity of more than 12 months	56.76	9.49
	1,013.98	1,259.46
Less : Amounts disclosed under non-current assets (refer note 16)	(56.76)	(9.49)
	957.22	1,249.97

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

20 Revenue from operations

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Sale of products *		
Export	48,768.13	70,634.36
Domestic	112,439.31	89,800.64
Sale of traded goods *		
Export	30,938.05	8,318.89
Domestic	14,775.36	11,895.06
	206,920.85	180,648.95
Other operation revenue		
Service charges	710.73	620.23
Processing charges	5.19	850.92
	715.92	1,471.15
	207,636.77	182,120.10
*Details of products sold		
-Finished goods sold		
Rice	157,233.02	154,978.52
Others	3,974.42	5,456.48
-Traded goods sold		
Rice	42,110.15	18,397.45
Others	3,603.26	1,817
	206,920.85	180,648.95

21 Other income

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Dividend from non trade investments	0.09	0.16
Profit from sale of fixed assets (net)	12.14	235.76
Share of profit in partnership firm	-	0.51
Interest income		
from partnership firm	-	2.43
on bank deposits	30.95	22.01
on advances	-	1,696.16
Liabilities written back	201.03	259.31
Net gain on foreign currency transactions and translations	1,685.45	-
Miscellaneous income	466.43	332.71
	2,396.09	2,549.05

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

22 Cost of materials consumed

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Opening stock		
Paddy	27,188.63	25,809.97
Bardana	950.76	613.32
Packing material	1,107.09	949.19
	29,246.48	27,372.48
Add: Purchases		
Paddy	47,947.32	50,443.20
Bardana	100.71	1,016.51
Packing material	6,128.42	4,890.41
Broken rice/unpolished rice for consumption	81,157.02	59,975.66
	135,333.47	116,325.78
Less: Closing stock		
Paddy	23,104.03	27,188.63
Bardana	977.19	950.76
Packing material	1,382.34	1,107.09
	25,463.56	29,246.48
	139,116.39	114,451.78

23 Purchases of stock-in-trade

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Rice	30,528.75	20,204.74
Others	5,089.99	1,828.23
	35,618.74	22,032.97

24 Changes in inventories of finished goods and stock-in-trade

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Opening stock		
Finished goods	31,659.20	36,976.73
Traded goods	4,438.36	1,218.44
Closing stock		
Finished goods	42,692.54	31,659.20
Traded goods	256.85	4,438.36
	(6,852.57)	2,097.61

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

25 Employee benefits expenses

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Salaries, wages and bonus (refer note b)	4,314.84	3,563.02
Contribution to provident and other fund (refer note a)	186.25	187.23
Staff welfare expenses	245.11	194.59
Director's remuneration	257.37	197.76
	5,003.57	4,142.60

a) Provident fund

Contribution made by the Company during the year is ₹ 142.67 (previous year ₹ 127.76).

b) Share-based payment

The Company maintains an equity settled share-based payment scheme LT Foods Employee Stock Option Plan-2010, hereinafter referred to as ('the Plan') adopted and approved by share-holders on September 30, 2010.

Under the Plan the Board of Directors of the Company have the powers to determine, from time to time, the persons eligible for grant of share options; when and how each option shall be granted; what type or combination of types of option shall be granted; the provisions of each option granted, including the time or times when a person shall be permitted to receive shares pursuant to an option grant. The Group has no legal or constructive obligation to repurchase or settle the options. In accordance with the Plan, upon vesting, the stock options will be settled by issuance of new shares on payment of exercise price.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognised in the income statement for the year ended March 31, 2017 is Nil (previous year ₹ 0.36).

The fair values of options granted were determined using Black Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs.

The following principal assumptions were used in the valuation: Expected volatility was determined by assuming that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. The expected option life, average expected period to exercise, is assumed to be equal to the contractual maturity of the option. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviews its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to 'retained earnings' in equity.

The inputs to the Black Scholes model for options that have been granted are summarised as follows:

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

	(₹ in lakhs)	
	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
Grant date	April 01, 2011	Feb 07, 2013
Fair value of option using the Black Scholes model (in ₹)	21.05	24.97
Fair value of shares at grant date (₹)	49.50	58.80
Exercise price (in ₹)	38.00	38.00
Expected volatility	67%	54%
Option life (in years)	4	4
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

	(₹ in lakhs)			(₹ in lakhs)		
	March 31, 2017			March 31, 2016		
Number of options	Number of options	Weighted average exercise price	Weighted average remaining contractual life	Number of options	Weighted average exercise price	Weighted average remaining contractual life
		(in ₹)			(in ₹)	
Balance at beginning of the year	20,577	38	-	196,312	38	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	175,735	38	-
Expired during the year	-	-	-	-	-	-
Balance at end of the year	20,577	38	-	20,577	38	-
Exercisable at end of the year	20,577	38	-	20,577	38	-

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

	(₹ in lakhs)			(₹ in lakhs)		
	March 31, 2017			March 31, 2016		
Number of options	Number of options	Weighted average exercise price	Weighted average remaining contractual life	Number of options	Weighted average exercise price	Weighted average remaining contractual life
		(in ₹)			(in ₹)	
Balance at beginning of the year	84,958	38	-	135,618	38	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	-	-	-	16,790	38	-
Exercised during the year	-	-	-	33,870	38	-
Expired during the year	-	-	-	-	-	-
Balance at end of the year	84,958	38	-	84,958	38	-
Exercisable at end of the year	84,958	38	-	34,656	38	-

Note: The abovementioned shares are before share split (refer note 3(e)).

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

26 Finance costs

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Interest on working capital loans	9,267.76	8,099.10
Interest on term loans	368.19	697.80
Net loss on foreign currency transactions and translations	-	30.66
	9,635.95	8,827.56
Other borrowing cost	405.39	247.10
	10,041.34	9,074.66

27 Other expenses

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Warehouse rent (refer note 33)	674.75	533.94
Wages and other manufacturing expenses	762.73	583.95
Factory insurance	118.32	257.13
Power and fuel	1,630.53	2,032.67
Security services	259.45	186.74
Research and development	3.70	1.00
Packing expenses	300.55	255.49
Repairs and maintenance		
- Machinery	138.54	217.95
- Building	100.93	171.97
- Others	141.30	155.36
Stores and spares consumed	1,178.87	981.39
Advertisement	1,694.32	3,826.22
Insurance	148.21	119.05
Legal and professional charges	650.28	503.10
Rates and taxes	110.90	133.81
Donation and charity	75.28	134.14
Directors' sitting fees	17.38	11.26
Auditors' remuneration *	58.75	45.75
Fines and penalties	2.21	6.22
Rent (refer note 33)	55.71	16.64
Vehicle running and maintenance	94.17	66.95
Other administrative expenses	709.41	591.15
Travelling and conveyance	1,182.80	982.49
Rebate and discounts	920.39	675.35
Commission to selling agents	396.47	3,583.66
Clearing, forwarding and freight charges	5,036.08	3,826.03
Business promotion expenses	315.00	234.97
Freight outward	711.51	1,014.10
Other selling expenses	2,387.14	3,404.28
Amounts written off	-	207.38
Net loss on foreign currency transactions and translations	-	801.11
	19,875.68	25,561.25

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

* Auditors' remuneration		
	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Statutory audit (including fees for limited reviews)	47.75	38.20
Other matters	1.15	0.88
Out of pocket expenses	2.52	2.26
Service tax	7.34	4.41
	58.75	45.75

28. Contingent liabilities

	(₹ in lakhs)	
Nature of contingency	March 31, 2017	March 31, 2016
- Income-tax demands *	1,984.74	2,500.71
- Demand from Food Corporation India for differential price /freight /taxes	339.00	339.00
- Duty saved under EPCG licenses (export obligation outstanding ₹3,489.78 (previous year ₹3,082.73))	593.64	513.79
- Bank guarantees	2,168.70	2,354.14
- Guarantee given by Company to bank on behalf of subsidiary **	45,451.78	47,797.07
- Guarantee given by Company on the behalf of subsidiary for export obligation under EPCG scheme	14.68	14.68
Total	50,552.54	53,519.39

* The Company has filed appeals in previous years against the order of the Assessing Officer before Commissioner of income tax ('CIT') Appeals for the AY 2003-04 to AY 2007-08. The CIT (Appeals) vide its order dated March 25, 2013, March 28, 2013 and October 10, 2013

has allowed substantial relief to the Company and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has reduced to ₹ 89.84 (previous year ₹89.84). The Company in previous years has filed appeals against the order of CIT (Appeals) for the above said assessment years before the Income Tax Appellate Tribunal ('ITAT'), on issues for which relief has not been given by CIT (Appeals).

The Company's appeal for the AY 2008-09 and AY 2009-10 are still pending before ITAT and demand of ₹563.57 (net of relief from CIT (Appeals)) are outstanding against the company (previous year ₹ 563.57).

The Company's appeal for AY 2010-11 has been partially allowed by the CIT (Appeals) vide its order dated September 9, 2016. After allowing the appeal effect of the order of CIT (Appeals) the demand will reduce to ₹346.01 (previous year ₹ 861.98). The Company has filed appeals against the order of CIT (Appeals) for the above said assessment years before the ITAT, on issues for which relief has not been given by CIT (Appeals).

The Company's appeal for AY 2011-12 for ₹829.80 (previous year ₹829.80) is pending before CIT (Appeals). Pending orders from CIT (Appeals), no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.

Also the Company had received demand under section 143(3) for AY 2012-13 for ₹155.52 against which appeal is yet to be made before CIT (Appeals), accordingly, no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.

The Company has paid ₹1,193.65 (previous year ₹1,174.15) as per the directions of Income Tax Department against the outstanding demands and the same will be adjusted/ refunded, once the appeals are final.

The management is confident that its position is likely to be upheld in the appeals pending before ITAT and no liability could arise on the Company on account of these proceedings.

** The guarantees given by LT Foods Limited on behalf of subsidiary companies against the loan availed by subsidiaries is for their business purposes.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances - ₹ 30.76 lakhs (previous year: ₹ 22.50 lakhs).

30. Related party disclosures

In accordance with the requirements of Accounting Standard (AS)-18 on "Related Party Disclosures", the names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are:

(i) Names of related parties and description of relationship

- Subsidiaries

Daawat Foods Limited
SDC Foods India Limited
Nature Bio Foods Limited
LT International Limited
LT Overseas North America, Inc.
Sona Global Limited
Raghuvesh Foods & Infrastructure Limited
LT Foods International Limited (from September 6, 2016)

- Step subsidiaries

LT Foods America Inc. (formerly known as Kusha, Inc.)
LT Foods USA LLC
LT Foods Middle East DMCC
Raghuvesh Power Projects Limited
Universal Traders Inc.
Royal Curry Delights LLC
Fresco Fruit N Nuts Private Limited
Expo Services Private Limited
LT Agri Services Private Limited
Raghunath Agro Industries Private Limited (from October 1, 2015)
LT Foods Europe B.V. (from September 6, 2016)

- Joint Venture

Genoa Rice Mills Private Limited (from January 25, 2017)

- Partnership firm

Raghunath Agro Industries (till September 30, 2015)

- Associate enterprises

Raghuvesh Agri Foods Private Limited
Raghuvesh Warehousing Private Limited
Raghuvesh Infrastructure Private Limited
LT Infotech Private Limited (till June 30, 2015)

- Entities in which KMP and their relatives have significant influence and transactions

V.K Foods
SK Engineering Company
Super Texfab Private Limited
Deva Singh Sham Singh Exports Private Limited (from August 8, 2016)

- Key Management Personnel

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Managing Director and Chief Financial Officer
Ashok Kumar Arora	President-Punjab Operations

- Relatives of Key Management Personnel

Name	Relationship
Aditya Arora	Son of Mr. Ashok Kumar Arora
Aditi Arora	Daughter of Mr. Vijay Kumar Arora
Isha Arora	Daughter of Mr. Surinder Kumar Arora
Purva Arora	Daughter of Mr. Surinder Kumar Arora
Ritesh Arora	Son of Mr. Ashwani Kumar Arora
Sanjana Arora	Daughter of Mr. Ashwani Kumar Arora
Parvesh Rani	Mother of Key management personnel's
Abhinav Arora	Son of Mr. Vijay Kumar Arora
Ranju Arora	Wife of Mr. Vijay Kumar Arora
Sakshi Arora	Wife of Mr. Surinder Kumar Arora
Anita Arora	Wife of Mr. Ashok Kumar Arora
Vandana Arora	Wife of Mr. Ashwani Kumar Arora
Gursajan Arora	Son of Mr. Ashok Kumar Arora

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

Transactions with subsidiary companies, step down subsidiary companies, joint venture, associate companies and Entities of KMP

	(₹ in lakhs)	
Particulars	March 31, 2017	March 31, 2016
Sales		
LT Foods America Inc.	5,310.15	5,051.86
Raghunath Agro Industries Private Limited	4,428.65	3,477.30
LT Foods Middle East DMCC	11,174.44	5,930.62
Daawat Foods Limited	4,788.50	9,691.30
Nature Bio Foods Limited	8.47	101.95
V. K Foods	155.73	166.28
LT Foods International Limited	8,033.14	-
Deva Singh Sham Singh Exports Private Limited	472.22	-
Purchases		
Raghunath Agro Industries Private Limited	3,800.28	1,637.10
Daawat Foods Limited	17,123.87	14,940.79
Nature Bio Foods Limited	895.24	500.56
Super Texfab Private Limited	383.05	143.29
Fresco Fruit N Nuts Private Limited	-	317.65
Rent expense		
Daawat Foods Limited	-	65.42
Rental income		
VK Foods	2.40	2.40
SK Engineering Company	2.40	2.40
Nature Bio Foods Limited	22.99	10.34
Super Texfab Private Limited	-	8.64
Fumigation income		
Nature Bio Foods Limited	22.29	55.18
Processing charges income		
Nature Bio Foods Limited	5.19	841.77
Business Support Services Income		
LT International Limited	60.50	-
Interest income		
Daawat Foods Limited	-	1,696.16
Corporate Guarantee given		
LT Foods Europe BV	5,155.26	-
Corporate Guarantee revoked		
LT Foods Middle East DMCC	3,975.00	-
Investments in Joint Venture		
Genoa Rice Mills Private Limited	125.00	-
Investments Subsidiary		
LT Foods International Limited	54.15	-

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Investment sold		
LT Infotech Private Limited	-	4.25
Loan Granted		
Genoa Rice Mills Private Limited	125.00	-
Advances given		
LT International Limited	1,300.05	-
Genoa Rice Mills Private Limited	0.58	-
Fresco Fruit N Nuts Private Limited	9.17	-
Deva Singh Sham Singh Exports Private Limited	101.96	-
Raghuvesh Infrastructure Private Limited	381.05	-
Raghuvesh Agri Foods Private Limited	52.49	-
Raghuvesh Warehousing Private Limited	21.09	-
Raghuvesh Power Projects Limited	0.12	-
Raghuvesh Foods & Infrastructure Limited	0.19	-
LT Agri Services Private Limited	0.38	-
LT Foods Europe B.V.	6.28	-
Sale of fixed assets		
Nature Bio Foods Limited	-	1100.00
LT Foods Americas Inc.	-	17.77
Daawat Foods Limited	74.31	6.05
Purchase of fixed assets		
SK Engineering Company	-	217.74
Transactions with partnership firm (Raghunath Agro Industries)		
Sales	-	3,980.64
Purchases	-	2002.02
Interest income	-	2.43
Share of profit	-	0.51

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Balances at the year-end {net receivable/(net payable)}		
SDC Foods India Limited	0.97	-
LT Foods Middle East DMCC	2,278.66	143.48
LT Foods America Inc.	1,170.25	928.21
Daawat Foods Limited	1,495.46	1,526.54
Expo Services Private Limited	(6.36)	(9.50)
Nature Bio Foods Limited	-	1,251.13
LT International Limited	1,300.05	50.42

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

	(₹ in lakhs)	
Particulars	March 31, 2017	March 31, 2016
Raghuvesh Foods & Infrastructure Limited	2.18	1.99
Raghuvesh Power Projects Limited	0.14	0.02
LT Agri Services Private Limited	1.22	0.84
Raghunath Agro Industries Private Limited	(801.92)	4,499.38
Fresco Fruit N Nuts Private Limited	9.17	-
LT Foods International Limited	2,323.04	-
LT Foods Europe B.V.	6.28	-
Deva Singh Sham Singh Exports Private Limited	574.18	-
VK Foods	18.97	51.30
Raghuvesh Infrastructure Private Limited	381.05	(311.16)
Raghuvesh Agri Foods Private Limited	52.49	0.19
Raghuvesh Warehousing Private Limited	21.09	1.44
Genoa Rice Mills Private Limited	125.58	-
Super Texfab Private Limited	(37.34)	(17.88)
SK Engineering Company	(10.65)	(110.29)
Corporate guarantees given on behalf of		
Daawat Foods Limited	35,883.68	36,533.68
Nature Bio Foods Limited	12,035.00	13,240.00
Raghunath Agro Industries Private Limited	458.40	307.25
LT Foods Middle East DMCC	-	3,975.00
LT Foods Europe BV	5,155.26	-
Transactions with key management personnel		
Director Remuneration		
Vijay Kumar Arora	140.70	119.88
Surinder Kumar Arora	116.67	77.88
Dividend paid	165.15	220.20
Transactions with relatives of key management personnel		
Remuneration		
Aditi Arora	0.33	4.00
Isha Arora	0.33	4.00
Purva Arora	0.33	4.00
Sanjana Arora	0.33	3.99
Ritesh Arora	12.71	10.85
Aditya Arora	24.00	23.66
Dividend paid	103.56	138.08

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

31. Information pursuant to provisions of paragraph 5 of Part II of Schedule III of the Companies Act, 2013:

(a) Expenditure in foreign currency (on accrual basis)

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Legal fees	54.48	18.14
Interest and other charges to bank	44.81	136.76
Steamer freight	831.71	1,312.44
Sales promotion	292.86	41.57
Commission on export sales	136.20	3,255.76
Others	329.92	404.54
	1,689.98	5,169.21

(b) Raw material consumed

(₹ in lakhs)				
Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	52,031.92	100%	49,064.54	100%
Imported	-	-	-	-
Total	52,031.92	100%	49,064.54	100%

(c) Packing material consumed

(₹ in lakhs)				
Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	5,850.64	99.96%	4,732.51	100%
Imported	2.53	0.04%	-	-
Total	5,853.17	100%	4,732.51	100%

(d) Bardana consumed

(₹ in lakhs)				
Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	74.28	100%	679.07	100%
Imported	-	-	-	-
Total	74.28	100%	679.07	100%

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

(e) Consumable and spares

(₹ in lakhs)				
Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	1,115.36	94.61%	956.20	97.44%
Imported	63.51	5.39%	25.17	2.56%
Total	1,178.87	100%	981.37	100%

(f) Value of imports on CIF basis

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Capital goods	88.38	516.46
Stores and spares	63.50	25.74
Others	2.53	-
Other food items	513.17	-
Total	667.58	542.20

(g) Earning in foreign currency

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
FOB value of exports	78,441.53	76,977.49
Total	78,441.53	76,977.49

32. Earnings per share

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Net profit attributable to equity shareholders	3,013.80	3,038.30
Numbers of weighted average equity share outstanding at the year end for Basic	2,666.32	2,648.10
Numbers of weighted average equity share outstanding at the year end for Diluted	2,675.62	2,656.60
Nominal value of equity share (₹)	1	1
Earnings Per Share–		
Basic (₹)	1.13	1.15
Diluted (₹)	1.13	1.14

33. The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2017 and 2016 was ₹ 730.46 and ₹ 550.58 respectively. The Company has not executed any non-cancelable operating leases.

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

34. The year-end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:

	March 31, 2017 (₹ in lakhs)	March 31, 2016 (₹ in lakhs)	March 31, 2017 (FC in lakhs)	March 31, 2016 (FC in lakhs)
i) Receivables in Foreign Currency				
	11,262.06	9,244.59	USD 173.68	USD 110.63
- Trade receivables	678.22	1,158.90	EURO 9.82	EURO 15.37
	0.30	-	GBP 0.00	-
ii) Payables in Foreign Currency				
- Trade payables	303.94	59.11	USD 4.69	EURO 58.59
	16.23	-	EURO 0.23	-
- Pre shipment credit	2,120.43	2,418.13	USD 32.70	USD 36.50
-Bill discounted	1,067.60	2,391.65	USD 16.46	USD 36.10

'Apart from above, the Company has a foreign currency liability (advances from customers) of ₹ 19.99 (USD 0.35) (previous year ₹ 21.13 (USD 0.73) and ₹ 40.18 (EURO 0.56) (previous year nil).'

35. Transfer pricing

As per the international transfer pricing norms introduced in India with effect from April 1, 2001 and the domestic transfer pricing norms introduced with effect from April 1, 2012, the Company is required to use certain specified methods in computing arm's length price of international and national transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial period. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

36. The Company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2017.

	(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016	Purpose
Forward contract to sell (USD)	360	346	Hedge of highly probable foreign currency sales
Forward contract to sell (INR)	24,870.76	24,121.43	

37. Details of prior period expenses/(income) is as under:

	(₹ in lakhs)	
Particulars	March 31, 2017	March 31, 2016
Interest on late payment of advance tax	166.11	-
Others	0.94	(11.22)
Total	167.05	(11.22)

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

38. In accordance with AS-17 "Segment Reporting", segment information has been given in the consolidated financial statements of LT Foods Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

39. Corporate social responsibility expenses

- (a) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013 is ₹ 95.49
- (b) Amount spent during the year -

(₹ in lakhs)			
	In Cash	Yet to be paid in Cash	Total
Contribution made	1.31	--	1.31

40. Pursuant to scheme for development/ strengthening of agricultural marketing infrastructure, grading and standardization, the Company is eligible for capital grant amounting to ₹ 50 lakhs, on successful capitalisation of machinery pertaining to sortex unit. During the financial year 2010-11, the Company had successfully capitalised the machinery. The Company has received a capital subsidy amounting to ₹ 50 lakhs during the current year from National Bank for Agriculture and Rural development.

41. Details of loan given, investments made and guarantee given covered u/s 186(4) of the Companies Act 2013 have been disclosed as under:

(₹ in lakhs)			
Guarantee given on behalf of 31-Mar-17	Nature Purpose	Amount as on March 31, 2017	
Daawat Foods Limited	Guarantee	35,883.68	For working capital loan
Nature Bio Foods Limited	Guarantee	12,035.00	
Raghunath Agro Industries Private Limited	Guarantee	458.4	
LT Foods Europe BV	Guarantee	5,155.26	For setting up a rice mill
Genoa Rice Mills Private Limited	Loan	125	For meeting working capital requirements

42. Interest in joint ventures

The company's interest and share in joint venture in jointly controlled entity is as follows:

Name of joint venture	Ownership interest as at		Country of incorporation
	March 31, 2017	March 31, 2016	
Genoa Rice Mills Private Limited	50.00%	-	India

(a) Interest in jointly controlled entity of the Company

(₹ in lakhs)			
Company's share of	Genoa Rice Mills Private Limited		
	March 31, 2017	March 31, 2016	
Assets			
Non-current	60.91	-	
Current	178.35	-	
Liabilities			
Non-current	0.03	-	
Current	179.19	-	
Revenue	32.25	-	
Expenditure	94.20	-	
Contingent liabilities	0.05	-	

43. The Company takes forward cover contracts on the basis of sales orders to hedge the foreign currency risks on receivables in

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

foreign currency. Based on accounting practices prevailed, mark to market (MTM) losses on such Derivative transactions had been charged to Statement of Profit and Loss and any gains on transactions were ignored till the year ended March 31, 2016. As per guidance note on "Accounting for Derivative Accounts" (the 'Guidance Note') applicable w.e.f April 1, 2016, MTM gains on Derivative transactions are also to be recorded in Statement of Profit and Loss. Consequent to the aforementioned, the Company has recognised an unrealized gain of ₹ 1,097.58 in the Statement of Profit and Loss.

Further based on the transitional provisions provided in the Guidance Note, MTM Gain on outstanding forward contracts as on March 31, 2016 amounted ₹ 548.71 out of which an amount of ₹362.18 (net of tax – ₹ 186.53) has been adjusted with the opening reserves as at April 1, 2016.

44. Details of specified bank notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is as under:-

(₹ in lakhs)			
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 8 November 2016	80.45	15.30	95.75
Add: Permitted Receipts	-	61.39	61.39
Less: Permitted Payments	-	57.00	57.00
Less: Amount deposited in the Banks	80.45	-	80.45
Closing cash in hand on 30 December 2016	-	19.69	19.69

The Company does not maintain independent records of denomination of currency in its books of accounts.

45. Previous year figures

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

For Walker Chandiok & Co LLP

Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

For and on behalf of the Board of Directors of

LT Foods Limited

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Pramod Bhagat
Director
DIN 00198092

Surinder Kumar Arora
Managing Director
DIN 01574728

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Independent Auditor's Report

To the Members of LT Foods Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of LT Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and jointly controlled company, which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group, and its associates and jointly controlled company are responsible for the design, implementation and maintenance of internal control 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. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies and jointly controlled company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled company as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 35 in the consolidated financial statements which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments, with respect to its assessment of recovery of the insurance claim in the books of the subsidiary, Daawat Foods Limited, at ₹ 13,410.53

Independent Auditor's Report

lacs (net). The claim has been repudiated by the insurance company vide its letter dated February 4, 2016. The subsidiary Company has filed a civil suit against repudiation of the insurance claim. Our opinion is not modified in respect of this matter.

Other Matter

10. We did not audit the financial statements of certain subsidiaries and 1 jointly controlled company, whose financial statements reflect total assets of ₹ 85,246.80 lacs (net of eliminations ₹ 77,308.33 lacs), net assets of ₹ 16,957.33 lacs as at March 31, 2017, total revenues of ₹ 155,534.92 lacs (net of eliminations ₹ 131,798.41 lacs) and net cash inflows amounting to ₹ 209.39 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 78.63 lacs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and jointly controlled company, is based solely on the reports of the other auditors.

Further, of these subsidiaries, associates and jointly controlled entity, 6 subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries/ furnished by management. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

11. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 10,282.31 lacs (net of eliminations ₹ 5,182.15 lacs), net assets of ₹ 1467.07 lacs as at March 31, 2017, total revenues of ₹ 27,316.64 lacs (net of eliminations ₹ 3,273.69 lacs) and net cash inflows amounting to ₹ 498.31 lacs for the year ended on that date, as considered in the consolidated financial

statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and jointly controlled company, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled company covered under the Act, none of the directors of the Group companies, its associate companies and jointly controlled company covered under the Act, are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

Independent Auditor's Report

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1'; and
- 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 Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and jointly controlled company:
- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled company as detailed in Note 28 to the consolidated financial statements;
- (ii) The Group, its associates and jointly controlled company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and jointly controlled company covered under the Act during the year ended March 31, 2017; and
- (iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 by the Holding Company, its subsidiary companies, its associate companies and jointly controlled company covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No.: 99514

Place: Gurgaon

Date: May 25, 2017

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

- In conjunction with our audit of the consolidated financial statements of the LT Foods Limited (the "Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the "Group"), its associates and jointly controlled company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

- The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company, which are companies incorporated in India, are 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 (the 'Guidance Note') 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 the company's business, including adherence to the company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

- Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and

Independent Auditor's Report

the Guidance Note, 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 IFCoFR were 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to

the risk that the IFCoFR 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 Holding Company, its subsidiary companies, its associate companies and jointly controlled company which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to certain subsidiary companies and a joint venture company which are companies incorporated in India, whose financial statements reflect total assets of ₹ 27,287.96 lacs as at March 31, 2017, total revenues of ₹ 48,044.85 lacs and net cash inflows amounting to ₹ 776.27 lacs for the year ended on that date; 3 associate companies, which are companies incorporated in India, in respect of which, the Group's share of net loss of ₹ 78.63 lacs for the year ended March 31, 2017 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary Companies, its associate companies and jointly controlled company, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, associate companies and jointly controlled company, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurgaon

Date: May 25, 2016

Consolidated Balance Sheet

as at March 31, 2017

(₹ in lakhs)			
	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,666.32	2,666.32
Reserves and surplus	4	62,957.09	51,010.58
		65,623.41	53,676.90
Minority interest		4,515.40	3,428.45
Non-current liabilities			
Long-term borrowings	5	6,437.33	3,756.79
Other long-term liabilities	6	9.78	9.89
Long-term provisions	7	258.63	136.42
		6,705.74	3,903.10
Current liabilities			
Short-term borrowings	8	151,304.01	152,026.64
Trade payables	9		
total outstanding dues of micro enterprises and small enterprises		528.81	438.78
total outstanding dues of creditors other than micro enterprises and small enterprises		21,310.33	14,505.17
Other current liabilities	10	15,410.16	13,097.27
Short-term provisions	7	6,871.14	5,357.09
		195,424.45	185,424.94
		272,269.00	246,433.39
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	26,904.04	28,299.17
Intangible assets	12	10,151.01	7,822.47
Capital work-in-progress		3,950.39	2,442.81
Non-current investments	13	527.53	642.04
Deferred tax assets (net)	14	844.53	727.77
Long-term loans and advances	15	16,570.00	16,762.73
Other non-current assets	16	164.66	37.64
		59,112.15	56,734.63
Current assets			
Inventories	17	144,828.51	129,957.86
Trade receivables	18	46,291.54	37,573.25
Cash and bank balances	19	4,122.23	3,232.18
Short-term loans and advances	15	16,460.02	18,892.23
Other current assets	16	1,454.55	43.24
		213,156.85	189,698.76
		272,269.00	246,433.39

Summary of significant accounting policies and other explanatory information

This is the consolidated balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

per **Neeraj Goel**

Partner

Place : Gurgaon

Date : May 25, 2017

For and on behalf of the Board of Directors of

LT Foods Limited

Ashwani Kumar Arora

Managing Director and
Chief Financial Officer
DIN 01574773

Pramod Bhagat

Director
DIN 00198092

Surinder Kumar Arora

Managing Director
DIN 01574728

Monika Chawla Jaggia

Company Secretary
Membership No. :- F5150

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in lakhs)			
	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	20	328,654.57	297,342.28
Other income	21	3,556.39	620.33
		332,210.96	297,962.61
Expenses			
Cost of material consumed	22	177,467.04	145,583.16
Purchases of stock-in-trade	23	84,373.60	62,054.39
Changes in inventories of finished goods and stock-in-trade	24	(21,321.67)	2,844.29
Employee benefits expense	25	11,699.47	8,977.53
Finance costs	26	15,455.02	14,780.20
Depreciation and amortisation expense	11 and 12	5,415.67	5,151.93
Other expenses	27	39,652.95	42,221.90
		312,742.08	281,613.40
Profit before prior period items, exceptional items and tax		19,468.88	16,349.21
Prior period (expenses)/income	36	(160.30)	5.58
Exceptional items	35	-	(4,400.00)
Profit before tax		19,308.58	11,954.79
Tax expense			
Current tax		6,855.06	4,681.78
Tax earlier years		93.68	77.63
Minimum alternative tax utilised		131.12	227.20
Deferred tax (credit)		(640.49)	(279.32)
Profit after tax		12,869.21	7,247.50
Share of (profit)/ loss transferred to minority		(1,047.79)	16.82
Share of loss of associates		78.63	53.40
Profit after tax		11,742.79	7,210.92
Earnings per equity share (₹)	31		
Basic		4.40	2.72
Diluted		4.39	2.71

Summary of significant accounting policies and other explanatory information

This is the consolidated statement of profit and loss referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

per **Neeraj Goel**

Partner

Place : Gurgaon

Date : May 25, 2017

For and on behalf of the Board of Directors of

LT Foods Limited

Ashwani Kumar Arora

Managing Director and
Chief Financial Officer
DIN 01574773

Pramod Bhagat

Director
DIN 00198092

Surinder Kumar Arora

Managing Director
DIN 01574728

Monika Chawla Jaggia

Company Secretary
Membership No. :- F5150

Consolidated Cash Flow Statement

for the year ended March 31, 2017

		(₹ in lakhs)	
		Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from operating activities			
Profit before prior period items, exceptional items and tax		19,468.88	16,349.21
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		5,415.67	5,151.93
Loss /(Profit) on sale of fixed assets		8.32	(74.25)
Share based payments		-	0.36
Unrealised foreign exchange loss / (gain)		(318.16)	169.84
Provision for doubtful debts		20.41	164.20
Liabilities written back		(207.86)	(260.60)
Amounts written off		4.47	105.03
Loss due to fire		-	4,400.00
Interest expense		14,405.64	14,039.67
Interest income		(70.77)	(63.69)
Prior period items		(160.30)	5.58
Dividend income		(0.09)	(0.16)
Operating profit before operating assets and liabilities		38,566.21	39,987.12
Changes in operating assets and liabilities :			
Increase in trade payables		8,253.98	5,324.68
Increase/ (Decrease) in provisions and other liabilities		3,315.41	(2,704.11)
Increase in trade receivables		(9,421.76)	(6,362.67)
(Increase)/ Decrease in inventories		(15,736.43)	6,248.52
Increase/ (Decrease) in loans and advances and other assets		1,324.99	(9,395.50)
Cash generated from operations		26,302.40	33,098.03
Income tax paid (net of refunds)		(4,391.34)	(3,382.83)
Net cash generated from operating activities	A	21,911.06	29,715.21
Cash flow from investing activities			
Purchase of fixed assets including intangible assets, capital work in progress and capital advances		(8,673.93)	(5,367.74)
Proceeds from sale of fixed assets		179.77	74.25
Investment in non current investments		-	(1.94)
Proceeds from non current investments		35.88	-
Investment in fixed deposits and unpaid dividend account		(770.93)	(321.08)
Withdrawal in fixed deposits and unpaid dividend account		278.19	153.06
Subsidy received		50.00	25.00
Interest received		76.76	76.11
Dividends received from other investments		0.09	0.16

Consolidated Cash Flow Statement

for the year ended March 31, 2017

		(₹ in lakhs)	
		Year ended March 31, 2017	Year ended March 31, 2016
Net cash used in investing activities	B	(8,824.16)	(5,362.18)
Cash flow from financing activities			
Proceeds from issue of equity shares		-	79.65
Proceeds from long- term borrowings		6,917.30	204.86
Repayment of long-term borrowings		(4,581.99)	(6,615.54)
Repayments of short term borrowings (net)		(30.75)	(2,885.32)
Interest paid		(14,426.75)	(14,062.08)
Dividends paid on equity shares		(399.95)	(529.07)
Tax on equity dividend paid		(81.42)	(105.78)
Proceeds from issue of share capital to minority		-	378.90
Net cash used in from financing activities	C	(12,603.55)	(23,534.38)
Net increase in cash and cash equivalents	(A+B+C)	483.35	818.65
Effect of exchange difference on cash and cash equivalents held in foreign currency		(86.04)	(0.09)
Cash and cash equivalents at the beginning of the year		2,611.86	1,793.30
Cash and cash equivalents at the end of the year		3,009.16	2,611.86
Components of cash and cash equivalents			
Cash on hand		545.28	111.56
With banks - on current account		2,463.88	2,500.30
Total cash and cash equivalents		3,009.16	2,611.86

Summary of significant accounting policies and other explanatory information

This is the consolidated cash flow statement referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

For and on behalf of the Board of Directors of
LT Foods Limited

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Pramod Bhagat
Director
DIN 00198092

Surinder Kumar Arora
Managing Director
DIN 01574728

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

1. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("Indian GAAP") and in compliance with the mandatory accounting standards ("AS") specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in Schedule III to the Companies Act, 2013.

2. Significant accounting policies

a) Principles of consolidation

The financial statements of LT Foods Limited ("Parent Company" or "the Company"), together with its subsidiaries, associates and joint ventures (hereinafter collectively referred to as the "Group") are consolidated to form consolidated financial statements (the "Consolidated Financial Statements").

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase/ decrease in the reserves of the consolidated entities.

An investment in an associate has been accounted for by the equity notified method of consolidation from the date on which it falls within the definition of associate in accordance with Accounting Standard – 23, "Accounting for Investments in Associates in Consolidated Financial Statements".

Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures". Intra group balances, intra-group transactions and unrealized profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

Minority interest in (profit) / loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the parent.

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

b. Use of estimates

The preparation of Group's financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

c) Revenue recognition

Revenue is recognised to the extent that it can be reliably measured and is probable that the economic benefits will flow to the Group.

Sale of goods:

Revenue from sale of goods is recognised when the significant risks and rewards associated with the ownership of the goods are transferred to the customer and is stated net of sales returns, trade discounts and indirect taxes.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

Rental income:

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognised in the statement of profit and loss on a straight line basis over the lease term.

Interest:

Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.

Service charges:

Income from service charges is recognised on accrual basis in accordance with the terms of the contract entered into in respect thereof.

Dividend:

Income from dividend is recognised when the right to dividend has been established.

d) Fixed assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses (if any). Cost comprises the purchase price and any attributable costs of bringing the assets to their working condition for their intended use.

Intangible assets are stated at the cost of acquisition less accumulated amortisation and impairment losses (if any) and it is recognised as assets if it is probable that future economic benefits attributable to such assets will flow to the group and cost of assets can be measured reliably.

Capital work-in-progress comprises of the cost of fixed assets that are not yet ready for their intended use at the reporting date.

e) Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant /subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Where the government grants are of the nature of promoter's contribution and no repayment is ordinarily expected in respect of thereof, the grant are treated as Capital Reserve which can be neither distributed as dividend nor considered as deferred income.

f) Depreciation and amortisation

Depreciation on tangible fixed assets is provided under written down value method based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013 or the management estimate of the useful life of the asset.

Amortisation is charged over a period depending upon the expected useful life of an asset.

Based on internal assessment and independent technical evaluation carried out by external valuer, the management has re-estimated the useful life of Silos included in Plant and Machinery from 15 years to 40 years with effect from 1 April 2016. The management believes that the useful life represents the period over which the assets are expected to be used. The useful life of this asset is different from the useful life as prescribed under part C of schedule II of the Companies Act, 2013. In accordance with Accounting standard 5, "Net Profit or loss for the period, prior period items and change in accounting policies", the impact on depreciation due to change in the useful life has been accounted for prospectively.

Depreciation on the following tangible assets of some overseas subsidiaries is charged on straight line basis, at the rates based on the useful life of the assets as estimated by the management.

Assets description	Rate of depreciation
Buildings	15 to 39 and ½ years
Plant and machinery	4 to 10 years
Furniture, fixtures and office equipment	4 to 10 years
Vehicles	4 to 10 years

g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments.

Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long-term investments are carried at cost; however, provision for diminution in value is made to record other than temporary diminution in the value of such investments.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

h) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

Lower of cost and net realisable value. Cost is determined on 'First In First Out' basis and includes interest as a carrying cost of materials where such materials are stored for a substantial period of time.

Work in progress

At raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion.

Finished goods

Lower of cost and net realisable value. Cost includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition and also includes interest as a carrying cost of goods where such goods are stored for a substantial period of time.

i) Foreign currency transaction

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchanged rate prevailing at the date of balance sheet. The resulting difference is also recognized in the statement of profit and loss.

The exchange differences arising on forward contracts to hedge foreign currency risk of an underlying asset or liability existing on the date of the contract are recognised in the statement of profit and loss of the period in which the exchange rates change, based on the difference between:

- i) foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and

- ii) the same foreign currency amount translated at the latter of the date of the inception of the contract and the last reporting date, as the case may be.

Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal.

Till the year ended March 31, 2016 Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market (MTM) at the balance sheet date if such mark to market results in exchange loss. Such exchange loss is recognised in the profit and loss account immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

As per Guidance Note on "Accounting for Derivative Contracts" (the 'Guidance Note') applicable effective April 1, 2016, MTM gains on Derivative contracts are also to be adjusted with the opening reserves as at April 1, 2016.

The Company classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations". The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of non- integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average quarterly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the "Foreign currency translation reserve". On disposal of a non- integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

j) Employee benefits

Provident fund

The Group companies in India make contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. Contribution paid / payable is recognised as an expense in the period in which the services are rendered by the employee.

Gratuity

Gratuity is a post-employment benefit and is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date.

The defined benefit/ obligation is calculated at the balance sheet date by an independent actuary using projected unit credit method. The actuarial gains or losses are recognised immediately in the statement of profit and loss.

Compensated absences

Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. The actuarial gains or losses are recognised immediately in the statement of profit and loss.

Share-based payment

The Parent company operates an equity-settled share-based plan for its employees. Where persons are rewarded using share-based payments, the fair values of services rendered by employees are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model at the respective measurement date. In the case of employees, the fair value is measured at the grant date. The fair value excludes the

impact of non-market vesting conditions. All share-based remuneration is recognised as an expense in the statement of profit and loss with a corresponding credit to 'share option reserve'.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates and any impact of the change is recorded in the year in which change occurs.

Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as securities premium reserve.

Other short term benefits

Expense in respect of other short term benefits are recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

k) Borrowing costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use are capitalised.

Borrowing cost which are not relatable to qualifying assets are recognised as an expense in the period in which they are incurred.

l) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the 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.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

m) Income tax

Provision for tax for the year comprises estimated current income-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of temporary timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is calculated in accordance with the relevant domestic tax laws. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum alternate tax ("MAT") payable under the provisions of the Income tax Act, 1961 is recognised as an asset in the year in which credit becomes eligible and is set off in the year in which the Group companies become liable to pay income taxes at the enacted tax rates.

n) Contingent liabilities and provisions

The Group makes a provision when there is a present obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

A disclosure is made for a contingent liability when there is a:

- a) possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Group;
- b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- c) present obligation, where a reliable estimate cannot be made.

o) Impairment of assets

The Group on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

p) Segment Reporting

The accounting policies adopted for segment reporting are in line with those of the Company with the following additional policies for segment reporting:

- a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".
- c) Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

q. Leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term.

r) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank, cash on hand and short-term investments with an original maturity of three months or less.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

3 Share capital

	(₹ in lakhs)			
	March 31, 2017		March 31, 2016	
	Number	Amount	Number	Amount
Authorised share capital				
-Equity shares of ₹ 1 each (previous year ₹ 10 each)	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up capital				
-Equity shares of ₹ 1 each (previous year ₹ 10 each)	266,631,870	2,666.32	26,663,187	2,666.32
Total Issued, subscribed and fully paid up capital	266,631,870	2,666.32	26,663,187	2,666.32

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	(₹ in lakhs)			
	March 31, 2017		March 31, 2016	
Equity shares				
At the beginning of the year	26,663,187	2,666.32	26,453,582	2,645.36
Add : Issued during the year	-	-	209,605	20.96
Add : Increase in shares on account of subdivision (refer note e)	239,968,683	-	-	-
At the end of the year	266,631,870	2,666.32	26,663,187	2,666.32

During the year, Company had issued and allotted Nil (previous year 209,605) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 1 per share (previous year ₹ 10). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2017 the amount of per share dividend recognised as distributions to equity shareholders was NIL (previous year ₹ 1.50 per share).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% of the equity shares of the company

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 1 each (previous year ₹ 10 each)				
India Agri Business Fund Limited	28,200,735	10.58%	3,776,253	14.16%
Ashwani Arora	21,286,920	7.98%	2,723,152	10.21%
Surinder Arora	21,286,920	7.98%	2,820,152	10.58%
Gurucharan Dass Arora	21,920,260	8.22%	1,573,932	5.90%
Ashok Kumar Arora	21,286,920	7.98%	2,742,418	10.29%
Raghuvesh Holdings Private Limited	30,984,130	11.62%	3,098,413	11.62%
Vijay Kumar Arora and Ashwani Arora	-	-	1,606,320	6.02%
Vijay Kumar Arora	21,286,920	7.98%	1,117,964	4.19%

d) Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestments

The Company on April 01, 2011 granted 648,329 options to employees specified in the Employee Stock Option Scheme of 2010. Pursuant to the accounting enunciated in the guidelines issued by the Securities & Exchange Board of India, the Company has

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

recorded an expense on the basis of fair valuation of the underlying options. The Remuneration Committee on February 7, 2013 has approved additional grant of 201,209 options to the eligible employees of the Company. Further under the above Scheme, the Committee in the previous meetings had allotted 544,773 shares, and 112,910 have been allotted in the meeting held on May 25, 2017 to the employees who have exercised their options. However, 199,230 options granted to the employees specified have lapsed during the year. The aforementioned shares are before share split (note 9). Appropriate modifications in the Employee Stock Option Scheme shall be made to take impact of the share split.

e) Subdivision of equity shares

(i) During the year the equity shares of the Company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having a face value of ₹ 1 (Rupee one only) each. Accordingly 26,663,187 equity shares of face value of ₹ 10 each were sub divided into 266,631,870 equity shares of face value of ₹ 1 each.

(ii) The earning per share in respect of all the reported periods has been restated considering the aforesaid sub division of shares.

f) The Company has not issued any equity shares pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last five years.

4 Reserves and surplus

		(₹ in lakhs)	
		March 31, 2017	March 31, 2016
Capital reserve/subsidy			
Balance at the beginning of the year		158.61	133.61
Add : Additions made during the year (refer note 37)		50.00	25.00
Balance at the end of the year	(A)	208.61	158.61
Securities premium reserve			
Balance at the beginning of the year		6,868.16	6,809.47
Add : Additions made during the year		-	58.69
Balance at the end of the year	(B)	6,868.16	6,868.16
General reserve			
Balance at the beginning of the year		1,672.37	1,672.37
Add : Additions during the year (refer note 38)		455.64	-
Balance at the end of the year	(C)	2,128.01	1,672.37
Share options outstanding amount			
Balance at the beginning of the year		183.58	183.22
Add : Additions made during the year		-	0.36
Balance at the end of the year	(D)	183.58	183.58
Surplus in the statement of profit and loss			
Balance at the beginning of the year		39,519.20	32,791.56
Add : Transferred from statement of profit and loss		11,742.79	7,210.92
Less : Proposed dividend		-	(401.87)
Less : Corporate dividend tax		-	(81.42)
Balance at the end of the year	(E)	51,261.99	39,519.19
Foreign currency translation reserve			
Balance at the beginning of the year	(F)	2,608.67	2,036.67
Add : Additions made during the year		(301.93)	572.00
Balance at the end of the year		2,306.74	2,608.67
Total reserves and surplus	(A+B+C+D+E+F)	62,957.09	51,010.58

* In respect of the current year, the directors propose that a dividend of ₹ 0.15 per share to be paid on equity shares of ₹ 1 per share. This equity dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements. The proposed equity dividend is payable to all shareholders on the Register of Members. The total estimated equity dividend to be paid is ₹ 399.94 lakhs. The payment of this dividend is estimated to result in payment of dividend tax of ₹ 81.42 lakhs on the amount of dividends grossed up for the related dividend distribution tax.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

5 Long-term borrowings

(₹ in lakhs)				
	March 31, 2017		March 31, 2016	
	Non current	Current	Non-current	Current
Secured				
Term loans				
From banks	4,427.89	3,013.75	3,546.32	3,826.58
From others	1,875.00	300.00	-	-
Vehicle loans				
From banks	78.89	91.99	154.47	104.55
From others	55.55	9.17	56.00	8.03
	6,437.33	3,414.91	3,756.79	3,939.16
a) Details of guarantee for each type of borrowings				
Guaranteed by directors				
Term loans				
From banks	7,441.64		7,372.90	
From others	2,175.00		-	

b) Details of term loan :

					(₹ in lakhs)	
Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
Oriental Bank of Commerce	2,855.00	2014-15	12 equal quarterly	237.91	-	580.40
Oriental Bank of Commerce	1,156.00	2014-15	12 equal quarterly	96.33	289.00	674.33
Allahabad Bank	2,700.00	2011-12	32 equal quarterly	156.25	831.90	1,305.99
Karur Vysysa Bank	1,644.00	2014-15	12 equal quarterly	45.67	167.45	837.23
Oriental Bank of Commerce	1,810.00	2016-17	6 equal half yearly	300.00	603.33	-
Oriental Bank of Commerce	150.00	2016-17	12 equal quarterly	12.50	85.40	-
Indian Overseas Bank	2,227.00	2013-14	11 equal quarterly 12th installment	186.60 181.00	-	925.00
Mashreq Bank	AED 3 million	2016-17	180 equal monthly	4.14	513.75	-
Mashreq Bank	AED 0.75 million	2016-17	180 equal monthly	1.09	128.70	-
Mashreq Bank	AED 0.93 million	2016-17	180 equal monthly	1.35	159.58	-

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

(₹ in lakhs)						
Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
Citi Bank	USD 1.56 million	2013-14	175.5 equal monthly	5.33	-	1,467.09
Citi Bank	USD 1.00 million	2013-14	54 equal monthly	11.09	-	355.76
JP Morgan Chase	USD 2.33 million	2016-17	120 equal monthly	6.28	1,438.55	-
JP Morgan Chase	USD 5.00 million	2016-17	36 equal monthly	90.06	2,701.87	-
JP Morgan Chase	USD 1.100 million	2016-17	60 equal monthly	11.89	641.97	-
Dena Bank	1,500.00	2011-12	72 equal monthly	18.52	180.14	427.10
Dena Bank	2,400.00	2013-14	12 equal quarterly	200.00	-	800.00
Hero Fin Corp	1,500.00	2016-17	20 equal quarterly	75.00	1,425.00	-
IIFL Wealth Finance Limited	500.00	2016-17	Bullet payment	-	450.00	-
					9,616.64	7,372.90

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2017 the interest rates ranges from 10.00 % to 13.50 % per annum (previous year 10.00% to 13.50% per annum)

c) Details of vehicle loan :

(₹ in lakhs)						
Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
HDFC Bank	22.25	2013-14	60	0.47	9.89	14.33
ICICI Bank	17.83	2010-11	60	0.38	-	0.27
HDFC Bank	17.87	2016-17	36	0.50	14.78	-
ICICI Bank	12.3	2013-14	60	0.26	5.52	8.02
HDFC Bank	74.41	2012-13	60	1.22	9.82	21.83
State Bank of India	48.00	2012-13	60	0.68	4.00	15.21
ICICI Bank	49.77	2014-15	60	1.00	24.06	33.84
HDFC Bank	18.59	2012-13	60	0.06	0.40	4.95
HDFC Bank	42.58	2012-13	60	0.76	8.59	25.56
HDFC Bank	5.98	2014-15	60	0.16	0.39	2.56
HDFC Bank	16.31	2015-16	36	0.52	10.08	15.13
HDFC Bank	6.65	2015-16	36	0.21	4.10	6.16
HDFC Bank	7.59	2014-15	48	0.20	2.56	4.52
HDFC Bank	11.50	2014-15	48	0.25	5.94	8.14

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

(₹ in lakhs)						
Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
HDFC Bank	5.66	2014-15	48	0.15	2.13	3.57
HDFC Bank	6.68	2014-15	48	0.18	2.52	4.21
HDFC Bank	18.99	2014-15	48	0.50	7.86	12.57
HDFC Bank	21.00	2014-15	48	0.45	10.75	14.80
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.65
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.65
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.66
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.66
HDFC Bank	7.00	2015-16	36	0.22	4.33	6.50
HDFC Bank	5.70	2015-16	48	0.15	3.57	4.91
HDFC Bank	5.80	2015-16	48	0.17	3.99	5.35
Daimler Financial Services India Private Limited	65.22	2015-16	47	1.21	64.72	64.03
					235.60	323.05

The interest on above vehicle loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2017 the interest rates ranges from 8.50% to 12.00% per annum (previous year 8.50% to 12.00% per annum).

d) Details of security for each type of borrowings :

- (i) Term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu charge on current assets of the Parent Company and personal guarantee of promoters.
- (ii) Term loan from Allahabad Bank amounting to ₹ 831.90 availed by the Parent Company is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar. Second pari -passu charge over fixed assets of Bahalgarh unit along with equitable mortgage over land and building on pari passu basis to secure entire credit facilities sanctioned by consortium.
- (iii) Term loan from Dena Bank amounting to ₹ 180.14 availed by a Subsidiary Company is secured against first exclusive charge over the entire fixed assets created under the Kurkure plant, Kamaspur. This is further secured by personal guarantee of Promoter-Directors of the Subsidiary Company.
- (iv) In the previous year, Term loan from Dena Bank amounting to ₹ 800.00 availed by a Subdiary Company is secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu on current assets of the Subsidiary Company.
- (v) Term loans from Oriental Bank of Commerce amounting to ₹ 977.23 availed by Parent Company are secured against first pari-passu charge on existing project assets excluding assets charged specifically to term lenders and second pari-passu charge on current assets of the Parent company.
- (vi) Term loan Karur Vysysa Bank amounting to ₹ 167.45 availed by the Parent Company is secured against first pari-passu charge on existing project assets excluding Amritsar Silos Project assets charged specifically to Allahabad Bank and second pari-passu charge on current assets of the Parent company.
- (vii) In the previous year, Term loan from Citi Bank is secured primarily by all assets of LT Overseas North America.
- (viii) USD Term loan 2.33 million from JP Morgan Chase availed by LT Overseas North America is secured by mortgage over warehouse at Houston.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

- (ix) USD Term loan 1.11 million from JP Morgan Chase as availed by LT Overseas North America is secured by mortgage against machinery in California and New Jersey.
- (x) Term loan Indian from Overseas Bank amounting to ₹ 925.00 availed by Parent Company is secured against first pari-passu charge on existing project assets excluding assets charged specifically to Allahabad Bank and second pari-passu charge on current assets of the Parent company.
- (xi) Term loan from IIFL Wealth Finance Limited amounting to ₹ 450.00 availed by a Subsidiary Company is secured against pledge of shares held by company in which directors are interested.
- (xii) Rupee term loan from Hero Fin Corp amounting to ₹ 1425.00 availed by A subsidiary Company is secured against first charge over the residential property owned jointly by relatives of the director of the Company and pledge of shares held by company in which directors are interested.
- (xiii) AED Term loan from Mashreq Bank amounting 0.75 million availed by LT Foods Middle East DMCC is secured by office property and corporate guarantee of a Subsidiary Company.
- (xiv) AED Term loan from Mashreq Bank amounting 0.93 million availed by LT Foods Middle East DMCC is secured by office property and corporate guarantee of a Subsidiary Company.
- (xv) AED Term loan from Mashreq Bank amounting 3.00 million availed by LT Foods Middle East DMCC is secured by office property of Subsidiary Company.
- (xvi) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Other long-term liabilities

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Security deposits from distributors	9.78	9.89
	9.78	9.89

7 Provisions

	(₹ in lakhs)			
	March 31, 2017		March 31, 2016	
	Non current	Current	Non current	Current
Proposed dividend to equity shareholders (Also refer note (a) below)	-	-	-	399.95
Corporate dividend tax	-	-	-	81.42
Provisions for employee benefits (Also refer note (b) below)	238.08	30.95	136.42	53.50
Provision for taxation (net of advance tax)	-	6,800.70	-	4,767.03
Others	20.55	39.49	-	55.19
	258.63	6,871.14	136.42	5,357.09

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

a) Details with respect to proposed dividend

	(₹ in lakhs)	
Dividends proposed to		
Equity shareholders	-	399.95
Proposed dividend per share		
Equity shareholders	-	1.50

b) Employee benefits (Gratuity)

The Group has taken a group gratuity for its employees with the Life Insurance Corporation of India (LIC). Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes upto a maximum limit of ₹ 10 lakhs.

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee Benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
	(Funded)	(Funded)
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	407.55	304.03
Current service cost	66.86	99.47
Interest cost	57.22	21.90
Actuarial (gain) / loss	(54.30)	(4.45)
Benefits paid	(22.35)	(13.41)
Projected benefit obligation at the end of the year	454.98	407.55
Change in plan assets		
	(Funded)	(Funded)
Fair value of plan assets at the beginning of the year	310.22	247.54
Expected return on plan assets	24.36	20.73
Employer contributions	13.78	51.47
Actuarial (gain)/ loss	(5.07)	3.89
Benefits paid	(19.92)	(13.41)
Fair value of plan assets at the end of the year	323.37	310.22

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

Reconciliation of present value of obligation on the fair value of plan assets

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
	(Funded)	(Funded)
Present value of projected benefit obligation at the end of the year	454.98	407.55
Funded status of the plans	323.37	310.22
Liability recognised in the balance sheet	131.61	97.33
Components of net gratuity costs are		
	(Funded)	(Funded)
Service cost	73.57	64.35
Interest cost	31.48	65.47
Expected returns on plan assets	(25.36)	(20.73)
Recognised net actuarial (gain)	0.63	(15.26)
Net gratuity costs	80.32	93.83

	(₹ in lakhs)				
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Gratuity					
Defined benefit obligation					
Plan assets	454.98	407.56	304.04	259.36	245.45
Surplus / (deficit)	323.37	310.22	247.54	202.16	118.20
Experience (gain) / loss adjustments on plan liabilities	131.61	97.33	56.50	57.20	127.25
Experience gain / (loss) adjustments on plan assets	(5.07)	3.89	1.60	-	-

Assumptions used		
Discount rate	7.27%	7.92%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	7.27% to 8.20%	7.92%
Average remaining life in years	19.25 to 33.10	17.54 to 25.44

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Notes

- (i) The gratuity expenses have been disclosed under note 25

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

Compensated absences:

The following table sets out the status of the Compensated absences (unfunded) as required under Accounting Standard (AS) - 15 - Employee benefits and the reconciliation of opening and closing balances of the present value of the defined benefit obligation.

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	92.58	105.39
Current service cost	14.28	12.07
Interest cost	7.48	8.40
Actuarial loss/ (gain)	33.61	(24.67)
Benefits paid	(10.53)	(8.61)
Projected benefit obligation at the end of the year	137.42	92.58
Expenses recognised in the statement of profit and loss		
Current service cost	14.28	12.07
Interest cost	7.48	8.40
Recognised net actuarial loss /(gain)	33.62	(24.67)
Net costs	55.38	(4.20)
Assumptions used		
Discount rate	7.27%	7.92%
Long-term rate of compensation increase	5.00%	5.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Note:

- (i) The gratuity and compensated absence expenses have been disclosed under note 25

8 Short-term borrowings

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Secured		
From banks	150,209.21	151,864.50
From others	851.53	-
	151,060.74	151,864.50
Unsecured		
Loans repayable on demand		
From directors	100.00	100.10
From other parties	143.27	62.04
	243.27	162.14
	151,304.01	152,026.64

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

Details of security for each type of borrowing :

- a) The working capital loans are repayable on demand and the interest on the above loans from banks are linked to the respective bank base rates which are floating in nature. The interest ranges from 8.50% to 12.50% per annum (previous year 10.00% to 13.50% per annum) on rupee working capital loan and 2.00% to 5.50% per annum (previous year 2.50% to 6.50% per annum) on foreign currency working capital loans.
- b) Working capital loans are secured by hypothecation of inventory and trade receivables of the group.

9 Trade payables

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Dues to micro, small and medium enterprises (refer note (a) below)	528.81	438.78
Others	20,998.05	13,976.57
Acceptances	312.28	528.60
	21,839.14	14,943.95

- a) Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

i)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	Principal amount remaining unpaid	528.81	438.78
	Interest accrued and remaining unpaid as at year end	-	-
ii)	Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii)	Amount paid to the suppliers beyond the respective due date.	-	-
iv)	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v)	Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

10 Other current liabilities

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Current maturities of long term debts (refer note 5)	3,414.91	3,939.16
Interest accrued but not due on borrowings	9.29	30.40
Unclaimed dividend *	14.50	14.31
Advances from customers	5,340.74	983.47
Other liabilities	6,619.22	8,118.31
Security deposits from customers	11.50	11.62
	15,410.16	13,097.27

* Not due for deposit to Investor Education and Protection Fund.

for the year ended March 31, 2017

* Represents adjustment in the value of gross block and accumulated depreciation of fixed assets as per fixed asset register and books of accounts of the Company.

for the year ended March 31, 2017

2 Intangible assets							
Gross block							(₹ in lakhs)
	Goodwill	Brands/ Trademarks	Customer relationships	Non compete agreement	Intellectual property	Computer software	Total
Balance as at April 01, 2015	9,376.70	300.00	-	-	-	333.16	10,009.86
Additions	-	-	-	-	-	23.30	23.30
Translation adjustment	624.15	-	-	-	-	-	624.15
Balance as at March 31, 2016	10,000.85	300.00	-	-	-	356.46	10,657.31
Additions	326.61	-	269.96	881.43	1,310.30	704.93	3,493.23
Translation adjustment	(301.86)	-	-	-	-	-	(301.86)
Balance as at March 31, 2017	10,025.60	300.00	269.96	881.43	1,310.30	1,061.39	13,848.68
Accumulated amortisation							
Balance as at April 01, 2015	1,920.87	225.50	-	-	-	289.75	2,436.12
Amortisation charge	0.25	16.08	-	-	-	10.59	26.92
Translation adjustment	371.80	-	-	-	-	-	371.80
Balance as at March 31, 2016	2,292.92	241.58			-	300.34	2,834.84
Amortisation charge	299.70	12.72	25.44	93.87	133.08	361.42	926.23
Translation adjustment	(57.31)	(6.09)	-	-	-	-	(63.40)
Balance as at March 31, 2017	2,535.31	248.21	25.44	93.87	133.08	661.76	3,697.67
Net block							
Balance as at March 31, 2017	7,490.29	51.79	244.52	787.56	1,177.22	399.63	10,151.01
Balance as at March 31, 2016	7,707.93	58.42	-	-	-	56.12	7,822.47

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

13 Non-current investments

(₹ in lakhs)		
	March 31, 2017	March 31, 2016
Trade investments		
Investments in equity instruments (unquoted)		
(i) Investment in associate		
-Raghuvesh Warehousing Private Limited	160.00	160.00
1,600,000 (previous year 1,600,000) equity shares of ₹10 each		
Add: Share in opening accumulated losses	(45.41)	-
Add: Share in profit/ (loss) for the year	(38.66)	(45.41)
	75.93	114.59
-Raghuvesh Agri Foods Private Limited	160.00	160.00
1,600,000 (previous year 1,600,000) equity shares of ₹10 each		
Add: Share in opening accumulated losses	(7.93)	(0.02)
Add: Share in profit/ (loss) for the year	(39.97)	(7.91)
	112.10	152.07
-Raghuvesh Infrastructure Private Limited	1.50	1.50
15,000 (previous year 15,000) equity shares of ₹10 each		
Add: Share in opening accumulated losses	(0.08)	-
Add: Share in profit/ (loss) for the year	-	(0.08)
	1.42	1.42
(ii) Keyman insurance policies	190.39	226.27
Other investments- Quoted		
(a) 2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
(b) Investment in mutual funds (quoted)		
50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
48,875.85 (previous year 48,875.85) units of Templeton India Equity Income Growth Fund	5.00	5.00
12,999.61 (previous year 12,999.61) units of HDFC MIP Long Term Dividend Fund	1.50	1.50
2,023.63 (previous year 2,023.63) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
894.05 (previous year 894.05) units of Reliance Vision Fund	0.40	0.40
Other investments- Unquoted		
Fully paid-up equity shares (unquoted)		
(a) 500 (previous year 500) equity shares of India International Marketing Limited of ₹ 10 each fully paid up.	0.05	0.05
(b) 1,350,000 (previous year 13,50,000) equity shares of Express Warehousing Limited	135.00	135.00
(c) In Government securities		
National Saving Certificate *	0.21	0.21
	527.53	642.04

** National saving certificate of ₹ 0.21 is held in the name of an employee of a Subsidiary Company

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

Aggregate amount of :

	(₹ in lakhs)	
Non trade quoted investments	12.43	12.43
Market value of non trade quoted investments	44.11	34.60
Unquoted non trade investments	325.65	361.53
Unquoted trade investments	189.45	268.08

14 Deferred tax asset (net)

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Deferred tax liabilities arising on account of :		
Keyman insurance policy	61.39	74.65
Unrealised foreign exchange gain on forward contracts	430.52	-
	491.91	74.65
Deferred tax assets arising on account of :		
Timing difference on depreciation/amortisation on fixed assets-	290.70	40.05
Provision for employee benefits	170.33	132.94
Provision for doubtful debts and advances	84.48	350.65
Diminution in value of investment	111.62	19.44
Expenses disallowed for tax computation	479.59	73.39
Others	199.72	185.95
	1,336.44	802.42
	844.53	727.77

15 Loans and advances

	(₹ in lakhs)			
	March 31, 2017		March 31, 2016	
	Non current	Current	Non current	Current
Unsecured, considered good unless otherwise stated				
Capital advances	250.25	-	240.47	-
Security deposits	730.19	290.62	742.38	11.87
Minimum alternative tax credit receivable	-	4.88	-	134.95
Advance income tax (net of provision for tax)	2,135.00	198.47	2,201.22	189.74
Balances with central excise authorities	-	69.92	-	136.34
	3,115.44	563.89	3,184.07	472.90
Advances recoverable in cash or in kind or value to be received	13,454.56	15,896.13	13,578.66	18,419.33
	16,570.00	16,460.02	16,762.73	18,892.23

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

16 Other assets

(₹ in lakhs)				
	March 31, 2017		March 31, 2016	
	Non current	Current	Non current	Current
Interest accrued but not due on fixed deposits	-	37.25	-	43.24
Unrealised foreign exchange gain on forward contracts (refer note 38)	-	1,398.42	-	-
Bank deposits with maturity of more than 12 months (refer note 19)	106.25	-	37.64	-
Others	58.41	18.88	-	-
	164.66	1,454.55	37.64	43.24

17 Inventories (valued at lower of cost and net realisable value)

(₹ in lakhs)		
	March 31, 2017	March 31, 2016
Paddy*	44,096.30	51,510.53
Bardana	3,948.56	2,802.54
Packaging material	2,362.23	2,205.19
Finished goods*	91,144.22	69,695.63
Traded goods	2,501.03	2,963.87
Stores and spares	776.17	780.10
	144,828.51	129,957.86

* Includes interest capitalised during the year of ₹ 2,118.11 (previous year: ₹ 2,314.70)

18 Trade receivables

(₹ in lakhs)		
	March 31, 2017	March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured considered good	1,452.43	-
-Unsecured considered doubtful	60.68	61.43
	1,513.11	61.43
Less : Provision for bad and doubtful debts	(60.68)	(61.43)
	1,452.43	-
Other debts		
-Unsecured considered good	44,839.11	37,573.25
	46,291.54	37,573.25

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

19 Cash and bank balances

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Cash and cash equivalents		
Cash on hand		
- In Indian currency	41.25	106.41
- In Foreign currencies	504.03	5.15
Balances with banks		
- on current accounts	2,463.88	2,500.30
	3,009.16	2,611.86
Other bank balances:		
- Unpaid dividend account	14.50	14.31
- Deposits with original maturity more than 3 months	1,204.82	643.65
	4,228.48	3,269.82
Less : Amounts disclosed under non-current assets (refer note 16)*	(106.25)	(37.64)
Total	4,122.23	3,232.18

* The deposits are restricted as they are held as margin money deposits against guarantees given by the Group

20 Revenue from operations

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Sale of products		
Rice	313,004.48	285,636.14
Other items	13,731.43	9,095.16
	326,735.91	294,731.30
Other operating revenue		
Service charges	650.23	620.23
Processing charges	1,268.43	1,990.75
	328,654.57	297,342.28

21 Other income

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Dividend from non trade investments	0.09	0.16
Profit from sale of fixed assets (net)	-	74.25
Interest on bank fixed deposits	70.77	63.69
Profit on exchange fluctuation (net)	2,285.30	-
Export incentive	36.98	31.14
Liabilities written back	207.86	260.60
Rental income	68.52	-
Miscellaneous receipts	886.87	190.49
	3,556.39	620.33

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

22 Cost of material consumed

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Opening stock		
Paddy	51,510.53	57,099.15
Bardana	2,802.54	2,221.49
Packing material	2,205.19	1,480.97
	56,518.26	60,801.61
Add: purchases		
Paddy	91,870.40	87,046.78
Bardana	1,411.22	1,399.19
Packing material	9,493.96	8,041.84
Rice (including broken rice and unpolished rice)	66,600.63	44,804.25
Others	1,979.66	7.75
	171,355.87	141,299.81
Less: closing stock		
Paddy	44,096.30	51,510.53
Bardana	3,948.56	2,802.54
Packing material	2,362.23	2,205.19
	50,407.09	56,518.26
	177,467.04	145,583.16
Consumption details		
Paddy	99,284.63	92,635.40
Bardana	265.20	818.14
Packing material	9,336.92	7,317.62
Rice (including broken rice and unpolished rice)	66,600.63	44,804.25
Other	1,979.66	7.75
	177,467.04	145,583.16

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

23 Purchase of stock-in-trade

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Rice (traded)	69,623.72	56,363.48
Soyabean	-	173.85
Others	14,749.88	5,517.06
	84,373.60	62,054.39

24 Changes in inventories of finished goods and stock-in-trade

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Opening stock		
Finished goods	69,695.63	70,641.00
Traded goods	2,963.87	4,252.89
Translation reserve	(335.92)	609.90
Closing stock		
Finished goods	91,144.22	69,695.63
Traded goods	2,501.03	2,963.87
	(21,321.67)	2,844.29

25 Employee benefits expense

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Salaries, wages and bonus	10,429.80	7,955.37
Contribution to provident and other fund	319.21	322.81
Staff welfare expenses	465.74	358.77
Director's remuneration	364.14	263.23
Directors remuneration of subsidiary companies	120.58	77.35
	11,699.47	8,977.53

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

a) Share-based payment

The Company maintains an equity settled share-based payment scheme LT Foods Employee Stock Option Plan-2010, hereinafter referred to as ('the Plan') adopted and approved by share-holders on September 30, 2010.

Under the Plan the Board of Directors of the Company have the powers to determine, from time to time, the persons eligible for grant of share options; when and how each option shall be granted; what type or combination of types of option shall be granted; the provisions of each option granted, including the time or times when a person shall be permitted to receive shares pursuant to an option grant. The Group has no legal or constructive obligation to repurchase or settle the options. In accordance with the Plan, upon vesting, the stock options will be settled by issuance of new shares on payment of exercise price.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognised in the income statement for the year ended March 31, 2017 is nil (March 31, 2016 ₹ 0.36).

The fair values of options granted were determined using Black Scholes option pricing model that takes into account factors specific to the share incentive plans along with other external inputs.

The following principal assumptions were used in the valuation: Expected volatility was determined by assuming that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. The expected option life, average expected period to exercise, is assumed to be equal to the contractual maturity of the option. Dividend yield is taken as nil as the Group has not paid any dividend. The risk-free rate is the rate associated with a risk-free security with the same maturity as the option. At each balance sheet date, the Company reviews its estimates of the number of options that are expected to vest. The Company recognises the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to 'retained earnings' in equity.

The inputs to the Black Scholes model for options that have been granted are summarised as follows:

	(₹ in lakhs)	
	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
	April 01, 2011	Feb 07, 2013
Grant date		
Fair value of option using the Black Scholes model (in ₹)	21.05	24.97
Fair value of shares at grant date (₹)	49.5	58.8
Exercise price (in ₹)	38	38
Expected volatility	67%	54%
Option life (in years)	4	4
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

(₹ in lakhs)				
	March 31, 2017		March 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		(in ₹)		(in ₹)
Balance at beginning of the year	20,577	38	196,312	38
Forfeited during the year	-	38	-	-
Exercised during the year	-	38	175,735	38
Balance at end of the year	20,577	38	20,577	38
Exercisable at end of the year	20,577	38	20,577	38

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

(₹ in lakhs)				
	March 31, 2017		March 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		(in ₹)		(in ₹)
Balance at beginning of the year	84,958	38	135,618	38
Forfeited during the year	-	38	16,790	38
Exercised during the year	-	38	33,870	38
Balance at end of the year	84,958	38	84,958	38
Exercisable at end of the year	84,958	38	34,656	38

26 Finance costs

(₹ in lakhs)		
	March 31, 2017	March 31, 2016
Interest on working capital loans	13,861.42	13,125.47
Interest on term loans	544.22	914.20
	14,405.64	14,039.67
other borrowing cost	1,049.38	740.53
	15,455.02	14,780.20

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

27 Other Expenses

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Warehouse rent (refer note 33)	1,366.98	1,014.00
Wages and other manufacturing	1,674.88	1,530.61
Job work	129.63	49.59
Factory insurance	118.32	257.13
Power and fuel	3,035.80	3,322.02
Security services	395.77	314.24
Research and development	3.70	1.00
Packing	573.06	542.04
Repairs and maintenance		
- Machinery	214.56	330.26
- Building	121.23	201.19
- Others	333.04	216.92
Stores and spares consumed	2,028.15	1,679.50
Other manufacturing	5.69	-
Advertisement	3,482.00	5,306.75
Insurance	635.40	570.46
Legal and professional	1,815.43	1,680.84
Rates and taxes	354.57	351.33
Donation and charity	77.15	135.33
Directors' sitting fees	25.37	19.00
Auditors' remuneration *	58.75	45.75
Fines and penalties	2.22	6.81
Rent (refer note 33)	134.21	10.05
Vehicle running and maintenance	297.31	266.09
Other administrative	1,775.61	1,450.85
Travelling and conveyance	2,046.75	1,698.96
Rebate and discounts	2,219.65	1,888.19
Commission to selling agents	877.20	3,990.90
Clearing, forwarding and freight	8,220.31	7,084.93
Market development	2,885.66	1,885.61
Business promotion	519.35	373.15
Freight outward	1,155.78	1,334.37
Other selling	3,036.22	3,649.40
Amounts written off	4.47	105.03
Loss on sales of fixed assets	8.32	-
Provision for doubtful recoveries	20.41	164.20
Net loss on foreign currency transactions and translations	-	745.40
	39,652.95	42,221.90

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

* Auditors' remuneration

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Statutory audit (including fees for limited reviews)	47.75	38.20
Other matters	1.15	0.88
Out of pocket expenses	2.52	2.26
Service tax	7.34	4.41
	58.75	45.75

28. Contingent liabilities

	(₹ in lakhs)	
	March 31, 2017	March 31, 2016
Nature of contingency		
- Income-tax demands (refer note 1)	2,838.21	2,905.37
- Guarantees given by group	2,229.09	2,408.49
- FCI Demand for differential price/freight/ taxes	339.00	339.00
- Claims against the group	35.25	35.25
- Duty saved under EPCG licenses (export obligation outstanding ₹ 6,591.40 (previous year ₹ 5,804.15)	1,054.04	910.37
Total	6,495.58	6,598.48

Note 1:-

- a) In case of Daawat Foods Limited (DFL), DFL had filed appeals in previous years against the order of Assessing Officer (AO) before Commissioner of Income tax (CIT) (Appeals) for the Assessment Year 2007-08 and Assessment Year 2009-10. The CIT (Appeals) has allowed substantial relief to DFL and after allowing appeal effect of the order of CIT (Appeals) by the Assessing Officer, the demand has reduced to ₹ 59.57 (previous year ₹ 59.57). DFL has filed appeals against the order of CIT(Appeals) for the above said assessment year before the Income Tax Appellate Tribunal (ITAT), on issues for which relief has not been given by CIT(Appeals).
- During the financial year 2014-15, DFL had received demands under section 143(3) for the Assessment Year 2010-11 for ₹ 225.21. DFL had filed an appeal before the CIT (Appeals). The CIT (Appeals) has allowed substantial relief to DFL and after allowing appeal effect of the order of CIT (Appeals) by the Assessing Officer, the demand will reduce to ₹ 17.68 (previous year ₹ 225.21).
 - During the financial year 2015-16, DFL has received demands under section 143(3) for the Assessment Year 2012-13 for ₹ 80.03. DFL had already filed an appeal before the CIT (Appeals).
- b) In case of LT Foods Limited, (the 'Parent Company') has filed appeals in previous years against the order of the Assessing Officer before Commissioner of income tax ('CIT') Appeals for the AY 2003-04 to AY 2007-08. The CIT (Appeals) vide its order dated March 25, 2013, March 28, 2013 and October 10, 2013 has allowed substantial relief to the Parent Company and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has reduced to ₹ 89.84 (previous year ₹ 89.84). The Parent Company in previous years has filed appeals against the order of CIT(Appeals) for the above said assessment years before the ITAT, on issues for which relief has not been given by CIT (Appeals).
- During current financial year, DFL has received demands under section 143(3) for the Assessment Year 2013-14 for ₹ 197.43. The DFL has already filed an appeal before the CIT (Appeals).
 - During current financial year, DFL has received demands under section 143(3) for the Assessment Year 2014-15 for ₹ 468.54. DFL has already filed an appeal before the CIT (Appeals).
 - The Parent Company's appeal for the AY 2008-09 and AY 2009-10 are still pending before ITAT and demand of ₹ 563.57 (net of relief from CIT (Appeals) are

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

outstanding against the Parent Company (previous year ₹ 563.57).

- The Parent Company's appeal for AY 2010-11 has been partially allowed by the CIT (Appeals) vide its order dated September 9, 2016. After allowing the appeal effect of the order of CIT (Appeals) the demand will reduce to ₹ 346.01 (previous year ₹ 861.98). The Parent Company has filed appeals against the order of CIT (Appeals) for the above said assessment years before the ITAT, on issues for which relief has not been given by CIT (Appeals).

The Parent Company's appeal for AY 2011-12 for ₹ 829.80 (previous year ₹ 829.80) is pending before CIT (Appeals).

- Also the Parent Company had received demand under section 143(3) for AY 2012-13 for ₹ 155.52 against which appeal is yet to be made before CIT (Appeals).
- The Parent Company has paid ₹ 1,193.65 (previous year ₹ 1,174.15) as per the directions of Income Tax Department against the outstanding demands and the same will be adjusted/ refunded, once the appeals are final.

- c) In case of Raghunath Agro Industries Private Limited (RAIPL), the erstwhile partnership firm has filed appeal in previous years against the order of AO before CIT (Appeals) for the Assessment Year 2009-10. The CIT (Appeals) vide its order dated March 28, 2013 has allowed substantial relief to RAIPL and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand will get reduced to ₹ 23.21 (Previous year ₹ 23.21). The appeal effect of the order of CIT (Appeals) is yet to be given by AO.

RAIPL has filed appeal against the order of CIT (Appeals) for the above said assessment year before the ITAT on issues for which relief has not been given by CIT (Appeals).

- d) In case of Nature Bio Foods Limited (NBFL), for assessment year 2009-10 the Income Tax Department ('The Department') has added back ₹ 4.97 on account of various reasons to the total income of NBFL. The Department has issued notice of demand u/s 156 of the Income-tax Act, 1961 on December 30, 2010 demanding ₹ 10.17. The NBFL had contested above order before H'ble ITAT. The H'ble ITAT has vide its order dated May 27, 2016 has allowed substantial relief to NBFL. After allowing appeal effect of the same the demand will get reduced to ₹ 1.99 and the same has been duly provided for in the financial statements. The aforesaid demand is including interest up to December 30, 2010.

For assessment year 2010-11 the Department has added back ₹ 24.43 on account of various reasons to the total income of NBFL. The department has issued notice of demand u/s 156 of the Income-tax Act, 1961 on March 28, 2013 demanding ₹ 5.15. NBFL had contested the above order before CIT (Appeals).

For assessment year 2013-14 the Assessing officer has added back ₹ 2.95 on account of disallowance of gratuity to the total income of NBFL. The department has issued notice of demand u/s 156 of the Income-tax Act, 1961 on March 21, 2016 demanding ₹ 1.32. NBFL had contested the above order before CIT (Appeal).

During the assessment year 2014-15 the Assessing officer has added back ₹ 0.25 on account of disallowance of fines & penalties to the total income of NBFL. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on December 13, 2016 demanding ₹ 0.10. NBFL had contested the above order before CIT (Appeals).

The amounts mentioned above do not include interest and penalty, unless otherwise stated.

The management is confident that its position is likely to be upheld in the appeals pending before the various appellate authorities and no liability could arise on the Group on account of these proceedings. Accordingly no adjustment has been made in these financial statements.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 227.56 lakhs (previous year: ₹ 540.82 lakhs).

30 Related party disclosures

In accordance with the requirements of Accounting Standard (AS)-18 on "Related Party Disclosures", the names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are:

- (i) Names of related parties and description of relationship
 - Associates
 - LT Infotech Private Limited (Till June 30, 2015)
 - Raghuvesh Agri Foods Private Limited
 - Raghuvesh Warehousing Private Limited
 - Raghuvesh Infrastructure Private Limited (w.e.f. August 24, 2015)
 - Joint Venture
 - Genoa Rice Mills Private Limited (from January 25, 2017)

- Key Management Personnel and their relatives

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Joint Managing Director
Ashok Arora	President-Punjab Operations
Abhinav Arora	Relative of Managing Director
Aditya Arora	Relative of President-Punjab Operations
Aditi Arora	Relative of Managing Director
Gursajan Arora	Relative of Joint Managing Director
Isha Arora	Relative of Joint Managing Director
Ritesh Arora	Relative of Joint Managing Director
Anmol Arora	Relative of Joint Managing Director
Purva Arora	Relative of Joint Managing Director
Sanjana Arora	Relative of Joint Managing Director
Divya Arora	Relative of President-Punjab Operations
Sakshi Arora	Relative of Joint Managing Director
Ranju Arora	Relative of Managing Director
Rohan Grover	Relative of Managing Director

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

-Enterprises over which Key Management Personnel exercise significant influence

V K Foods
S K Engineering
R. S Rice & General Mills
Ashok Arora HUF
Raghunath Arora HUF
Super Texfab Private Limited
Deva Singh Sham Singh Exports Private Limited (from August 8, 2016)

Transactions with key management persons and their relatives

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Sales		
V K Foods	168.73	177.65
Purchases		
S K Engineering	0.43	232.09
Super Texfab Private Limited	1,660.87	1,316.32
Remuneration		
Vijay Kumar Arora	140.70	119.87
Ashwani Kumar Arora	120.58	77.35
Surinder Kumar Arora	116.67	77.88
Ashok Arora	120.00	72.00
Abhinav Arora	338.59	117.83
Aditya Arora	24.00	23.66
Aditi Arora	0.33	4.00
Anmol Arora	8.00	4.41
Gursajan Arora	43.85	42.67
Isha Arora	0.33	4.00
Ritesh Arora	12.71	10.85
Rohan Grover	24.49	12.25
Purva Arora	0.33	4.00
Sanjana Arora	0.33	3.99
Divya Arora	-	6.75
Dividend paid to key management personnel	165.15	220.20
Dividend paid to relatives of key management personnel	103.56	138.08
Rent expense		
R S Rice & General Mills	8.00	8.00
Vijay Kumar Arora	-	6.75
Ranju Arora	-	6.75
Rent income		
V K Foods	2.40	2.40
S K Engineering	2.40	2.40
Super Texfab Private Limited	-	8.64

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Interest expense		
Ashok Arora HUF	0.23	0.21
Raghunath Arora HUF	0.12	0.10
Ranju Arora	1.09	0.97
Sakshi Arora	0.20	0.18
Loan Granted		
Genoa Rice Mills Private Limited	62.50	-

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Advances given		
Raghuvesh Infrastructure Private Limited	381.05	-
Raghuvesh Agri Foods Private Limited	52.49	-
Raghuvesh Warehousing Private Limited	21.09	-
Genoa Rice Mills Private Limited	0.58	-

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Balance at year end (payable)/ receivable		
Ashok Arora HUF	(2.13)	(1.92)
Raghunath Arora HUF	(1.07)	(0.96)
Ranju Arora	(9.97)	(8.99)
Sakshi Arora	(1.86)	(1.68)
V K Foods	19.97	51.30
S K Engineering	(10.68)	(110.71)
Super Texfab Private Limited	(69.52)	(144.79)
Genoa Rice Mills Private Limited	62.50	-
Raghuvesh Infrastructure Private Limited	381.05	-
Raghuvesh Agri Foods Private Limited	52.49	-
Raghuvesh Warehousing Private Limited	21.09	-

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

31. Earnings per share

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Net profit before exceptional items attributable to equity shareholders after minority interest (₹ in lakhs)	11,742.79	11,610.93
Net profit after exceptional items attributable to equity shareholders after minority interest (₹ in lakhs)	11,742.79	7,210.93
Numbers of weighted average equity share outstanding at the year end for Basic (in lakhs)	266.63	264.81
Numbers of weighted average equity share outstanding at the year end for Diluted (in lakhs)	267.61	265.66
Nominal value of equity share (₹)	1	1
Earnings Per Share before exceptional items–		
Basic (₹)	4.40	4.39
Diluted (₹)	4.39	4.37
Earnings Per Share after exceptional items–		
Basic (₹)	4.40	2.72
Diluted (₹)	4.39	2.71

32. The Group is engaged in the business of manufacture and storage of rice, which as per Accounting Standard 17 on “Segment Reporting”, is considered to be the only reportable business segment. Accordingly only secondary segment information has been disclosed below.

(₹ in lakhs)				
Particulars	India	North America	Rest of the world	Total
Revenue:				
External	152,482.48	93,968.88	85,759.59	332,210.96
Previous year	109,198.91	86,809.48	101,954.21	297,962.61
Segment assets	148,778.91	31,927.80	10,413.34	191,120.05
Previous year	131,055.52	24,460.03	12,015.57	167,531.12
Unallocated assets*				81,148.95
Previous year				78,902.29
Capital expenditure				8,673.93
Previous year				5,367.74

*The Group is engaged in the business of manufacture and storage of rice, which as per Accounting Standard 17 on “Segment Reporting”, is considered to be the only reportable business segment. Accordingly only secondary segment information has been disclosed below.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

33. The Group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2017 and 2016 was ₹ 1,501.19 and ₹ 1,024.05 respectively. The Group has not executed any non-cancelable operating leases (refer note 27).

34. i) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:

	(₹ in lakhs)			
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
			(FC in)	(FC in)
Receivables in foreign currency				
- Trade receivables	18,565.68	18,310.85	USD 270.10	USD 276.39
	3,113.11	2,450.36	EURO 45.04	EURO 33.70
	25.26	16.61	GBP 0.31	GBP 0.17
- Trade payables	593.81	869.32	USD 9.14	USD 13.12
	140.13	140.01	EURO 1.99	EURO 1.86
Pre shipment credit	4,553.24	3,160.13	USD 70.22	USD 47.70
Bill discounted	2,120.67	5,055.92	USD 32.70	USD 76.32
	105.90	-	EURO 1.53	-
	90.88	114.22	GBP 1.12	GBP 1.20

Apart from above, the Company has a foreign currency liability (advances from customers) of ₹ 11,008.98 (USD 165.16) (previous year ₹ 3,581.18 (USD 54.43) and ₹ 41.90 (EURO 0.59) (previous year nil)

ii) The holding company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2017.

	(₹ in lakhs)
Particulars	Purpose
Forward contract to sell (USD)	Hedge of highly probable foreign currency sales
USD 510.00 (previous year: USD 498.50)	
₹ 35,187.41 (previous year: ₹ 34,724.73)	
Euro 20.00 (previous year: Euro 30.00)	
₹ 1,536.45 (previous year: 2,312.57)	

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

35. On June 7, 2014, a major fire occurred in the subsidiary company, "Daawat Foods Limited" resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 17,991.40 lakhs. The subsidiary company had filed an insurance claim with the insurance company amounting to ₹ 18,971.02 lakhs and had recognised insurance claim to the extent of net book value of ₹ 17,795.88 lakhs (net of salvage value of goods of ₹ 224.89 lakhs) in the books of account. The insurance Company has repudiated the insurance claim vide its Order dated February 4, 2016. The subsidiary company has challenged the said order in to court of Raisen and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim. However, on the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by the management of the subsidiary Company under Right to Information Act (RTI), as matter of prudence a loss of ₹ 4,400.00 lakhs has been recorded against the claim amount recoverable from the insurance company in the previous year, which has been disclosed as exceptional item in the consolidated financial statements.

36. Details of prior period expenses/(income) is as under:

(₹ in lakhs)		
Particulars	March 31, 2017	March 31, 2016
Interest on late payment of advance tax	166.11	-
Others	(5.81)	(5.58)
Total	160.30	(5.58)

37. Pursuant to scheme for development/ strengthening of agricultural marketing infrastructure, grading and standardisation the Company is eligible for capital grant amounting to ₹ 50 lakhs, on successful capitalization of machinery pertaining to sortex unit. During the financial year 2010-11, the Company had successfully capitalised the machinery. As per the terms the Company has received a capital subsidy amounting to ₹ 50 lakhs during the current year from National Bank for Agriculture and Rural development. The capital subsidy has been received during the current year in two tranches i.e. ₹ 25 lakhs in October 2016 and balance ₹ 25 lakhs in January 2017.

38. The Group takes forward cover contracts on the basis of sales orders to hedge the foreign currency risks on receivables in foreign currency. Based on accounting practices prevailed, mark to market (MTM) losses on such Derivative transactions had been charged to Statement of Profit and Loss and any gains on transactions were ignored till the year ended March 31, 2016. As per guidance note on "Accounting for Derivative Contracts" (the 'Guidance Note') applicable effective April 1, 2016, MTM gains on Derivative contracts are also to be recorded in Statement of Profit and Loss. Consequent to the aforementioned, the Company has recognised an unrealized gain of ₹ 1,376.59 lakhs in the Statement of Profit and Loss for the year ended March 31, 2017.

Further based on the transitional provisions provided in the Guidance Note, MTM gain on outstanding forward contracts as on March 31, 2016 amounted to ₹ 681.33 lakhs out of which an amount of ₹ 455.64 lakhs (net of tax – ₹ 186.53, Further adjusted for minority interest amounting to ₹ 39.16 lakhs) has been adjusted with the opening reserves as at April 1, 2016.

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

39. Details of specified bank notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is as under:-

(₹ in lakhs)			
Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 8 November 2016	183.95	19.67	203.62
Add: Permitted Receipts	-	116.73	116.73
Less: Permitted Payments	-	99.46	99.46
Less: Amount deposited in the Banks	183.95	-	183.95
Closing cash in hand on 30 December 2016	-	36.96	36.96

The Group does not maintain independent records of denomination of currency in its books of accounts

40. Interest in joint ventures

The company's interest and share in joint venture in jointly controlled entity is as follows:

Name of joint venture	Ownership interest as at		Country of incorporation
	March 31, 2017	March 31, 2016	
Genoa Rice Mills Private Limited	50.00%	-	India

(a) Interest in jointly controlled entity of the Company

(₹ in lakhs)		
Company's share of	Genoa Rice Mills Private Limited	
	March 31, 2017	March 31, 2016
Assets		
Non-current	60.91	-
Current	178.35	-
Liabilities		
Non-current	0.03	-
Current	179.19	-
Revenue	32.25	-
Expenditure	94.20	-
Contingent liabilities	0.05	-

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

41. Additional information as required by paragraph 2 of the general instructions for preparation of consolidation financial statements to schedule III to the Companies Act 2013:

Name of the entity	Percentage of holding by LT Foods Limited		Country of operations	Net assets		Share in profit/ (loss)	
	March 31, 2017	March 31, 2016		As a % of consolidated net assets	Amount (₹ in lakhs)	As a % of consolidated profit and loss	Amount (₹ in lakhs)
Holding Company							
LT Foods Limited	-	-	India	51.89%	36,391.52	25.67%	3,013.80
Subsidiaries and step down subsidiaries							
Daawat Foods Limited	70.48	70.48	India	21.85%	15,322.88	29.49%	3,462.50
Nature Bio Foods Limited	100	100	India	6.23%	4,370.54	11.12%	1,305.86
SDC Foods India Limited	80	80	India	(0.44%)	(308.07)	(0.08%)	(8.86)
LT International Limited	89.98	89.98	India	0.27%	187.59	0.31%	36.43
Sona Global Limited	100	100	UAE	1.82%	1,273.83	(0.12%)	(14.57)
LT Overseas North America, Inc	100	100	USA	25.50%	17,884.78	32.82%	3,853.80
LT Foods International Limited (U.K.)	100	100	UK	1.41%	989.76	8.30%	974.36
Raghuvesh Foods & Infrastructure Limited	100	100	India	0.00%	0.08	0.00%	0.00
LT Foods Middle East DMCC	100	100	UAE	1.40%	985.40	0.44%	51.94
LT Foods Europe B.V.	100	100	Netherland	0.68%	477.31	0.48%	56.55
LT Agri Services Private Limited	70.48	70.48	India	0.00%	(1.15)	0.00%	(0.13)
Expo Services Private Limited	80	80	India	0.03%	23.38	(0.09%)	(10.34)
Raghuvesh Power Projects Limited	35.94	35.94	India	0.00%	-	(0.03%)	(4.05)
Fresco Fruit N Nuts Private Limited	84.94	84.94	India	(0.15%)	(106.66)	(0.14%)	(16.93)
Raghunath Agro Industries Private Limited	71.66	71.66	India	3.07%	2,154.21	0.22%	26.02
Joint Venture							
Genoa Rice Mills Private Limited	50	-	India	0.09%	60.12	(0.53%)	(61.82)
Minority Interest in Subsidiaries				-	-	(8.92%)	(1,047.79)
Share of loss of associates			India	-	-	(0.67%)	(78.63)
Intra group eliminations				(13.64%)	(9,566.71)	1.74%	204.64
Total				100%	70,138.81	100%	11,742.79

42. Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

Summary of significant accounting policies and other explanatory information

For Walker Chandio & Co LLP

Chartered Accountants

per **Neeraj Goel**

Partner

Place : Gurgaon

Date : May 25, 2017

For and on behalf of the Board of Directors of LT Foods Limited

Ashwani Kumar Arora

Managing Director and
Chief Financial Officer
DIN 01574773

Pramod Bhagat

Director
DIN 00198092

Surinder Kumar Arora

Managing Director
DIN 01574728

Monika Chawla Jaggia

Company Secretary
Membership No. :- F5150

Notes

Basmati Boom Has LT Foods Seeking Growth in Europe, Middle East

LT Foods is looking to expand its operations in Europe and the Middle East as it seeks to capitalise on emerging demand for the aromatic grain after conquering the U.S. market.

Basmati more than doubled the size of its rice exports to the U.S. in 2013, according to the company's annual report. The company has increased its sales by 10% in 2 years by introducing new varieties of basmati rice to the U.S. market.

LT Foods is looking to expand its operations in Europe and the Middle East as it seeks to capitalise on emerging demand for the aromatic grain after conquering the U.S. market.



LT Foods Forms JV with Japanese Snack Maker Kameda Seika

Maker of Daawat rice to form JV to produce rice-based snacks.

LT Foods has entered into a joint venture (JV) with Japanese snack maker Kameda Seika to produce rice-based snacks. The JV is expected to be completed by the end of the year.

The JV will focus on producing rice-based snacks, including rice cakes and rice puffs, for export to the Japanese market.

LT Foods eyes Europe with processing unit in Rotterdam

LT Foods has announced plans to set up a rice processing unit in Rotterdam, Netherlands, to cater to the growing demand for basmati rice in Europe.

The company is currently in the process of securing a site in Rotterdam and expects to start operations within the next few months.

LT Foods has made an investment of \$15 million in the plant with initial capacity of 60,000 tonnes and scope for further expansion in the future.

Daawat opens Dutch plant

Mumbai, June 28

LT Foods said on Wednesday it has commenced operations of its first rice processing plant at Rotterdam, The company, which sells basmati rice under the Daawat brand, has invested \$15 million in the plant with an initial capacity of 60,000 tonnes. It plans to expand its footprint in Europe and the UK through this plant by increasing its sales from 5,000 tonnes to 60,000 tonnes over three years, LT Foods said in a statement. The plant will produce Thai and jasmine rice apart from basmati.



HUGE DEMAND FOR BASMATI

THE MIDDLE EAST IS ONE OF THE BIGGEST MARKETS FOR INDIAN BASMATI RICE

LT Foods is looking to expand its operations in the Middle East as it seeks to capitalise on emerging demand for the aromatic grain after conquering the U.S. market.

LT Foods is looking to expand its operations in the Middle East as it seeks to capitalise on emerging demand for the aromatic grain after conquering the U.S. market.



Atish Jain, Managing Director & CEO, LT Foods

Sanjeev Kapoor shares his daawat secrets with chef from the US

Sanjeev Kapoor, the famous Indian chef, has shared his secrets of cooking with a chef from the US. The two chefs discussed the art of cooking and the importance of using quality ingredients.

The event was held at a restaurant in Mumbai and was attended by a large number of people.

Sanjeev Kapoor is a well-known Indian chef and food personality. He has authored several cookbooks and has been a judge on several cooking reality shows.





LT Foods

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