



LT Foods



Creating **Enduring Value**
Building **Strong Brands**
Deepening **Global Presence**

“ We embark on this journey of business transformation, in order to create significant long-term value for our stakeholders. We are aiming beyond the ordinary; creating iconic brands and broadening our footprint globally as a true-blooded transnational organization. Our confidence rests on a sound financial strategy that will anchor our growth year on year.



From being a bulk rice player in our formative years, today we have evolved into a globally recognised, branded specialty food Company. Our leading brands, such as Daawat and Royal, have reached the top of brand league tables in their respective segments.

We are on track to position LT Foods as a globally significant player. Having firmly established ourselves in the Indian market, we are expanding our reach

within North America, Europe and the Middle East. With manufacturing presence now in Europe and North America, we are on track to position LT Foods as a global branded specialty food Company.

Our Qualified Institutional Placement in the second half of 2017 was subscribed to by marquee investors, partly reducing our overall debts, making us less reliant on the same for our future growth

Creating Enduring Value Building Strong Brands Deepening Global Presence



plans. This has strengthened our balance sheet, meriting better credit ratings, and lowering our blended cost of borrowing.

We firmly believe that LT Foods is at the turning point of delivering sustained growth to reach its objective of \$1 billion in revenues by 2020. From our current position of strength, we are capable of becoming an enduring and prominent global specialty foods company, that

is a consistent and predictable value generator. Capturing value addition opportunities extensively across Basmati, Specialty Rice and Organic foods, LT Foods presents an attractive consumption theme to investors. With a distinct range of brands, with a leadership model based distinctive capabilities and deriving a superior financial performance the Company offers a play from seed to brand.



ROYAL

No.1 Brand of US

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DAAWAT
THE FINEST

A TRADITION OF EXCELLENCE
ROYAL

ecoLife

Devaaya



Driving Force of LT Foods with Next Gen Leaders





Chairman's Message

“This year, we continued to focus on transforming our business, helping us emerge as a growing global specialty food Company. We are reinforcing our position by creating enduring value for all our stakeholders, building strong brands and deepening our global presence.



Vijay Kumar Arora
Chairman



“ At LT Foods, we bring product differentiation and convenience to our consumers’ daily needs. Setting the standard for quality and taste, we are determined to produce products that are healthy and good for the environment.

Dear Stakeholders,

It gives me immense pleasure to present to you the FY2018 Annual Report. In the year gone by, we continued our focus on transforming our business to emerge as a growing global branded specialty food Company with a focus on basmati and other specialty rice, organic food and rice based convenience products. We strive for growth and reinforcing our positioning by building strong brands, deepening our global presence and creating enduring value for all our stakeholders.

India's Consumption Led Growth

India is expected to have a strong domestic consumption driven growth story. According to the Centre for Economics and Business Research, India's US\$ 2.5 trillion economy makes it the 7th largest in the world in terms of nominal GDP, and is on track to overtake the United Kingdom and France to become the world's 5th largest economy in 2018. A key driver fuelling the growth of the economy is the overall rising consumer spend. Backed by consistent range-bound economic growth and rising household incomes, consumer spending in India is expected to touch US\$ 3.6 trillion (about ₹ 240 trillion) by 2020, increasing India's share in global consumption to 5.8%—more than twice its current levels.

India's average household income will triple to US\$ 18,500 in 2020, up from US\$ 6,400 in 2010, acting as a major driver in retail growth and leading to the emergence of new consumer segments.

Rapid macroeconomic, demographic and lifestyle shifts in the country, bolstered by policy and regulatory changes, have a strong potential of taking India towards its goal of becoming the largest consumer market over the next decade, according to a report by Morgan Stanley. Higher rural income, growing purchasing power and rising aspirations should drive the consumption upswing in overall India. Most importantly, the increasing disposable income levels and a rising number of aspirational consumers have given rise to consumers seeking 'premium' products.

At LT Foods, we bring product differentiation and convenience to our consumers' daily needs. Setting the standard for quality and taste, we are determined to produce products that are healthy and good for the environment. In a world full of options, our Brands stand tall in the hearts and minds of our consumers. We are keeping pace with changing consumer trends and quality with continuous investments on the brand front as well as at the backend.

Chairman's Message

Our Journey of Transformation Continues

Over the years, we have grown our basmati business with the addition of more brands to meet different price points, to keep pace with changing consumer trends be it health or convenience and cater to tastes of different geographies. This has helped us in meeting regional consumer preferences and growing our marketing share. Further, to grow in size, we have often taken the inorganic route – both within the country and outside. Our transformational journey began with diversification into organic food, rice based convenience products as well as regional rice. Even as our basmati rice orientation remains strong, our ambition is to certainly go beyond. Today we have a strong portfolio of products ranging from speciality rice at every price point, organic food, sauté sauces, rice based snacks and convenience rice based convenience products.

Our Global Playbook

In our quest to emerge as a global player, FY2018 was a critical year, as we made strong advancement internationally by setting up plants in chosen growing markets. In January, 2018, we commenced operations of our manufacturing facility in Rotterdam, Netherlands, with a capacity of 60,000 metric tonnes per annum. We

also established a ready-to-heat plant in Houston, Texas, USA, which is expected to commence operations by Q2FY2019. In Europe, our new processing unit will help us save on the heavy import duty on white basmati rice, and at the same time help us to unlock the full potential of the region through improved serviceability and logistics. Going forward, I expect the Company to strengthen our foothold in both these markets.

Our India Playbook

While international market operations is an important driving force of our business, the India branded market is equally gaining importance over the last decade. The India branded business grew by 13% in value terms versus last financial year. In the last three years, we have almost doubled our distribution reach in terms of number of retail outlets and distributors. Today our India business is strongly supported by our product presence across the all price points and sales channels. This has enabled us to reach 93% of towns in India, with over 2 lakh in population. We now have access to 150,000 traditional retail outlets and 2500 modern trade stores, including 121 hypermarkets, 298 supermarkets and 1462 mini markets. We are also known as a solution provider to big chains of hotels and restaurants.

“With a proven and well-defined business model, LT Foods is ideally poised to look forward ‘fearlessly’, yet ‘responsibly’.

“ FY2018 has been a critical year for us. We have made strong advancement internationally by setting up plants in chosen growing markets. However, although operations from international markets are one of the important driving forces of our business, over the last decade, the Indian branded market has become equal in importance.

Good Governance Foremost

Today, we see many of our medium-term goals realized. From this position of strength, we have the ability to become an enduring and prominent global branded specialty food Company that is a consistent value generator. As we press forward ‘fearlessly’, to surmount new heights of potential, we acknowledge the deeper duty we hold for being ‘responsible’. This means that we need to be more accountable in managing our external as well as internal risks better than ever before; in sharing our achievements with greater ‘transparency’ with our stakeholders; and in sustaining the highest standards of corporate governance within our operations. We believe that these responsibilities are pre-requisites for maximizing shareholder returns, and we embrace them wholeheartedly. Furthermore, our rising share of branded business; competitive cost structure; and efficient inventory management are expected to drive better return ratios. With a proven and well-defined business model, LT Foods is ideally poised to look forward ‘fearlessly’, yet ‘responsibly’.

Our vision of the future is not limited to our actions on display today. We are continuously evaluating the eating preferences of global consumers. We are continuously exploring alternative and

new ways to establish new channels of growth and value creation from a global perspective. Once committed, our value system dictates that we progress forward with conviction and excellence, to deliver on our promises.

All this would have not been possible without the dedication and commitment of our team across geographies. I would like to thank team for their hard work and wish them continued success and growth with the Company.

On this note, I would like to thank all co-Directors on the Board and partners in business for contributing to our continuing success. My gratitude also goes to all our shareholders for their faith and belief in us.

Sincerely,



Vijay Kumar Arora
Chairman

Message from the Managing Director & Chief Executive Officer

“ At LT Foods, we work towards delivering consistent and sustained value for our shareholders. Armed with the right strategies, the right culture, the right product mix, and the right geographical footprint, I am ever more confident in our abilities to continue to do so.



Ashwani Kumar Arora
Chief Executive Officer &
Managing Director

“Today, many of our brands are market leaders in their respective countries. With an unmatched product portfolio and geographic diversity, we are amongst the leading innovative food companies operating out of India.

Dear Shareowners:

First and foremost, I would like to thank you all for your continued faith and belief in our Company. Over the years, we have worked diligently to strike the perfect balance to deliver consistent and sustained value for our shareholders. I am ever more confident in our abilities for doing this, armed with the right strategies, the right culture, the right product mix and the right geographical footprint.

Today, we have a strong business model, which we are leveraging to create long-term value within the world's fast evolving specialty rice and food space. As in the beginning of our journey, 'consumption' continues to remain at the heart of everything we do. As one of India's largest rice based branded Company we are evolving into a trusted and quality food solutions Company. LT Foods is at the vanguard of creating a fully integrated global specialty rice and food Company. Today, many of our brands are the market leaders in their respective countries. With an unmatched product portfolio and geographic diversity, we are amongst the top innovative food companies operating out of India.

Financial Performance

Growth at LT Foods has been driven by the sturdy performance across all our leading brands, and by a strong acceptance of our growing portfolio of differentiated products. This delivered another year of strong performance with solid underlying sales growth of 13% in India branded and 23% in the International branded market respectively. The Company reported an EBITDA and cash profit growth of 2% and

6% respectively over the previous year. Our profits grew 12% over the previous year to ₹144 Crores.

Post the infusion and partial debt pay-off resulting from our successful Qualified Institutional Placement, the debt equity ratio in the Company reduced from 2.30 in the previous year to 1.26 in FY2018. Our finance cost fell by 7% versus last year. A stronger balance sheet post our Qualified Institutional Placement, our credit ratings improve considerably. Our credit rating has been upgraded by CRISIL to A-/Positive outlook from BBB+/ Positive outlook. Our margins continue to improve as our basket of differentiated and premium products grow. On the cost front, the company enjoys substantial economies of scale and continuously focuses on efficiency enhancing initiatives.

Integrated Manufacturing & Logistics

Our business draws major strength from our back-end infrastructure, which has been created over the last four decades. Our state-of-the-art manufacturing plants concentrate on manufacturing specialised products. We have also aligned ourselves deeper with farmers in specific pockets of Haryana, Madhya Pradesh and Punjab. While strengthening our partnership with the farmers, we also undertook welfare initiatives to improve their economic well-being. To maintain superior farm output, we imparted education on sustainable farming practices, provided technical assistance and promoted the use of ecologically sound agricultural technologies to the farmers.

Message from the Managing Director & Chief Executive Officer

During the year, we have also entered into a Memorandum of Understanding with Wageningen Food & Biobased Research (WFBR), Netherlands. WFBR is renowned for its work on developing sustainable innovations in healthy food, fresh food chains and bio-based products. This collaboration is primarily aimed at strengthening our paddy procurement processes. Through this strategic partnership, we aim to adopt the best agricultural practices to increase the crop yield of farmers. This is one amongst several initiatives taken by us over the years to build responsible agriculture best practices through world-class partnerships with institutions of repute.

Deep-Rooted Transformation

At LT Foods, we have undergone a profound transformation. From being a bulk rice player in our formative years, we are evolving into a globally recognised, branded specialty rice and food Company. We are on track in our journey to take LT Foods to breach the bastions of global scale. We are steadily expanding our geographical reach in North America, Europe and Middle East. We are doing this with a judicious mix of pushing organic growth, commencing greenfield operations, as well as acquiring popular regional brands where it makes good business sense. In FY2018, we were successful in operationalising our rice processing plant in Europe, and inaugurating our 'ready to heat' rice facility in North America. We take pride in being

the first Indian food company to set up a rice processing plant in Europe. Looking ahead, we aim to invest substantially in our branding and market expansion in Europe.

Our transformation into a trans-national company is the result of our strong vision, meticulous planning, strategic roadmaps and painstaking execution to fuel profitable growth. Our forward thinking strategies have also helped us in attaining brand leadership across multiple regional markets around the globe. In doing so, we have also strengthened our long-term competitiveness by successfully widening our portfolio with innovative products, that enjoy both strong consumer loyalty and relative price inelasticity. In FY2018, we witnessed the successful launch of our premium rice-based snacks brand 'Kari Kari' for the Indian market. Such differentiated products are helping us to produce growth, across product categories, markets and channels. Furthermore, we are persistently strengthening our core profitability, supported by strong brand recognition; higher contribution from branded sales; and healthy improvements in realisations.

Welcome to our New Investors

Over the last year, we have been receiving significant recognition from highly discerning institutional investors. Their participation as shareowners is an attestation of their faith in our business model. Our successful fund raising through the Qualified Institutional Placement during the year, is also testimony of this

“ We are well on-track to attain our goal to become USD 1 billion in revenues Company by 2022.

“ Our transformation into a transnational company is the result of our strong vision, meticulous planning, strategic roadmaps, and painstaking execution to fuel profitable growth.

growing endorsement. This fund raising has partly reduced our overall debt specially short-term, and reduced our reliance on it for our growth hereafter. It has also strengthened our Balance Sheet, meriting better credit ratings and hence a lower blended cost of borrowing. Our improving financial performance is also contributing to stronger internal accrual generation, further reducing our dependency on debt for funding our business growth. Going forward, we expect to see further improvements to our profitability, and in our ability to generate stronger cash flows.

On our way to our 2022 Vision

We are well on-track to attain our goal to become a USD 1 billion revenue Company by 2022. Our processes are being strengthened to align our businesses with this objective. This growth will be supported by the robust momentum in branded basmati sales in India and globally; strong traction from the new processing facility in Europe and the US; increasing sales of branded and organic business; and higher revenue generation from the acquired brands. In this direction, we are improving our cost efficiencies, working capital cycle and productivity. We will continue to benefit from our established operational track record; experienced team; wide distribution network; and established client base. I am confident that these initiatives will take us closer to our 2022 vision.

To deliver this growth, we have raised ₹ 400 crore through a Qualified Institutional Placement in FY2018. The sizeable inflow will improve our financial flexibility to support future growth, as well as reduce our dependence on external debt.

Looking ahead the market place looks exciting and filled with opportunity. We are well positioned to capture these opportunities, and deliver continuous growth and value creation. A strong portfolio of brands and a growing product acceptance globally gives us a good visibility and confidence to achieve stronger growth. We will continue to serve our customers with quality and commitment. These values shall remain the hallmark of all our offerings, and will enable us to achieve a long and meaningful relationship with our customers.

In closing, I would like to express my sincere gratitude to all our stakeholders for their continued trust and support; and we look forward to your co-operation in the journey ahead. I would also like to thank our team for their sincerity, passion and commitment.

Sincerely,

Ashwani Kumar Arora
Managing Director & Chief Executive Officer

At a Glance

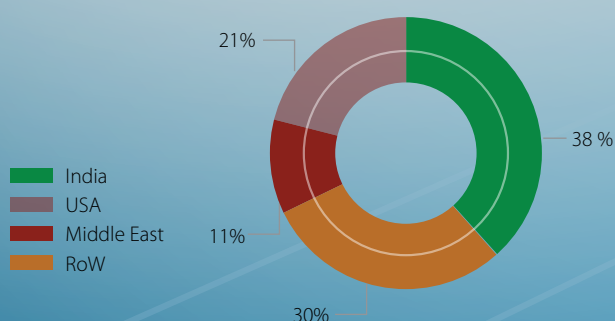
Incorporated in the year 1990, LT Foods Limited (erstwhile LT Overseas Ltd.) is a consumer focused company, dealing in specialty branded basmati rice, organic foods and rice based convenience products.



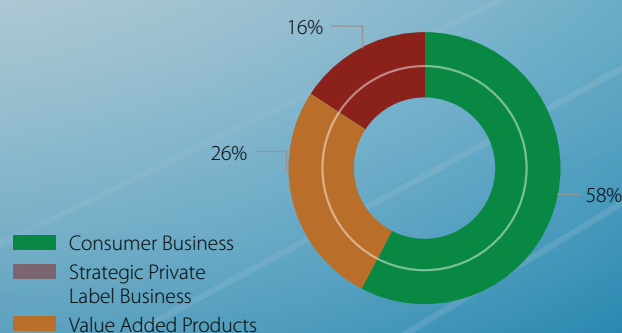
OPERATIONAL HIGHLIGHTS

- ▶ Launched premium rice based snacks "Kari Kari" from a JV with Kameda Seika
- ▶ Inaugurated a new facility in the US to manufacture organic Ready – to – Heat and Eat products
- ▶ Launched "Daawat" with new packaging especially designed for Europe
- ▶ Modernization of Organic Facility to gain market share in India and International Markets
- ▶ Raised ₹ 400 crore through Qualified Institutional Placement

REVENUE BY GEOGRAPHY



REVENUE BY BUSINESS SEGMENT



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 professionals. The Company has an established brand presence, both in the Indian 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

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



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 28%+ market share and 35%+ market share in Premium segment. 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.



No. 1 Brand of US

It is the No. 1 and 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 a continuous basis. It is growing at a CAGR of 20% over the last five years.



ecoLife

The Company's organic food brand is well accepted in developed economies. 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.

Devaaya

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.



The recent acquisition of iconic brands of Middle East have helped us to strengthen our position in Saudi Arabia, UAE and Kuwait.



It is a popular basmati rice brand catering to the mass segment, and is widely accepted for its aroma and quality.



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

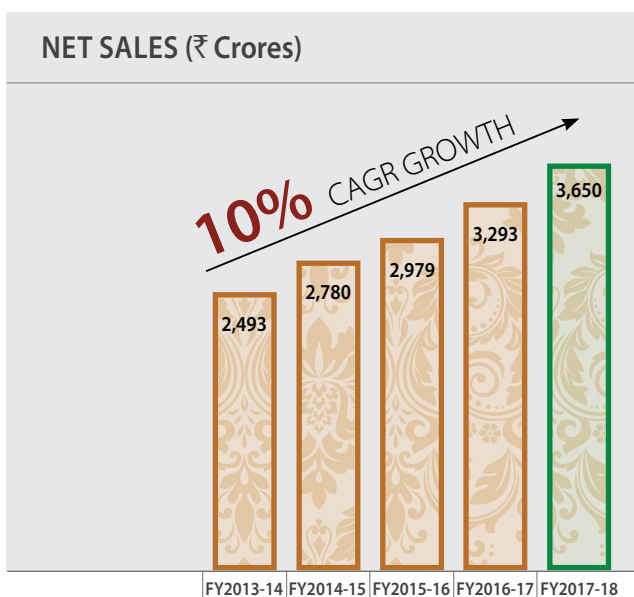
KARI KARI
JAPANESE PREMIUM SNACKS

The Company has launched premium rice based snacks brand "Kari Kari" in India from a JV with a Japanese snack food major Kameda Seika. The initial response in the test launch phase has been very encouraging and based on the results of the test launch, the Company plans to set up a facility for the same in the next financial year.

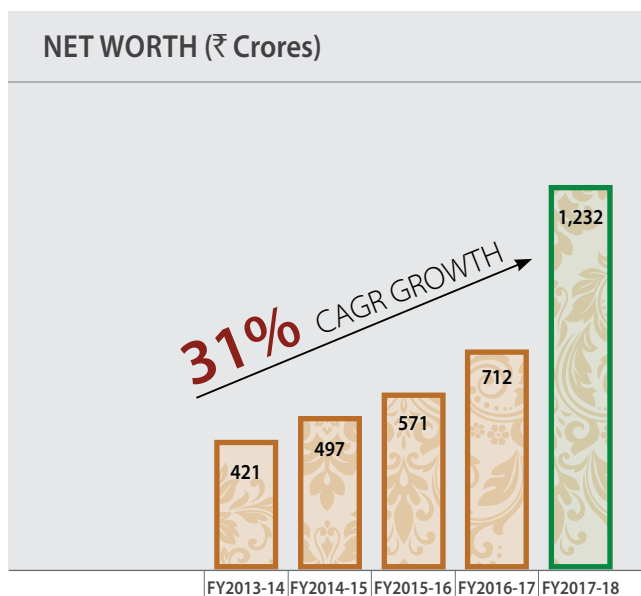
Financial Highlights

The Company's financial performance has improved significantly over the last 5 years. The revenue of the Company has been consistently growing at a healthy rate. Its EBITDA has also witnessed healthy growth in tandem with the top-line. Profit after Tax and Earnings Per Share have also grown.

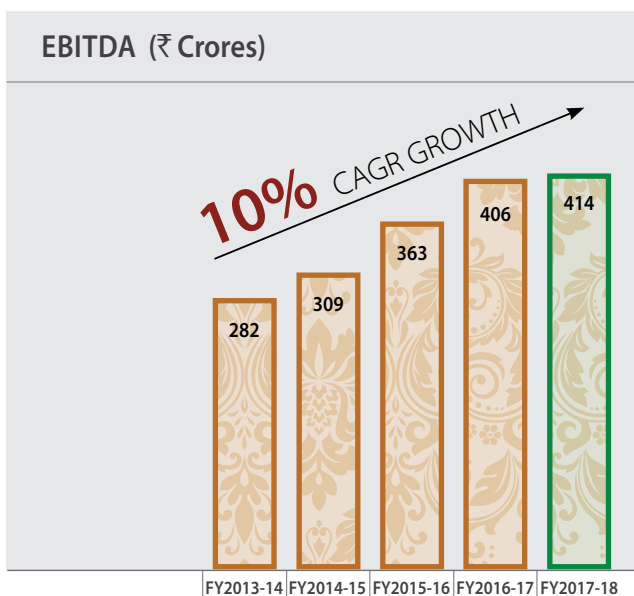
NET SALES (₹ Crores)



NET WORTH (₹ Crores)



EBITDA (₹ Crores)

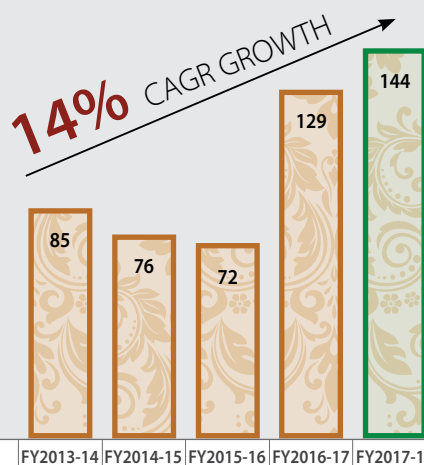


Summary of Consolidated Financial Performance Overview

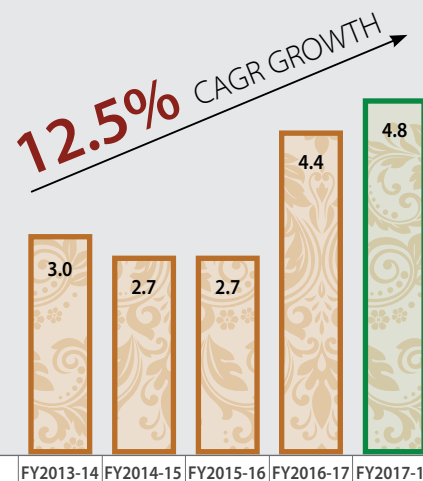
Figures in ₹ Lakhs

PROFIT AND LOSS SUMMARY	31st March, 2018	31st March, 2017
Revenue	3,64,990.24	3,29,290.01
Operating EBITDA	41,424.96	40,634.42
% of Sales	11.35%	12.34%
Depreciation, Amortisation and Impairment	5,011.53	5,509.92
Interest Expenses	14,657.57	15,677.31
Other Expenses	42,924.75	35,992.57
Profit Before Tax	21,755.86	19,447.19
Tax Expenses	7,138.00	6,488.29
Profit After Tax	14,617.85	12,958.90
Profit After Tax and Minority Interest	14,441.98	12,927.38

PROFIT AFTER TAX (₹ Crores)



EPS (₹)*





With annual sales over c. 3,00,000 MT of branded rice, we are a global Food Company offering premium basmati rice, globally. Branded basmati rice constitutes about 69% 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.

From Farm to Fork

An Integrated Business Model



Our Business Evolution

Foundation of the Company

Pre 1985

- ▶ Founded by the Arora Family in the 1950s
- ▶ First rice mill in 1978



Focus on Brands and Product Value Chain

1995-2006

- ▶ Presence extended to 35+ countries
- ▶ Dec-06: IPO at INR 56 p/s raising US\$7.8m for the expansion of manufacturing facilities



Focus on B2B (Private Label)

1985-1995

- ▶ Incorporation of LT Overseas Ltd
- ▶ Launched 'Daawat' brand in 1980s
- ▶ 'Daawat' brand still in developing stages – launched the brand internationally in c.20 countries

Globalization

2007-2014

- ▶ Acquired 'Royal' brand in US
- ▶ Rabo PE invested equity capital of c. US\$10m
- ▶ Daawat attained a leading position among basmati rice brands in India
- ▶ Launched value added staples



Next Stage of Growth

2016-2018

- ▶ Launched premium rice based snacks "Kari Kari"
- ▶ Inaugurated a new facility in the US
- ▶ Launched the new avatar of our leading brand "Daawat"
- ▶ Raised ₹ 400 crore through Qualified Institutional Placement



Strategic Acquisitions

2015-2016

- ▶ Presence in 65+ countries
- ▶ Launched "Ecolife" in USA & India
- ▶ Acquired "Gold Seal Indus Valley", "Rozana"
- ▶ 817 Elephant





BUILDING STRONG BRANDS

At LT Foods, we are strengthening our brands to capitalise of the new opportunities of growth. We are capitalising on the demands arising from changing lifestyles and consumption patterns.

DAAWAT

A TRADITION OF EXCELLENCE
ROYAL

ecoLife **Devaaya**



BUILDING STRONG BRANDS

20%

Volume Growth of Rozana
Products

3%

Volume Growth of Gold Seal Indus
Valley Products

In FY2018, we have strategically grown our business from our current brands, by introducing new brands and line extension, and by augmenting our capacities to support the growing demand for our products. Our focus has been on expanding our brand penetration, both within India and in international markets. Our brand strengthening initiatives are driven by consistent brand related investments behind sharply defined consumer propositions; adopting channel-wise strategy to strengthen our footprint in all the channels across geographies.

During the year, we introduced several new products to our portfolio. This includes "Daawat Rozana Gold Plus" that offers a unique mix of 80% of white rice and 20% Daawat Quick Cooking Brown Basmati Rice. This perfect blend of taste and health in one pack has already received positive response from the marketplace. We also added "Daawat Sona Masoori Rice" to our portfolio from our JV with Future Group, which primarily caters to markets in South India. For all our launches, we are leveraging our existing Daawat sales and distribution network within India and overseas.



Another key development within the Indian market was the launch of rice based premium snacks through a joint venture with Kameda, Japanese Rice based snack Company. The product – “Kari Kari” has been test launched in Delhi, NCR Mumbai and Bengaluru in 120 leading modern trade stores. The response has been encouraging and we look forward to gradually build volumes across all Tier 1 cities within India through setting up a plant in India.

Our organic brand business has also been strengthened in FY2018, as we updated and modernised our facility at Sonapat in Haryana. This was initiated with a view to augment capabilities, broaden our reach in key export markets and grow within India.

On the international front, our recent acquisitions have also been strengthened over the year by adopting tactical route to market and value adding strategies. The overall volumes of the acquired brands, namely Gold Seal Indus Valley, Rozana and 817 Elephant, grew by 3%, 222% and 307% respectively since FY2017.

Furthermore, with the changing consumer landscape, we introduced products to cater to the emerging consumption needs of our target audience. We invested in products that appeal to contemporary consumers, and established a facility in the US to produce and distribute Ready-to-Heat products. This unit will help LT Foods to diversify and take a lead in this growing new segment.





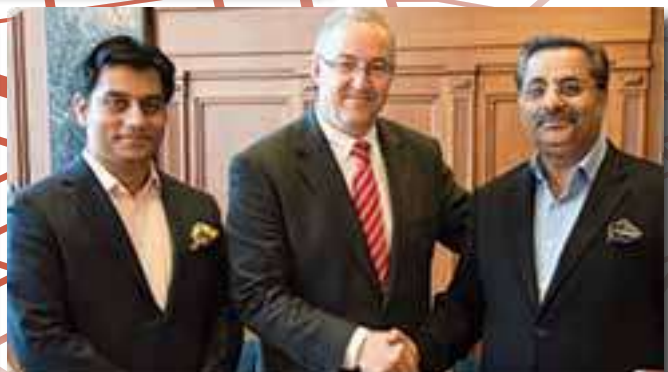


DEEPENING GLOBAL PRESENCE

India continues to be a substantial driver of performance. We have augmented our capabilities in geographies where we are already present — such as the US and the EU — and we are building strengths in others like the Middle East.

DEEPENING GLOBAL PRESENCE

In India, we are expanding our distribution reach by making consistent investments in brand building and distribution. The result of our endeavours is evident in the growth of the business. Our India business is growing at CAGR of 8% over the last three years and our efforts are making the business more sustainable and predictable. This is evident in our market share as well, which has reached to 28% in India as per AC Nielsen. Similarly, our international business is growing at CAGR of 6% over the same period.



The Middle East is a leading market for Basmati rice and in this region we are working on deepening our distribution network and brand visibility. Our recent acquisitions of Gold Seal Indus Valley and Rozana are steadily growing in their acceptance amongst consumers, and improving our position within the Middle-East markets. These brands have also helped us enter into specific new markets of Qatar, Oman, and Bahrain. Leveraging these brands, we have also reinforced our existing presence in Saudi Arabia, UAE and Kuwait.

We expanded our geographical footprint in important markets of Europe and UK by setting up a rice processing plant in Europe at Rotterdam. The central location of Rotterdam in the heart of mainland Europe is strategic, as it provides LT foods with easy access to both the European and UK markets. We have commenced operations in FY2018, manufacturing a wide range of products under the Daawat brand. This move is aimed at making Daawat a household Basmati brand across Europe. The new processing unit will enable us to eliminate the heavy duty on the imports of white basmati rice into Europe, and help us to unlock the full potential of European market.

In the North American market, we have inaugurated our Ready to Heat (RTH) facility to manufacture Ready-to-Heat products. This new and innovative product differentiates LT Foods from competition and is expected to widen our market access within the US. Additionally, the acquired rice brand 817 Elephant has strengthened our presence in the markets of Canada, North America and Australia.



SOUND FINANCIAL STRATEGY

Confident in our abilities to execute on our plans for the future, we aspire to be a highly respected multi-specialty food company, and an enduring long-term wealth creator for our widening base of stakeholders.



LT Food achieved a major milestone in FY2018 by raising ₹ 400 crore through a Qualified Institutional Placement. The response to the Qualified Institutional Placement issue was overwhelming. This stands testimony to our growth-oriented financial performance, and to the confidence reposed by the investor community in our organisation. The Qualified Institutional Placement enjoyed wide participation by diverse sets of quality investors, including SBI Mutual Fund, DSP Blackrock, Reliance and Societe Generale among others. We welcome on-Board all our new marquee investors into our growing family of shareowners. The shareholding base has now expanded to a healthy mix of shareholders, including Private Equity investors, Indian and International FIIs, HNIs and retail investors.

This Qualified Institutional Placement infusion has also significantly strengthened our Balance Sheet and capital base. It has further enhanced our core business operations and deleveraged our Balance Sheet. With the induction of these

long-term fund, the debt equity ratio and current ratios have improved. Our debt equity ratio has improved from 2.30 as on March 31, 2017 to 1.26 as on March 31, 2018. The current ratio stood at 1.35 as on March 31, 2018 against 1.09 as on March 31, 2017. Furthermore, this successful fund raising and a strong growth projection has resulted in a significant upgrading in our credit ratings. Our long-term rating has been upgraded from CRISIL BBB+/ POSITIVE to CRISIL A-/ POSITIVE, while our short-term rating improved from CRISIL A2 to CRISIL A2+.

Our improving financial performance has contributed to stronger internal accrual generation, and our improving free cash flows have reduced our dependency on debt for funding our business growth. Going forward, we expect to see further improvements in our profitability, and in our ability to generate even better cash surpluses. Going forward, we have adequate resources to keep us on track for becoming an enduring value creator.



BEING SOCIALY RESPONSIBLE

At LT Foods Ltd, our CSR initiatives are based on our ongoing commitment towards society, people and environment. We actively seek out opportunities to improve the environment, and to contribute positively to the well-being of communities in which we operate. By means of integrating and embedding CSR into our business operation, LT Foods Ltd has demonstrated its commitments and determination for being socially responsible.



Our business principles dovetail with our CSR initiatives, to ensure that the surrounding habitation develops along with the Company. We recognise the need to adopt CSR as a strategic tool for Sustainable Development, integration of business processes with social processes and also addresses the concern of society. To achieve this, we are constantly working towards adopting fair and equitable practices, implementing focused CSR project, adopting environment friendly processes, technologies and advancing sustainability efforts to bring a change. We believe that, through our initiatives, each year a substantial and sustainable rise in the quality of the life and livelihood of our rural brethren is achieved.

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. The adopted village has seen numerous noteworthy developments, since its adoption by Company. To sustain the rapid progress and ensure the Project's sustainability beyond our interventions, our priority is to raise community incomes through an intensified focus on livelihood development. As of this time, we are smoothly progressing towards making the project self-sustainable in the coming years.

To further expand our initiatives, we initiated 'School Adoption Program' in FY2017. With a Vision to convert backward rural and urban Government schools into Model Schools and bring them at par with the best run city schools in terms of infrastructure and performance. Keeping this vision in focus, the pilot project of LT Foods Ltd "Humaari Udaan" was launched in Govt Primary school in Chauhan Joshi Village, Sonapat.

Through this multi-pronged approach involving all the stakeholders government, community, teachers and children, the project is a sustainable model to ensure that students receive enhanced learning as a short term goal, while uplifting of whole community in the long term. An enhanced infrastructure and an access to a better educational setting, are necessary for children to receive quality education. To support the cause, we have renovated the school and provided the students with an attractive environment, a broad walkway and better looking classrooms that should motivate them to attend classes. These classrooms have been improved and restructured with document cabinets, a computer centre, bookshelves, kitchen, solar electrification, clean washrooms and stationeries for the students. There is also an arrangement for a playground with greener surroundings, along with water filters for safe drinking by the student.

We plan to continue our expansion and reach out to more schools as time goes on. With the examples and results of the past, we hope to continue our initiatives for these children in the coming years.



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*
Ritesh Arora, *Head – India & Far East*
Kamal Poplai, *Head Quality*
Dipol Dhole, *Vice President HR & Admin*
Sachin Gupta, *General Manager - Finance*

LT Foods Americas

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

Nature Bio Foods Limited

J. S. Oberoi, *CEO*
Anmol Arora, *Director*
Rohan Grover, *Director, NBFL B.V.*

LT Foods Middle East

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

LT Foods Europe

Aditya Arora, *Director*
Anubha Bajaj, *Sales*

Statutory Auditors

Walker, Chandiok & 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

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
 State Bank of India
 Punjab National Bank
 Bank of Baroda
 Allahabad Bank
 Yes Bank Ltd.
 ICICI Bank Ltd.
 IDBI Bank Ltd.
 Kotak Mahindra Bank Ltd.
 Union Bank of India
 Karur Vysya Bank
 Indian Overseas Bank
 Axis Bank Ltd.

Management Discussion and Analysis



Global Economic Overview

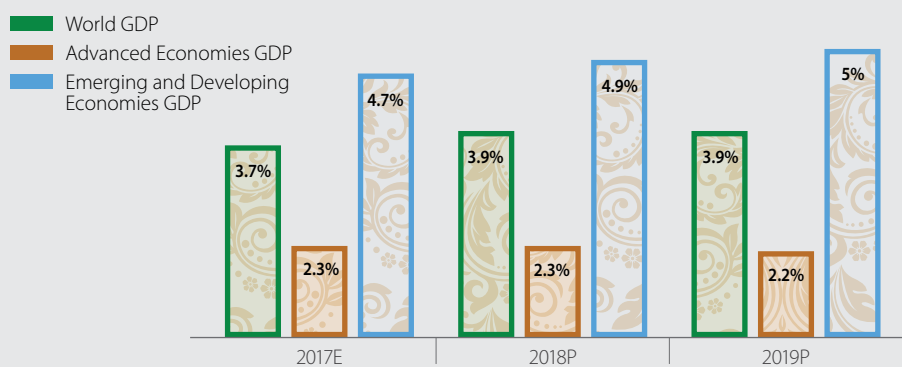
The global upswing in economic activity is strengthening. Global growth, which in 2016 was the weakest since the global financial crisis at 2.4%, is projected to rise to 3.7% in 2017 and to 3.9% in 2018, as per the International Monetary Fund (IMF).

With much of this incremental growth coming in from more than half of the world's economies, this globally inclusive cyclical recovery is a result of a secular rebound in investment, manufacturing activity, and trade. In particular, the recovery in global investment growth was supported by historically low

financing costs, rising profits, and improved business sentiments, universally across advanced economies, emerging markets, and developing economies.

India will continue to be the fastest growing large economy in the world. Growth in China and other parts of emerging Asia remains strong, and the still-difficult conditions faced by several commodity exporters in Latin America, the Commonwealth of Independent States and the sub-Saharan Africa show some signs of improvement. In advanced economies, the notable 2017 growth pickup is broad-based, with stronger activity in the United States and Canada, the Euro area, and Japan.

GLOBAL ECONOMIC GROWTH



(Source: IMF, January 2018)

Fuelled by an expansion in private consumption and privatisation; mouldbreaking changes in the taxation system; and increased investment into infrastructure, the Indian economy is expected to continue on its pace of rapid growth.

7.4%

Estimated Indian GDP growth for 2018-2019

Indian Economy Overview

The Indian economy continues to be the flag-bearer for economic expansion in the global landscape. By 2020, it is likely to overtake Germany to become the fourth largest economy, trailing only the United States, China and Japan, the World Bank stated. Moreover, India is also considered to be the most dynamic emerging economy amongst the largest countries in the world. It is expected to continue on its pace of rapid growth, fuelled by an expansion in private consumption; the mould-breaking changes in taxation; infrastructure investment; and privatisation.

The Central Statistics Office (CSO) has estimated that the overall economic growth will resume to 6.5% in FY2018, while the IMF estimates the growth potential to be 6.7% for the same period. Inflation, both CPI and WPI remained under control for entire FY2018. Average CPI stood at 3.6% in FY2018 compared to 4.5% in FY2017, while the corresponding figures for WPI are 2.9% and 1.8%, respectively. Assuming a normal monsoon and no major policy reforms, CPI is estimated to remain stable. However, key risks to the inflation outlook are rising crude oil and other commodity prices.

India's economy temporarily decelerated in the first half of FY2018, as the rest of the world accelerated. This interim deceleration was primarily caused by residual impact of demonetisation and disruption to processes following implementation of the Goods and Services Tax (GST). Nevertheless, it remained the second-best performer amongst major countries, with strong macroeconomic fundamentals. In the second half, the scenario improved meaningfully, and India jumped 30 spots on the World Bank's Ease of Doing Business rankings. In addition, actions to liberalise the foreign direct investment (FDI) regime helped increase flows by 20%.

The Government has progressed well on its agenda to implement important economic reforms, which should support a strong and sustainable growth rate going forward. In particular, the implementation of the GST, which has been in the making for over a decade, should help raise India's medium-term growth by enhancing the efficiency of production and movement of goods and services across Indian states. Furthermore, the long-festering "Twin Balance Sheet" problem was decisively addressed by sending the major stressed companies for resolution under the new Indian Bankruptcy Code, and implementing a major recapitalisation package to strengthen the public sector banks. As a result of these measures, the economy is set to progress on a sound fiscal foundation.



Management Discussion and Analysis

In 2017, India and China accounted for 52.5% of global rice production, while accounting for 50.7% of global rice consumption.

Looking ahead, India's economic growth is expected to gather momentum in FY2019, benefitting from a conducive domestic and global environment. The factors that are expected to aid the economy in achieving stronger growth are effective implementation of GST; improved credit offtake; large resource mobilisation from the primary market strengthening investment activity; and an acceleration of global trade growth. In addition, the thrust on rural and infrastructure sectors in the Union Budget FY2019 are expected to rejuvenate rural demand. In line with this positive economic development outlook, the IMF has projected India's growth to be 7.4% in FY2019.

Rice Industry Overview

The world's largest producers of rice are China and India, growing 145 m tonnes and 110 m tonnes respectively in 2017. While this accounts for 52.5% of global production, India accounts for 23%. The top-five rice-growing nations include India, China, Indonesia, Bangladesh and Vietnam.

China and India are also the two greatest consumers of rice, with 144 m tonnes and 97 m tonnes respectively in 2017, accounting for 50.7% of global consumption. The top-five rice consuming countries account for 70.8% of global rice consumption.

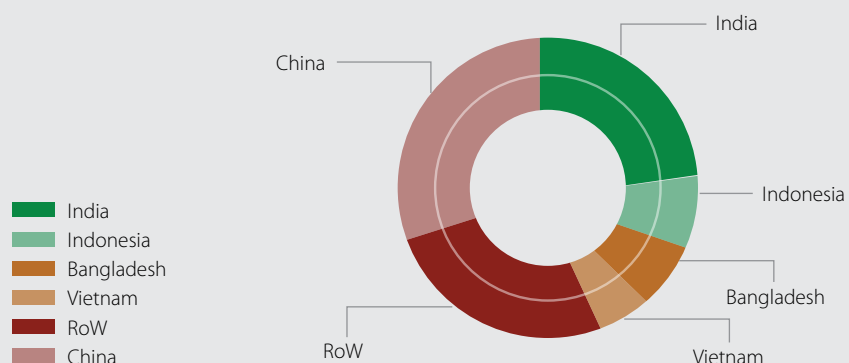
Among the various rice varieties, 'Basmati' is the most premium, with superior product characteristics. Basmati is largely cultivated in India and Pakistan, which makes these countries the only suppliers in the world. The basmati rice is grown only once a year, in the kharif cropping cycle, sown in May-June and harvested in September-November. In India, the major Basmati rice-producing states are Punjab, Haryana and Uttar Pradesh, which together account for over 95% of the country's total Basmati rice production. Jammu and Kashmir and Uttarakhand also contribute to India's production of Basmati rice.

While a majority of the non-Basmati rice produced is consumed domestically (around 90%), a majority of Basmati is exported (around 75%). Overseas markets for Basmati include regions with concentrations of South Asian diaspora –including the Middle East, the U.S., the U.K. and parts of EU. India has always been a larger Basmati exporter than Pakistan, and the gap has only widened over the years. This has been driven by efforts towards the development of suitable varieties (hybrid varieties with better yield and low inputs requirement), the adoption of modern technology for rice processing, and the liberalisation of trade policy and licensing procedures and investments have been done for quality produce of Basmati. The Basmati Exports grew by over 11.13% in value terms during FY2018 over the previous year. (Source: APEDA)

70.8%

Top-five Countries' Global Rice Consumption

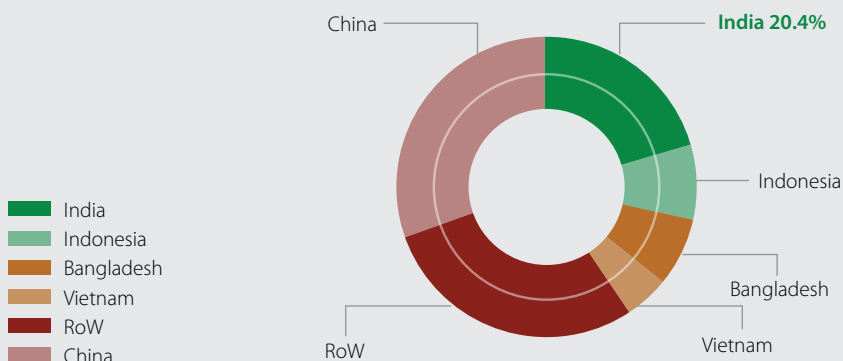
RICE CONSUMPTION



23%

India is the
Second Largest
Producer of Rice

RICE PRODUCTION



However, in recent years, rising disposable incomes and a shift towards premium products have increased the domestic demand for Basmati. This, coupled with the increased penetration of modern retail format stores and a greater marketing push by the companies, have aided the growth of basmati rice consumption in the domestic market.

The outlook for the Indian Basmati rice industry is favourable, supported by demand improvement from the international market and potential upside from branded demand/premiumisation domestically.

Food Sector Overview

As per a report from Boston Consulting Group, India has a strong growth potential. India's nominal year-over-year expenditure growth of 12% is more than double of the anticipated global rate of 5%; and it will make India the third-largest consumer market by 2025.

Rising affluence and urbanisation are the biggest driver of increasing consumption. Therefore, consumer behaviour and spending patterns are shifting with evolving Indian society and rising income. Convenience food and health food are the two emerging trends arising out of the changing demographics of the country. Indian convenience food market is estimated at ₹ 1,580 bn by end of FY2017. It includes a range of processed foods that

have longer shelf life and are easy to use. The major attributes that consumers look for in convenience foods are ease of use, packaging, nutritional value, safety, variety and product appeal. Additionally, Health and wellness foods is a ₹ 10,352 crore market in India. With a growth rate of over 10%, it remains a promising segment.

The demand for convenience and health foods is growing at a faster pace due to changes in social and economic patterns, as well as increase in urbanisation, buying power and awareness about health foods, changes in meal pattern and existing food habits and the desire to taste new products.

Furthermore, the consumers are increasingly becoming aware of the food safety issues and environmental issues because of their increased concern about health, the environment's health and its global implications. Organic food now has become a viable alternative for an increasing number of consumers, who are worried about the presence of chemicals residue and the negative consequences on the environment caused by intensive production methods. Organic packaged food and beverages is an emerging niche market in India and its primary consumers are high-income urbanites. According to the latest reports from Zion Market Research, the global organic food and beverages market is expected to reach \$323.09 billion by 2024. The report, which was

₹ 1,580 bn

Estimated size of Indian
Convenience Food Market 2017

Management Discussion and Analysis

Accelerated urbanisation, a strong demographic distribution, taxation reforms, poverty alleviation programs, and an increasing rural demand will boost consumption growth in India, driving the growth of the food sector.

carried out by Zion Market Research, estimated the organic market to be worth \$124.76 billion in 2017.

Indian Consumption Growth Driving the Food Sector

Growing Urbanisation: The urban population currently accounts for only 33% of India's population. Urbanisation is expected to rise sharply over the coming years. This shift will lead to higher middle-class population and higher disposable income.

Strong Demographic Distribution: India is expected to add over 100 mn people to its working age population in the next ten years as per the Global Demographics Report. It will then account for over 20% of world's working age population.

Policies: Reforms such as GST and infrastructure building process will strengthen economic growth and consumption in the medium to longer term. GST is also positively catalysing growth of the organised sector.

Poverty Alleviation Programs: According to the government, 22% of India's population is still below the poverty line. Higher allocation schemes such as MNREGA is expected to lead to a significant recovery in the rural economy.

Rural Demand: Two consecutive good monsoons augurs well for farm income. In addition, the government has increased MSP (Food subsidy) to farmers over the previous year and increased rural development spending to help increase rural income.

About the Company

LT Foods is a leading consumer-friendly, food company offering prominent brands aimed at a global customer for Basmati and other specialty rice, Organic Foods and rice based convenience products. The Company's integrated operations cover a global footprint with procurement, milling and processing for Basmati rice centred in India whereas further value addition and marketing – distribution are available worldwide. Key markets for LT Foods' brands besides India cover the U.S., the U.K., Europe and the Middle East. The rice portfolio comprises brown, white, steamed, parboiled, organic, quick cooking brown rice, value added and flavoured rice. In rice The Company's brands include Daawat, Royal, Heritage, Gold Seal Indus Valley and 817 Elephant. The organic food product range includes rice, pulses, oil seeds, cereal grains, spices, nuts and fruits and vegetables.



28%

Size of Daawat's market share in Indian branded rice market

Brands and Market Leadership

LT Foods offers a wide range of brands, with an offering for every occasion and every recipe, enabling it to cater to various customer segments, across income groups. The Company's flagship brand Daawat, enjoys 28% market share in the branded rice market of India. LT Foods has increased its market share in the modern trade and rural segment. The Company also enjoys highest market share in the rural segment at 42%. The Company's multi-tier brand structure is geared towards hastening the transition of the market to branded Basmati. Outside India, the Company has a strong market share of 45% in North America under the brand name 'Royal'. The Company further has strong presence in other territories as well such as Israel, Far East. This is a result of the Company's focused approach to improve its brand visibility through strategic marketing initiatives and distribution expansion.

In a bid to develop a broader basmati portfolio, the Company has been offering specific products aligned to occasions of cooking and at varied pricing tiers. This includes the specialty range (Daawat Traditional, Biryani, and Daawat Quick Brown Rice), mid value range (Rozana and Heritage brands) and value segment range (Daawat Rozana). There are in place customised plans to grow respective segments to their full potential. Through its initiatives, the Company is taking a holistic approach towards increasing the affinity for its brands and in the long-term, driving the broader business performance through their growth.

Looking beyond Basmati LT Foods is developing a platform for wholesome foods. It is also consistently tracking the evolution in customer preferences and is working on adding new products to its portfolio to cater to emergent trends such as the need for greater convenience, need for healthier more nutritious options, etc. Our recently introduced Daawat Quick Cooking Brown rice is growing at a CAGR of more than 50%. The Company is leveraging its strong brand equity across and its extensive industry experience to further enhance its brand, state of art infrastructure and its wide distribution network.

The Company also strengthened its presence in the food service business to cater to the HORECA segment through its specialised products under the brand Daawat Chefs Secretz.

Over the years, it has added value added products such as convenience sauces, fast cooking brown rice, staples and organic products. Furthermore, in association with Japanese Snack Food Company KAMEDA SIEKA, LT Foods launched healthy rice based snacks in India under the brand name "Kari Kari". It has also introduced Daawat Rozana Gold Plus, which is a blend of nutritious brown rice and aromatic white basmati rice.

The Company is introducing a range of organic "ready to heat" products for the overseas market with a facility in the United States that was inaugurated in October, 2017.

Strong Global Footprint

The Company has a global footprint and sells its flagship basmati rice brands - Royal and Daawat, into 65 countries. The Company has established its ground presence in the US, Europe and Middle East to unlock the full potential of these territories. In addition, its other product brands such as ecolife and Devaaya are also being strongly appreciated globally.

Over the years, LT Foods has also strengthened its global presence inorganically and fortified its brand portfolio through acquisitions. The Company acquired HUL's branded rice businesses - 'Gold Seal Indus Valley' and 'Rozana'. These acquisitions have strengthened the Company's position within the Middle-Eastern markets. It marks LT Foods' entry into the specific markets of Qatar, Oman, and Bahrain; and reinforces the Company's existing presence in Saudi Arabia, UAE, and Kuwait.

The Company in the previous fiscal also acquired the rice brand '817 Elephant' from the Company Deva Singh Sham Singh (DSSS). This acquisition is helping in strengthening the Company's presence in Canada, USA, Australia, and Israel. These acquired brands have a positive synergistic effect on the overall business of the Company and gaining market share with consistent marketing initiatives

Management Discussion and Analysis

LT Foods has a global footprint, selling our flagship basmati rice brands - Royal and Daawat - in 65 countries.

Integrated Manufacturing Process

LT Foods' basmati base draws major strength from its back-end infrastructure. Over the past few decades, the Company has built and cultivated five processing plants in India, each with its own commodity specific specialisation. The Company also has facilities in Rotterdam and in the US. The combined capacity of the Company stands at 101 tonnes per hour as of 31st March, 2018.

During the year, LT Foods has established a rice processing plant of 60,000 MT in Europe. Strategically located at Rotterdam, this unit will provide LT foods with easy access to European and UK markets. The products from this facility will be sold under the brand of Daawat. This move is aimed at making Daawat a household rice brand, even in Europe. White basmati rice, when imported into European Union attracts a very high import duty. So, Brown basmati rice, on which there is no import duty will be exported from India and processed

at the facility. The Company also inaugurated its Ready to Heat (RTH) facility in Houston, US to manufacture 2 min. retort rice and other products. This unit will take a lead in this growing segment while diversifying its product portfolio.

LT Foods follows an integrated approach to business, where procurement and processing are centred in India whereas the product is offered through a global branded platform across focus segments. At the heart of the business model are the strong relationships built with farmers and traders/mandis, streamlining the flow of Basmati from farm to fork. The Company's integrated operations provide it with several competitive advantages: the ability to purchase large quantities of paddy at competitive prices; and the ability to effectively plan, schedule and implement production, storage and dispatch processes. This also enables the Company to exercise greater control over the quality of its products, and ensure effective inventory and resource management.

Manufacturing Facilities in India

	Sonepat (Bahalgarh)	Sonepat (Kamaspur)	Bhopal	Amritsar	Varpal
Rice Capacity (TPH)	43	5 (Organic)	35	6	12
Key Products	Raw rice	Organic rice, Snack	Rice, plain chips, chips seasoning, rice/wheat flour, brown rice	Rice, par-boiled 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 inte- grated and automated facility



Balancing Capital Investments

The Company is increasingly outsourcing the manufacturing of low value items, and utilising its facility for manufacturing value added or high margin products. This will help the Company to grow its sales volume without any significant expenditure on capacity expansion in the medium to longterm. This business model will also help reduce operational costs and thereby enhance margins.

As a step in this direction, the Company recently entered into a JV with the Future Group for Sona Masoori Rice, which allows LT Foods to expand its product portfolio. While Future Group makes all the required capex investments, LT Foods will take care of the manufacturing operations and will provide its expertise in the procurement function.

LT Foods, in pursuit of increasing its market base, launched Daawat Sona Masoori rice in South India. This advancement in regional rice varieties has helped the Company increase and diversify its brand portfolio. This new venture also aims to fill the void of insufficient presence

of Sona Masoori in the market to expatriates belonging to the south Indian ethnicity globally. Taking benefit of this opportunity, and using its deep-rooted established network, LT Foods is providing the taste of regional rice globally.

India and Global Business Overview

LT Foods is one of the leading basmati rice players in India having a strong foothold both in International and the Indian market.

The India market remains a key growth driver for branded basmati rice, as the Indian consumers move towards branded foods on the back of rising affluence and evolving culinary preferences. A shift from unbranded basmati to branded is expected due to better product offerings. LT Foods is one of the key beneficiaries of this changing industry dynamic, owing to its strong brand positioning, diverse product portfolio catering to varied price points, and wide distribution network across channels. The Company's branded revenue in India stood at ₹ 892 crore, registering a growth of 13% over the previous year. Furthermore, the consumer

61%

Revenue Contribution of
International Business

Management Discussion and Analysis

By outsourcing the manufacturing of low value items and utilising its facility to manufacture value added or high margin products, LT Foods will be able to grow its sales volume while minimising expenditure on capacity expansion and operational costs.

pack business has grown by 18% , but there has been a slight de-growth in the bulk pack business since last year due to a GST causing a dip in our HORECA business. The Company has been working extensively with its distributors to make this a smooth transition.

The Company's newly set up plants in the US and Europe will pave the way for healthy revenue growth and stronger market share. The acquisition of brands including Rozana, Gold Seal Indus Valley, and 817 Elephant will strengthen its footprint in the overseas market. The Company is witnessing healthy demand growth across regions on account of a strong brand recall in the US market; a leadership position and a new plant commercialisation in Europe; and the entry in new territories through a brand acquisition in the Middle East.

The Company's overseas branded revenue stood at ₹ 1,238 crore, registering a growth of 23% over the previous year. Our US branded business contributed 41% of our total branded revenue and grew by 21% our Middle East business contributed 11% of our total branded revenue and grew by 19% with the growing consumption of Daawat and newly acquired brands. Our Far East and Africa business contributed 4% of our total branded revenue and improved by 37%.

Quality

At LT Foods, the Company aims for quality and safety in every grain. In pursuing this relentless commitment to quality, the Company focuses on the continuous innovation of processes and systems to enhance its competitiveness and the efficiency of its business process. 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, which is supplemented by rigorous quality control programmes, to ensure a consistent high quality 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.

During the year, LT Foods continued its focus on driving the quality culture and total productivity management across all its facilities with improvement in capacities and technology. All facilities at LT Foods are certified by internationally acclaimed third-party certification and accreditation bodies, with HACCP and HARPC principles and standards. Its superior products are a testimony to the Company's relentless focus on quality and delivering world-class products to consumers worldwide.

LT Foods undergoes regular audits by certification bodies, ensuring adherence and compliance to these standards. Certification bodies such as SGS, Intertek, Eurofins and BV regularly audit the Company. This ensures that the Company's adherence to compliances are of the highest standard and maintained at all times. Additionally, the Company complies with all major importing country standards such as the FDA, CFIA, EU, GCC, SASO and others.

LT Foods' commitment to the health and safety of its consumers is paramount, and it ensures strict adherence to food safety and hygiene in the production processes, as well as in the delivery to the client. The Company runs a robust in-process quality programme. Samples are collected at regular intervals during the course of production to ensure brand specifications, also ensuring that the physical and cooking standards are strictly adhered to. Any deviations are corrected on a real time basis.

The Company also has a well-established and robust internal audit programmes that monitors the effectiveness of its processes and systems, covering the following activities:

- Inspecting premises and processes for compliance with hygienic and other requirements as per international standards and domestic regulations.
- Evaluating HACCP and other certification standards, plans and their implementation.
- Sampling and testing products prior and during harvest, procurement, processing, storage, transport, or sales to establish compliance.
- Carrying out inspection, sampling and certification of food for import/export inspection purposes.

Furthermore, the Company adopts globally accepted and permitted farming methods for the cultivation of 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.

The Company's state-of-the-art accredited laboratories are an essential component of its food control system. The establishment of laboratories has been done in a manner considering requirements both in India and international markets. The laboratories have adequate facilities for physical, microbiological, mycotoxins and chemical analysis. In addition to routine analysis, the laboratories are equipped with latest equipments that determine the accuracy and reliability of analytical results. The analytical quality assurance programmes, along with the Company's responsiveness helps in addressing customer queries on a real time basis.

Management Discussion and Analysis

At LT Foods, the Company focuses on the continuous innovation of processes and systems to enhance its competitiveness and the efficiency of its business process.

Business Pillars (Strengths)

Procurement

In order to augment the availability of paddy supplies from traditional sources, the Company has initiated contract farming since 2006. Under the contract farming mechanism, the Company sells superior quality seeds to the farmers and also provides them with the technical knowhow of rice farming. The Company has a 100 member strong team to handle the paddy procurement process in key procurement centres.

The Company has one of the largest and best entrenched networks of farmers. This helps it to enjoys high credibility at grain markets or mandis. As a result, its association with 270 agents who are linked with 234 mandis, gives LT Foods early and easy access to key rice varieties. Including the organic business, the Company is associated with over 80,000 farmers. While the specifications for pesticides and other parameters to export Basmati rice to markets such as the US and the EU are stringent and demanding, the Company's focus on quality and testing helps in ensuring that these standards are met throughout the value chain.

However, apart from contract farming, the Company also purchases paddy from open markets. To ascertain the quality of the paddy procured, the Company has developed a tool to strengthen its paddy procurement process by mapping on-ground information of the mandi which helps in devising the buying strategy accordingly for a particular day. The Company nurtures best practices in basmati cultivation and has associated with leading crop science companies. Dedicated engagements for organic farming have also been undertaken to move towards an environmentally sustainable agri-model. Further, the Company's experience of more than 30 years in the industry has helped in delivery of quality product.

LT Foods has entered into a Memorandum of Understanding (MoU) with Wageningen Food and Biobased Research (WFBR), Netherlands, to promote the development of co-operation in the field of research and education. The collaboration with LT Foods is primarily, aimed at strengthening the paddy procurement

processes of the company. The agreement will enable LT Foods and WFBR to encourage and establish ex-change of collaborative scientific research.

Branding

The Company's branding differentiates its offerings by providing customers with quality assurance, facilitating product recognition, and brand recall. This helps to attract new customers while retaining its existing customer base. The Company has invested in customised plan to grow in each category of its business, supported by online and offline initiatives. It also engages with target consumer through activation strategies.

The Company's association with Sanjeev Kapoor, the renowned chef has reinforced Daawat as the Finest, Royal as No. 1 Brand in US, Devaaya as Tested Safe, Heritage as Trusted Basmati and Ecolife as 100% Organic. The Company is leveraging this association to promote its presence in the food service business across the HORECA segment. To be the preferred brand amongst budding chefs, Daawat sponsored a TV show, conceptualized by the brand ambassador chef Sanjeev Kapoor, which was a Cook-Off amongst Young Chefs from top catering colleges in India. The sponsorship showcased the brand to all the budding chefs and enhanced brand visibility. The Company has also extended its presence in Hotel Management Institutes to share knowledge on basmati rice and introduce students to innovative rice-based recipes. This initiative is expected to create a strong brand recall for LT Foods.

During the year, the Company launched 'Daawat Rozana Gold Plus'. The product is a unique blend of flavoursome white basmati and fibre rich Brown Rice. Rozana Gold plus offers the same great taste of aromatic and flavoursome basmati rice, with the added goodness of healthy fibre, in one pack. With the growing health consciousness among consumers, this product leverages the innovative concept of introducing a 'high fiber blend' into the basmati rice category. The product promotions were conducted across TV, digital media, news-papers and radio channels. Rozana Gold Plus has reached 35,000 stores, including 1,000 modern





retail stores across India. The product is also spreading its mark on e-commerce platforms such as Big Basket.

As one of the first Initiatives of the JV with KAMEDA SEIKA, the Company launched the rice-based snacks 'Kari-Kari' in India during the year. After detailed research, the product has been unveiled in four exciting flavours - Chilli Garlic, Salt Pepper, Spice Mania and Wasabi. The product is presently available in selected modern retail outlets in Mumbai, Delhi and Bangalore; and the initial sales response has been very encouraging. The Company plans to penetrate in other select regions over the next fiscal year. The Company also plans to set up a manufacturing facility for manufacturing rice based snacks in India. The construction of the same will commence in the third quarter of FY2019.

Additionally, during the year, the Company engaged with internet celebrity Chef - Chef Mirvaan (Master Chef finalist) - to create informative videos on Daawat Brown Rice for digital channels. This has helped the Company to build its innovative and health brand equity, targeted at the health-conscious audience. At the trade level, LT Foods has constantly invested in building relationships with its business partners through various loyalty programmes.

Globally, the Company has a well-entrenched sales network in USA, Europe, Middle East and Far East. The Company has a dedicated team, working on strengthening the Company's presence in Africa, to unlock the full potential of the market.

Distribution

LT Foods' GT business has access to 150,000 traditional retail outlets and 36,000 wholesalers, reaching 93% of towns in India, with over 2 lakh in population. The Company also has access to 2,500 modern trade stores, including 121 hypermarkets, 298 supermarkets and 1,462 mini markets. It is also the first company to place Quick Cooking Brown Basmati Rice in Medical Chains. Furthermore, the Company is a leading supplier of products to premium hotels and restaurants, and has access to 6,200 foodservice outlets through 'Daawat Chefs Secretz'. The Company's HORECA business added 200 new customers during the year and reported a revenue growth of 24% over the previous year. Furthermore, LT Foods has a dedicated network for expanding its global reach. In the US, we are present across all channels, be it Ethnic stores or mainstream. The Company also has 40 international distributors to cater to the global markets.

93%

of Indian towns accessible to LT Foods' Distribution Network

Management Discussion and Analysis

On the back of growing basmati rice sales, a new processing facility, and increasing sales from the organic business, LT Foods expects to continue to deliver sustainable growth in the years to come.

Product Innovation

The Company aims at increasing its research and development efforts on new product development to make healthier, nutritious, and more convenience enhancing products. This will allow LT Foods to better serve increasing demand from consumers for more efficient, healthier, and higher quality food. LT Foods' research and development efforts have resulted in some popular products, including the 15 minute Daawat Quick-Cooking Brown Rice range, which is growing at a 5 year CAGR of 52% and has become the No.1 product in its category. Another extension to this segment is the combination of white basmati rice and brown rice under the 'Rozana Gold Plus' brand. Sauces that can be conveniently mixed with rice for added flavour. The Company also entered in a JV arrangement for the development of baked rice snack products - Kari Kari - in flavours that cater to the Indian.

The Company has two product innovation centres, one in Gurugram, India and one in California, USA, with a team of dedicated research personnel. The Company works in consultation with culinary testing experts and chefs to support its product innovation initiatives. LT Foods is in the process of

developing additional products to expand its range of convenience foods and develop a healthy snack segment. Products under development include '90 second ready-to-heat' pouched rice, fortified rice and '5 minute meal-in-a-cup'.

Financial Transformation

LT Foods has been delivering sustainable growth over the years. This growth is expected to be further strengthened on the back of robust growth momentum in basmati sales in India; strong traction from the new processing facility in Europe; increasing sales of organic business; and higher revenue generation from the acquired brands. The Company is also gearing towards improving its cost efficiencies, working capital cycle and productivity.

Furthermore, the Company raised ₹ 400 crore through Qualified Institutional Placement with an aim to strengthen its balance sheet by repaying debt and utilising the balance funds for its working capital requirements. This has reduced our short - term debt to the extent of Rs. 200 crore.





Business Verticals and Performance

Consumer Business

LT Foods has an overall growth ambition to reach a billion dollar of revenues by 2022. The Company aims at deriving two-thirds of this from its consumer business.

The Company has been building its strength within this segment by introducing products based on need gap analysis; and enhancing global presence in those countries only where demand is growing. This facilitates assured and sustainable business growth. The Company is also repositioning its brand Daawat for the Indian market to sharpen its brand visibility and stimulate further growth. The new avatar of Daawat has been launched in Europe. Royal is also maintaining its leadership position and the Company has redesigned its brand strategy of newly acquired brands to strengthen its share in the market.

The Company's revenue from the branded business stood at ₹ 2,130 crore in FY2018 and it contributed 69% to the overall basmati revenue. This business has been growing at a 5-year CAGR of 16%

Brand Royal (No. 1 in US)

The "Royal" brand of basmati rice, is an established brand in the basmati rice segment

in the United States. It holds the No. 1 position in the premium 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. Further, the Company also introduced Royal Staples under the international line brand Royal Ethnic for the South Asian markets. The products include Besan, Sooji, Poha, Maida, and Daliya. It maintains more than 45% market share of the US basmati rice segment and more than 39% share of the branded segment.

Brand Daawat (The Finest)

This flagship brand, with a legacy of over 30 years offers premium quality basmati rice. It is the leading brand within India and accounts for 28% of overall market share, and over 35% share in the premium segment. It is the first rice brand to enjoy high visibility with help of celebrity endorsements across India. Further, Daawat is also quickly gaining market share in the overseas markets including Europe, the Middle East, and Australia. Within India, LT Foods enjoys 28% market share on overall bases and holds the No.1 position across the Urban, Metro, and Modern Trade categories in India. The Company also holds the No.1 position in the Far East and Israeli markets.



Management Discussion and Analysis



ecoLife



Acquired Brand Portfolio

Over the last few years, LT Foods has acquired premium Basmati rice brands to strengthen its existing presence in countries such as US, Canada, and in the Middle East. These include Hindustan Unilever's branded rice business brands - 'Gold Seal Indus Valley' and 'Rozana'; and premium rice brand '817 Elephant'.

The Gulf Cooperation Council Consumer rice market has been stagnant for the last 5 years, this is due to low overall population growth clubbed with weak economic performance of the Middle East economies owing to record low oil prices and political unrest in many countries. This long period of tight economic conditions has seen a shift of consumer buying behaviour to Mid-price segment and the emergence of Value shopping in the Premium segment. With the mid-price space in most markets, being dominated by local players, there is a strong opportunity for a fully integrated company as like LT Foods to build long term, sustainable brands in the Gulf markets.

With The Brand positioning of the acquired brands Rozana and Indus Valley within the L.T Foods portfolio being clearly established, the company plans to concentrate on establishing the same in the market to effectively use the strength of the Full portfolio of its Brands to rapidly build market share in the Middle East especially the lower gulf countries. FY2017-18 was a milestone year in which significant integration of the brands Indus Valley and Rozana was accomplished into the LT Foods portfolio and overall Consumer and Trade strategy. There was a complete revamp of the Route to Market strategy for the both the brands so that they could add value to the existing portfolio of LT Foods brands. This included price corrections, distributor and SKU rationalisation and targeted channel level strategies.

Institutional Business

Contributing 32% 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 including Mars, Muhaideeb etc. This segment also helps the Company to strengthen its operational processes in line with the stringent requirements from leading corporate customers. During the year, the Company has added additional long-term partnerships across geographies in this segment.

Organic Business

Over the last decade, LT Foods' wholly owned subsidiary - Nature Bio-Foods Limited, has emerged as a trustworthy and innovative global leader in providing authentic organic products to the global consumers by creating a holistic, integrated and sustainable business model that inspires, promote and supports thousands of farming families.

With the strong worldwide presence and vast bouquet of quality organic product offerings, Nature Bio-Foods Limited (NBFL) is setting the highest standard in the organic food industry. NBFL has been engaged in the organic foods and ingredients business since 1997. Twenty one years later, the passionate journey continues with deep involvement in the lives of more than 80,000 farming families, bringing radical social, economical and environmental development of the communities across 15 states in India. NBFL is one of a handful of Indian companies to be both organic and fairtrade certified, and has also now become the first organic company in the country to have been conferred with the coveted CII Food Safety Award in December 2017.

NBFL has witnessed significant growth in India over the last two decades. The subsidiary's impressive growth continues for 2017-18, where NBFL clocked total revenues of ₹ 361 crore in 2018, representing a compound annual growth rate (CAGR) of 44% between 2013 and 2018. The organic business has 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.



With 90% of its business coming from export sales, NBFL has already been catering widely to both the US and European markets. The Company has now formed local subsidiaries in Netherlands and USA to cater more intensively to its customers—a move aligned with the company's mission to achieve 100% sales for its farmers for whom, creation of new markets is critical. Having local presence in USA and the Netherlands will inspire greater confidence in NBFL customers and allows for a deeper sense of involvement. It will also help the Company to expand its product portfolio and grow the business through a stock and sell model.

The Company already has a diverse organic food portfolio, comprising of cereal grains, flour, Pulses, Oil and Oil Seeds, Nuts, Spices, Herbs, Millets and Sweeteners. To further explore the business opportunities in branded sales, Nature Bio-Foods Ltd has recently upgraded and modernised its existing organic facility to support EcoLife to gain a greater market share in India as well as in international markets while exploring opportunities in the value added space to expand its sales and margin profile.

Value Added Products

LT Foods successfully capitalised on its existing brand equity and global distribution network to offer value added products to consumers. The Company is expanding its product portfolio based on the changing consumer trends and requirements.

This segment caters to the evolving consumer demand derived from changing lifestyle trends. In this direction, backed by robust backend and Research and Development infrastructure, the Company is developing innovative products for health conscious and convenience-seeking consumers.

Health and Convenience Products

Under the innovative brand of Daawat, the Company offers a line of seven flavourful Daawat Rice Saute Sauces, Daawat Fast Cooking Brown Basmati Rice and Daawat Rozana Gold Plus.

₹361 crore

Revenues from Organic Business 2018

Management Discussion and Analysis

By expanding the product portfolio based on changing consumer trends, LT Foods has successfully capitalised on its existing brand equity and global distribution network to offer value added products to consumers.

Daawat Rice Saute Sauces:

The sauces are available in seven flavours including Tamarind, Lemon Rice, Hot Garlic, Manchurian, Sweet Saffron Pista, Cranberry, and Methi. These products are currently available at modern retail stores across Mumbai and Bangalore. The Company has plans to launch new products across India, in addition to adding new flavours to its portfolio, during the next financial year on the basis of feedback from its consumers.

Daawat Fast Cooking Brown Basmati Rice:

This product continues to receive positive response from the Indian market place and is growing at a CAGR of 52% over the last five years.

Daawat Rozana Gold Plus:

This product was introduced during the year and it offers a unique blend of 80% Rozana basmati rice and 20% Daawat brown basmati rice to serve taste and health together. Rozana

Gold Plus was launched in April 2017 and is presently available in over 35,000 outlets across Delhi, Mumbai and Bangalore. The positive response from these markets has prepared the Company gradually scale this product across Tier I and Tier II metros.

Furthermore, during the year, the Company launched a rice based snack in association with KAMEDA SEIKA, a Japanese food major with a revenue of US\$ 900 million. Launched in four exciting flavours, the product is presently available in selected modern retail outlets in Mumbai and Bangalore. The product is performing exceedingly well and the Company plans to take this initiative to the next level by setting up the facility in North India in the next financial year.

International Trading Business

Aligned with the strategic intent to create a sustainable and predictable business model, LT Foods has reduced the share of International Trading in its overall pie and is now limited to only 16 crore in financial year 2017-18. This is in keeping the Company's strategy to move to more value added business.



12%

PAT Growth Y-o-Y, FY2018

Medium to Long Term Strategy

LT Foods has devised a well-defined medium and long term strategy that entails working towards increasing the Company's share of core branded business, while reducing the share of trading business. This will increase the share of business that is more profitable and predictable. In the medium and long term, we aim to have 30% of our business accounted for by value-added rice adjacencies.

The Company also has a structured stage gate process for any new business endeavours. Each new business opportunity is evaluated based on the intensity of working capital required to see it through. Only the ones that are relatively less working capital intensive, in addition to being a high margin and ROIC business are taken on board.

As an integral component of its ongoing strategy, the Company will continue to expand its product portfolio and presence across geographies by leveraging its brand equity, distribution network and infrastructure.

Financial Overview

For FY2018, the total revenues stood at ₹ 3,650 crore, higher by 11% year-on-year mainly driven by higher contribution from branded sales. The gross profit improved by 11% to ₹ 979 crore. EBITDA came in at ₹ 414 crore, an increase of 2% translating to an EBITDA margin of 11.3%. The normalised EBITDA margin after taking into account investment towards expansion of international operations in Europe and US as well as currency fluctuation stood at 12.6%.

Profit before tax increased by 12% to ₹ 218 crore owing to lower interest cost and depreciation. Profit after tax came in at ₹ 144 crore as compared to ₹ 129 crore in FY2017, representing a growth of 12%. This resulted in 9% improvement in EPS to ₹ 4.80 per share. EPS is based on fully diluted basis adjusted for stock split from ₹ 10 per share to ₹ 1 per share.

Branded India sales stood at ₹ 892 crore, higher by 13% year-on-year while the International branded sales came in at ₹ 1,238 crore, a growth of 23%. Consumer business on an overall basis is growing at 21% YoY.

The average realization for India increased to ₹ 51 per kg, up by 18%, while the average realization for international markets stood at ₹. 96 per kg, higher by 5%.

Opportunities and Threats

Given the rising population and increasing income levels, the opportunity landscape of quality food segment continues to grow. The Company's strategic alignment with aspirational aspects of consumers such as brand, convenience, health and organic, etc further strengthen its opportunities.

Any deceleration in key economies of consequence, unfavourable weather conditions in basmati cultivating geographies, sudden fluctuation in exchange rates, any adverse changes regulations, etc may pose a threat to Company's business profitability.

Information Technology

The Company is enhancing the use of Information Technology tools and applications in its 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 reach target market segments more cost effectively, track data, improve productivity levels and maximise the Company's returns on investment.

Management Discussion and Analysis

LT Foods relies on its strong and talented team of 896 employees - more than 1600 employees at the group level - to achieve success and profitability.

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. One of the key initiative undertaken during the year was Sales Force Automation.

This technology is being used to automate the business tasks such as inventory control system, account management, process management, contact management, customer sales tracking, sales funnel management, sales forecasting analysis, product knowledge, sales lead tracking system, and sales team performance evaluation, among others.

LT Foods started the implementation of Sales Force Automation with a focus on developing a tool which is customised as per the Company's business needs, suiting all business verticals which will help in increasing sales productivity and customer satisfaction, efficient utilization of scarce resources, competitive advantage in terms of cost, revenue and market share, comprehensive reports, time efficient and proper records maintenance.

Human Resource Management

The prime objectives of the human resource function at LT Foods is to build new talent and to groom existing talent. To achieve success and profitability, the Company relies on its greatest assets - its intellectual capital. 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.

Recruitment and Induction: The Company hired quality manpower, focusing on their functional experience and expertise. As a growing global branded specialty food company, LT Foods focused on hiring fresh talents matching the evolving dynamics of the organisation.

The Company conducts a corporate induction called 'Anusthapna'. This three-day programme offers the new entrant with the overall corporate and functional overview.



Performance Management System: The Company's approach has transitioned from traditional manufacturing set-up, to an empowering and enriching work environment. In order to bring role clarity and cascade organisation goals at all levels, the Company introduced Intranet driven performance management system called PRIDE (Performance Review and Individual development Enabler). This helps in capturing individual development needs and setting KRA's for employees. Under the programme, 21 competencies have been defined. The PRIDE is a transparent system that also offers a platform self-rating, supervisor rating and recruiter rating. To create a sense of empowerment, it also provides the employees with opportunities to explore career mobility options within the organisation.

Learning and Development: As a part of its long-term vision, the Company consistently invested in competency-based employee training, to enhance the team's learning. Pertaining to the individual and functional needs, and assessment through PRIDE, competency gap analysis is undertaken for each employees. This helps the employees undergo skill-based, function-based and behavioural learning interventions to suit business requirements. The Company's learning and development initiatives are also geared towards building leadership pipeline and to enhance organisational proficiency to compete in the market place.

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 plants and offices, to bring people together.

LT Foods at group level has more than 1600 employees and on standalone basis has 896 employees.

Key Risks & Concerns

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, such as 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.

Risk 1: Our business is dependent upon the availability, quality, quantity and cost of basmati paddy. The availability, quality, quantity and cost of basmati paddy are subject to numerous risks, including the unavailability of sufficient rainfall/ water, untimely and excess rainfall, insect and pest manifestation, inadequate irrigational facilities, change in soil quality, unfavourable climatic conditions, change in crop patterns and other market factors, all of which are beyond our control.

Mitigation: We typically purchase most of our paddy requirements during the harvesting season as the best quality of paddy is available during such period, off-season purchases from stockists of aged rice are made to supplement the needs of customers, or where we believe that prices will decline. We depend on licensed third-party procurement representatives and agents, for procurement of basmati paddy. These agents are authorised to purchase basmati paddy in the organised agricultural produce markets, or mandis. Our procurement network exceeds 210 procurement agents, across 200 mandis, in addition to our internal procurement personnel. Our senior management team, including our directors, interface regularly with the procurement team enabling quick decision-making in the buying process. Prior to the harvesting season, our procurement team conducts surveys to ascertain the total estimated crop-area under basmati paddy cultivation and the quality and availability of paddy. Our procurement

Management Discussion and Analysis

teams undertake pre-harvest surveys before procurement season to assess the quality and availability of paddy. We also typically enter into non-binding oral agreements with such procurement agents for the procurement process, which is based on good faith and we have managed to build such network and relationship over the years by making timely payments and procuring basmati paddy in large quantities. To handle the same stringently, we have strengthen our team as well on ground to assure right quality at right price.

Risk 2. A significant portion of our income is derived from our export of basmati rice, which may be dependent on the policies passed by the governments of the countries where we export and any unfavourable change in such policies may adversely affect our business. Mitigation: We primarily sell a variety of basmati head grain rice to countries in North America, certain European countries and the Middle East. As part of our growth strategy, we intend to increase our exports and distribution net-work in the coming years in several countries and regions, where our overall concentration with one particular country or region is limited. From

the strategic perspective, we have kept our focus on growing economical stable countries. Risk 3. We are exposed to foreign currency exchange rate fluctuations and exchange control risks, which may ad-versely affect our results of operations. Our operating expenses are denominated substantially in Indian Rupees, however, more than half of our total income is denominated in other currencies, including the U.S. Dollar, U.A.E. Dir-ham, and Euros. A significant fluctuation in the Indian Rupee and U.S. Dollar and other foreign currency exchange rates could therefore have a significant impact on our results of operations.

Mitigation: Although we enter into forward foreign exchange contracts to hedge against our foreign exchange rate risks in connection with our export sales, a weakening U.S. Dollar would decrease the relative value of our income de-nominated in or tied to the U.S. Dollar against our Indian Rupee denominated costs, thus decreasing our profitability. The exchange rates between the Indian Rupee and these currencies, primarily the U.S. Dollar, has fluctuated in the past and any appreciation or depreciation of the Indian Rupee against



these currencies can impact our profitability and results of operations. We have well defined hedging policy wherein we hedge 50% of our foreign exchange exposure.

Risk 3. Improper storage, processing and handling of basmati paddy and basmati rice may cause damage to our in-inventory leading to adverse effect on our business and results of operations.

Mitigation: Our inventory primarily consists of basmati paddy and rice. We typically store the basmati paddy on plinths in open as well as in covered warehouses and protected silos, and basmati rice is stored only in covered and protected warehouses and silos. As part of our operations, we are required to maintain the requisite standard for storage of paddy and rice that we use in our processing activities. We achieve this through various means, including by ensuring that our storage facilities adhere to specific storage requirements as required under our supply and distribution arrangements and in accordance with regulatory requirements.

Internal Audit Control System

The Company has a well-established system of internal controls and procedures, which are 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, 2017-18.

Directors' Report

To,
The Members,

Your Directors have pleasure in presenting their 28th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2018.

1. Financial Performance of the Company (Standalone)

Particulars	(₹ In Lakhs)	
	Financial Year (2017-18)	Financial Year (2016-17)
Gross Income	215,665.84	207,606.04
Profit Before Interest and Depreciation	15,697.02	17,741.71
Finance Charges	8,529.51	10,660.02
Gross Profit	39,967.55	39,723.47
Provision for Depreciation	1,810.23	2,339.49
Net Profit Before Tax	5,357.28	4,742.20
Net Profit After Tax	4,195.54	2,989.89
Balance of Profit brought forward	26,328.57	23,784.87
Balance available for appropriation	29,917.82	26,328.57
Proposed Dividend on Equity Shares	400.12	401.87
Tax on proposed Dividend	81.45	81.42
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	29,917.82	26,328.57

2. Company's working during the year

On standalone basis, our total revenue stood at ₹ 2,157 Crores higher by 4% year-on-year. The gross profit stood at ₹ 400 Crores. Profit after tax stood at ₹ 42 Crores as compared to ₹ 30 Crores in financial year 2017, representing a growth of 40% year-on-year. This led to resultant EPS of ₹ 1.49 per share by 33%. EPS is based on fully diluted basis adjusted for the stock split from ₹10 per share to ₹ 1 per share.

Our total revenue stood at ₹ 3,650 Crores higher by 11% year-on-year driven by higher contribution of branded sales. The gross profit increased by 11% to ₹ 979 Crores. EBITDA came in at ₹ 414 Crores, an increase of 2% on year-on-year basis translating to EBITDA margin to 11.3% as compared to 12.3% in the last year.

Our profit before tax during the year increased by 12% to ₹ 218 Crores led by lower interest cost and depreciation. Profit after tax stood at ₹ 144 Crores as compared to ₹ 129 Crores in financial year 2017, representing a growth of 12%. This led to resultant improvement in EPS to ₹ 4.80 per share. EPS is based on fully diluted basis adjusted for stock split from ₹ 10 per share to ₹1 per share. Moving on geographical revenue and realization breakup branded India sales stood at ₹ 892 Crores up by 13% year-on-year while the average realization during the year increased to ₹ 51 per kg resulting in an increase of 18%. International branded sales came in at ₹ 1,238 Crores a growth of 23% while the average realization increased to ₹ 96 per kg higher by 5%.

One of the growth driver of our business is our organic business, which has also grown by 50% in Financial Year 2018.

The focus has been on strengthening the consumer business both in India and international market, which is depicted in the overall growth of our consumer business that is 21%.

Our branded business has grown by 18% in value terms on year-on-year basis in financial year 2017-18 that was primarily driven by an increase of 13% in India and 23% in International branded business respectively.

The contribution of branded business to overall rice business has increased from 64% to 69% in financial year 2017-2018 driven by consistent brand investments, strengthening the supply chain, adopting channel wise strategy to strengthen out footprint in all the channels, be it the general trade, modern trade or wholesale or online business.

Organic business contribution has increased from 7% to 10% on year-on-year basis and stands at ₹ 361 Crores. The Company has added a new product line, a new customer across Europe and USA for organic business.

Our credit rating has also been upgraded by CRISIL to A-/ Positive outlook from BBB+/ Positive outlook.

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

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

4. Dividend

The Board of Directors has recommended 15% dividend for the financial year 2017-18 and decided to retain back the remaining earnings.

Directors' Report (Contd.)

5. Reserves

Out of the amount available for appropriation, Company's Directors proposed to transfer ₹ NIL amount to General Reserve and retain ₹ 29,917.82 Lakhs to Profit and Loss Account.

6. Share Capital

During the Financial year 2017-18, the Company has allotted 1,12,910 Equity Shares to employee of the company who was eligible for allotment under the Employee Stock Option Plan-2010.

Further, the Company has also made allotment of 53,100,000 Equity Shares through the Qualified Institutional Placement (QIP) at price of ₹ 75.20 per Equity Shares on 26th December 2017. Pursuant to the said allotment of Equity Shares, the paid up share capital of the company stands increased to ₹ 31,98,44,780/- comprising of 31,98,44,780 Equity Shares of ₹ 1 each.

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

There were no Director and Key Managerial Personnel has been appointed during the year how ever the details of the Director resigned during the year is as follows:-

S. No.	Name of the Person	Designation	Appointment/Resignation	Date of Appointment / Resignation
1.	Adesh Kumar Gupta	Independent Director	Resignation	26/05/2017

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	1:33
	Ashwani Kumar Arora	1:33
	Surinder Kumar Arora	1:26
2.	Percentage increase in remuneration of each director and KMPs	
	Vijay Kumar Arora	Nil
	Surinder Kumar Arora	Nil
	Ashwani Kumar Arora	Nil
	Monika Chawla Jaggia	70%
3.	Percentage increase in the median remuneration of employees	10%
4.	Number of permanent employees	896
5.	Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	9%
	Managerial Increase	5%
	Non Managerial Increase	10%
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 Crore is as follows:

Name	Designation	Remuneration (in crores)	Nature of employment	Qualification	Experience	Age	Last employment	% of shares held
Vijay Kumar Arora	Managing Director	1.69	Permanent	B.Sc.	42	60	NA	7.98
Surinder Kumar Arora	Managing Director	0.59	Permanent	Under Graduate	36	56	NA	7.98
Ashwani Kumar Arora	Managing Director	0.98	Permanent	B COM	30	51	NA	7.98

Directors' Report (Contd.)

9. Board Meetings

During the Year, seven board Meetings were held, the dates on which these meeting were held are 25th May, 2017, 10th August 2017, 3rd October, 2017, 14th November, 2017, 26th December 2017, 08th February, 2018 and 30th March, 2018. The details of the same given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

10. Performance 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 of Board as a whole as well as working of its Audit, Nomination & Remuneration and Compliance Committees has been carried out during the financial year 2017-18.

The Independent Directors of the Company met Separately on 08th February, 2018 without the presence of Non-Independent Directors and inter-alia reviewed the performance of the members of management, Non-Independent Directors, Board as a whole performance of the Chairman of the Company and the Committees after taking into consideration the views of Executive and Non-Executive Directors.

In compliance with the provisions of SEBI Listing Regulations, the Board of Directors has also carried out evaluation of every Independent Director's performance during the year. The Board members had submitted to Nomination and Remuneration Committee, their response on a scale from 5 to 1 (Excellent to Performance Needs Improvement) for evaluating the entire Board, respective Committees including Chairman of the Board.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance.

The Directors had duly completed with the evaluation process.

It was further acknowledged that every individual Member and Committee of the Board has contributed best in the growth to the organization.

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

The salient features of Remuneration policy are as follows:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director
- To recommend to the Board, the appointment and removal of Senior Management
- To carry out evaluation of Director's performance and recommend to the Board appointment/ removal based on his/ her performance.
- To recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors' remuneration and incentive
- To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks,
- To devise a policy on Board diversity
- To develop a succession plan for the Board with segregated succession readiness of the management council and executive.

13. Details of Subsidiary/Joint Ventures/Associate Companies

Pursuant to sub-section (3) of Section 129 of the Act, the statement containing salient features of the financial statement of Company's subsidiaries, associate or joint

Directors' Report (Contd.)

venture is given as Annexure-V [Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement]

During the year, the Company generated a revenue of Rs. 3,650 Crores at group level. Its subsidiaries played a major role in contributing to the overall revenue. LT Foods Americas (formerly known as Kusha Inc, the fellow subsidiary of the Company contributed approx 29% to the overall revenue. The organic arm NBFL, a wholly owned subsidiary contributed approx. 10% 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 shall 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 became or have ceased to become as Subsidiaries/Joint Ventures/Associates Companies during the year.

During the year, the Company acquired 100% stake of Deva Sing Sham Singh Export Private Limited which has become the wholly-owned subsidiary of the Company. Company also acquired 92% Stake of M/s Raghunath Agro Industries Private Limited from its another subsidiary namely Daawat Foods Limited.

14. Auditors

M/s. Walker Chandiok & Co. LLP, Chartered Accountants were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 18th September, 2015, for a term of five consecutive years. As per the provisions of Section 139 of the Companies Act, 2013, the appointment of Auditors is required to be ratified by Members at every Annual General Meeting.

However, in accordance with the Companies Amendment Act, 2017, enforced on 7th May, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting

The Auditor has confirmed that they are not disqualified under any provisions of Section 141(3) of Companies Act, 2013 and also their engagement with the company is within

the prescribed limits under section 141 (3)(g) of Companies Act, 2013

15. 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.

They have been no instances of fraud reported by the Statutory Auditors under Section-143(12) of the Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government.

16. 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 respect of the composition of Audit Committee of the Company is given in Corporate Governance Report of the Company.

17. Secretarial Audit Report

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

Reply to the observations in the Secretarial Audit

1) Delay in Filing Forms

Due to the oversight, the Company has delayed in filing some of the forms in prescribed time frame of Companies Act, 2013 and applicable additional fees has already been paid to Ministry of Corporate Affairs.

2) CSR Spent

The Company has not spent the entire amount on CSR. In the coming years, it will spend the entire amount allocated for the year in compliance with Section-135 of the Companies Act, 2013.

3) Related Party Transactions exceeding the limits approved by Shareholders

The shareholders approved all the proposed material related party transactions in the AGM held on 19th September, 2017 however the actual transactions were in excess of those approved. The Board of Directors has already proposed to ratify the same in the AGM scheduled to be held on 24th September 2018.

Directors' Report (Contd.)

- 4) Delay in filling of APR
The Company has already filed the necessary forms with RBI.

- 5) Gratuity Payment to Ex-employee
The Company has already paid gratuity to ex-employee

18. 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.

19. Issue of employee stock options

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

Particulars	Option 1	Option 2
Approval	6,483,290	2,012,090
Options granted	6,483,290	2,012,090
Options vested	6,483,290	2,012,090
Options exercised	6,277,520	1,275,420
Total number of shares arising out of exercise of options	6,277,520	1,275,420
Options forfeited/lapsed/cancelled	205,770	736,670
Variations of terms of options	NIL	NIL
Money realized by exercise of options	-	429,058
Total number of options in force	-	-

Notes: -

1. 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 (Contd.)

20. Vigil Mechanism:

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy can be found on the following link www.ltgroup.in under investors/policy documents/Vigil Mechanism Policy on the website of the Company.

21. Risk Management Policy

LT has in place comprehensive risk assessment and minimization procedures, which are reviewed by the top management at regular intervals.

22. Extract of Annual Return:

Pursuant to the requirements of Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in MGT 9 has been made a part of this Annual Report as **ANNEXURE I**. The annual return can also be found on the following link www.ltgroup.in under investors updates <http://ltgroup.in/pdf/Annual%20Return-2018.pdf> on the website of the Company

23. Material changes and commitments, if any, affecting the financial position of the company which have occurred during the period beginning with end year of the company to which the financial statements relate and the date of the report

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

24. 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.

25. 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 orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Company has a well placed internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized, 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.

26. Deposits

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

27. Cost Record

The Central Government has not specified maintenance of cost record under section 148(1) of the Company Act, 2013 in respect of our Company's product.

28. Particulars of loans, guarantees or investments

The Company has not granted any loans falling within the preview of Section 186 of the Companies Act, 2013, however the details of Investments made and security or guarantee given are as follows:-

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 utilized by the recipient	Date of Board resolution	Date of special resolution	Expected rate of return
1	30.09.2017	Deva Singh Shyam Singh Exports Private Limited	1.00	Business Purpose	12.04.2017	N.A.	N.A.
2	15.05.2017	Daawat Kameda India Private Limited	170.85	Business Purpose	12.04.2017	N.A.	N.A.
3	31.03.2018	Raghunath Agro Industries Private Limited	2,110.38	Business Purpose	30.03.2018	N.A.	N.A.

Directors' Report (Contd.)

Details of Guarantee / Security Provided:

Sl. No.	Details of recipient	Amount (In Lakhs)	Purpose for which the security/guarantee is proposed to be utilized by the recipient
1	Daawat Foods Limited	25,031.40	Working capital loan
2	Nature Bio Foods Limited	9,782.25	-do-
3	Raghunath Agro Industries Private Limited	6,870.89	-do-
4	LT Foods Europe BV	7,365.24	Working capital loan & Against plant and machinery

29. 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. With reference to Section 134(3) (h) of Companies Act, 2013 all contracts and arrangements with related parties under Section 188(1) entered by the Company during the financial year are in ordinary course of business and on arms length basis.

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 a separate section forming part of this Annual Report.

A Certificate from the Practicing Company Secretary CS Debasis Dixit, regarding compliance of the 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 to the report.

31. Management Discussion and Analysis

The Management Discussion and Analysis Report prepared in accordance with the Regulation 34(2)(e) of Listing Regulations forms part of this Annual Report for the year ended 31st March, 2018.

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 the 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, Company has not received any complaint of harassment.

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 place major emphasis on Conservation of Energy and the measures taken in previous year were continued. The efficiency of energy utilization is being monitored in every Quarter in order to achieve effective conservation of energy.

We at, LT has taken several initiatives towards this direction and have been working both towards energy conservation and new technology absorption.

Energy Conservation

- All plant lightning has been replaced with LED that are comparatively more energy efficient as the power consumption drops to approx. 60% in comparison to incandescent lamps. Moreover it also reduces the maintenance cost of lightning due to increased life span.
- Working towards deployment of alternate source of energy, LT has installed 500KW Solar plant under the OPEX model.
- Plant leakages have been plugged to control air and steam loss in the process which indirectly effects energy consumption.

Technology Absorption

- New state of art parboiling plant has been set up at Bahalgarh thereby adding to the overall plant capacity.
- Old inefficient color sorters were replaced with new technology sorters thereby reducing the overall rejection in final product.

Directors' Report (Contd.)

- LT being the pioneer in Rice industry installed X-Ray before the final packing to reduce foreign matter in the final product. In the fiscal 2017-18, the number of X-Rays was increased by addition to other packing lines as well.

Technology Imported

- In a list of imported technologies. LT has high precision X-Rays and Color sorters in addition to high capacity milling and cleaning machines.
- To improve the customer base in consumer pack division, LT Foods has been continuously adding to its capacity by installation of new FFS machines.

Power & Fuel Consumption (Bahalgarh Plant)

Particulars	2017-18	2016-17
ELECTRICITY		
Through Purchases		
Units	16,482,612	15,357,320
Total Amount (₹)	131,829,567	125,704,991
Rate/Unit(₹)	8.00	8.19
Through Diesel Generator		
Units generated	630,733	515,993
TOTAL AMOUNT (₹)	10,994,461	8,582,428
Cost/Unit (₹)	17.43	16.63

Power & Fuel Consumption (Varpal Plant)

Particulars	2017-18	2016-17
ELECTRICITY		
Through Purchases		
Units	4,825,700	4,272,220
Total Amount (₹)	33,233,379	30,718,756
Rate/Unit (₹)	6.89	7.19
Through Diesel Generator		
Units generated	73,400	75,600
TOTAL AMOUNT (₹)	1,252,200	1,533,930
Cost/Unit (₹)	17.06	20.29

(b) Technology, Absorption, Adaption and Innovation

Technology is changing day by day. Over 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 machines 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 realized 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 spent was ₹ 2,688.80 Lakhs and the total foreign exchange earned was ₹ 86,409.73 Lakhs.

Directors' Report (Contd.)

(₹ In Lakhs)		
Particulars	March 31, 2018	March 31, 2017
Value of imports on CIF basis		
Capital goods	852.19	88.38
Stores and spares	37.00	63.50
Other Food Items	-	513.17
Other	-	2.53
Total	889.19	667.58
Expenditure in foreign currency		
Legal fees	177.60	54.48
Interest and other charges to bank	807.78	44.81
Steamer freight	901.17	831.71
Sales promotion	113.89	292.86
Commission on export sales	26.21	136.20
Others	662.16	329.92
Total	2,688.80	1,689.98
Earnings in foreign currency		
FOB value of exports		
Rice	86,409.73	78,441.53
Total	86,409.73	78,441.53

34. 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).

35. Human Resources

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

The Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. The Company's 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 level. The enthusiasm of employee has enabled the company to maintain its leader position in the industry.

36. Directors' Responsibility Statement

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The Directors have 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 have prepared the annual accounts on a going concern basis; and
- (e) The Directors, have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Directors' Report (Contd.)

37. Transfer of Amounts to Investor Education and Protection Fund

Pursuant to Section 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 of ₹214,854/- for the financial year 2009-10 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 with 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 2010-11 to 2016-17 lies in the respective unpaid dividend account and can be claimed from Company's Register and 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 19th September 2017, with the Ministry of Corporate Affairs.

38. Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2017-18 to NSE and BSE where the Company's Shares are listed.

39. Compliance with Secretarial Standards

The Company has duly followed the applicable Secretarial standards, SS-1 & SS-2 relating to Meeting of the Board of Directors and General Meeting respectively.

40. Acknowledgements

Your Director places on record their gratitude to all stakeholders for their assistance, cooperation and encouragement. The Directors also wishes to place on record their sincere thanks to all investors, vendors, and employees for their outstanding performance.

For and on behalf of the Board of Directors

Sd/-

Vijay Kumar Arora

Chairman & Managing Director

DIN:00012203

Place: Gurugram

Date: 13th August 2018

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.	MR-3 Secretarial Audit Report
V.	Details of subsidiaries and Joint Venture in AOC-1

Directors' Report (Contd.)

Annexure-I to Directors Report for the year ended 31st March, 2018

Form No. MGT-9

Extract of Annual Return as on the financial year ended 31st March, 2018

(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, ANDHERI 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-
7	LT Foods International Limited Regus, 268, Bath Road, Slough SL1 4DX, United Kingdom	U72300DL2007PTC162270	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-

Directors' Report (Contd.)

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%age of Shares Held	Applicable Section
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	LT Foods USA LLC 11130, Warland Drive, Cypress, CA	N A	Subsidiary	100	-do-
11	LT Foods Middle East DMCC Unit 706-707, BB2,Mazaya Business Avenue, JLT, Dubai, UAE	DMCC 4037	Subsidiary	100	-do-
12	Raghuvesh Power Projects Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74140DL2011PLC222060	Subsidiary	35.94	-do-
13	Universal Traders Inc. 11130,warland drive, Cypress,CA	46-5216235	Subsidiary	100	-do-
14	Expo Services Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2009PTC241224	Subsidiary	80	-do-
15	Fresco Fruits N Nuts Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51909DL2011PTC222196	Subsidiary	70.48	-do-
16	LT Foods Europe B.V. Broekdijk West 18, 3621 LV, Breukelen	856697667	Subsidiary	100	-do-
17	LT Foods Americas, Inc. 11130, Warland drive, Cypress,CA	33-0525788	Subsidiary	100	-do-
18	Raghunath Agro Industries Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2015PTC282966	Subsidiary	96	-do-
19	Deva Singh Sham Singh Export Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51100DL2007PTC165512	Subsidiary	100	-do-
20	Raghuvesh Agri-Foods Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63000DL2014PTC267604	Associate	40	2(6)
21	Raghuvesh Warehousing Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63020DL2014PTC267603	Associate	40	-do-
22	Raghuvesh Infrastructure Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2015PTC284471	Associate	30	-do-
23	Daawat Kameda (India) Private Limited* Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15209DL2017PTC314398	Joint Venture	51	-do-
24	Genoa Rice Mills Private Limited Knowledge House, Shyam Nagar Off Jogeshwari Vikhroli Link Road, Jogeshwari(E), Mumbai-400060	U15100MH2015PTC264954	Associate	50	-do-
25	Nature Bio-Foods B.V. Bosporusstraat 42, 3199 LJ Maasvlakte Rotterdam, the Netherlands	858101154	Subsidiary	100	2(87)(ii)
26	Nature Bio Foods Inc 11130 WARLAND DRIVE, CYPRESS, CA 90630	C4069851	Subsidiary	100	-do-

Directors' Report (Contd.)

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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters										
(1) Indian										
a)	Individual/ HUF	84296840	0	84296840	31.62	8,42,99,940	0	8,42,99,940	26.36	(5.26)
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	63860760	0	63860760	23.95	63860760	0	63860760	19.97	(3.98)
ii)	Group Companies	30984130	0	30984130	11.62	30984130	0	30984130	9.69	(1.93)
Sub-Total (A)(1)		179141730	0	179141730	67.19	179144830	0	179144830	56.01	(11.18)
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	179144830	0	179144830	56	11.18
B. Public Shareholding										
1.	Institutions	0	0	0	0	0	0	0	0	-
a)	Mutual Funds	0	0	0	0	42356186	0	42356186	13.24	13.24
b)	Bank/FI	3038310	0	3038310	1.14	330074	0	330074	0.10	(1.04)
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)	3240611	0	3240611	1.21	12119606	0	12119606	3.79	2.57
	(Foreign Portfolio Investors)					1309617	0	1309617	0.41	0.41
	(Alternate Investment Funds)									
Sub-total (B)(1): -		6278921	0	6278921	2.35	56115483	0	56115483	17.54	15.19

Directors' Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.	3360596	0	3360596	1.26	7114800	0	7114800	2.22	0.96
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to 1 lakh	23544954	1299017	24843971	9.32	33721879	787348	34509227	10.79	1.47
ii) Individual shareholders holding nominal share capital in excess of ₹ 1lakh	18409415	0	18409415	6.90	26238782	0	26238782	8.20	1.30
c) Others (specify)	-	-	-	-	-	-	-	-	-
TRUSTS	2500	0	2500	0.00	2000	0	2000	0.00	(0.00)
CLEARING MEMBER	1347346	0	1347346	0.51	2782207	0	2782207	0.87	0.36
NON RESIDENT INDIANS (NRI)	591007	0	591007	0.22	42375	0	42375	0.01	(0.21)
NON RESIDENT INDIANS (REPAT)	393170	0	393170	0.15	1083131	0	1083131	0.34	0.19
NON RESIDENT INDIANS (NON REPAT)	531019	0	531019	0.20	431598	0	431598	0.13	(0.06)
DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
EMPLOYEE	2972560	0	2972560	1.11	3189576	0	3189576	1.00	(0.12)
OVERSEAS BODIES CORPORATES	28200735	500000	28700735	10.76	8289454	500000	8789454	2.75	(8.02)
UNCLAIMED SUSPENSE ACCOUNT	58900	0	58900	0.02	0	0	0	0.00	(0.02)
IEPF	0	0	0	0.00	401317	0	401317	0.13	0.13
d) Qualified Foreign Investor									
Sub-total (B)(2):-	79412202	1799017	81211219	30.46	83297119	1287348	84584467	26.45	(4.01)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	85691123	1799017	87490140	32.81	139412602	1287348	140699950	43.99	11.18
C. Shares held by Custodian for GD ₹ & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	264832853	1799017	266631870	100.00	318557432	1287348	319844780	100.00	0.00

Directors' Report (Contd.)

B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raghuvesh Holdings Private Ltd	30984130	11.62	6.00	30984130	9.69	5.01	(0.37)
2	Surinder Kumar Arora	21286920	7.98	0	21286920	6.66	0	(1.33)
3	Ashok Kumar Arora	21286920	7.98	0	21286920	6.66	0	(1.33)
4	Ashwani Arora	21286920	7.98	0	21286920	6.66	0	(1.33)
5	Vijay Kumar Arora	21286920	7.98	0	21286920	6.66	0	(1.33)
6	Gurucharan Dass Arora	21286920	7.98	0	21286920	6.66	0	(1.33)
7	Parvesh Rani	6800000	2.55	0	6800000	2.12	0	0.42
8	Vandana Arora	8371500	3.14	0	8371500	2.61	0	0.52
9	Munish Kumar Arora	643660	0.24	0	643660	.20	0	(.04)
10	Abhinav Arora	633340	0.24	0	633340	.20	0	(.04)
11	Guruchandran Dass Arora	633340	0.24	0	633340	.20	0	(.04)
12	Aditya Arora	633340	0.24	0	633340	.20	0	(.04)
13	Ranju Arora	7738160	2.90	0	7738160	2.42	0	(0.48)
14	Vaneet Arora	160000	0.06	0	160000	.05	0	(0.01)
15	Gursajan Arora	126660	0.05	0	126660	0.04	0	(0.01)
16	Anita Arora	7611500	2.85	0	7611500	2.38	0	(0.47)
17	Sakshi Arora	8371500	3.14	0	8371500	2.62	0	0.52
18	Ritesh Arora	-	-	-	3100	0.001	0	0.001

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	0	0	0	0
1	Name: Ritesh Arora				
	Date of Change: 30/03/2017	3100	0.001	3100	0.001
	Reason for Change: Acquisition				
	At the end of the year	3100	0.001	-	-

* There is no change in promoters shareholding except what has already been disclosed. However, the percentage change in the shareholding is due to additional issue of equity shares under QIP.

Directors' Report (Contd.)

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	28200735	8.82	28200735	8.82
	India Agri Business Fund Ltd				
	Date of change: April 2017	3361071	1.05	24839664	7.77
	Reason: Sale				
	Date of change: May 2017	792241	0.25	24047423	7.52
	Reason: Sale				
	Date of change: June 2017	2474062	0.77	21573361	6.74
	Reason: Sale				
	Date of change: July 2017	1723645	0.54	19849716	6.21
	Reason: Sale				
	Date of change: August 2017	5244	0.00	19844472	6.20
	Reason: Sale				
	Date of change: September 2017	1683875	0.53	18160597	5.68
	Reason: Sale				
	Date of change: October 2017	362124	0.11	17798473	5.56
	Reason: Sale				
	Date of change: November 2017	2147852	0.67	15650621	4.89
	Reason: Sale				
	Date of change: December 2017	4628766	1.45	11021855	3.45
	Reason: Sale				
	Date of change: January 2018	2691644	0.84	8330211	2.60
	Reason: Sale				
	Date of change: February 2018	40757	0.01	8289454	2.59
	Reason: Sale				
	At the End of the year	8289454	2.59	-	-
2	At the Beginning of the year	0	0	0	0
	DSP BLACKROCK SMALL CAP FUND				
	Date of change: 29.12.2017	13297872	4.16	13297872	4.16
	Reason: Allotment				
	At the End of the year	13297872	4.16	-	-
3	At the Beginning of the year	0	0	0	0
	SBI RESURGENT INDIA OPPORTUNITIES SCHEME				
	Date of change: 29.12.17	7978723	2.49	7978723	2.49
	Reason: Allotment				
	Date of change: February 2018	1073465	0.33	6905258	2.16
	Reason: Sale				
	Date of change: 02.03.18	346604	0.11	6558654	2.05
	Reason: Sale				
	At the end of the year	6558654	2.05	-	-

Directors' Report (Contd.)

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
4	At the Beginning of the year	0	0	0	0
	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL CAP FUND				
	Date of change: 29.12.17	4654255	1.46	4654255	1.46
	Reason: Allotment				
	Date of change: February 2018	572536	0.17	5226791	1.63
	Reason: Purchase				
	Date of change: March 2018	97000	0.03	5323791	1.66
	Reason: Purchase				
	At the end of the year	5323791	1.66	-	-
5	At the Beginning of the year	2957280	0.92	2957280	0.92
	Dolly Khanna				
	Date of change: April 2017	23415	0.01	2980695	0.93
	Reason: Purchase				
	Date of change: May 2017	7550	0.00	2988245	0.93
	Reason: Purchase				
	Date of change: July 2017	17975	0.01	2970270	0.93
	Reason: Sale				
	Date of change: August 2017	48514	0.02	2921756	0.91
	Reason: Sale				
	Date of change: September 2017	14500	0.00	2907256	0.91
	Reason: Sale				
	Date of change: October 2017	99080	0.03	2808176	0.88
	Reason: Sale				
	Date of change: December 2017	156450	0.05	2964626	0.93
	Reason: Purchase				
	Date of change: January 2018	94875	0.03	3059501	0.96
	Reason: Purchase				
	Date of change: February 2018	327500	0.10	3387001	1.06
	Reason: Purchase				
	Date of change: March 2018	87600	0.03	3474601	1.09
	Reason: Purchase				
	At the end of the year	3474601	1.09	-	-
6	At the Beginning of the year	2640087	0.83	2640087	0.83
	ALLIANCEBERNSTEIN INDIA GROWTH (MAURITIUS) LIMITED				
	Date of change: April 17	1237077	0.38	3877164	1.21
	Reason: Purchase				
	Date of change: July 17	1112856	0.35	4990020	1.56
	Reason: Purchase				
	Date of change: August 17	363234	0.11	5353254	1.67

Directors' Report (Contd.)

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
	Reason: Purchase				
	Date of change: December 17	3343850	1.05	2009404	0.63
	Reason: Sale				
	Date of change: February 18	1331190	0.42	3340594	1.04
	Reason: Purchase				
	At the end of the year	3340594	1.04	-	-
7	At the Beginning of the year	3003640	0.94	3003640	0.94
	PUNJAB NATIONAL BANK				
	Date of change: 02.02.18	3003640	0.94	-	-
	Reason: Sale				
	At the end of the year	0	0	-	-
8	At the Beginning of the year	0	0	0	0
	SOCIETE GENERALE				
	Date of change: December 2017	4988604	1.56	4988604	1.56
	Reason: Purchase				
	Date of change: January 2018	1349615	0.42	3638989	1.14
	Reason: Sale				
	Date of change: January 2018	233270	0.07	3872259	1.21
	Reason: Purchase				
	Date of change: February 2018	838380	0.26	3033879	0.95
	Reason: Sale				
	Date of change: February 2018	69123	0.02	3103002	0.97
	Reason: Purchase				
	Date of change: March 2018	38279	0.01	3141281	0.98
	Reason: Purchase				
	Date of change: March 2018	291329	0.09	2849952	0.89
	Reason: Sale				
	Date of change: March 2018	151660	0.05	3001612	0.94
	Reason: Purchase				
	At the end of the year	3001612	0.94	-	-
9	At the Beginning of the year	2379845	0.74	2379845	0.74
	SEETHA KUMARI				
	Date of change: Nil	Nil	Nil	Nil	Nil
	Reason: N.A				
	At the end of the year	2379845	0.74	-	-
10	At the Beginning of the year	1342800	0.42	1342800	0.42
	BHARAT DAMJI SAVLA				
	Date of change: Nil	Nil	Nil	Nil	Nil
	Reason: N.A.				
	At the end of the year	1342800	0.42	-	-

Directors' Report (Contd.)

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	21286920	7.98	21286920	7.98
	Vijay Kumar Arora	Nil	Nil	21286920	7.98
	At the end of the year	21286920	6.66	-	-
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	21286920	7.98	21286920	7.98
	Surinder Kumar Arora	Nil	Nil	21286920	7.98
	At the end of the year	21286920	6.66	-	-
5	At the beginning of the year	21286920	7.98	21286920	7.98
	Ashwani Kumar Arora	Nil	Nil	21286920	7.98
	At the end of the year	21286920	6.66	-	-
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	181770	0.06	181770	0.06
	Monika ChawlaJaggia				
	Date of change: 22/12/2017	18480	0.006	200250	0.062
	At the end of the year	200250	0.062	-	-
8	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	-	-
9	At the beginning of the year	Nil	Nil	Nil	Nil
	Gokul Patnaik	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
10	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. 25/05/2017

Directors' Report (Contd.)

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

(Amount in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	88,442.03	-	-	88,442.03
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	7.63	-	-	7.63
Total (i+ii+iii)	88,449.66	-	-	88,449.66
Change in Indebtedness during the financial year				
* Addition	3,686.93			3,686.93
* Reduction	(23,501.88)			(23,501.88)
Net Change	(19,814.95)	-	-	(19,814.95)
Indebtedness at the end of the financial year				
i) Principal Amount	68,627.08			68,627.08
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	23.27	-	-	23.27
	68,650.35	-	-	68,650.35

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(₹ Lakhs)

SN.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
1	Gross salary	Vijay Kumar Arora	Surinder Kumar Arora*	Ashwani Kumar Arora**	
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	168.60	58.33	98.27	325.20
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.20	-	0.60
(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)	1.69	58.53	98.27	325.80
	Ceiling as per the Act				

- *Mr. Surinder Kumar Arora was paid till 30th September, 2017
- **Mr.Ashwani Kumar Arora was paid from 01st October, 2017

Directors' Report (Contd.)

B. Remuneration to other directors

(Amount 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	8.55	7.75	6.09	-	3.52	25.92
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (A1)	8.55	7.75	6.09	-	3.52	25.92
2	Other Non-Executive Directors	Rajesh Kumar Srivastava					
	Fee for attending board committee meetings	-	-				
	Commission	-	-				
	Others, please specify	-	-				
	Total (A2)	-	-				
3	Total B=(A1+A2)	8.55	7.75	6.09	-	3.52	25.92
4	Total Managerial Remuneration	8.55	7.75	6.09	-	3.52	25.92
5	Celling as per Act	₹ 1 Lakh Per Meeting					

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

(Amount 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	53.81	-	53.81
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(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	-	-	-
Total		53.81	-	53.81

Directors' Report (Contd.)

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: 13.08.2018

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

Directors' Report (Contd.)

Annexure -II to Directors Report for the year ended 31st March, 2018

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.

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).
- 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.

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 will endeavor 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.

Mode of carrying CSR activities

- Through a society, Non Profit Organisation set up by the Company or its holding, subsidiary or associate Company.
- Implementation through its own.
- Collaborating with other non- profit Organization, Corporate, Government.

If executed through an independent entity, the entity should have three years track record

In order to ensure the long term outcomes and impacts, the 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.

Directors' Report (Contd.)

(1) The Composition of the CSR Committee.

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

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.

(2) Average net profit of the company for last three financial years- ₹ 4472.01 Lakhs

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

(3) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) – ₹ 89.44 Lakhs

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

- Total amount to be spent for the financial year:- ₹ 89.44Lakhs
- Amount unspent, if any:- ₹ 27.69 Lakhs
- The Company is exploring projects for CSR activities.

- The following table provides a summary of the domain wise expenditure on CSR for 2017-18 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 2017-18 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.

S.N	CSR project or activity identified	Sector In which The project is covered	Projects or programme: (i) Local area or other State or district where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent On project or programs:	Amount spent: Direct or through implementing agencies*
1.	School Adoption Project	Promoting Education	Sonepat (Haryana)	4200000	4200000	Fair Farming Foundation
2.	Through Computer labs Education	Promoting Education	Chhatarpur (MP)	42000	42000	Fair Farming Foundation
3.	To empower the Women and equip them with tools to become self-reliant through vocational training, & income generation activity.	Women Empowerment & Livelihood enhancement	Chhatarpur (MP)	700000	700000	Fair Farming Foundation
				206910	173267	
				501545	535188	
		Rural Development	Chhatarpur (MP)	140000	140000	Fair Farming Foundation
4.	Udayan Shalini Fellowships Programme	Promoting Education	Haryana (Gurugram)			Udayan Care
		Promoting Education	Uttarakhand (Haridwar& Dehradun)			Udayan Care

Directors' Report (Contd.)

S.N	CSR project or activity identified	Sector In which The project is covered	Projects or programme: (i) Local area or other (ii) Specify the State or district where the projects or programmes was undertaken	Amount outlay (Budget) project or programme wise	Amount spent On project or programs: Sub head: 1. Direct expenditure on project or programme;	Amount spent: Direct or through implementing agencies*
5.	Maths promotion in Govt. Schools using Maths quiz and teachers training	Promoting Education	Gurugram Haryana	385000/-	105176.50	SCERT
	Bank account of SCERT which will be spent in the current financial year.-				279,823.50	
	Total			6,175,455	6,175,455	

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, they are 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. We are carrying out need based welfare & 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 & 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 & 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.

ABOUT UDAYAN CARE

The Organisation transform young lives by protecting and nurturing vulnerable children and youth igniting the spark in young women to pursue higher education. It creates livelihoods through digital education and skilling.

ABOUT SCERT

The SCERT, Delhi an autonomous body, established in May, 1988 has been providing academic resource support to the Directorate of Education and the Education Departments of MCD and NDMC and Cantonment Board so as to achieve overall improvement in the quality of school education. The SCERT support is available through various programmes which include continuing education of teachers, development of appropriate material for teachers and students and undertaking research studies on the problems related to school education in Delhi.

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

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

Directors' Report (Contd.)

Annexure -III to Directors Report for the year ended 31st March, 2018

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.

(Amount 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 / Investment Sold / Guarantees given.	01.04.17 to 31.03.2018	53,955.73	25/05/2017, 10/08/2017, 14/11/2017 and 08/02/2018	
2	Nature Bio Foods Limited (Subsidiary Company)	Sales / Purchase / Rent Income / Fumigation Income / Guarantees given / Processing charges Income	01.04.17 to 31.03.2018	10,326.11	-do-	
3	LT Foods America Inc. (Subsidiary Company)	Sales	01.04.17 to 31.03.2018	9,065.35	-do-	
4	LT Foods Middle East DMCC (Subsidiary Company)	Sales/ Guarantees given	01.04.17 to 31.03.2018	9,847.64	-do-	
5	Raghunath Agro Industries Private Limited	Sales / Purchase / Share of profit / Guarantees given	01.04.17 to 31.03.2018	21,373.47	-do-	
6	V.K.Foods (Entities of KMP)	Sales / Rent Received	01.04.17 to 31.03.2018	29.53	-do-	

Directors' Report (Contd.)

(Amount 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
7	SK Engineering Company (Entities of KMP)	Rent	01.04.17 to 31.03.2018	15.12	-do-	
8	Super Texfab Private Limited (Entities of KMP)	Purchase / Rental Income / Purchase of Fixed Assets	01.04.17 to 31.03.2018	790.20	-do-	
9	LT Foods International Limited, UK (Subsidiary Company)	Sales	01.04.17 to 31.03.2018	14,620.00	-do-	
10	Deva Singh Sham Singh Exports Private Limited (Subsidiary Company)	Sales / Purchase	01.04.17 to 31.03.2018	1,499.94	-do-	
11	Genoa Rice Mills Private Limited (Subsidiary Company)	Purchases / Loan Granted	01.04.17 to 31.03.2018	543.84	-do-	
12	LT Foods Europe B.V. (Subsidiary Company)	Sales / Guarantees given	01.04.17 to 31.03.2018	7,666.50	-do-	
13	Daawat Kameda India private Limited (Joint Venture)	Purchases	01.04.17 to 31.03.2018	27.09	-do-	

All material transactions were approved by shareholders in the Annual General meeting of the Company held on 19th September, 2017

For and on behalf of Board of Directors of

M/s LT Foods Limited

Sd/-
Ashwani Kumar Arora
Managing Director and CFO
DIN 01574773

Sd/-
Surinder Kumar Arora
Managing Director
DIN 01574728

Sd/-
Pramod Bhagat
Independent Director
DIN 00198902

Sd/-
Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Directors' Report (Contd.)

Annexure -IV to Directors Report for the year ended 31st March, 2018

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2018

[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 2018 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, 2018 to the extent applicable 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 Benefit) 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 and also the abovementioned act except the below mentioned observations.

- (1) The Stamp Duty Act, 1899
- (2) The Employee's Provident fund & Miscellaneous Provisions Act, 1952
- (3) The Equal Remuneration Act, 1976
- (4) The Maternity Benefit Act, 1961
- (5) The Minimum wages Act, 1948

Directors' Report (Contd.)

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

- (16) The Industrial Dispute Act, 1947
- (17) 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 2017-18, the Company has spent ₹ 61.75 Lakh out of allocated ₹ 89.44 Lakh for the purpose of CSR activities, as required under Companies Act, 2013 and rules thereunder.
3. As per verification of records, the Company has entered into related party transactions exceeding the limits approved by Shareholders of the Company for the Financial year 2017-18 with the following parties: -

		Amount in Lakhs	
Name of the Related Party	Nature of Transaction	Limit Approved by Shareholders of the Company for the FY 2017-18	Transaction made by the Company
Daawat Foods Limited	Sale, Purchase of Rice and Other Material	26100.00	26813.96
Nature Bio-Foods Limited	Leasing of Property	60.00	81.00
Raghunath Agro Industries Private Limited	Sale, Purchase of Rice and Other Material Corporate Guarantee	9600.00 600.00	14502.72 6871.00
LT Foods International Limited UK	Sale of Rice	13250.00	14620.00
LT Foods Europe B.V.	Corporate Guarantee	Nil	7365.00

Observations in Clause (iv) Para One of Our Report

1. The Company has delayed in filing Annual Performance Report of its Subsidiary i.e. LT Foods International Limited UK

Observations in Clause (vi) (12) 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 in payment of Gratuity to ex-employees.

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 of 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.

Directors' Report (Contd.)

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:

1. Taken Approval of Shareholders in Annual General Meeting of the Company held on 19th September, 2017
 - (a) Revise the Remuneration of Mr. Vijay Kumar Arora Managing Director of the Company.
 - (b) Revise the Remuneration of -Appointment of Mr. Ashwani Kumar Arora Managing Director of the Company.
 - (c) Approval of all material related party transactions under section 188 of the Companies Act, 2013 and Regulation 23 of the listing regulations for the financial year 2017-18.

- (d) To fix remuneration of Mr. Ritesh Arora, Manager (Business Development)

2. The Company has conducted the Postal Ballot during the year under review and declared the result of said postal ballot on 14th November 2017 and passed the following resolutions: -
 - a) Increase of Authorised Share Capital of the Company
 - b) Raising of funds through Qualified Institutional Placement (QIP) amounting upto ₹ 500 Crores
 - c) Approval of Qualified Institutional Placement (QIP) under the FEMA Regulations, 1999
3. The Company has Made allotment of 112910 Equity Shares on 25th May 2017 under Employee Stock Option Scheme, 2010 (ESOP 2010) and 53100000 Equity Shares on 26th December 2017 through Qualified Institutional Placement (QIP) during the financial year under review.

For D Dixit and Associates
Company Secretaries

Date: 10.08.2018
Place: New Delhi

CS Debasis Dixit
FCS No. 7218, CP No.: 7871

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

Directors' Report (Contd.)

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: 10.08.2018
Place: New Delhi

Directors' Report (Contd.)

Annexure -V to Directors Report for the year ended 31st March, 2018

Statement Containing certain financial information of subsidiaries, associate Companies and Joint Ventures of LT Foods Limited as at 31st March 2018

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

PART-A SUBSIDIARIES

(Amount 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	Total Assets	Total Liabilities	Investments	Turn Over	Profit / Loss Before Tax	Provision For Tax ³	Profit / Loss After Tax	Proposed Dividend Shareholding (In Percentage)
1	LTOverseas North America, Inc. USA (Wholly Owned Subsidiary)	02.11.2007	31.03.18	USD *	67.70	(13.36)	25.59	149.96	178.71	-	(0.97)	(0.97)	-	100.00%
2	LT Foods Americas, Inc. (Fellow Subsidiary)	18.08.1992	31.03.18	USD *	1.00	365.80	1,006.90	640.09	-	1,671.79	121.12	44.72	76.40	100.00%
3	LT Foods USA LLC (Wholly Owned Subsidiary)	22.09.2010	31.03.18	USD *	-	(4.01)	66.07	70.08	-	-	0.89	0.26	0.63	100.00%
4	Universal Traders, Inc. (Fellow Subsidiary)	19.07.2012	31.03.18	USD *	0.10	-	0.11	0.00	-	-	-	-	-	100.00%
5	LT Foods Middle East DMCC (Fellow Subsidiary)	17.04.2013	31.03.18	AED **	10.00	47.94	288.16	230.22	-	906.69	2.13	-	2.13	100.00%
6	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	19.03.2005	31.03.18	AED **	65.20	6.42	61.95	0.34	10.00	2.40	(0.54)	-	(0.54)	100.00%
7	Daawat Foods Limited (Subsidiary)	04.05.2005	31.03.18	INR	1,915.53	16,645.85	71,404.36	53,151.73	308.75	91,236.75	5,163.13	1,880.98	3,282.15	70.48%
8	Nature Bio Foods Limited (Wholly Owned Subsidiary)	25.11.2005	31.03.18	INR	200.00	6,618.53	21,746.36	14,937.90	10.07	36,062.24	3,812.24	1,357.81	2,454.43	100.00%
9	Expo Services Private Limited (Fellow Subsidiary)	18.12.2009	31.03.18	INR	1.00	22.07	149.20	126.12	-	1.96	(0.31)	-	(0.31)	80.00%
10	SDC Foods India Limited (Subsidiary)	02.01.2009	31.03.18	INR	80.00	(394.96)	53.02	369.25	1.26	0.42	(8.62)	-	(8.62)	80.00%
11	Fresco Fruits & Nuts Pvt Limited (Fellow Subsidiary)	28.08.2014	31.03.18	INR	435.69	(542.35)	1.26	107.92	-	-	(0.24)	-	(0.24)	70.48%
12	LT Agri Services Private Limited (Fellow Subsidiary)	17.04.2009	31.03.18	INR	1.00	(2.27)	200.54	201.81	-	-	(0.13)	-	(0.13)	70.48%
13	LT International Limited (Subsidiary)	12.01.1999	31.03.18	INR	200.00	(15.04)	307.38	122.42	-	-	(2.77)	(0.14)	(2.63)	89.98%
14	Raghuvesh Foods & Infrastructure Limited (Subsidiary)	03.09.2010	31.03.18	INR	5.00	(5.00)	-	-	-	0.09	(0.08)	-	(0.08)	100.00%
15	Raghuvesh Power Projects Limited (Subsidiary)	07.07.2011	31.03.18	INR	5.00	(5.00)	-	-	-	-	-	-	-	35.94%
16	Raghunath Agro Industries Private Limited (Subsidiary)	20.07.2015	31.03.18	INR	424.79	1,727.56	10,527.14	8,374.79	-	22,415.52	69.68	38.09	31.59	96.00%
17	LT Foods International Limited (Wholly owned Subsidiary)	24.06.2016	31.03.18	USD*	0.76	33.89	11.17	64.85	81.43	697.81	24.44	4.89	19.55	100.00%
18	LT Foods Europe B.V. (Fellow Subsidiary)	06.09.2016	31.03.18	EURO***	0.00	58.87	227.82	168.94	-	157.72	(19.16)	(6.51)	(12.65)	100.00%
19	Deva Singh Sham Singh Export Private Limited (Wholly owned subsidiary)	12.04.2017	31.03.18	INR	1.00	(48.55)	366.11	413.66	-	1,700.42	(48.55)	-	(48.55)	100.00%
20	Nature Bio-Foods B.V.	06.11.2017	31.03.2018	USD	0.00	-	0.00	-	-	-	-	-	-	100.00%
21	NBFL INC	01.11.2017	31.03.2018	USD	-	-	-	-	-	-	-	-	-	100.00%

- Names of subsidiaries which are yet to commence operations: Nature Bio Foods B.V. and Nature Bio Foods Inc
- Names of subsidiaries which have been liquidated or sold during the year: None
- Names of Subsidiaries acquired during the year: Deva Singh Sham Singh Private Limited.

Profit & Loss Items dealt with:-

* USD : Exchange Rate as on 31/03/2018 is ₹ 64.4474 per USD

**AED: Exchange Rate as on 31/03/2018 is ₹ 17.5580 per AED

*** EURO: Exchange Rate as on 31/03/2018 is ₹ 75.4219 per EURO

Balance Sheet Items dealt with:-

* USD : Exchange Rate as on 31/03/2018 is ₹ 65.0440 per USD

**AED: Exchange Rate as on 31/03/2018 is ₹ 17.7187 per AED

*** EURO: Exchange Rate as on 31/03/2018 is ₹ 80.6222 per EURO

Directors' Report (Contd.)

PART- B ASSOCIATES AND JOINT VENTURES

S. 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)	Daawat Kameda India Pvt Ltd (Joint Venture)
1.	Last Audited Balance Sheet date	31/03/2018	31/03/2018	31/03/2018	31/03/2018	31/03/2018
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	14/03/2017
3.	Shares of the Associate or Joint Venture held by the company on the year end					
	No.	1600000	1600000	15000	12,50,000	17,08,500
	Amount of Investment in the Associate or Joint Venture	160.00	160.00	1.50	125.00	170.85
	Extent of holding (in percentage)	40	40	30	50	51
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	400.00	400.00	5.00	250	335
7.	Profit or Loss for the year					
	(i) Considered in consolidation	36.81	57.09	(6.42)	(223.76)	(39.49)
	(ii) Not Considered in consolidation	55.21	85.63	(14.97)	(223.76)	(37.94)

- 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 2018-2019
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil
- Names of associates acquired during the year :Nil

For and on behalf of Board of Directors of
M/s LT Foods Limited

Sd/-
Ashwani Kumar Arora
Managing Director and CFO
DIN 01574773

Sd/-
Surinder Kumar Arora
Managing Director
DIN 01574728

Sd/-
Pramod Bhagat
Independent Director
DIN 00198902

Sd/-
Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

CEO/CFO Certificate

To
The Board of Directors
LT Foods Limited

Sub :- Compliance Certificate as per Regulation 17(8) of SEBI(Listing Obligation & Disclosure Requirements) Regulation, 2015

We have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder, the provisions of various statutes, wherever applicable, the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on 31st March 2018 and in our opinion and to the best of our information

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year that are fraudulent, illegal or violative of the listed entity'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 listed entity 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 they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
 - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For LT Foods Limited

Date: 24-05-2018
Place- Gurugram

Ashwani Kumar Arora
Chief Executive Officer & Chief Financial Officer

Corporate Governance Report

We have prepared this Corporate Governance report on the basis of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), and the report contains the details of Corporate Governance systems, procedures and processes followed in our Company. The two basic tenets of Corporate Governance are transparency and accountability which are an integral part of our business to ensure fairness for every stakeholder-our customers, investors, bankers and society at large. Our approach towards enhancing shared value is guided by a set of strong principles and values set by our Board of Directors.

The very essence of Corporate Governance lies in promoting and adhering to the business integrity, transparency, fairness, opportunity to stakeholders for redressal of their grievances. The norms and processes of Corporate Governance reflect our commitment to disclose timely and accurate information regarding our financial and operational performance, as well as the Company's leadership and governance structure.

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.

VISION- CUSTOMER DELIGHT THROUGH VALUE ADDED AGRICULTURE BUSINESS

VALUES-

1. **Ownership-** Trust, dedication and commitment by empowering resource. Accountability and responsibility to the people and respect for all.
2. **Business ethics-** Sincerity and honesty in delivering the best by being honest and transparent in our processes.
3. **Passion for excellence-** Perseverance and endurance with no compromise to remain best in class.
4. **Innovation-** Improving continuously by experimenting with new ideas for superior products and process.
5. **Customer Centricity-** Offering superior customer experience through safe and high quality products and provide value for money.

Whistle Blower Policy/ Vigil Mechanism

The Whistle Blower Policy of the Company provides a mechanism for employees / Board Members and others to raise good faith

concerns in good faith about violation of the Code of Conduct of the Company and to protect the individuals who take such actions from retaliation or any threat of retaliation and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The functioning of the Vigil mechanism is reviewed by the Audit Committee from time to time. The Whistle Blowers have access to the Audit Committee of the Board. The details of the Whistle Blower Policy are given in the Report on Corporate Governance and are also available on the website of the Company at the following link: [www.ltgroup.in; http://www.ltgroup.in/pdf/whistle-blower-policy.pdf](http://www.ltgroup.in/pdf/whistle-blower-policy.pdf)

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and b) Code of Fair Disclosure. The Company's Code, inter alia, prohibits dealing in the shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods.

POLICY ON PREVENTION OF INSIDER TRADING

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has framed a) Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and b) Code of Fair Disclosure. The Company's Code, inter alia, prohibits dealing in the shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods. We at regular interval educate and inform insiders about the principles of fair trading and also monitor their trading behavior and take appropriate corrective measures

BOARD OF DIRECTORS

In strict adherence to our corporate governance philosophy, we have a 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 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, 2018, our Board consisted of eight members, three of whom are Executive, four 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 seven Committees. These are the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Capital Raising Committee, Management Committee, Governance Committee, Corporate Social Responsibility Committee.

Corporate Governance Report (Contd.)

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.

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 in 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, 2018, 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:

The Composition of the Board and Attendance record of Directors for 2017-18:

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2017-18		Whether attended last AGM	Number of Directorships in other public companies	Number of ¹ Committee positions held in public companies	
			Held	Attended			Chairman	Member
Vijay Kumar Arora	Chairman & Managing Director (Executive)	21286920	7	2	NO	4	NIL	NIL
Ashwani Kumar Arora	Managing Director (Executive)	21286920	7	7	YES	3	NIL	NIL
Surinder Kumar Arora	Managing Director (Executive)	21286920	7	6	NO	4	NIL	NIL
Pramod Bhagat	Non Executive (Independent)	Nil	7	7	YES	1	2	NIL
Rajesh Kumar Srivastava	Non Executive (Nominee Director)	Nil	7	4	NO	4	NIL	4
Radha Singh	Non Executive (Independent)	Nil	7	7	NO	2	1	3
Suparas Bhandari	Non Executive (Independent)	Nil	7	4	NA	1	NIL	2
Gokul Patnaik	Non Executive (Independent)	Nil	7	6	NA	1	NIL	2

1 includes only Audit and Stakeholders Relationship Committees

- d) During the year, seven 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 25,2017;August10,2017; October 03, 2017; November14,2017; December 26, 2017, February 08, 2018 and March 30, 2018.
- 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.
- f) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- 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.
- 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.

Corporate Governance Report (Contd.)

- i) The Non- Executive Directors do not hold any convertible instruments in the Company.
- 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.
- k) No employee including Key Managerial Personnel or Director or Promoter of a listed entity 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.
- l) Mr. Rajesh Kumar Srivastava is a Nominee Director representing India Agri Business Fund.

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 such 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 familiarization programme imparted to Independent Directors is <http://www.ltverseas.com/india/pdf/familiarization-programme-for-independent-directors.pdf>. The Independent Directors have attended one programme in the financial year 2017-18. They have spent eight 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 does not participate. The criteria for the performance evaluation is posted on the website of the company.

Evaluation of the Board and its Committees is based on various aspects of their functioning, such as, adequacy of the constitution and composition of the Board and its Committees, matters addressed in the meetings, processes followed at the meeting, Board's focus, regulatory compliances and Corporate Governance, etc., are in place. Similarly, for evaluation of individual Director's performance, various parameters like Director's profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances and governance, etc., are considered.

Further, the performance of Chairman, Executive Directors and Independent Directors are evaluated on certain additional parameters depending upon their roles and responsibilities. For the Chairman the criteria includes leadership, relationship with stakeholders etc., for the Executive Directors the criteria includes execution of business plans, risk Management, achievement of business targets, development of plans and policies aligned to the vision and mission of the Company, etc. Similarly, criteria for evaluation of Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts towards his/her role, high ethical standards, adherence to applicable codes and policies, effective participation and application of objective independent judgement during meetings, etc. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the

Corporate Governance Report (Contd.)

financial year 2017-18 by way of oral evaluation through personal interaction. The Independent Directors had met separately on February, 08, 2018 without the presence of Non-Independent Directors and the Members of Management and discussed, inter alia, the performance of Non-Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The Nomination and Remuneration Committee has also carried out evaluation of every Director's performance. The performance evaluation of all the Independent Directors have been done by the entire Board, excluding the Director being evaluated. On the basis of performance evaluation done by the Board, it determines whether to extend or continue their term of appointment, whenever their respective term expires. The Directors expressed their satisfaction with the evaluation process.

Separate Meeting of Independent Directors

The Listed Company needs to conduct at least 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 February 8th, 2018

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

BOARD COMMITTEES

Audit Committee		Nomination & Remuneration Committee	
1.	Pramod Bhagat (Chairman of the Committee) Independent Director	1.	Radha Singh (Chairman 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 (Chairman 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

Corporate Governance Report (Contd.)

Stakeholders Relationship Committee		Capital Raising Committee	
1.	Pramod Bhagat (Chairman of the Committee) Independent Director	1.	Radha Singh Independent Director
2.	Radha Singh Independent Director	2.	Ashwani Kumar Arora Executive Director
3.	Rajesh Kumar Srivastava Nominee Director	3.	Rajesh Kumar Srivastava Nominee Director
4.	Suparas Bhandari Independent Director	4.	Gokul Patnaik 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 Clause 49 of the Listing Agreement. 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 it considers necessary.

Role of the Audit Committee

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- Recommending 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
- 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, preferential issue, etc), 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 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 it is 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

Corporate Governance Report (Contd.)

- 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 etc. of the candidate
- Carrying out any other function as is 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 :
 - a) The Management Discussion and Analysis of financial condition and result of operations
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by 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 the appointment, removal and terms of remuneration of the Chief Internal Auditor/ Internal Auditors

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

25th May 2017, 10 August 2017, 14th November 2017, 8th February 2018 and 30th March, 2018.

Members of the Committee	Category & Designation	Number of the meetings held during the year 2017-18	
		Held	Attended
Pramod Bhagat	Independent, Non-Executive (Chairman)	5	5
Radha Singh	Independent, Non Executive	5	5
Rajesh Kumar Srivastava	Nominee, Non Executive	5	2
Gokul Patnaik	Independent Non-Executive	5	5

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 not present at the Twenty Seventh Annual General Meeting of the Company to answer the queries of shareholders.

Corporate Governance Report (Contd.)

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

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

Dates: May 25, 2017, August 10, 2017 and February 08, 2018

Members of the Committee	Category & Designation	Number of the meetings held during the year 2017-18	
		Held	Attended
Pramod Bhagat	Independent, Non-Executive (Chairman)	3	3
Radha Singh	Independent, Non Executive	3	3
Rajesh Kumar Srivastava	Nominee, Non Executive	3	2

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 has 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, 2018, 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, 2018

(₹ In Lakhs)	
Name of the Director	Sitting fees paid
Pramod Bhagat	7.75
Radha Singh	8.55
Gokul Patnaik	6.09
Suparas Bhandari	3.52

Service:-

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, 2018, are as under:

Corporate Governance Report (Contd.)

	(₹ In Lakhs)
Name of the Director	
Vijay Kumar Arora	168.60
Ashwani Kumar Arora	98.27
Surinder Kumar Arora	58.33

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.

During the financial year, four Stakeholders Relationship Committee Meetings were held.

The dates and other details of these meetings are as follows

Dates: May 25, 2017, August 10, 2017, Nov 14, 2017 and February 08, 2018

Brief Description & Terms of Reference:

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

Members of the Committee	Category & Designation	Number of the meetings held during the year 2017-18	
		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
Suparas Bhandari	Independent Non-Executive	4	4

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: 2017-18

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

IV. GOVERNANCE COMMITTEE

Brief Description & Terms of Reference:

The Governance Committee comprises of three members:

During the financial year, five Governance Committee Meetings were held.

The dates and other details of these meetings are as follows

Dates: May 25, 2017, August 10th 2017, October 3rd, 2017, Nov 14th, 2017 and February 08th, 2018

Members of the Committee	Category & Designation	Number of the meetings held during the year 2017-18	
		Held	Attended
Vijay Kumar Arora	Executive (Chairman)	5	1
Ashwani Kumar Arora	Member, Director	5	5
Rajesh Kumar Srivastava	Member, Nominee Director	5	5

Corporate Governance Report (Contd.)

V. CSR COMMITTEE**Brief Description & Terms of Reference:**

During the financial year, two CSR Committee Meetings were held.

The dates and other details of these meetings are as follows

Dates: August 10th ,2017 and February 08th , 2018

The CSR Committee comprises of the following members:

Members of the Committee	Category & Designation	Number of the meetings held during the year 2017-18	
		Held	Attended
Radha Singh	Non Executive (Chairman) Independent	2	2
Vijay Kumar Arora	Member, Executive	2	1
Rajesh Kumar Srivastava	Member, Nominee Director	2	1
Gokul Patnaik	Member, Non Executive, Independent	2	2

CAPITAL RAISING COMMITTEE**Brief Description & Terms of Reference:**

During the financial year, two capital raising committee Meetings were held.

The dates and other details of these meetings are as follows

Dates: December 18th, 2017 and December 21st, 2017

The Capital Raising Committee comprises of the following members:

Members of the Committee	Category & Designation	Number of the meetings held during the year 2017-18	
		Held	Attended
Radha Singh	Non Executive, Independent	2	2
Ashwani Kumar Arora	Member, Director	2	2
Rajesh Kumar Srivastava	Member, Nominee Director	2	2

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.

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.

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
2016-17	27th AGM	Air Force Auditorium, Subroto Kuan, Park, Dhaula New Delhi-110010	19.09.2017	12.00 PM
2015-16	26th AGM	Air Force Auditorium, Subroto Kuan, Park, Dhaula New Delhi-110010	21.09.2016	03.00 PM
2014-15	25th AGM	Air Force Auditorium, Subroto Kuan, Park, Dhaula New Delhi-110010	18.09.2015	03.00 PM

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
2016-17	27th AGM	: To revise remuneration of Mr. Vijay Kumar Arora, Managing Director of the Company. : To revise remuneration of Mr. Ashwani Kumar Arora, Managing Director of the Company. : To approve related party transactions for the financial year 2017-18 : To fix remuneration of Mr. Ritesh Kumar Arora.
2015-16	26th AGM	: To appoint Mr. Ashok Kumar Arora as President(Punjab Operations). : Appointment of Mr. Gokul patnaik as Managing Director of the Company. : Regularization of Mr. Adesh Kumar Gupta and Mr. Suparas Bhandari as Independent directors. : Borrowing money in excess of the prescribed limit. : Creation of mortgage/charges/hypothecation on the whole or substantially whole of the undertakings. : Approval of Employee Stock Option Plan 2016. : To approve grant of employee stock options to the employees of the 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 : Reappointment of Mrs. Renu Challu as Independent director for a term of five years. : Approval of related party transactions for the financial year 2015-16 : Ratification of the resolution passed by postal ballot dated March 30th, 2015.

Corporate Governance Report (Contd.)

POSTAL BALLOT

During the year 2017-18, out of three resolutions passed two were passed as special resolutions. Details of voting pattern are as follows:

1. Raising of Funds through issue of equity shares

Total Votes Cast in Favour	% age of Votes Cast in Favour	Total Votes Cast against	% age of Votes Cast against
122223302	99.41	733938	0.59
Result:- Total percentage of votes polled for SPECIAL RESOLUTION is 99.41% and total Percentage of Votes Polled Against SPECIAL RESOLUTION is 0.59%. Hence the proposed Resolution passed as Special Resolution			

2. Investments by Foreign Portfolio Investors including their sub-accounts in the equity shares of the company.

Total Votes Cast in Favour	%age of Votes Cast in Favour	Total Votes Cast against	%age of Votes Cast against
122956134	99.99	1521	0.01
Result:- Total percentage of votes polled for SPECIAL RESOLUTION is 99.99% and total Percentage of Votes Polled Against SPECIAL RESOLUTION is 0.01%. Hence the proposed Resolution passed as Special Resolution			

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

DISCLOSURES

- During the financial year ended 31st March, 2018, 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 are appearing 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 the 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 fact that the entity is related party to a particular transaction or not.

- 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.

- The CEO/CFO Certificate in terms of Reg17 (8) of SEBI (Listing Obligations and Disclosure Requirements) 2015 has been placed before the Board.
- 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.
- The Company follows the practice of 'Closure of Trading Window' prior to the publication of price sensitive information. During this period, the Company has setup 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.
- 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'.

Corporate Governance Report (Contd.)

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 be end one 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.

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 2017-18.

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 where up on the official news released is played <http://www.ltoverseas.com/india/media.html#press>

GENERAL SHAREHOLDER'S INFORMATION

Twenty Eighth Annual General Meeting

Date & Time	24th September, 2018 at 03.00 pm
Venue	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi -110010.
Financial Calendar for the Year 2017-18:	01st April 2017 to 31st March 2018
Dividend	The final dividend of Re 0.15 per share subject to shareholders's approval shall be paid /credited on or after 24th September, 2018
Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 19th September, 2018 to Monday, 24th September, 2018, 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

Corporate Governance Report (Contd.)

BSE LIMITED	NATIONAL STOCK EXCHANGE OF INDIA LIMITED
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400001 Tel. No. 022- 22721233/34 Fax: 022- 22721919	Exchange Plaza, 5th Floor, Plot No. C-1, G- Block, Bandra Kurla Complex, Bandra (E), Mumbai – 400051. Tel.: 022- 26598110- 14 Fax: 022- 26598120
Security Code: 532783	Security Code: DAAWAT

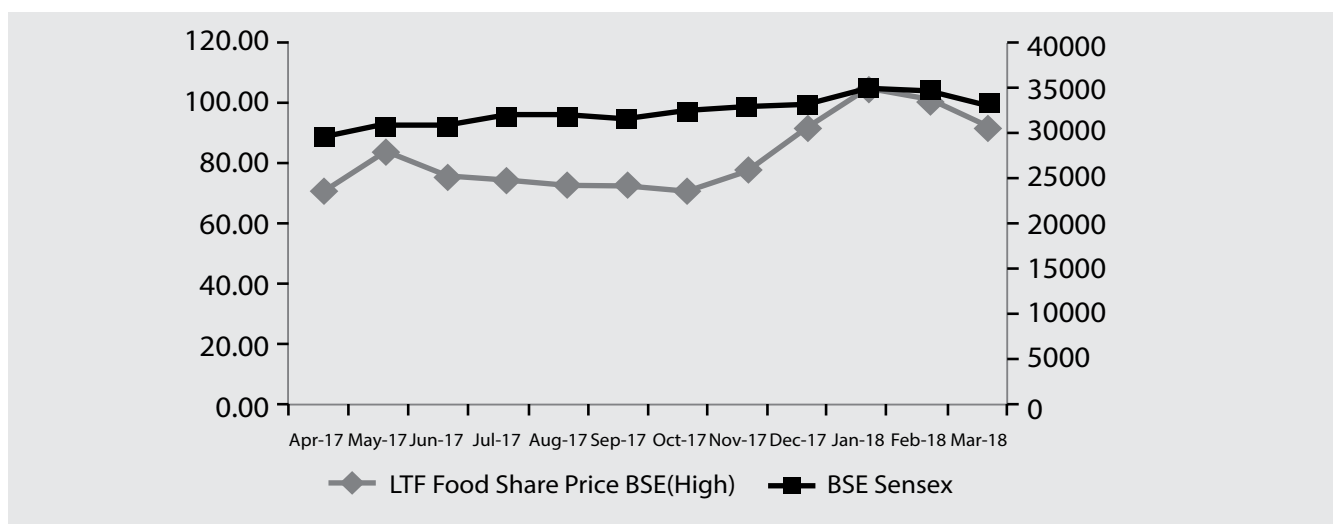
ISIN No. for NSDL & CDSL: INE818H01012

Listing Fees / Custodial Fees for 2017 -18:

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 2017-18.

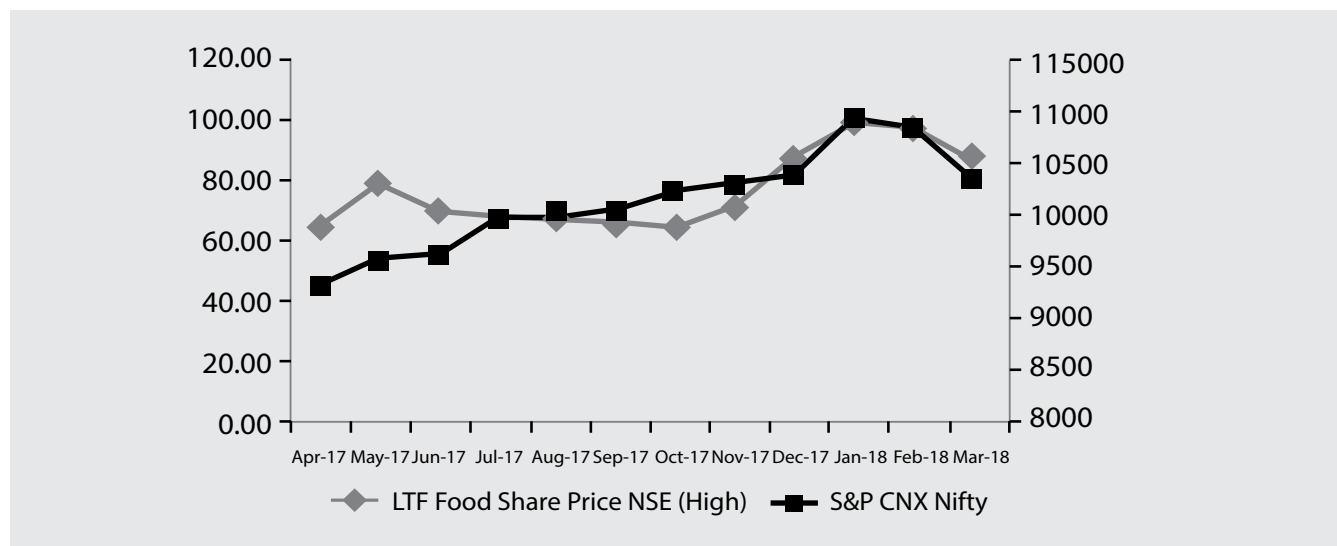
Stock Market Data on BSE and NSE

Month	Bombay Stock Exchange Limited					National Stock Exchange Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	S&P CNX Nifty
Apr-17	68.75	62.85	65.40	1817616	30184	68.60	62.80	65.35	12431668	9367
May-17	84.70	63.55	71.00	4038058	31255	84.70	63.50	71.00	23607177	9650
Jun-17	74.60	64.05	66.90	3021987	31523	74.50	64.00	67.05	16767963	9709
Jul-17	72.55	66.00	69.75	2074670	32673	72.40	66.25	69.95	14058835	10115
Aug-17	71.20	56.85	64.15	1100846	32686	71.60	55.45	64.00	6360495	10138
Sep-17	71.30	60.40	63.30	2304215	32524	71.20	60.00	63.35	14673366	10179
Oct-17	69.00	62.60	68.45	2246531	33340	69.00	62.70	68.30	12636437	10385
Nov-17	76.55	67.00	70.30	4041989	33866	76.75	63.95	70.25	21879674	10490
Dec-17	94.50	70.50	91.05	13369162	34138	94.50	70.00	91.10	92034854	10552
Jan-18	109.90	85.25	90.85	11827846	36444	110.00	85.35	90.50	70923666	11172
Feb-18	105.00	83.00	93.25	5681785	36257	105.00	83.00	93.45	31141219	11117
Mar-18	94.50	82.05	85.75	2345449	34279	94.65	80.20	85.00	14203704	10526

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 2016-17 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 setup 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 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

Big share 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

The Board has authorized 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.

Corporate Governance Report (Contd.)

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, 2018:**(A) Distribution of Shareholding by Ownership**

Category	Total Shareholders	% Of Shareholders	Voting Strength	%
ALTERNATE INVESTMENT FUND	1	0.0000	1309617	0.4100
CLEARING MEMBER	340	0.5200	2782207	0.8700
CORPORATE BODIES	389	0.5900	7114800	2.2200
DIRECTORS	4	0.0100	63860760	19.9700
EMPLOYEE	35	0.0500	3189576	1.0000
FINANCIAL INSTITUTIONS	1	0.0000	278227	0.0900
FOREIGN COMPANY	1	0.0000	8289454	2.5900
FOREIGN PORTFOLIO INVESTOR	32	0.0500	12119606	3.7900
GROUP COMPANIES	2	0.0000	30984130	9.6900
NON NATIONALISED BANKS	1	0.0000	51847	0.0200
NON RESIDENT INDIANS	917	1.4000	1557104	0.4900
OVERSEAS CORPORATE BODIES	1	0.0000	500000	0.1600
PROMOTERS	14	0.0200	84299940	26.3600
PUBLIC	63842	97.3300	60748009	18.9900
TRUSTS	2	0.0000	2000	0.0000
MUTUAL FUND	13	0.0200	42356186	13.2400
IEPF	1	0.0000	401317	0.1300
TOTAL	65596	100	319844780	100.0200

Corporate Governance Report (Contd.)

(B) Distribution of Shareholding by Size

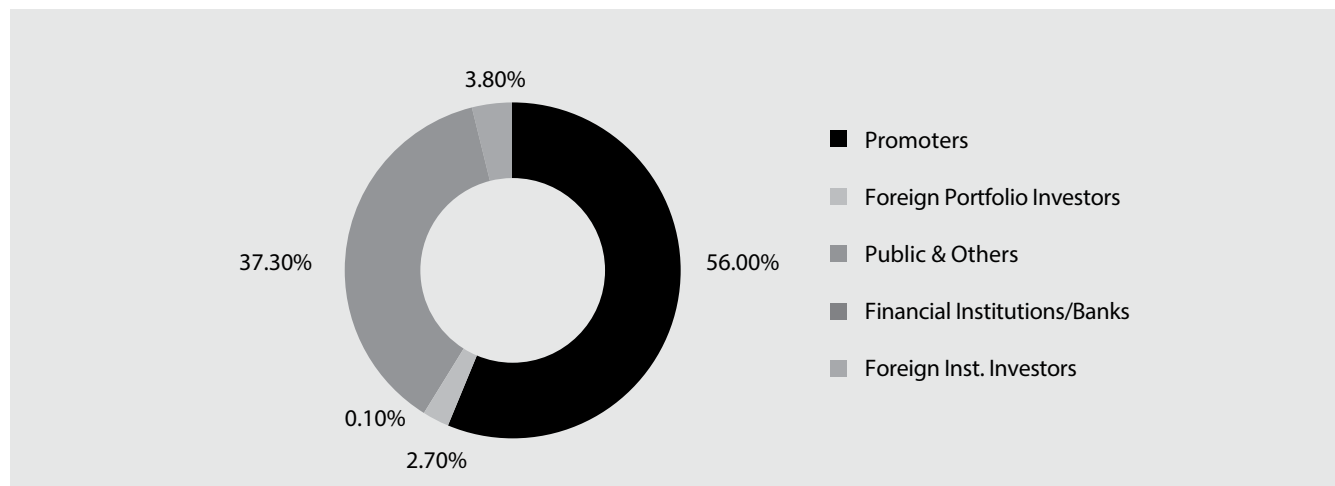
No. of shares	No. of shares	No of shareholders	% of total shareholders	Share Amount(₹)	% of total
1	5000	64322	98.0578	21737109	6.7961
5001	10000	617	0.9406	4828186	1.5095
10001	20000	294	0.4482	4401778	1.3762
20001	30000	112	0.1707	2725213	0.8520
30001	40000	46	0.0701	1603535	0.5013
40001	50000	35	0.0534	1595496	0.4988
50001	100000	53	0.0808	3561835	1.1136
100001	9999999999	117	0.1784	279391628	87.3523
Total		65596	100	319844780	100.0000

(C) Top ten Shareholders as on 31st March,2018

S. No.	FOLIO No.	NAME	Shares
1	GROUP COMPANIES	RAGHUVESH HOLDINGS PRIVATE LIMITED	30984130
2	PROMOTERS	GURUCHARAN DASS ARORA	21286920
3	DIRECTORS	SURINDER ARORA	21286920
4	PROMOTERS	ASHOK KUMAR ARORA	21286920
5	DIRECTORS	ASHWANI ARORA	21286920
6	DIRECTORS	VIJAY KUMAR ARORA	21286920
7	INSTITUTIONAL INVESTOR	DSP BLACKROCK SMALL CAP FUND	13297872
8	PROMOTERS	VANDANA ARORA	8371500
9	PROMOTER	SAKSHI ARORA	8371500
10	PROMOTER	INDIAN AGRI BUSINESS FUND LIMITED	8289454

Corporate Governance Report (Contd.)

Shareholding Pattern as on 31st March, 2018



Plant Locations:

At present, the Company has seven 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.
7. Cypress

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,
Gurgaon – 122001

Secretary & Compliance Officer

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

Contact Details	Ph: 91-124-3055101
	Fax: 91-124-3055199
	email id: monika.jaggia@ltgroup.in

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: 02nd Aug, 2018
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 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then 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 state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on 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 including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

The Company had prepared separate sets of statutory financial statements for the year ended 31 March 2017 and 31 March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 25 May 2017 and 27 May 2016 respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

Independent Auditor's Report

10. Further to our comments in Annexure A, 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;
- d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;
- 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 31 March 2018 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 31 March 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 24 May 2018 as per Annexure B expressed an unmodified opinion;
- 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 41 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;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016 which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Place: Gurugram
Date: 24 May 2018

per **Neeraj Goel**
Partner
Membership No.: 99514

Independent Auditor's Report

Annexure A to the Independent Auditor's Report of even date to the members of LT Foods Limited, on the standalone financial statements for the year ended 31 March 2018

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 three 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 'Property, plant and equipment') 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 stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted unsecured loans to one company, Geona Rice Mills Private Limited, a joint venture with Future Consumer Limited covered in the register maintained under Section 189 of the Act, and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest.
 - (b) the schedule of repayment of principal has been stipulated wherein the principal amounts are repayable on demand and since the repayment of such loan has not been demanded, in our opinion, repayment of the principal amount is regular.
 - (c) the schedule of repayment of principal and interest has been stipulated wherein the principal and interest amounts are repayable/ payable on demand and since the repayment of such loan and payment of such interest has not been demanded, in our opinion, repayment/ payment of the principal and interest amount is regular.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments, loans and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of 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) The Company is regular in depositing 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, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- (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 (Financial Year)	Forum where dispute is pending
Income-tax Act, 1961	Income tax demands	57.54	-	2002-03	Income tax appellate tribunal ('ITAT')
Income-tax Act, 1961	Income tax demands	0.65	-	2003-04	ITAT
Income-tax Act, 1961	Income tax demands	26.81	609.20	2004-05	ITAT
Income-tax Act, 1961	Income tax demands	4.84	-	2006-07	ITAT
Income-tax Act, 1961	Income tax demands	327.62	250.00	2007-08	ITAT
Income-tax Act, 1961	Income tax demands	235.95	123.95	2008-09	ITAT
Income-tax Act, 1961	Income tax demands	346.01	-	2009-10	ITAT
Income-tax Act, 1961	Income tax demands	829.8	191.00	2010-11	Commissioner of Income Tax (Appeals) (CIT(A))
Income-tax Act, 1961	Income tax demands	155.52	19.50	2011-12	CIT(A)
Income-tax Act, 1961	Income tax demands	721.06	108.16	2012-13	CIT(A)
Income-tax Act, 1961	Income tax demands	769.75	200.00	2013-14	CIT(A)
Income-tax Act, 1961	Penalty	36.27	36.27	1998-99	CIT(A)
Income-tax Act, 1961	Penalty	177.42	-	2009-10	CIT(A)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any outstanding debentures or loans or borrowings payable to any financial institution or 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 Ind AS.
- (xiv) During the year, the Company has made private placement of shares. In respect of the same, in our opinion, the Company has complied with the requirements of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment of shares or preferential/ private placement of fully/ 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's Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No.: 99514

Place: Gurugram
Date: 24 May 2018

Independent Auditor's Report

Annexure B to the Independent Auditor's Report of even date to the members of LT Foods Limited on the standalone financial statements for the year ended March 31, 2018

Annexure B

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, 2018, 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, 2018, 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's Registration No.: 001076N/N500013

Place: Gurugram
Date: 24 May 2018

per **Neeraj Goel**
Partner
Membership No.: 99514

Standalone Balance Sheet

as at March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	18,862.42	15,837.25	16,052.03
Capital work-in-progress	2	293.39	375.54	1,716.40
Goodwill	3	0.63	0.78	11.25
Other intangible assets	3	255.21	445.90	95.89
Financial assets				
Investments	4	8,724.69	6,451.10	6,305.19
Loans	5	635.02	502.79	291.41
Other financial assets	6	26.78	75.42	32.52
Other non-current assets	7	98.41	9.84	22.12
Non current tax assets	8	2,887.36	1,965.96	2,201.13
Total non-current assets		31,783.91	25,664.58	26,727.94
Current assets				
Inventories	9	86,246.39	68,828.53	65,712.78
Financial assets				
Trade receivables	10	35,016.95	32,535.40	26,650.87
Cash and Cash equivalent	11	336.62	554.64	879.85
Other bank balances	12	519.43	402.58	370.12
Loans	13	782.61	1,976.46	1,609.96
Other financial assets	14	283.36	1,393.81	866.16
Other current assets	15	5,865.13	5,716.21	11,398.84
Total current assets		129,050.49	111,407.63	107,488.58
Total assets		160,834.40	137,072.21	134,216.52
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	3,198.45	2,666.32	2,666.32
Other equity	17	74,856.15	33,678.94	31,135.24
Total equity		78,054.60	36,345.26	33,801.56
Non-current liabilities				
Financial liabilities				
Borrowings	18	2,737.72	559.75	1,811.29
Other financial liabilities	19	9.78	9.78	9.89
Provisions	20	344.57	134.74	89.87
Deferred tax liabilities (net)	21	431.88	579.37	418.18
Other non-current liabilities	22	334.11	180.50	221.03
Total non-current liabilities		3,858.06	1,464.14	2,550.26
Current liabilities				
Financial liabilities				
Borrowings	23	64,748.04	86,373.32	81,807.57
Trade payables	24	10,045.64	6,045.25	7,407.54
Other financial liabilities	25	3,181.24	4,158.14	6,065.48
Other current liabilities	26	834.14	1,035.79	947.71
Provisions	27	85.85	15.83	22.00
Current tax liabilities (net)	28	26.83	1,634.48	1,614.40
Total current liabilities		78,921.74	99,262.81	97,864.70
Total liabilities		82,779.80	100,726.95	100,414.96
Total equity and liabilities		160,834.40	137,072.21	134,216.52

Statement of significant accounting policies

1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements. 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 : Gurugram
Date : May 24, 2018

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

Standalone Statement of Profit and Loss

for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
Revenue from operations	29	214,113.41	205,155.61
Other income	30	1,552.43	2,450.43
Total income		215,665.84	207,606.04
Expenses			
Cost of material consumed	31	157,683.98	139,116.39
Purchases of stock-in-trade	32	25,211.85	35,618.74
Changes in inventories of finished goods and stock in trade	33	(7,197.54)	(6,852.57)
Employee benefits expense	34	5,736.55	5,040.66
Finance costs	35	8,529.51	10,660.02
Depreciation and amortisation expense	36	1,810.23	2,339.49
Other expenses	37	18,533.98	16,941.12
Total		210,308.56	202,863.84
Profit before tax		5,357.28	4,742.20
Tax expenses	38		
Current tax		1,309.23	1,591.10
Deferred tax (credit)/ charge		(147.49)	161.20
Total tax expense		1,161.74	1,752.30
Profit for the year		4,195.54	2,989.89
Other Comprehensive Income			
1) Items that will not be reclassified to Profit or Loss			
Remeasurements of net defined benefit plans		(124.72)	37.10
Tax on above		-	-
Other comprehensive income for the year		(124.72)	37.10
Total comprehensive income for the year		4,070.82	3,026.99
Earning per equity share			
- Basic	39	1.49	1.12
- Diluted		1.49	1.12

Statement of significant accounting policies

1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements. This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

Place : Gurugram
Date : May 24, 2018

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

Standalone Cash Flow Statement

for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities:		
Profit before tax	5,357.28	4,742.20
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	1,810.23	2,339.49
Loss/(Profit) on sale of fixed assets	0.77	(12.14)
Unrealised foreign exchange loss/(gain)	19.71	(294.04)
Amounts written off	1,078.41	-
Interest expense	7,419.86	9,635.95
Interest income	(32.67)	(30.95)
Liabilities written back	-	(201.03)
Dividend income from non trade investments	(0.05)	(0.09)
Adjustment for:		
- Adjustment of Fair valuation of investments	(5.89)	-
Operating profit before operating assets and liabilities	15,647.65	16,176.66
Changes in operating assets and liabilities		
Increase/ (Decrease) in trade payables	3,997.12	(1,386.57)
(Decrease) in provisions and other liabilities	(517.81)	(419.64)
(Increase) in trade receivables	(3,318.81)	(6,244.29)
(Increase) in inventories	(17,417.86)	(3,115.75)
Decrease in other current and other non-current assets	2,045.23	4,891.24
Cash generated from operations	435.52	9,901.65
Income taxes paid (net of refunds)	(3,838.28)	(1,149.34)
Net cash (used in)/generated from operating activities A	(3,402.76)	8,752.31
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(4,628.77)	(1,217.06)
Proceeds from sale of fixed assets	78.48	118.08
Purchase of non-current investments	(2,267.70)	(141.20)
Interest received	32.67	30.95
Investment in fixed deposits and unpaid dividend account	(97.35)	(357.72)
Withdrawal in fixed deposits and unpaid dividend account	10.48	278.19
Dividends received	0.05	0.09
Net cash used in investing activities B	(6,872.14)	(1,288.67)

Standalone Cash Flow Statement for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from financing activities		
Proceeds from issue of equity shares (net of share issue expenses)	38,120.08	-
Proceeds from long-term borrowings	3,402.50	1,124.82
Repayment of long-term borrowings	(1,591.73)	(3,526.92)
(Repayment)/Proceeds of short term borrowings (net)	(21,899.23)	4,697.31
Interest paid	(7,493.17)	(9,652.76)
Dividends paid on equity shares	(400.12)	(399.88)
Capital subsidy received	-	50.00
Tax on equity dividend paid	(81.45)	(81.42)
Net cash generated from/(used in) financing activities C	10,056.88	(7,788.85)
Net decrease in cash and cash equivalents A + B + C	(218.02)	(325.21)
Cash and cash equivalents at the beginning of the year	554.64	879.85
Cash and cash equivalents at the end of the year	336.62	554.64
Components of cash and cash equivalents (refer note 11)		
Cash on hand	94.17	24.16
Balances with banks		
- on current account	242.45	530.48
Total cash and cash equivalents	336.62	554.64

Statement of significant accounting policies

1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements. This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

Place : Gurugram
Date : May 24, 2018

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

Standalone Statement of Changes in Equity

for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

A. Equity Share Capital

Balance as at April 01, 2016	2,666.32
Changes during the year	-
Balance as at March 31, 2017	2,666.32
Changes during the year	532.13
Balance as at March 31, 2018	3,198.45

B. Other Equity

	Reserves and surplus				Total
	Retained earnings	General reserve	Securities premium reserve	Share options outstanding amount	
Balance as at April 01, 2016	23,784.87	1,514.73	5,652.06	183.58	31,135.24
Profit for the year	2,989.89	-	-	-	2,989.89
Items of OCI for the year :-					
Remeasurement of defined benefit obligations	37.10	-	-	-	37.10
Total Comprehensive Income for the year	26,811.86	1,514.73	5,652.06	183.58	34,162.23
Deferred tax (credit)/ charge	-	-	-	-	-
Transaction with owners					
Interim dividend	(401.87)	-	-	-	(401.87)
Tax on dividend	(81.42)	-	-	-	(81.42)
Balance as at March 31, 2017	26,328.57	1,514.73	5,652.06	183.58	33,678.94
Balance as at April 01, 2017	26,328.57	1,514.73	5,652.06	183.58	33,678.94
Profit for the year	4,195.54	-	-	-	4,195.54
Premium on issue of shares (net of expenses)	-	-	37,587.95	-	37,587.95
Items of OCI for the year :-					
Remeasurement of defined benefit obligations	(124.72)	-	-	-	(124.72)
Total Comprehensive Income for the year	30,399.39	1,514.73	43,240.01	183.58	75,337.71
Transaction with owners					
Interim dividend	(400.12)	-	-	-	(400.12)
Tax on dividend	(81.45)	-	-	-	(81.45)
Balance as at March 31, 2018	29,917.82	1,514.73	43,240.01	183.58	74,856.15

This is the Statement of changes in equity referred to in our report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

Place : Gurugram
Date : May 24, 2018

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 of March 31, 2018

for the year ended March 31, 2018

1. i) Corporate information

LT Foods Limited (the 'Company') is a public company should be in running with registered office Unit No. 134, 1st floor, Rectangle-1, Saket District Center, New Delhi-110017 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 flavored rice in the ready to cook segment.

ii) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are separate financial statements of the Company prepared in accordance with Ind AS 27. The Company has also prepared consolidated financial statements for the year ended March 31, 2018 in accordance with Ind AS 110 and the same were also approved for issue by the Board of Directors on May 24, 2018.

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (hereinafter referred to as 'Previous GAAP') used for its statutory reporting requirement in India immediately before adopting Ind AS.

The Company had prepared the Opening Ind AS balance sheet as at April 01, 2016 using the exemption and exceptions provided under Indian Accounting Standards, Ind AS 101, First time adoption of Indian Accounting Standards. The exemptions availed by the Company are presented with the respective accounting policies. Reconciliations and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss are provided in note 53.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities which have been measured at fair value (refer accounting policy regarding financial instruments);

iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates.

iv) Significant Accounting Policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Inventory

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost of raw materials, components and stores and spares is determined on a "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. Stores and spares having useful life of more than twelve months are capitalised as tangible assets under "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress

Lower of cost and net realisable value. Cost includes 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.

c) Property, plant and equipment

Recognition and initial measurement

Under the previous GAAP, property plant and equipment were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward these carrying value of PPE under Indian GAAP as on March 31, 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent

cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the written down value method on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013. The following useful life of assets has been taken by the Company:

Tangible Assets	Useful Life
Buildings	15 to 39 and ½ years
Plant and machinery	4 to 10 years
Furniture and fittings	4 to 10 years
Vehicles	4 to 10 years
Office Equipment	4 to 10 years

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 April 01, 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.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

d) Intangible assets

Using the deemed cost exemption available as per Ind AS 101, the Company has elected to carry forward the carrying value of intangible assets under Indian GAAP as on March 31, 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

Internally developed intangible assets

Expenditure on the research phase of projects is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided the

Subsequent measurement (depreciation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives. The following useful lives are applied:

Intangible Assets	Useful life (in years)
Goodwill	Amortised over a period of 20 years
Brand	Amortised over a period of 20 Years
Software	Amortised over a period of 3 years

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) and other costs like finance charges in respect of the finance leases recognised in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g) Functional and presentation currency

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

Foreign Currencies

Transactions and balances

Initial recognition

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

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.

h) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

The Company applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Sale of goods:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Company, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest Income:

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

For all Financial Assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

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.

k) Financial Instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active

market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- Financial assets at amortised cost – a financial instrument is measured at amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
- Investments in equity instruments of subsidiaries, joint ventures and associates - Investments in equity instruments of subsidiaries, joint ventures and associates are accounted for at cost in accordance with Ind AS 27 Separate Financial statements.
- Financial assets at fair value
 - **Investments in equity instruments other than above** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

- **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- **Derivative assets** - All derivative assets are measured at fair value through profit and loss (FVTPL).

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

Derivative liabilities - All derivative liabilities are measured at fair value through profit and loss (FVTPL).

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- l) Investment in subsidiaries, joint ventures and associates**
Investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses, if

any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

m) Retirement and other employee benefits

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. Gratuity fund is administered through Life Insurance Corporation of India.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or 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 benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or 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.

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

n) Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

p) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

q) Government grants and subsidies

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

r) Share based payments

The Company operates equity-settled share-based remuneration plans for its employees. None of the Company's plans are cash-settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is 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.

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. 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.

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

s) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments:

In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items:

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". 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.

Segment accounting policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

t) **Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to

reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Commission charged from the entity on whose behalf the guarantee has been issued is taken as commission income in the statement of profit and loss.

u) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

v) **Cash dividend distribution to equity holders**

The Company recognises a liability to make cash distributions to equity holders when the distribution

is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

w) **Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

v) **Significant management judgement in applying accounting policies and estimation uncertainty**

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognised in the financial Statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- a. Allowance for doubtful debts – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's

Summary of significant accounting policies of March 31, 2018 for the year ended March 31, 2018

estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

- b. Defined benefit obligation (DBO) – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- c. Evaluation of indicators for impairment of assets – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- d. Recognition of deferred tax assets - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.
- e. Contingent liabilities – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

(vi) Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards)

Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 01, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach –
Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting policies, changes in accounting estimates and errors;
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018.

The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes to the financial statements

for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

2(i) Property, plant and equipment

	Freehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
Gross carrying value							
As at April 01, 2016*	3,291.88	9,074.67	19,780.05	557.71	766.29	1,668.83	35,139.43
Additions	-	477.16	1,271.62	59.69	59.13	71.32	1,938.92
Disposals	(85.00)	-	(88.23)	(7.59)	(0.23)	(40.36)	(221.41)
Other Adjustments**	(12.66)	(4.84)	(172.95)	184.89	21.19	(201.01)	(185.38)
As at March 31, 2017	3,194.22	9,546.99	20,790.49	794.70	846.38	1,498.78	36,671.56
Additions	76.16	949.54	3,430.94	26.95	51.66	113.79	4,649.04
Disposals	(51.00)	-	(806.55)	-	(12.34)	(42.61)	(912.50)
As at March 31, 2018	3,219.38	10,496.53	23,414.88	821.65	885.70	1,569.96	40,408.10
Accumulated depreciation							
As at April 01, 2016*	-	2,787.02	13,956.54	353.12	691.71	1,299.01	19,087.40
Charge for the year	-	436.35	1,265.82	82.73	74.44	115.55	1,974.88
Disposals	-	-	(9.30)	(5.38)	(0.17)	(27.76)	(42.61)
Other Adjustments**	-	(27.07)	22.58	95.14	(68.93)	(207.09)	(185.38)
As at March 31, 2017	-	3,196.30	15,235.64	525.61	697.05	1,179.71	20,834.29
Charge for the year	-	430.21	873.51	73.79	62.51	106.15	1,546.17
Disposals	-	-	(788.84)	-	(10.46)	(35.49)	(834.79)
As at March 31, 2018	-	3,626.51	15,320.31	599.40	749.10	1,250.37	21,545.68
Net carrying value as at April 01, 2016	3,291.88	6,287.65	5,823.51	204.59	74.58	369.82	16,052.03
Net carrying value as at March 31, 2017	3,194.22	6,350.69	5,554.85	269.09	149.33	319.07	15,837.25
Net carrying value as at March 31, 2018	3,219.38	6,870.02	8,094.58	222.25	136.60	319.59	18,862.42

* Represents deemed cost on the date of transition to Ind AS. Gross carrying value and accumulated depreciation of previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

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

i. Contractual obligations

Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

ii. Property plant and equipment pledged as security

Refer note 45 for information on property, plant and equipment pledged as security by the Company.

iii. Capitalised borrowings cost

The Company has capitalised borrowing costs during the year ended March 31, 2018: ₹ 88.51 lakhs (March 31, 2017: Nil) with respect to addition to property, plant and equipment.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

2(ii) Capital work-in-progress

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital work-in-progress	293.39	375.54	1,716.40

Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at April 01, 2016	1,716.40
Add: Additions during the year	467.61
Less: Capitalisation during the year	1,808.47
Capital work-in-progress as at March 31, 2017	375.54
Capital work-in-progress as at April 01, 2017	375.54
Add: Additions during the year	4,166.78
Less: Capitalisation during the year	4,248.93
Capital work-in-progress as at March 31, 2018	293.39

3 Intangible assets

	Goodwill	Brand	Software	Total
Gross carrying value				
As at April 01, 2016*	22.39	300.00	318.86	641.25
Additions	-	-	704.16	704.16
Adjustments**	(10.28)	10.28	-	-
As at March 31, 2017	12.11	310.28	1,023.02	1,345.41
Additions	-	-	73.22	73.22
Disposals	-	-	-	-
As at March 31, 2018	12.11	310.28	1,096.24	1,418.63
Amortisation				
As at April 01, 2016*	11.15	241.58	281.39	534.12
Charge for the year	0.18	12.72	351.71	364.61
Disposals	-	-	-	-
As at March 31, 2017	11.33	254.30	633.10	898.73
Charge for the year	0.15	10.35	253.56	264.06
Disposals	-	-	-	-
As at March 31, 2018	11.48	264.65	886.66	1,162.79
Net carrying value as at April 01, 2016	11.25	58.42	37.47	107.14
Net carrying value as at March 31, 2017	0.78	55.98	389.92	446.68
Net carrying value as at March 31, 2018	0.63	45.63	209.58	255.84

* Represents deemed cost on the date of transition to Ind AS. Gross carrying value and amortisation of previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

** Represents adjustment in the value of gross carrying amount and amortisation of intangible assets as per fixed asset register and books of accounts of the Company.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

4 Investments - Non-current

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments carried at cost			
(i) In subsidiary companies	7,816.18	5,704.82	5,650.66
(ii) In associate companies	321.50	321.50	321.50
(iii) In joint ventures	295.85	125.00	-
	8,433.53	6,151.32	5,972.16
Investments at fair value through statement of profit and loss			
Key man insurance policies	226.82	222.81	274.59
Equity instruments - Quoted	0.83	1.33	1.20
Mutual funds - Quoted	63.46	75.60	57.19
Equity instruments - Unquoted	0.05	0.05	0.05
	291.16	299.79	333.03
	8,724.69	6,451.10	6,305.19
Aggregate amount of			
Quoted investments	64.29	76.93	58.39
Unquoted investments	8,740.40	6,454.17	6,326.80
Less: Impairment in value of investment of SDC Foods Limited (Subsidiary)	(80.00)	(80.00)	(80.00)
Total	8,724.69	6,451.10	6,305.19

Details of investment is as follows:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments carried at cost			
Equity instruments - Unquoted			
(i) in subsidiary companies			
-LT International Limited			
1,799,581 (March 31, 2017: 1,799,581; April 01, 2016: 1,799,581) fully paid up equity shares of ₹10 each	179.96	179.96	179.96
-Nature Bio Foods Limited			
2,000,000 (March 31, 2017: 2,000,000; April 01, 2016: 2,000,000) fully paid up equity shares of ₹10 each	200.00	200.00	200.00
-Sona Global Limited			
65,200 (March 31, 2017: 65,200; April 01, 2016: 65,200) fully paid up equity shares of AED 100 each	907.73	907.73	907.73
-Daawat Foods Limited			
13,249,944 (March 31, 2017: 13,249,944; April 01, 2016: 13,249,944) fully paid up equity shares of ₹10 each	1,324.99	1,324.99	1,324.99
250,050 (March 31, 2017: 250,050; April 01, 2016: 250,050) fully paid up equity shares of ₹10 each	25.01	25.01	25.01
-SDC Foods India Limited			
800,000 (March 31, 2017: 800,000; April 01, 2016: 800,000) fully paid up equity shares of ₹10 each	80.00	80.00	80.00
-LT Overseas North America, Inc			

Notes to the financial statements

for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
338,500 (March 31, 2017: 338,500; April 01, 2016: 338,500) shares fully paid up equity shares of USD 20 each	2,822.31	2,822.31	2,822.31
-Raghuvesh Foods and Infrastructure Limited			
49,994 (March 31, 2017: 49,994; April 01, 2016: 49,994) equity shares fully paid up of ₹10 each	5.00	5.00	5.00
-LT Foods International Limited			
61,000 (March 31, 2017: 61,000; April 01, 2016: Nil) shares fully paid up equity shares of Pound 1 each	54.15	54.15	-
-Raghunath Agro Industries Private Limited			
4,078,020 (March 31, 2017: 169,918; April 01, 2016: 169,918) equity shares fully paid up of ₹10 each	2,296.03	185.67	185.66
-Deva Singh Sham Singh Exports Private Limited	1.00	-	-
10,000 (March 31, 2017: Nil; April 01, 2016: Nil) shares fully paid up equity shares of ₹ 10 each			
Less: Impairment in value of investment of SDC Foods India Limited (subsidiary)	(80.00)	(80.00)	(80.00)
Total	7,816.18	5,704.82	5,650.66
(ii) In associate companies			
-Raghuvesh Warehousing Private Limited			
1,600,000 (March 31, 2017: 1,600,000; April 01, 2016: 1,600,000) equity shares of ₹10 each	160.00	160.00	160.00
-Raghuvesh Agri Foods Private Limited			
1,600,000 (March 31, 2017: 1,600,000; April 01, 2016: 1,600,000) equity shares of ₹ 10 each	160.00	160.00	160.00
-Raghuvesh Infrastructure Private Limited			
15,000 (March 31, 2017: 15,000; April 01, 2016: 15,000) equity shares of ₹10 each	1.50	1.50	1.50
Total	321.50	321.50	321.50
(iii) In joint ventures			
-Genoa Rice Mills Private Limited			
1,250,000 (March 31, 2017: 1,250,000; April 01, 2016: nil) equity shares of ₹10 each	125.00	125.00	-
-Daawat Kameda India Private Limited	170.85	-	-
1,708,500 (March 31, 2017: Nil; April 01, 2016: Nil) equity shares of ₹10 each			
Total	295.85	125.00	-
Total investments carried at cost	8,433.53	6,151.32	5,972.16
Investments at fair value through statement of profit and loss			
Key man insurance policies	226.82	222.81	274.59
Equity instruments - Quoted			
Fully paid-up equity shares			
2,300 (March 31, 2017: 2,300; April 01, 2016: 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.83	1.33	1.20

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Mutual funds - Quoted			
50,000 (March 31, 2017: 50,000; April 01, 2016: 50,000) units of principal emerging bluechip fund regular plan growth	39.19	45.21	32.48
48,875.855 (March 31, 2017: 48,875.855; April 01, 2016: 48,875.855) units of Templeton India Equity Income Growth Fund	18.61	19.80	15.80
12,999.619 (March 31, 2017: 12,999.619; April 01, 2016: 12,999.619) units of HDFC MIP Long Term Dividend Fund	1.01	5.38	4.60
2,023.636 (March 31, 2017: 2,023.636; April 01, 2016: 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.58	0.80	0.62
894.055 (March 31, 2017: 894.055; April 01, 2016: 894.055) units of Reliance Vision Fund	4.07	4.40	3.69
Equity instruments - Unquoted			
Fully paid-up equity shares			
500 (March 31, 2017: 500; April 01, 2016: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05	0.05
Total	291.16	299.79	333.03
Total investments - non-current	8,724.69	6,451.10	6,305.19

5 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good, unless otherwise stated (Carried at amortised cost)			
Security deposits	593.85	502.79	291.41
Loan to employees	41.17	-	-
	635.02	502.79	291.41

- (a) No loans are due from director or other officers of the Company either severally or jointly with any other persons. Further, no loans are due from firms or private companies respectively in which any director is partner, director or a member.

6 Other financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Bank deposits with maturity of more than 12 months (refer note (a) below)	26.78	56.75	9.48
Advances recoverable in cash	-	18.67	23.04
	26.78	75.42	32.52

- (a) The deposits are restricted as they are held as margin money deposits against guarantees given by the Company.

7 Other non current assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	12.95	-	-
Capital advances	85.46	9.84	22.12
	98.41	9.84	22.12

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

8 Non Current tax assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance tax (net of provision for tax)	2,887.36	1,965.96	2,201.13
	2,887.36	1,965.96	2,201.13

9 Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw material			
Paddy*	32,291.34	23,104.03	27,188.62
Bardana	1,229.02	977.19	950.76
Finished goods*	48,387.54	42,692.54	31,659.20
Traded goods	1,759.39	256.85	4,438.36
Stores and spares	561.36	415.58	368.75
Packing material	2,017.74	1,382.34	1,107.09
	86,246.39	68,828.53	65,712.78

* Includes interest capitalised during the March 31, 2018: ₹ 1,474.59 lakhs (March 31, 2017: ₹ 1,402.60 lakhs; April 1, 2016 : ₹ 1,614.63 lakhs).

10 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured			
- Considered good*	35,016.95	32,535.40	26,650.87
- Considered doubtful	-	-	-
	35,016.95	32,535.40	26,650.87

(i) No trade receivables are due from director or other officers of the Company either severally or jointly with any other persons.

*Includes receivables from related parties

11 Cash and bank balances

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks in current accounts	242.45	530.48	829.43
Cash in hand			
In Indian currency	92.88	23.12	48.12
In foreign currencies (refer note (a) below)	1.29	1.04	2.30
	336.62	554.64	879.85

(a) There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

12 Other bank balances

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid dividend accounts (earmarked)	12.24	14.50	14.30
Deposits with original maturity more than 3 months and less than 12 months	507.19	388.08	355.82
	519.43	402.58	370.12

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

13 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good, unless otherwise stated (Carried at amortised cost)			
Security deposits	74.15	30.15	30.15
Loans/ advances to related parties (refer note 50)	641.49	1,910.83	1,579.81
Loan to employees	66.97	35.48	-
	782.61	1,976.46	1,609.96

- (a) No loans are due from director or other officers of the Company either severally or jointly with any other persons. Further, no loans are due from firms or private companies respectively in which any director is partner, director or a member.

14 Other current financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Forward contract receivable asset	22.54	1,097.58	548.71
Insurance claim recoverable	132.67	133.80	13.23
Other financial assets	128.15	162.43	304.22
	283.36	1,393.81	866.16

15 Other current assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	592.51	421.73	73.06
Balances with government authorities	102.80	133.08	330.61
Advance to suppliers	5,169.82	5,161.40	10,995.17
	5,865.13	5,716.21	11,398.84

16 Share capital

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
360,000,000 Equity shares of ₹ 1 each (March 31, 2017 : 300,000,000 equity shares of ₹ 1 each, April 01, 2016 : 30,000,000 equity shares of ₹ 10 each)	3,600.00	3,000.00	3,000.00
Issued, subscribed & paid up			
319,844,780 equity shares of ₹ 1 each (March 31, 2017 : 266,631,870 equity shares of ₹ 1 each, April 01, 2016 : 26,663,187 equity shares of ₹ 10 each)	3,198.45	2,666.32	2,666.32
	3,198.45	2,666.32	2,666.32

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	2,666.32	2,666.32	266.63	2,666.32	266.63	2,666.32
Changes during the year	532.13	532.13	-	-	-	-
Add: Increase in shares on account of sub-division (refer note e)	-	-	2,399.69	-	-	-
Equity shares at the end of the year	3,198.45	3,198.45	2,666.32	2,666.32	266.63	2,666.32

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

During the year, Company had issued and allotted 112,910 (March 31, 2017: Nil, April 01, 2016: 209,605 of ₹ 10 each) equity shares of ₹ 1 each to eligible employees of the Company and its subsidiaries under Employees stock option scheme. The company had issued and allotted 53,100,000 (March 31, 2017: Nil, April 01, 2016: Nil) equity shares of ₹ 1 each to qualified institutional buyers on December 26, 2017 at an issue price of ₹ 75.20 per equity share (including a premium of ₹ 74.20 per equity share), aggregating to ₹ 39,931.20 lakhs. The amount so raised has been utilized for repayment of borrowings (both long term and short term), trade payables and for general corporate purposes.

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 1 per share (March 31, 2017: ₹ 1 per share, April 01, 2016: ₹ 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, 2018 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.15 per share (March 31, 2017: ₹ 0.15 per share, April 01, 2016: ₹ 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% shares in the company

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
India Agri Business Fund Limited	8,289,454	2.59%	28,200,735	10.58%	3,776,253	14.16%
Ashwani Arora	21,286,920	6.66%	21,286,920	7.98%	2,723,152	10.21%
Surinder Arora	21,286,920	6.66%	21,286,920	7.98%	2,820,152	10.58%
Gurucharan Dass Arora	21,286,920	6.66%	21,920,260	8.22%	1,573,932	5.90%
Ashok Kumar Arora	21,286,920	6.66%	21,286,920	7.98%	2,742,418	10.29%
Raghuvesh Holdings Private Limited	30,984,130	9.69%	30,984,130	11.62%	3,098,413	11.62%
Vijay Kumar Arora and Ashwani Arora (jointly)	-	-	-	-	1,606,320	6.02%
Vijay Kumar Arora	21,286,920	6.66%	21,286,920	7.98%	1,117,964	4.19%
	145,708,184	45.58%	166,252,805	62.34%	19,458,604	72.97%

(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 of ₹ 10 each options to employees specified in the Employee Stock Option Scheme of 2010. According to Ind AS 102 Share based payments, the Company has recorded an expense basis fair valuation of the underlying options. The Remuneration Committee on February 07, 2013 has approved additional grant of 201,209 of ₹ 10 each options to the eligible employees of the Company. Further under the above Scheme, the Committee in the previous meetings had allotted 556,064 of ₹ 10 each to the employees who have exercised their options. However, 293,474 of ₹ 10 each options granted to the employees specified have lapsed upto March 31, 2018. The aforementioned shares are before share split (refer note e below).

(e) Sub-division of equity shares

(i) During the year 2016-17 the equity shares of the Company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having 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.

(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.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

17 Other equity

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Retained earnings	29,917.82	26,328.57	23,784.87
(ii) General reserve	1,514.73	1,514.73	1,514.73
(iii) Securities premium reserve	43,240.01	5,652.06	5,652.06
(iv) Share options outstanding amount	183.58	183.58	183.58
Total other equity	74,856.15	33,678.94	31,135.24

Dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of ₹ 400.12 lakhs as at March 31, 2017 (April 01, 2016 – ₹ 401.87 lakhs) included under provisions has been reversed with corresponding adjustment to retained earnings.

Nature and purpose of other reserves

General reserve:

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013

Securities premium reserve:

Securities premium reserve represents premium received on issue of shares. Further the securities premium reserve has been netted off with the share issue expenses incurred on issue of shares under qualified institutional placement amounting to ₹ 1,815.42 lakhs.

Share options outstanding amount:

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan.

18 Long term borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
Term loans			
From Banks	2,708.94	523.30	1,736.43
Vehicle loans			
From Banks	28.78	36.45	74.86
	2,737.72	559.75	1,811.29
Current maturities of long term debts			
Term loans	1,105.61	1,453.78	2,586.52
Vehicle loans	35.71	55.18	73.00
	1,141.32	1,508.96	2,659.52
	3,879.04	2,068.71	4,470.81
Interest accrued but not due on borrowings	23.27	7.63	24.45

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Details of borrowings are as follows:

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Rupee term loans (refer point A part (i) for interest rate)							
Oriental Bank of Commerce (refer point C part (i) for security)	1,156.00	2014-15	12 equal quarterly	96.33	-	289.00	674.33
Oriental Bank of Commerce (refer point C part (i) for security)	1,810.00	2016-17	6 equal half yearly	300.00	-	603.33	-
Oriental Bank of Commerce (refer point C part (i) for security)	150.00	2016-17	12 equal quarterly	12.50	55.45	85.40	-
Allahabad Bank (refer point C part (ii) for security)	2,700.00	2011-12	32 quarterly	107.00	356.16	831.90	1,305.99
Indian Overseas Bank (refer point C part (i) for security)	2,227.00	2013-14	11 equal quarterly	186.60	-	-	925.00
			12th installment	181.00	-	-	-
Karur Vysysa Bank (refer point C part (i) for security)	1,644.00	2014-15	12 equal quarterly	45.67	-	167.45	837.23
Yes Bank (refer point C part (iv) for security)	1,500.00	2017-18	20 equal quarterly	75.00	1,471.01	-	-
Yes Bank (refer point C part (v) for security)	3,500.00	2017-18	20 equal quarterly	98.50	1,931.93	-	-
b) Foreign Currency term loans (refer point A part (ii) for interest rate and point C part (iii) for security)							
Oriental Bank of Commerce	2,855.00	2014-15	12 equal quarterly	237.91	-	-	580.40
c) Vehicle loans (refer point A part (iii) for interest rate and point C part (vi) for security)							
HDFC Bank	22.25	2013-14	60	0.48	4.97	9.89	14.33
ICICI Bank	17.83	2010-11	60	0.38	-	-	0.27
HDFC Bank	17.87	2016-17	36	0.57	9.07	14.78	-
ICICI Bank	12.50	2013-14	60	0.26	-	5.52	8.02
HDFC Bank	54.00	2012-13	60	1.13	-	9.82	21.83
HDFC Bank	48.00	2012-13	60	1.02	-	4.00	15.21
ICICI Bank	49.77	2014-15	60	1.06	12.99	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	4.52	10.08	15.13
HDFC Bank	6.65	2015-16	36	0.21	1.84	4.10	6.16
HDFC Bank	14.94	2017-18	60	0.21	12.65	-	-
HDFC Bank	19.80	2017-18	60	0.27	18.45	-	-
					3,879.04	2,068.71	4,470.81

A. Details of interest rate for each type of borrowings

- The interest on above rupee term loans from banks are linked to the respective banks base rates / MCLR which are floating in nature. As of March 31, 2018 the interest rates ranges from 10.00% to 12.00% per annum (March 31, 2017: 10.70% to 13.15% per annum; April 01, 2016: 10.70% to 13.50% per annum).
- The interest on above foreign currency term loan from bank is linked to the respective banks base rate / MCLR which is floating in nature. As of March 31, 2018 the interest rate is Nil (March 31, 2017: Nil; April 01, 2016: LIBOR + 2%).
- The interest on above vehicle loans from banks are linked to the respective banks base rates which are fixed in nature. As of March 31, 2018 the interest rates ranges from 8.35% to 10.55% per annum (March 31, 2017: 8.50% to 12.00% per annum; April 01, 2016: 8.50% to 12.00% per annum).

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

B. Details of guarantee for each type of borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Guaranteed by directors			
Rupee Term loans	3,814.55	1,977.08	3,742.55
Foreign currency term loans	-	-	580.40
	3,814.55	1,977.08	4,322.95

C. Details of security for each type of borrowing :

- Rupee term loans 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 Company.
- Rupee term loans from Yes Bank availed during the year are secured with the personal guarantee of directors in addition to the security mentioned in (i) above.
- Foreign currency term loan from Oriental Bank of Commerce 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 Company.
- Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

D. Reconciliation of liabilities arising from financing activities:

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	Liabilities from financing activities		
	Long term borrowings	Short term borrowings	Total
Net debt as at April 01, 2016	4,470.81	81,832.02	86,302.83
- Proceeds	1,124.82	4,565.75	5,690.57
- Repayment	(3,526.92)	-	(3,526.92)
- Interest paid	(368.19)	(9,284.58)	(9,652.77)
- Interest expense	368.19	9,267.76	9,635.95
Net debt as at March 31, 2017	2,068.71	86,380.95	88,449.66

	Liabilities from financing activities		
	Long term borrowings	Short term borrowings	Total
Net debt as at April 01, 2017	2,068.71	86,380.95	88,449.66
- Proceeds	3,402.50	-	3,402.50
- Repayment	(1,591.73)	(21,625.28)	(23,217.01)
- Interest paid	(147.52)	(7,345.65)	(7,493.17)
- Upfront fees and amortisation	(0.44)	-	(0.44)
- Interest expense	413.37	7,361.29	7,774.66
- Foreign currency monetary item translation difference account	(265.85)	-	(265.85)
Net debt as at March 31, 2018	3,879.04	64,771.31	68,650.35

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

19 Other non-current financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits from distributors	9.78	9.78	9.89
	9.78	9.78	9.89

20 Long-term provisions

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provisions for employee benefits			
Provision for gratuity	203.98	43.28	36.14
Provision for leave encashment	140.59	91.46	53.73
	344.57	134.74	89.87

Refer note 46 on Employee benefit obligations

21 Deferred tax liabilities (net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
On temporary difference between the book base and tax base			
Deferred tax liability arising on account of:			
Property, plant and equipment and intangible assets	416.11	181.28	184.38
Key man insurance policy	79.26	77.11	95.03
Unrealised foreign exchange gain on forward contracts	5.72	379.85	186.53
Others	9.88	-	-
	510.97	638.24	465.94
Deferred tax asset arising on account of:			
Provision for employee benefits	56.82	35.16	23.10
Investment - impairment	18.64	19.44	19.44
Others	3.63	4.27	5.22
	79.09	58.87	47.76
Deferred tax liabilities (net)	431.88	579.37	418.18

Movement in deferred tax liabilities (net)

	April 01, 2016	Recognised in Statement of Profit and Loss	March 31, 2017
Deferred tax liabilities arising on account of			
Property, plant and equipment and intangible assets	184.38	(3.09)	181.28
Key man insurance policy	95.03	(17.92)	77.11
Unrealised foreign exchange gain on forward contracts	186.53	193.32	379.85
	465.94	172.31	638.24
Deferred tax assets arising on account of			
Provision for employee benefits	23.10	12.06	35.16
Investment - impairment	19.44	-	19.44
Deferred grant	5.22	(0.95)	4.27
	47.76	11.11	58.87
Net Deferred tax liabilities	418.18	161.20	579.37

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	April 01, 2017	Recognised in Statement of Profit and Loss	March 31, 2018
Deferred tax liabilities arising on account of			
Property, plant and equipment and intangible assets	181.28	234.83	416.11
Key man insurance policy	77.11	2.15	79.26
Unrealised foreign exchange gain on forward contracts	379.85	(374.13)	5.72
Others	-	9.88	9.88
	638.24	(127.27)	510.97
Deferred tax assets arising on account of			
Provision for employee benefits	35.16	21.66	56.82
Investment - impairment	19.44	(0.80)	18.64
Others	4.27	(0.64)	3.63
	58.87	20.22	79.09
Net Deferred tax liabilities	579.37	(147.49)	431.88

22 Other non-current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred government grant	334.11	180.50	221.03
	334.11	180.50	221.03

23 Short-term borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
- Rupee working capital loans (refer note a)	43,424.23	83,185.31	76,997.79
- Foreign currency working capital loans (refer note b)	21,323.81	3,188.01	4,809.78
	64,748.04	86,373.32	81,807.57
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Rupee working capital loans			
i) From banks	43,424.23	82,333.78	76,997.79
ii) From other parties	-	851.53	-
b) Foreign currency working capital loans			
i) From banks	21,323.81	3,188.01	4,809.78
	64,748.04	86,373.32	81,807.57

(The working capital loans are secured against hypothecation of inventories and trade receivables of the Company. 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 12.00 % p.a. (March 31, 2017: 8.55 % to 12.50 % p.a. ; April 01, 2016: 9.55% to 12.00% p.a.) on rupee working capital loan and 4.00% to 6.00% p.a. (March 31, 2017: 2.00% to 5.50% p.a. ; April 01, 2016: 2.75% to 6.00% p.a.) on foreign currency working capital loans)

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

24 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues to			
Micro, small and medium enterprises	408.47	425.86	220.63
Others*	9,344.21	5,307.11	6,658.31
Acceptances	292.96	312.28	528.60
	10,045.64	6,045.25	7,407.54

*Includes payable to related parties

a) Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 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	408.47	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.	-	-	-
	408.47	425.86	220.63

25 Other current financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of long term debts	1,141.32	1,508.96	2,659.52
Interest accrued but not due on borrowings	23.27	7.63	24.45
Unclaimed dividend *	12.24	14.50	14.30
Book overdraft	-	96.28	-
Other liabilities	2,004.41	2,530.77	3,367.21
	3,181.24	4,158.14	6,065.48

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

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

26 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers	440.54	799.98	620.14
Statutory liabilities	348.48	195.28	277.89
Other liabilities	-	-	0.19
Deferred government grant	45.12	40.53	49.49
	834.14	1,035.79	947.71

27 Short-term provisions

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits			
Provision for gratuity	63.82	4.80	8.75
Provision for compensated absence	22.03	10.13	13.01
Others	-	0.90	0.24
	85.85	15.83	22.00

(i) Information about individual provisions and significant estimates

Refer note 46 on Employee benefit obligations

(ii) Movement in other provision

	As at March 31, 2017	As at April 01, 2016
Opening balance	0.90	0.24
Additions during the year	(0.90)	0.66
Closing balance	-	0.90

28 Current tax liabilities (net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for taxation (net of advance tax)	26.83	1,634.48	1,614.40
	26.83	1,634.48	1,614.40

29 Revenue from operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products *		
Export	70,746.76	48,768.13
Domestic	110,030.10	109,958.15
Sale of traded goods *		
Export	15,719.33	30,938.05
Domestic	16,588.76	14,775.36
Other operating revenue		
Service charges	907.05	607.98
Processing charges	18.67	5.20
Rental income (refer note A)	102.74	102.74
	214,113.41	205,155.61

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

*Details of products sold

	Year ended March 31, 2018	Year ended March 31, 2017
- Finished goods sold		
Rice	177,301.39	154,751.85
Others	3,475.47	3,974.42
- Traded goods sold		
Rice	29,214.17	42,110.15
Others	3,093.92	3,603.26
	213,084.95	204,439.68

- A. The Company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2018 and March 31, 2017 was ₹ 102.74 and ₹ 102.74 respectively. The Company has not executed any non-cancellable operating leases.

30 Other income

	Year ended March 31, 2018	Year ended March 31, 2017
Dividend from non trade investments	0.05	0.09
Profit from sale of fixed assets (net)	-	12.14
Interest on fixed deposits with banks	32.67	30.95
Liabilities written back	120.72	201.03
Government grant income	64.25	49.49
Gain on investments carried at fair value through profit and loss	5.89	-
Net gain on foreign currency transactions	918.47	1,685.45
Miscellaneous receipts	410.38	471.28
	1,552.43	2,450.43

31 Cost of material consumed

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Paddy	23,104.03	27,188.62
Bardana	977.19	950.76
Packing material	1,382.34	1,107.09
	25,463.56	29,246.47
Add: purchases		
Paddy	69,036.05	47,947.32
Bardana	367.76	100.71
Packing material	5,909.76	6,128.43
Broken rice/unpolished rice for consumption	92,444.95	81,157.02
	167,758.52	135,333.48
Less: closing stock		
Paddy	32,291.34	23,104.03
Bardana	1,229.02	977.19
Packing material	2,017.74	1,382.34
	35,538.10	25,463.56
	157,683.98	139,116.39
Consumption details		
Paddy	59,848.74	52,031.91
Bardana	115.93	74.28
Packing material	5,274.36	5,853.18
Broken rice/unpolished rice for consumption	92,444.95	81,157.02
	157,683.98	139,116.39

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

32 Purchases of stock-in-trade

	Year ended March 31, 2018	Year ended March 31, 2017
Rice	23,048.36	30,528.76
Others	2,163.49	5,089.98
	25,211.85	35,618.74

33 Changes in inventories of finished goods and stock in trade

	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock		
Finished goods	42,692.54	31,658.46
Stock in trade	256.85	4,438.36
Closing stock		
Finished goods	48,387.54	42,692.54
Stock in trade	1,759.39	256.85
	(7,197.54)	(6,852.57)

34 Employee benefit expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus (refer note 40)	5,170.13	4,609.31
Contribution to provident and other fund (refer note 46)	346.02	186.25
Staff welfare expenses	220.40	245.10
	5,736.55	5,040.66

35 Finance cost

	Year ended March 31, 2018	Year ended March 31, 2017
Interest on working capital loans	7,361.29	9,267.76
Interest on term loans	147.52	368.19
Exchange differences regarded as an adjustment to borrowing cost	265.85	-
	7,774.66	9,635.95
Interest capitalised	(88.51)	-
Other borrowing costs	843.36	1,024.07
	8,529.51	10,660.02

36 Depreciation and amortisation expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on tangible fixed assets	1,546.17	1,974.88
Amortisation of intangible assets	264.06	364.61
	1,810.23	2,339.49

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

37 Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Warehouse rent (refer point A)	707.75	674.75
Wages and other manufacturing expenses	710.63	762.73
Factory insurance	154.06	118.32
Power and fuel	1,682.61	1,630.53
Security services	213.00	259.45
Research and development	5.60	3.70
Packing expenses	393.04	300.55
Repairs		
- Machinery	141.95	138.54
- Building	101.39	100.93
- Others	129.76	141.30
Stores and spares consumed	1,162.12	1,178.87
Advertisement	1,357.00	1,694.32
Insurance	142.39	148.21
Legal and professional charges	818.22	650.28
Rates and taxes	213.17	110.90
Donation and charity (refer point C)	111.19	75.28
Directors' sitting fees	25.92	17.38
Auditors' remuneration (refer point B)	53.37	58.75
Fines and penalties	-	2.21
Rent (refer point A)	159.22	55.71
Vehicle running and maintenance	92.45	94.17
Other administrative expenses	705.13	702.80
Travelling and conveyance	1,192.71	1,182.80
Commission to selling agents	336.13	396.47
Clearing, forwarding and freight charges	4,463.83	5,036.08
Loss from sale of fixed assets (net)	0.77	-
Amounts written off	1,078.41	-
Business promotion expenses	278.73	315.00
Freight outward	281.49	308.10
Other selling expenses	1,821.94	782.99
	18,533.98	16,941.12

A. 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, 2018 and 2017 was ₹ 866.97 lakhs and ₹ 730.46 lakhs respectively. The Company has not executed any non-cancellable operating leases.

B. Auditors' remuneration

	Year ended March 31, 2018	Year ended March 31, 2017
Statutory audit (including fees for limited reviews)	47.75	47.75
Other matters	31.61	1.15
Out of pocket expenses	3.32	2.52
Goods and services tax/service tax	1.78	7.33
Less: Fees of qualified institutional placement (netted of from securities premium reserve)	(31.10)	-
	53.37	58.75

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

C. Corporate social responsibility expenditure

	Year ended March 31, 2018	Year ended March 31, 2017
i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013	89.44	95.49
ii) Amount spent (in cash) during the year on:		
Contribution made	61.75	1.31
Unspent amount	27.69	94.18

38 Tax expense

	Year ended March 31, 2018	Year ended March 31, 2017
The income tax expense consists of the following :		
Current tax expense for the current year	1,309.23	1,591.10
Deferred tax (benefit)/ expense	(147.49)	161.20
Total income tax	1,161.74	1,752.30

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income taxes	5,357.28	4,742.20
At India's statutory income tax rate of 34.608% (March 31, 2017: 34.608%, April 01, 2016: 34.608%)	1,854.05	1,641.18
Adjustments in respect of current income tax		
Donation and charities	28.83	16.20
Fines, penalties and interest on statutory dues	24.01	36.89
Employee share-based payment expense	(28.14)	-
Impact of Ind AS 32 adjustments	(628.28)	-
Tax pertaining to previous years	(69.94)	93.32
Others	(18.79)	(35.29)
Total income tax expense	1,161.74	1,752.30

39 Earnings per share

	Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to equity shareholders	4,195.54	2,989.89
Numbers of weighted average equity share outstanding at the year end for Basic	2,806.94	2,666.32
Numbers of weighted average equity share outstanding at the year end for Diluted	2,806.94	2,675.62
Nominal value per share	1.00	1.00
Earnings per equity share		
Basic	1.49	1.12
Diluted	1.49	1.12

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

40 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 shareholders 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 Company 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, 2018 is Nil (March 31, 2017 is Nil, April 01, 2016 is ₹ 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 summarized as follows:

	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	67.00%	54.00%
Option life (in years)	4.00	4.00
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:

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

Particular	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	205,770	3.80	205,770	3.80
Granted during the year	-	-	-	-
Forfeited during the year	205,770	3.80	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of the year	-	-	205,770	3.80
Exercisable at end of the year	-	-	205,770	3.80

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

Particular	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	849,580	3.80	849,580	3.80
Granted during the year	-	-	-	-
Forfeited during the year	736,670	-	-	-
Exercised during the year	112,910	3.80	-	-
Expired during the year	-	-	-	-
Balance at end of the year	-	-	849,580	3.80
Exercisable at end of the year	-	-	849,580	3.80

Note: The above mentioned shares are before share split (refer note 16(e)).

Refer note 46 on Employee benefit obligations

41 Contingencies and commitments

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A) Contingent liabilities			
I Income-tax demands (refer point a)	3,689.25	1,984.74	2,500.71
II Demand from Food Corporation India for differential price / freight / taxes	339.00	339.00	339.00
III Duty saved under EPCG licenses (export obligation outstanding ₹1,216.78 (March 31, 2017: ₹3,489.78; April 01, 2016: ₹3,082.73))	222.45	593.64	513.79
IV Bank guarantees	2,167.70	2,168.70	2,354.14
V Guarantee given by Company to bank on behalf of subsidiary (refer point b)	49,049.78	45,451.78	47,797.07
VI Guarantee given by Company on the behalf of subsidiary for export obligation under EPCG scheme	14.68	14.68	14.68
Total	55,482.86	50,552.54	53,519.39

- a. 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 lakhs (previous year ₹ 89.84 lakhs). 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 lakhs (net of relief from CIT (Appeals)) is outstanding against the company (previous year ₹ 563.57 lakhs).

The Company's appeal for AY 2010-11 has been partially allowed by the CIT (Appeals) vide its order dated September 09, 2016. After allowing the appeal effect of the order of CIT (Appeals) the demand reduced to ₹ 346.01 lakhs (previous year ₹ 346.01 lakhs). 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 to AY 2014-15 for ₹ 2,476.14 lakhs (previous year ₹ 985.32 lakhs) is pending before CIT (Appeals).

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Also the Company had received demand under section 271(1)(c) for AY 1999-00 and AY 2010-11 for ₹ 213.69 lakhs (previous year Nil) which is pending before CIT (Appeals).

The Company has paid ₹ 1,538.08 lakhs (previous year ₹ 1,193.65 lakhs) as per the directions of Income Tax Department against the outstanding demands of various assessment years 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.

- b. The guarantees given by LT Foods Limited on behalf of subsidiary companies against the loan availed by subsidiaries is for their business purposes.

Name of bank	Name of subsidiary company	Sanction limit	Outstanding amount	Purpose
State Bank of India - Consortium	Daawat Foods Limited	30,469.00	25,031.40	Working capital loan
Oriental Bank of Commerce, Amritsar	Raghunath Agro Industries Private Limited	7,600.00	6,870.89	Working capital loan
ICICI Bank Limited	Nature Bio Foods Limited	3,000.00	9,782.25	Working capital loan
Dena Bank Limited	Nature Bio Foods Limited	6,635.00		
Yes Bank Limited	Nature Bio Foods Limited	2,000.00		
De Lage Landen Financial Service B.V. (Euro 7.30 million)	L T Foods Europe BV, Netherland	5,155.26	5401.10*	Against plant and machinery
Cooperatieve Rabo Bank U.A. (Euro 2.50 million)	L T Foods Europe BV, Netherland	1,812.50	1964.14*	Working capital loan
Total		56,671.76	49,049.78	

*The difference is on account of the foreign exchange fluctuation.

(B) Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 349.74 lakhs (March 31, 2017: ₹ 30.76 lakhs; April 01, 2016: ₹ 22.50 lakhs).

42 Segment information

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Company has determined its only one business segment of manufacture and storage of rice. Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented in the consolidated financial statements.

43 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from April 01, 2001 and the domestic transfer pricing norms introduced with effect from April 01, 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 year. 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.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

44 Deferred government grants

	March 31, 2018	March 31, 2017
At the beginning of the year	221.03	270.52
Released during the year	64.25	49.49
Received during the year	222.45	-
At the end of the year	379.23	221.03

Particular	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Government grants	45.12	334.11	40.53	180.50

45 Assets pledged as security

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current assets			
First charge			
Property, plant and equipments	10,761.87	10,335.55	10,380.83
Total non-current assets pledged as security	10,761.87	10,335.55	10,380.83
Current assets			
First charge			
<i>Pari-passu</i>			
Inventories	86,246.39	68,828.53	65,712.78
Trade receivables	35,016.95	32,535.40	26,650.87
Total current assets pledged as security	121,263.34	101,363.93	92,363.65
Total assets pledged as security	132,025.21	111,699.48	102,744.48

46 Employee benefit obligations

	March 31, 2018		March 31, 2017		April 01, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	63.82	203.98	4.80	43.28	8.75	36.14
Compensated absences	22.03	140.59	10.13	91.46	13.01	53.73
Total	85.85	344.57	14.93	134.74	21.76	89.87

A Gratuity

The Company provides gratuity for employees with the Life Insurance Corporation of India (LIC) in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination/other decrements (if any) on account any accident or disease is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognised funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Disclosure of gratuity

(i) Amount recognised in the statement of profit and loss is as under:

Description	March 31, 2018	March 31, 2017
Current service cost	65.84	56.94
Interest cost	3.01	4.80
Past service cost	66.30	-
Amount recognised in the statement of profit and loss	135.15	61.74

(ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Description	March 31, 2018	March 31, 2017
Remeasurement on the net defined benefit obligation		
Actuarial (gain)/loss arising from change in demographic assumption	18.53	50.07
Actuarial (gain)/loss arising from change in financial assumption	(27.69)	24.94
Actuarial (gain)/loss arising from change in experience assumption	127.07	(117.29)
Remeasurement on plan assets		
Return on plan assets (excluding interest)	6.81	5.18
Total actuarial (gain)/loss recognised in OCI	124.72	(37.10)

(iii) Movement in the defined benefit obligation during the year is as under:

Description	March 31, 2018	March 31, 2017	April 01, 2016
Present value of defined benefit obligation as at the start of the year	328.19	305.22	252.91
Current service cost	65.84	56.94	55.36
Interest cost	25.68	25.58	21.35
Actuarial loss/(gain) recognised during the year	117.91	(42.29)	(13.46)
Benefits paid	(19.28)	(17.26)	(10.94)
Past service cost	66.30	-	-
Present value of defined benefit obligation as at the end of the year	584.64	328.19	305.22

(iv) Change in fair value of assets:

Description	March 31, 2018	March 31, 2017	April 01, 2016
Fair value of plan assets at the beginning of the year	280.11	260.33	200.84
Interest Income Plan Assets	22.67	20.78	17.33
Actual Company Contributions	40.16	21.44	50.74
Actuarial Gains/(Losses)	(6.81)	(5.18)	2.36
Benefits paid	(19.28)	(17.26)	(10.94)
Fair value of plan assets at the end of the year	316.85	280.11	260.33

Plan assets consist of 100% non-quoted insurer managed funds and T-Bills

(v) Actuarial assumptions

Description	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate	7.79%	7.27%	7.92%
Retirement age	58 years	58 years	58 years
Employee turnover:			
- Upto 30 years	10.00%	10.00%	2.00%
- From 31 to 44 years			
- Above 44 years			
Rate of increase in compensation	5.00%	5.00%	5.00%

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

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

(vi) Movement in net liability recognised in balance sheet

Description	March 31, 2018	March 31, 2017	April 01, 2016
Defined Benefit Obligation	584.64	328.19	305.22
Fair value of Plan Assets	(316.85)	(280.11)	(260.33)
(Asset)/Liability Recognised in the Balance Sheet	267.80	48.08	44.89

(vii) Sensitivity analysis for gratuity liability

Description	March 31, 2018	March 31, 2017	April 01, 2016
Impact of the change in discount rate			
Present value of obligation at the end of the year	584.64	328.19	305.22
- Impact due to increase of 1 %	(62.24)	(34.83)	(32.39)
- Impact due to decrease of 1 %	66.33	37.22	34.62
Impact of the change in salary increase			
Present value of obligation at the end of the year	584.64	328.19	305.22
- Impact due to increase of 1 %	59.32	33.32	30.99
- Impact due to decrease of 1 %	(52.70)	(29.79)	(27.71)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(viii) Maturity profile of defined benefit obligation (undiscounted)

Description	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Within next 12 months	66.26	35.25	22.28
Between 2-5 years	261.58	134.67	63.86
Between 6-10 years	267.58	148.69	134.65

B Compensated absence

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

(i) Actuarial assumptions

Description	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Discount rate	7.79%	7.27%	7.92%
Future basic salary increase	5.00%	5.00%	5.00%
Employee turnover/ Withdrawal rate	10.00%	10.00%	2.00%
Leave availment ratio	2.00%	2.00%	2.00%
Retirement age	58 years	58 years	58 years

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

C Provident fund & ESI fund

Contribution made towards provident fund by the Company during the year is ₹ 159.26 lakhs (March 31, 2017: ₹ 142.67 lakhs)

Contribution made towards ESI fund by the Company during the year is ₹ 33.06 lakhs (March 31, 2017: ₹ 18.94 lakhs)

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

47 Fair value disclosures

i) Financial instruments by category

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments	291.11	-	0.05	299.74	-	0.05	332.98	-	0.05
Security deposits	-	-	668.00	-	-	532.94	-	-	321.56
Trade receivables	-	-	35,016.95	-	-	32,535.40	-	-	26,650.87
Cash and cash equivalents	-	-	336.62	-	-	554.64	-	-	879.85
Other bank balances	-	-	519.43	-	-	402.58	-	-	370.12
Derivative asset	22.54	-	-	1,097.58	-	-	548.71	-	-
Other financial assets	-	-	1,037.23	-	-	2,317.96	-	-	1,929.79
Total	313.65	-	37,578.28	1,397.32	-	36,343.57	881.69	-	30,152.24
Financial liabilities									
Borrowings	-	-	68,650.35	-	-	88,449.66	-	-	86,302.82
Trade payable	-	-	10,045.64	-	-	6,045.25	-	-	7,407.54
Other financial liabilities	-	-	2,026.43	-	-	2,651.34	-	-	3,391.40
Total	-	-	80,722.42	-	-	97,146.24	-	-	97,101.76

Investment in equity instruments of subsidiaries, joint ventures and associates has been accounted at cost in accordance with Ind AS 27. Therefore not within the scope of Ind AS 109, hence not included here.

ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorized into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2018	Level 1	Level 2	Total
Financial assets			
Key man insurance policies	-	226.82	226.82
Equity instruments - Quoted	0.83	-	0.83
Mutual funds - Quoted	63.46	-	63.46
Derivative asset	-	22.54	22.54
Total financial assets	64.29	249.36	313.65

March 31, 2017	Level 1	Level 2	Total
Financial assets			
Key man insurance policies	-	222.81	222.81
Equity instruments - Quoted	1.33	-	1.33
Mutual funds - Quoted	75.60	-	75.60
Derivative asset	-	1,097.58	1,097.58
Total financial assets	76.93	1,320.39	1,397.32

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

April 01, 2016	Level 1	Level 2	Total
Financial assets			
Key man insurance policies	-	274.59	274.59
Equity instruments - Quoted	1.20	-	1.20
Mutual funds - Quoted	57.19	-	57.19
Derivative asset	-	548.71	548.71
Total financial assets	58.39	823.30	881.69

Valuation process and technique used to determine fair value

- (i) The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) In order to arrive at the fair value of unquoted investments, the company obtains independent valuations. The techniques used by the valuer are as follows:
 - a) Asset approach - Net assets value method
 - b) Income approach - Discounted cash flows ("DCF") method
 - c) Market approach - Enterprise value/Sales multiple method
- (iv) Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India which represents surrender value for the investors.

Derivative financial assets:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2018		March 31, 2017		April 01, 2016	
		Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Security deposit	Level 3	668.00	668.00	532.94	532.94	321.56	321.56
Loan to related parties	Level 3	641.49	641.49	1,910.83	1,910.83	1,579.81	1,579.81
Loan to employees	Level 3	108.14	108.14	35.48	35.48	-	-
Other financial assets	Level 3	36,160.65	36,160.65	33,864.32	33,864.32	28,250.87	28,250.87
Total financial assets		37,578.28	37,578.28	36,343.57	36,343.57	30,152.24	30,152.24
Financial liabilities							
Borrowings	Level 3	68,650.35	68,650.35	88,449.66	88,449.66	86,302.82	86,302.82
Other financial liabilities	Level 3	12,072.07	12,072.07	8,696.58	8,696.58	10,798.94	10,798.94
Total financial liabilities		80,722.42	80,722.42	97,146.24	97,146.24	97,101.76	97,101.76

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

The management assessed that security deposits, loan to related parties, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) All the other long term borrowing facilities availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

48 Financial risk management

(i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not make significant investments in equity shares, except for entities where it exercises control or joint control or significant influence.

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans & receivables carried at amortised cost, and
- deposits with banks

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Description		March 31, 2018	March 31, 2017	April 01, 2016
A: Low	Loans	1,417.63	2,479.25	1,901.37
	Investments	8,724.69	6,451.10	6,305.19
	Other financial assets	310.14	1,469.23	898.68
	Cash and cash equivalents	336.62	554.64	879.85
	Other bank balances	519.43	402.58	370.12
	Trade receivables	35,016.95	32,535.40	26,650.87

Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year. However, there are no amounts outstanding for more than a year so no credit risk associated with this.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the company operates.

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity of the Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

March 31, 2018	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	65,912.63	2,057.43	680.30	68,650.35
Security deposit received	-	9.78	-	9.78
Trade payable	10,045.64	-	-	10,045.64
Other financial liabilities	2,016.65	-	-	2,016.65
Total	77,974.92	2,067.21	680.30	80,722.42

March 31, 2017	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	87,889.91	559.75	-	88,449.66
Security deposit received	-	9.78	-	9.78
Trade payable	6,045.25	-	-	6,045.25
Other financial liabilities	2,641.54	-	-	2,641.54
Total	96,576.70	569.53	-	97,146.23

April 01, 2016	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	84,491.54	1,811.29	-	86,302.83
Security deposit received	-	9.89	-	9.89
Trade payable	7,407.54	-	-	7,407.54
Other financial liabilities	3,381.51	-	-	3,381.51
Total	95,280.59	1,821.18	-	97,101.77

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of the Company.

(i) Exposure to currency risk:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency			In INR		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets						
Trade receivables						
EURO	54.20	9.82	15.37	4,369.96	678.22	1,158.90
USD	193.09	173.68	110.63	12,559.06	11,262.06	9,244.59
GBP	0.00	0.00	-	0.34	0.30	-

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	In foreign currency			In INR		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Foreign exchange derivative contracts						
EURO	(54.50)	-	-	(4,385.62)	-	-
USD	(367.20)	(360.00)	(346.00)	(24,514.88)	(24,870.76)	(24,121.43)
Financial liabilities						
Trade payables						
EURO	0.66	0.23	58.59	52.99	16.23	-
USD	12.42	4.69	-	807.85	303.94	59.11
GBP	-	-	-	-	-	-
Preshipment credit						
USD	312.93	32.70	36.50	20,354.19	2,120.43	2,418.13
Bill discounted						
USD	14.91	16.46	36.10	969.61	1,067.60	2,391.65
GBP	-	-	-	-	-	-
Net exposure:						
EURO	(0.96)	9.59	(43.22)	(68.65)	661.99	1,158.90
USD	(514.37)	(240.17)	(307.97)	(34,087.48)	(17,100.67)	(19,745.73)
GBP	0.00	0.00	-	0.34	0.30	-

Apart from above, the Company has a foreign currency liability (advances from customers) of ₹ 20.59 lakhs (USD 0.32 lakhs) (March 31, 2017: ₹ 19.99 lakhs (USD 0.35 lakhs), ₹ 40.18 lakhs (EURO: 0.56 lakhs); April 01, 2016: ₹ 21.13 lakhs (USD 0.73 lakhs))

The following significant exchange rates have been applied:

	Year end spot rate		
	March 31, 2018	March 31, 2017	April 01, 2016
EURO	80.62	69.14	75.38
USD	65.04	64.85	66.25
GBP	92.28	81.33	95.12

The Company uses derivative contracts to hedge it's risks associated with fluctuations with foreign currencies relating to foreign currency receivables. The following are outstanding derivative contracts as on March 31, 2018.

Currency	March 31, 2018	March 31, 2017	April 01, 2016
EURO	4,385.62	-	-
USD	24,514.88	24,870.76	24,121.43
Total	28,900.50	24,870.76	24,121.43

Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Currency	Strengthen		Weaken	
		Effect on profit after tax		Effect on profit after tax	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Receivables (Trade & Others)					
INR/EURO- increase by 100 bps (31 March 2017 100 bps)*	EURO	(0.10)	4.44	0.10	(4.44)
INR/USD- increase by 100 bps (31 March 2017 100 bps)*	USD	(77.78)	(88.99)	77.78	88.99
INR/GBP- increase by 100 bps (31 March 2017 100 bps)*	GBP	0.00	0.00	(0.00)	(0.00)
Borrowings (ECB and Others)					
INR/EURO- increase by 100 bps (31 March 2017 100 bps)*	EURO	0.34	0.11	(0.34)	(0.11)
INR/USD- increase by 100 bps (31 March 2017 100 bps)*	USD	5.26	1.99	(5.26)	(1.99)
INR/GBP- increase by 100 bps (31 March 2017 100 bps)*	GBP	-	-	-	-

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2018, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Variable rate borrowing	68,585.86	88,358.03	86,154.96
Fixed rate borrowing	64.49	91.63	147.86
Total borrowings	68,650.35	88,449.66	86,302.82

Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	March 31, 2018	March 31, 2017
Total borrowings		
- Impact due to increase of 50 basis points*	(223.10)	(288.90)
- Impact due to decrease of 50 basis points*	223.10	288.90

*Holding all other variable constant

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

Exposure

The Company's exposure price risk arises from investments held and classified in the balance sheet either as fair value through other comprehensive income or at fair value through profit or loss. To manage the price risk arising from investments, the Company diversifies its portfolio of assets.

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

49 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio as at year end were as follows:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Total borrowings	68,650.35	88,449.66	86,302.82
Less : cash and cash equivalents	336.62	554.64	879.85
Net debt	68,313.73	87,895.03	85,422.97
Total equity	78,054.60	36,345.26	33,801.56
Adjusted net debt to adjusted equity ratio	0.88	2.42	2.53

Dividends

Particulars	March 31, 2018	March 31, 2017
Equity shares		
(i) Final Dividend		
For the year ended March 31, 2017 of ₹ 0.15 per share (excluding tax)	400.12	-
For the year ended 31 March 2016 of ₹ 0.15 per share (excluding tax)	-	401.87
(ii) Proposed Dividend		
For the year ended March 31, 2018 of ₹ 0.15 per share (excluding tax)	401.87	-
For the year ended 31 March 2017 of ₹ 0.15 per share excluding tax)	-	400.12

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

50 Related party disclosures

The Company's related party transactions and outstanding balances are with its subsidiaries, associates and joint venture, key management and others as described below.

A. Relationships

a) 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 06, 2016)
Deva Singh Sham Singh Exports Private Limited
Raghunath Agro Industries Private Limited

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

b) Step down 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.
 Ecolife LLC
 Fresco Fruit N Nuts Private Limited
 Nature Bio Foods B.V. (from February 07, 2018)
 Expo Services Private Limited
 LT Agri Services Private Limited
 LT Foods Europe B.V. (from September 06, 2016)

c) Joint Venture

Genoa Rice Mills Private Limited (from January 25, 2017)
 Daawat Kameda India private Limited (from March 14, 2017)

d) Associate enterprises

Raghuvesh Agri Foods Private Limited
 Raghuvesh Warehousing Private Limited
 Raghuvesh Infrastructure Private Limited

e) Key management personnel and Directors

- Key Management Personnel

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Managing Director
Ashwani Kumar Arora	Managing Director and Chief Financial Officer
Ashok Kumar Arora	President - Punjab operations
Gokul Patnaik	Director
Suparas Bhandari	Director
Pramod Bhagat	Director
Radha Singh	Director
Rajesh Kumar Srivastava	Nominee Director
Monika Jaggia	Company Secretary

- 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

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Entities in which Key Management Personnel 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 08, 2016)

Transactions with subsidiary companies, step down subsidiary companies, joint venture, associate companies and entities where key management personnel has significant influence

Particulars	March 31, 2018	March 31, 2017
Sales		
LT Foods America Inc.	9,065.35	5,310.15
Raghunath Agro Industries Private Limited	4,164.77	4,428.65
LT Foods Middle East DMCC	9,847.64	11,174.44
Daawat Foods Limited	808.63	4,788.50
Nature Bio Foods Limited	5.35	8.47
V. K Foods	28.93	155.73
LT Foods International Limited	14,620.00	8,033.14
Deva Singh Sham Singh Exports Private Limited	1,472.31	472.22
LT Foods Europe B.V.	301.25	-
Purchases		
Raghunath Agro Industries Private Limited	10,337.80	3,800.28
Daawat Foods Limited	26,005.33	17,123.87
Nature Bio Foods Limited	404.75	895.24
Super Texfab Private Limited	790.20	383.05
Deva Singh Sham Singh Exports Private Limited	27.63	-
Genoa Rice Mills Private Limited	118.84	-
SK Engineering Company	0.57	-
Daawat Kameda India Private Limited	27.09	-
Rental income		
VK Foods	0.60	2.40
SK Engineering Company	0.60	2.40
Nature Bio Foods Limited	80.92	22.99
Super Texfab Private Limited	-	-
Fumigation income		
Nature Bio Foods Limited	34.17	22.29
Processing charges income		
Nature Bio Foods Limited	18.67	5.19
Business support services income		
LT International Limited	-	60.50
Corporate guarantee given		
LT Foods Europe BV	-	5,155.26
Corporate guarantee revoked		
LT Foods Middle East DMCC	-	3,975.00
Corporate guarantee charges received		
LT Foods Europe BV	76.77	5.85
Daawat Foods Limited	180.00	-
Investments in joint venture		

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Genoa Rice Mills Private Limited	-	125.00
Daawat Kameda India Private Limited	170.85	-
Investments in subsidiary		
LT Foods International Limited	-	54.15
Deva Singh Sham Singh Exports Private Limited	1.00	-
Purchase of shares of Raghunath Agro Industries Private Limited		
Daawat Foods Limited	2,110.38	-
Loan granted		
Genoa Rice Mills Private Limited	425.00	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	0.84	0.38
LT Foods Europe B.V.	-	6.28
Sale of fixed assets		
Daawat Foods Limited	-	74.31
Purchase of fixed assets		
SK Engineering Company	13.95	-
Transactions with key management personnel		
Director Remuneration (excluding long term employee benefit)		
Vijay Kumar Arora	169.00	140.70
Surinder Kumar Arora	58.53	116.67
Ashwani Kumar Arora	98.27	-
Employee benefits to the key management personnel		
Provision for employee benefits	21.66	16.91
Short term	325.86	257.37
Dividend paid	95.79	165.15
Transactions with relatives of key management personnel		
Remuneration		
Aditi Arora	-	0.33
Isha Arora	-	0.33
Purva Arora	-	0.33
Sanjana Arora	-	0.33
Ritesh Arora	34.85	12.71
Aditya Arora	1.98	24.00
Dividend paid	171.98	103.56
Director Sitting Fees		

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Gokul Patnaik	6.09	2.76
Suparas Bhandari	3.52	2.76
Pramod Bhagat	7.75	5.69
Radha Singh	8.55	6.05
Rajesh Kumar Srivastava	-	0.13

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Balances at the year-end {net receivable/(net payable)}			
SDC Foods India Limited	1.10	0.97	-
LT Foods Middle East DMCC	1,531.25	2,278.66	143.48
LT Foods America Inc.	3,583.44	1,170.25	928.21
Daawat Foods Limited	1,691.06	1,495.46	1,526.54
Expo Services Private Limited	(6.36)	(6.36)	(9.50)
Nature Bio Foods Limited	1,544.29	-	1,251.13
LT International Limited	112.65	1,300.05	50.42
Raghuvesh Foods & Infrastructure Limited	0.00	2.18	1.99
Raghuvesh Power Projects Limited	-	0.14	0.02
LT Agri Services Private Limited	1.22	1.22	0.84
Raghunath Agro Industries Private Limited	(3,714.09)	(801.92)	4,499.38
Fresco Fruit N Nuts Private Limited	7.67	9.17	-
LT Foods International Limited	1,675.27	2,323.04	-
LT Foods Europe B.V.	117.01	6.28	-
Deva Singh Sham Singh Exports Private Limited	389.14	574.18	-
VK Foods	4.50	18.97	51.30
Raghuvesh Infrastructure Private Limited	-	381.05	(311.16)
Raghuvesh Agri Foods Private Limited	52.49	52.49	0.19
Raghuvesh Warehousing Private Limited	21.09	21.09	1.44
Genoa Rice Mills Private Limited	567.91	125.58	-
Daawat Kameda India Private Limited	0.75	-	-
Super Texfab Private Limited	(62.41)	(37.34)	(17.88)
SK Engineering Company	(17.17)	(10.65)	(110.29)
Vijay Kumar Arora	(13.70)	(0.20)	(17.25)
Surinder Kumar Arora	-	(3.54)	(11.80)
Ashwani Kumar Arora	(12.41)	(32.14)	(38.02)
Ashok Kumar Arora	(0.22)	(0.22)	(0.21)
Gokul Patnaik	(0.86)	-	-
Pramod Bhagat	(0.86)	-	-
Radha Singh	(0.86)	-	-
Monika Jaggia	(0.25)	(0.25)	0.86
Corporate guarantees given (outstanding) on behalf of			
Daawat Foods Limited	25,031.40	35,493.02	37,242.97
Nature Bio Foods Limited	9,782.25	9,756.36	10,246.85
Raghunath Agro Industries Private Limited	6,870.89	202.40	307.25
LT Foods Middle East DMCC	-	-	-
LT Foods Europe BV	7,365.24	-	-

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

51 Information under section 186(4) of Companies Act, 2013 and Regulation 34 of the SEBI (Listing obligation and disclosure requirements), 2015

(i)	Name of the Loanee	Rate of interest	Maximum balance outstanding during the year	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Geona Rice Mills Private Limited (unsecured)	12.50% p.a.	550.00	550.00	125.00	-
	Total		550.00	550.00	125.00	-

The above loan is given for business purpose.

(ii)	Name of the Investee	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Investments in equity shares			
	LT International Limited	179.96	179.96	179.96
	Nature Bio Foods Limited	200.00	200.00	200.00
	Sona Global Limited	907.73	907.73	907.73
	Daawat Foods Limited	1,350.00	1,350.00	1,350.00
	SDC Foods India Limited	80.00	80.00	80.00
	Less: Impairment	(80.00)	(80.00)	(80.00)
	LT Overseas North America Inc.	2,822.31	2,822.31	2,822.31
	Raghuvesh Foods and Infrastructure Limited	5.00	5.00	5.00
	LT Foods International Limited	54.15	54.15	
	Raghunath Agro Industries Private Limited	2,296.03	185.67	185.66
	Deva Singh Shyam Singh Exports Private Limited	1.00	-	-
	Raghuvesh Warehousing Private Limited	160.00	160.00	160.00
	Raghuvesh Agri Foods Private Limited	160.00	160.00	160.00
	Raghuvesh Infrastructure Private Limited	1.50	1.50	1.50
	Geona Rice Mills Private Limited	125.00	125.00	-
	Daawat Kameda India Private Limited	170.85	-	-
	Total	8,433.53	6,151.32	5,972.16

The above investments are made for business purposes only.

(iii)	Name of bank	Guarantees outstanding, given behalf of	Purpose	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	State Bank of India - Consortium	Daawat Foods Limited	Working capital loan	30,483.68	35,883.68	36,533.68
	Oriental Bank of Commerce, Amritsar	Raghunath Agro Industries Private Limited	Working capital loan	7,600.00	458.40	307.25
	ICICI Bank Limited	Nature Bio Foods Limited	Working capital loan	3,000.00	3,000.00	3,000.00
	Dena Bank Limited	Nature Bio Foods Limited	Working capital loan	6,635.00	6,635.00	5,840.00
	Yes Bank Limited	Nature Bio Foods Limited	Working capital loan	2,000.00	-	-
	State bank of Hyderabad	Nature Bio Foods Limited	Working capital loan	-	2,400.00	2,400.00
	Bank of Maharashtra	Nature Bio Foods Limited	Working capital loan	-	-	2,000.00
	EXIM Bank Dubai U.A.E.	LT Foods Middle East DMCC	Working capital loan	-	-	3,975.00
	De Lage Landen Financial Service B.V. (Euro 7.30 million)	L T Foods Europe BV, Netherlands	Against plant and machinery	5,155.26*	5,155.26	-
	Cooperatieve Rabo Bank U.A. (Euro 2.50 million)	L T Foods Europe BV, Netherlands	Working capital loan	1,812.50*	-	-
	Total			56,686.44	53,532.34	54,055.93

*The difference is on account of the foreign exchange fluctuation

Note:- The above amount represents the sanctioned limits

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

52 Interest in joint venture

The company's interest and share in joint venture in jointly controlled entities are as follows:

Name of joint venture	Ownership interest as at			Country of incorporation
	March 31, 2018	March 31, 2017	April 01, 2016	
Geona Rice Mills Private Limited	50%	50%	-	India
Daawat Kameda India Private Limited	51%	-	-	India

(a) Interest in jointly controlled entities of the Company

Company's share of		As at March 31, 2018	As at March 31, 2017	As at Apr 01, 2016
(i) Geona Rice Mills Private Limited				
Assets				
Non current		66.36	60.91	-
Current		676.96	178.35	-
Liabilities				
Non current		0.67	0.03	-
Current		906.45	179.19	-
Revenue		1,211.74	32.25	-
Expenditure		1,435.72	94.20	-
Contingent liabilities		0.05	0.05	-
(ii) Daawat Kameda India Private Limited				
Assets				
Non current		0.00	-	-
Current		141.65	-	-
Liabilities				
Non current		-	-	-
Current		12.87	-	-
Revenue		13.55	-	-
Expenditure		57.33	-	-
Contingent liabilities		-	-	-

53 Explanation of transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Statement of Financial Position at April 01, 2016 (the Company's date of transition). In preparing its opening Ind AS Statement of Financial Position, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value

2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair value through Statement of Profit & Loss on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

3 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is April 01, 2016. The Company has elected to apply this exemptions for such vested options.

4 Deemed cost for investments in subsidiaries, associates and joint ventures

The Company has elected to continue with the carrying value of all of its investments in subsidiaries, joint ventures and associates recognised as of April 01, 2016 (transition date) measured as per the Previous GAAP as its deemed cost as at the date of transition

B. Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- a) Investment in equity instruments carried at Fair value through Statement of Profit and Loss
- b) Impairment of financial assets based on expected credit loss model"

2 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS 109 are met based on facts and circumstances existing at the date of transition. Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

3 Impairment of financial assets

At the date of transition to Ind AS, determine whether there has been a significant increase in credit risk since the initial recognition of a financial instrument would require undue cost or effort, the Company has recognised a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is derecognised.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

1 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 01, 2016 is as follows:

	Note	Per previous GAAP *	Ind AS Adjustments	Per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	Note-1	15,796.59	255.44	16,052.03
Capital work-in-progress		1,716.40	-	1,716.40
Goodwill		11.25	-	11.25
Other intangible assets		95.89	-	95.89
Financial assets			-	-
Investments	Note-2	6,199.94	105.25	6,305.19
Loans		291.41	-	291.41
Other financial assets		32.52	-	32.52
Other non-current assets		22.12	-	22.12
Non current tax assets		2,201.13	-	2,201.13
		26,367.25	360.69	26,727.94
Current assets				
Inventories		65,712.78	-	65,712.78
Financial assets		-	-	-
Trade receivables		26,650.87	-	26,650.87
Cash and Cash Equivalents		879.85	-	879.85
Other bank balances		370.12	-	370.12
Loans		1,609.96	-	1,609.96
Other financial assets	Note-3	267.45	598.71	866.16
Other current assets		11,398.84	-	11,398.84
		106,889.87	598.71	107,488.58
		133,257.12	959.40	134,216.52
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,666.32	-	2,666.32
Other equity		30,166.81	968.43	31,135.24
		32,833.13	968.43	33,801.56
Non-current liabilities				
Financial liabilities				
Borrowings		1,811.29	-	1,811.29
Other financial liabilities		9.89	-	9.89
Other non-current liabilities	Note-1	-	221.03	221.03
Deferred tax liabilities (net)	Note-5	216.35	201.83	418.18
Provisions		89.87	-	89.87
		2,127.40	422.86	2,550.26
Current liabilities				
Financial liabilities				
Borrowings		81,807.57	-	81,807.57
Trade payables		7,407.54	-	7,407.54
Other financial liabilities		6,065.48	-	6,065.48
Other current liabilities	Note-1	898.23	49.48	947.71
Provisions	Note-4	503.37	(481.37)	22.00
Current tax liabilities (net)		1,614.40	-	1,614.40
		98,296.59	(431.89)	97,864.70
Total equity and liabilities		133,257.12	959.40	134,216.52

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirement for the purpose of this note

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

2 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

	Note	Per previous GAAP *	Ind AS Adjustments	Per Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	Note-1	15,628.57	208.68	15,837.25
Capital work-in-progress		375.54	-	375.54
Goodwill		0.78	-	0.78
Other intangible assets		445.90	-	445.90
Financial assets			-	-
Investments	Note-2	6,341.16	109.94	6,451.10
Loans		502.79	-	502.79
Other financial assets		75.42	-	75.42
Other non-current assets		9.84	-	9.84
Non current tax assets		1,965.96	-	1,965.96
		25,345.96	318.62	25,664.58
Current assets				
Inventories		68,828.53	-	68,828.53
Financial assets				
Trade receivables		32,535.40	-	32,535.40
Cash and Cash Equivalents		554.64	-	554.64
Other bank balances		402.58	-	402.58
Loans		1,976.46	-	1,976.46
Other financial assets	Note-3	1,393.81	-	1,393.81
Other current assets		5,716.21	-	5,716.21
		111,407.63	-	111,407.63
		136,753.59	318.62	137,072.21
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,666.32	-	2,666.32
Other equity		33,592.80	86.14	33,678.94
		36,259.12	86.14	36,345.26
Non-current liabilities				
Financial liabilities				
Borrowings		559.75	-	559.75
Other financial liabilities		9.78	-	9.78
Other non-current liabilities	Note-1	-	180.50	180.50
Deferred tax liabilities (net)	Note-5	567.92	11.45	579.37
Provisions		134.74	-	134.74
		1,272.19	191.95	1,464.14
Current liabilities				
Financial liabilities				
Borrowings		86,373.32	-	86,373.32
Trade payables		6,045.25	-	6,045.25
Other financial liabilities		4,158.14	-	4,158.14
Other current liabilities	Note-1	995.26	40.53	1,035.79
Provisions	Note-4	15.83	-	15.83
Current tax liabilities (net)		1,634.48	-	1,634.48
		99,222.27	40.53	99,262.81
Total equity and liabilities		136,753.59	318.62	137,072.21

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirement for the purpose of this note

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

3 Reconciliation of the revenue and expenses presented in the statement of profit and loss prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

	Notes to first time adoption	Previous GAAP	Ind AS Adjustments	Ind AS
Revenue				
Revenue from operations		205,155.61	-	205,155.61
Other income	Note-1 & 4	2,447.70	2.73	2,450.43
Total income		207,603.31	2.73	207,606.04
Expenses				
Cost of material consumed		139,116.39	-	139,116.39
Purchases of stock-in-trade		35,618.74	-	35,618.74
Changes in inventories of finished goods and stock in trade		(6,852.57)	-	(6,852.57)
Employee benefits expense	Note-6	5,003.56	37.10	5,040.66
Finance costs		10,660.02	-	10,660.02
Depreciation and amortisation expense	Note-1	2,292.73	46.76	2,339.49
Other expenses	Note-2 & 4	16,947.73	(6.62)	16,941.12
Total		202,786.60	77.25	202,863.85
Profit before tax		4,816.71	(74.52)	4,742.19
Tax expenses				
Current tax		1,591.10	-	1,591.10
Deferred tax (credit)/ charge	Note-5	165.04	(3.85)	161.20
Total tax expense		1,756.14	(3.85)	1,752.30
Profit for the year		3,060.57	(70.68)	2,989.89
Other Comprehensive Income				
1) Items that will not be reclassified to Profit or Loss				
Remeasurements of net defined benefit plans	Note-6	-	37.10	37.10
Tax on above	Note-5	-	-	-
Other comprehensive income for the year		-	37.10	37.10
Total comprehensive income for the year		3,060.57	(33.57)	3,026.99

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

4 Reconciliation of total equity as at March 31, 2017 and April 01, 2016

	Notes to first time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		36,259.12	32,833.14
Adjustments:			
- Adjustment of Capital Grant	Note-1	(12.34)	(15.07)
- Adjustment of Fair valuation of investments	Note-2	109.93	105.24
- Adjustment of Foreign exchange forward contracts	Note-3	186.53	548.71
- Adjustment of reversal of proposed dividend	Note-4	-	481.37
- Others	Note-6	-	-
- Deferred tax on above adjustments	Note-5	(197.98)	(201.83)
Total equity as per Ind AS		36,345.26	33,751.56

5 Reconciliation of total comprehensive income for the year ended March 31, 2017

	Notes to first time adoption	March 31, 2017
As per previous GAAP for March 2017		3,013.80
Adjustments:		
- Adjustment of Capital Grant	Note-1	2.73
- Adjustment of Fair valuation of investments	Note-2	4.69
- Adjustment of Foreign exchange forward contracts	Note-3	-
- Adjustment of reversal of proposed dividend	Note-4	1.92
- Others	Note-6	(37.10)
- Deferred tax on above adjustments	Note-5	3.85
Net Profit after Tax (before other comprehensive income) as per IND-AS		2,989.89
Other Comprehensive Income (net of tax)	Note-6	37.10
As per IND AS for March 2017		3,026.99

Notes to the financial statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Impact of Ind AS adoption on the financial statements of cash flows for the year ended March 31, 2017

	Previous GAAP	Ind AS Adjustments	Ind AS
Net cash flow from operating activities	8,752.32	4.70	8,757.02
Net cash flow from investing activities	(1,288.67)	(4.70)	(1,293.37)
Net cash flow from financing activities	(7,788.85)	-	(7,788.85)
Net increase/(decrease) in cash and cash equivalents	(325.20)	-	(325.20)
Cash and cash equivalents as at April 01, 2016	879.85	-	879.85
Cash and cash equivalents as at March 31, 2017	554.65	-	554.65

Note 1:

Government grant and fair valuation as deemed cost for certain items Under Ind AS, the transfer of resources from the government in the form of a waiver of duty needs to be accounted for as government grant. Accordingly, the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and SEZ scheme on purchase of plant and equipments has been recognised as government grant by an increase in the carrying value of plant and equipment with a corresponding credit to the deferred government grant. The increase in the value of plant and equipment is depreciated over the balance useful life of the asset. The deferred grant revenue is released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Under Previous GAAP such benefits were being netted off with the cost of the respective item of plant and equipment.

Note 2:

Measurement of investments at fair value through profit or loss (FVTPL)

Under previous GAAP, investments in long-term equity instrument were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL) (except for investment in subsidiaries and joint venture).

Note 3:

Derivative recognised at fair value

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency (INR) of the relevant Company entity. The risk is measured through a forecast of highly probable foreign currency cash flows.

The intrinsic value of foreign exchange option contracts is determined with reference to the relevant spot market exchange rate. The differential between the contracted strike rate and the spot market exchange rate is defined as the intrinsic value. Time value of the option is the difference between fair value of the option and the intrinsic value.

Notes to the financial statements for the year ended March 31, 2018

Note : 4

Adjustment in proposed dividend (included in other adjustments)

Under the Previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for equity dividend of ₹ 401.87 lakhs and corporate dividend tax ₹ 81.42 lakhs as at March 31, 2016 included under the provisions has been reversed with corresponding adjustment to retained earnings. Further dividend declared for the financial year 2015-16 on dated September 21, 2016 amounting to ₹ 401.87 lakhs and corporate dividend tax ₹ 81.42 lakhs recognised as liability during the year 2016-17. Dividend declared for the financial year 2016-17 on dated September 19, 2017 amounting to ₹ 400.12 lakhs and corporate dividend tax ₹ 81.45 lakhs recognised as liability during the current year.

Note 5:

Deferred tax on above adjustments

Under Previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under Ind AS, deferred tax is recognised following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also led to recognition of deferred taxes on new temporary differences.

Note 6:

Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

Also as the company never recognised provision in respect of employee benefits under the previous GAAP, the company accordingly has recognised the amount of provisions in respect of gratuity and leave encashment.

54 Previous year figures

Previous year's figures have been regrouped/ reclassified wherever necessary, to confirm to current year's classification.

For Walker Chandio & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

Place : Gurugram
Date : May 24, 2018

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 joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity 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 state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated cash flows and consolidated changes in equity of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The Holding Company's Board of Directors and the respective Board of Directors of the subsidiaries included in the Group, its associates and joint ventures 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 of the companies included in the Group, its associate companies and joint venture companies 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 9 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our 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 and on the other financial information of the subsidiaries, associates and joint ventures, 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 (consolidated financial position) of the Group, its associates and joint ventures as at March 31, 2018, and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 9.1 to the accompanying consolidated financial statements which describes the uncertainty related to estimates and assumptions used

Independent Auditor's Report

by management of a subsidiary company based on legal opinion and other developments in the matter with respect to its assessment of recovery of the insurance claim recognised in the books of the subsidiary, Daawat Foods Limited, amounting to ₹ 13,410.53 lakhs (net of impairment of ₹ 4,400 lakhs). The claim has been repudiated by the insurance company vide its letter dated February 04, 2016 and the subsidiary company has filed a civil suit against repudiation with the District Court of Raisen, Bhopal, the final outcome of which is pending. Our opinion is not modified in respect of this matter.

Other Matter

10. We did not audit the financial statements of 20 subsidiaries, whose financial statements reflect total assets of ₹ 122,279.35 lakhs (net of eliminations ₹ 105,220.45 lakhs) and net assets of ₹ 40,582.46 lakhs as at March 31, 2018, total revenues of ₹ 239,254.24 lakhs (net of eliminations ₹ 170,657.19 lakhs) and net cash outflows amounting to ₹ 1,360.98 lakhs 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 (including other comprehensive income) of ₹ 136.40 lakhs for the year ended March 31, 2018 as considered in the consolidated financial statements, in respect of 3 associates and 1 joint venture, 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 joint venture, 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 joint venture, is based solely on the reports of the other auditors.

Further, of these subsidiaries, associates and joint venture, 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. 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.

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 matter with respect to our reliance on the work done by and report of the other auditors.

11. The Company had prepared separate sets of consolidated financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated May 25, 2017 and May 27, 2016 respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

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 joint venture, 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 Ind AS specified under Section 133 of the Act;
 - 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 joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding

Independent Auditor's Report

Company, its subsidiary companies, associate companies and joint venture companies covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; 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 joint venture:

- (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 9(i) and 46 to the consolidated financial statements.
- (ii) The Group, its associates and joint ventures 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 Holding Company. Further there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its subsidiary companies, associate companies and joint venture companies covered under the Act during the year ended March 31, 2018; and

- (iv) the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 08, 2016 to December 30, 2016 which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per Neeraj Goel

Partner

Membership No.: 99514

Place: Gurugram
Date: May 24, 2018

Annexure A to the Independent Auditor's Report of even date to the members of LT Foods Limited on the consolidated financial statements for the year ended 31 March 2018

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 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 joint ventures as at and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, 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 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, 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 the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and

Independent Auditor's Report

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 includes 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 joint venture companies as aforesaid.

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 include 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 and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, associate companies and joint venture companies, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2018, 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.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to certain subsidiary companies which are companies covered under the Act, whose financial statements reflect total assets of ₹ 33,362.34 lakhs (net of elimination ₹ 25,732.36 lakhs) and net assets of ₹ 8,729.70 lakhs as at March 31, 2018, total revenues of ₹ 59,169.85 lakhs (net of elimination ₹ 27,282.71 lakhs) and net cash outflows amounting to ₹ 316.00 lakhs 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 (including other comprehensive income) of ₹ 136.40 lakhs for the year ended March 31, 2018, in respect of 3 associate companies and 1 joint venture company, which are companies covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary companies, associate companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies, its associate companies and joint venture company as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate companies and joint venture company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on 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.: 99514

Place: Gurugram

Date: May 24, 2018

Consolidated Balance Sheet

as at March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Note	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	2	47,007.64	26,870.41	28,319.19
Capital work-in-progress	3	2,753.91	3,950.39	2,442.81
Investment property	4	301.07	333.53	374.12
Goodwill	5	7,057.11	7,490.29	7,707.93
Other Intangible assets	5	2,262.93	2,660.48	114.54
Investments accounted for using the equity method	6	989.83	994.86	901.38
Financial assets				
Investments	7	436.49	430.66	476.73
Loans	8	1,009.40	682.66	719.32
Other financial assets	9	13,627.29	13,550.13	13,471.21
Deferred tax assets (net)	10	1,218.38	1,134.65	927.08
Other non-current assets	11	618.15	273.00	255.38
Non current tax assets	12	3,623.04	2,333.46	2,561.14
Total non-current assets		80,905.25	60,704.52	58,270.83
Current assets				
Inventories	13	1,72,870.88	1,44,696.73	1,29,957.86
Financial assets				
Trade receivables	14	46,799.48	46,283.64	37,573.24
Cash and cash equivalents	15	1,946.90	3,272.17	2,611.87
Other bank balances	16	958.92	879.28	675.45
Loans	17	1,832.18	913.35	570.39
Other financial assets	18	1,597.03	3,355.70	1,223.78
Other current assets	19	19,231.45	13,406.66	16,116.21
Current tax assets	20	55.51	-	-
Total current assets		2,45,292.35	2,12,807.53	1,88,728.79
Total assets		3,26,197.60	2,73,512.05	2,46,999.62
EQUITY AND LIABILITIES				
Equity				
Equity share capital	21	3,198.45	2,666.32	2,666.32
Other equity	22	1,14,746.38	63,824.09	52,890.03
Total equity		1,17,944.83	66,490.41	55,556.35
Non-controlling interest	23	5,540.93	4,705.91	3,499.13
Non-current liabilities				
Financial liabilities				
Borrowings	24	19,285.36	6,437.33	3,756.79
Other financial liabilities	25	13.66	9.78	9.89
Long-term provisions	26	614.24	297.20	183.72
Deferred tax liabilities	27	561.61	-	-
Other non-current liabilities	28	415.80	289.88	364.22
Total non-current liabilities		20,890.67	7,034.19	4,314.62
Current liabilities				
Financial liabilities				
Borrowings	29	1,32,334.11	1,51,179.00	1,52,026.63
Trade payables	30	34,171.00	21,785.73	13,365.71
Other financial liabilities	31	7,510.65	9,695.07	11,739.78
Other current liabilities	32	3,033.53	5,757.04	1,499.94
Short term provisions	33	170.67	64.00	61.40
Current tax liabilities (net)	34	4,601.21	6,800.70	4,936.06
Total current liabilities		1,81,821.17	1,95,281.54	1,83,629.52
Total liabilities		2,02,711.84	2,02,315.73	1,87,944.14
Total equity and liabilities		3,26,197.60	2,73,512.05	2,46,999.62

Statement of significant accounting policies

1

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements. 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 : Gurugram
Date : May 24, 2018

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, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Revenue			
Revenue from operations	35	3,61,369.96	3,24,477.62
Other income	36	3,620.28	4,812.39
Total income		3,64,990.24	3,29,290.01
Expenses			
Cost of material consumed	37	2,08,747.46	1,77,944.12
Purchases of stock-in-trade	38	73,722.96	84,351.66
Changes in inventories of finished goods, work in progress and stock in trade	39	(15,332.45)	(21,321.67)
Employee benefits expense	40	13,502.56	11,688.91
Finance costs	41	14,657.57	15,677.31
Depreciation and amortisation expense	42	5,011.53	5,509.92
Other expenses	43	42,924.75	35,992.57
Total expenses		3,43,234.38	3,09,842.81
Profit before share of profit of investments accounted for using equity method and tax		21,755.86	19,447.19
Share of net loss of associates and joint ventures accounted for using the equity method		(175.88)	(31.52)
Profit before tax		21,579.98	19,415.67
Tax expense (Refer note 45)			
Current tax		6,736.91	7,159.62
Deferred tax expense/ (credit)		401.09	(671.33)
Total tax expense		7,138.00	6,488.29
Profit for the year after tax		14,441.98	12,927.38
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement losses on defined benefit plans		(137.32)	(5.81)
Income tax effect		7.42	4.50
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		479.71	(301.94)
Other comprehensive income /(loss) for the year		349.81	(303.25)
Total comprehensive income for the year		14,791.79	12,624.14
Profit attributable to owners			
Owners of LT Foods Limited		13,466.10	11,720.60
Non-controlling interest		975.88	1,206.78
Total comprehensive income for the year		14,441.98	12,927.38
Owners of LT Foods Limited		13,815.91	11,417.36
Non-controlling interest		975.88	1,206.78
Earning per equity share			
Basic (₹)	44	4.80	4.40
Diluted (₹)	44	4.80	4.40

Statement of significant accounting policies

1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements. This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandio & 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 : Gurugram
Date : May 24, 2018

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Consolidated Cash Flow Statement

for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flow from operating activities		
Net profit before tax	21,579.98	19,415.68
Adjustments for:-		
Depreciation and amortisation expense	5,011.53	5,509.92
Unrealised foreign exchange gain	(124.39)	(303.29)
(Profit) /loss on sale of property, plant and equipment	(1.19)	20.45
Interest income	(155.91)	(70.77)
Finance cost	12,880.24	14,403.80
Dividend from non current and current investments	(0.05)	-
Gain on fair value of investments	(5.89)	-
Amounts written off/ (Liabilities written back)	1,164.91	(203.39)
Share of loss in associates and joint venture	175.88	31.52
Operating profit before working capital changes	40,525.11	38,803.92
Adjustments for (increase) /decrease in operating assets:		
Trade Receivables	(1,100.10)	(8,931.28)
Inventories	(27,521.44)	(14,460.63)
Loan and advances given (current and non current)	(1,129.99)	(179.28)
Other financial assets (current and non current)	1,945.53	(1,544.32)
Other Assets (current and non current)	(5,778.92)	2,702.80
Adjustments for increase /(decrease) in operating liabilities:		
Trade payables	12,241.18	8,603.15
Other Liabilities (Current and non-current)	(2,630.91)	4,124.96
Other financial liabilities (current and non current)	(1,988.81)	(1,454.12)
Provisions	293.81	74.21
Cash generated from operations	14,855.46	27,739.41
Income tax paid (net of refunds)	(10,346.02)	(5,067.31)
Net cash generated from operating activities A	4,509.44	22,672.10
Cash flows from investing activities		
Purchase of property, plant and equipment	(23,864.65)	(7,951.82)
Proceeds from sale of property, plant and equipment	927.25	200.96
Interest received	155.91	70.77
Dividend on non current investments	0.05	-
Investment in joint venture	(170.85)	(125.00)
Withdrawal in fixed deposits and unpaid dividend account	10.48	278.19
Investment in fixed deposits and unpaid dividend account	(200.63)	(550.63)
Investment in inter corporate deposit	(97.00)	(125.00)
Net cash used in investing activities B	(23,239.44)	(8,202.53)

Consolidated Cash Flow Statement for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from financing activities		
Proceeds from the issue of equity shares net	38,120.08	-
Proceeds from long-term borrowings	12,979.00	8,137.50
Repayment of the long-term borrowings	(523.22)	(6,236.97)
Repayment of short term borrowings (net)	(19,535.11)	(716.08)
Finance charges paid	(13,066.83)	(14,426.57)
Payment of dividend (including dividend tax)	(481.57)	(481.37)
Net cash generated/(used) from financing activities C	17,492.35	(13,723.49)
Net (decrease)/ increase in cash and cash equivalents (A+B+C)	(1,237.65)	746.08
(Gain) / loss on re-statement of foreign currency cash and cash equivalents	(87.62)	(85.77)
Cash and cash equivalents at the beginning of the year	3,272.17	2,611.86
Cash and cash equivalents at the end of the year	1,946.90	3,272.17
Components of cash and cash equivalents		
Cash on hand	144.36	56.20
With banks - on current account	1,802.54	3,215.97
Total cash and cash equivalents	1,946.90	3,272.17

Summary of significant accounting policies and other explanatory information. 1

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

For Walker Chandio & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

Place : Gurugram
Date : May 24, 2018

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 Changes in Equity

for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

A. Equity Share Capital

Balance as at April 01, 2016	2,666.32
Issued during the year	-
Balance as at March 31, 2017	2,666.32
Issued during the year	532.13
Balance as at March 31, 2018	3,198.45

B. Other Equity

	Reserves and surplus				Other Components of Equity	Attributable to owners of the parent	Non-controlling interest	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Share Options Outstanding Amount	Foreign currency translation reserve			
Balance as at April 01, 2016	44,205.08	1,633.22	6,868.15	183.58	-	52,890.03	3,499.13	56,389.16
Profit for the year	11,720.60	-	-	-	-	11,720.60	1,206.78	12,927.38
Items of OCI for the year :-								
Exchange difference arising on translation of foreign operations	-	-	-	-	(301.94)	(301.94)	-	(301.94)
Remeasurement of defined benefit obligations	(1.31)	-	-	-	-	(1.31)	-	(1.31)
Total Comprehensive Income for the year	11,719.29	-	-	-	(301.94)	11,417.35	1,206.78	12,624.13
Interim dividend	(401.87)	-	-	-	-	(401.87)	-	(401.87)
Tax on dividend	(81.42)	-	-	-	-	(81.42)	-	(81.42)
Balance as at March 31, 2017	55,441.08	1,633.22	6,868.15	183.58	(301.94)	63,824.09	4,705.91	68,530.00
Balance as at April 01, 2017	55,441.08	1,633.22	6,868.15	183.58	(301.94)	63,824.09	4,705.91	68,530.00
Profit for the year	13,466.10	-	-	-	-	13,466.10	975.88	14,441.98
Items of OCI for the year :-								
Exchange difference arising on translation of foreign operations	-	-	-	-	479.71	479.71	-	479.71
Remeasurement of defined benefit obligations	(129.90)	-	-	-	-	(129.90)	-	(129.90)
Total Comprehensive Income for the year	13,336.20	-	-	-	479.71	13,815.91	975.88	14,791.79
Interim Dividend	(400.12)	-	-	-	-	(400.12)	-	(400.12)
Tax on Dividend	(81.45)	-	-	-	-	(81.45)	-	(81.45)
Other adjustments	-	-	-	-	-	-	(140.86)	(140.86)
Premium on issue of shares (net of expenses)	-	-	37,587.95	-	-	37,587.95	-	37,587.95
Balance as at March 31, 2018	68,295.71	1,633.22	44,456.10	183.58	177.77	1,14,746.38	5,540.93	1,20,287.31

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

For Walker Chandiok & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

Place : Gurugram
Date : May 24, 2018

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, 2018

1. i) Corporate information

The consolidated financial statements of LT Foods Limited ('the Holding Company'), together with its subsidiaries (collectively referred to as the 'Group'), associates and jointly controlled entities is primarily engaged 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. The Group is also engaged in research and development to add value to rice and rice food products. The Group's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavored rice in the ready to cook segment.

General information and statement of compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')). The Group has uniformly applied the accounting policies during the periods presented.

For all periods up to and including the year ended March 31, 2017, the Group has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) (hereinafter referred to as the Previous "GAAP") used for its statutory reporting requirement in India immediately before adopting Ind AS. These consolidated financial statements for the year ended March 31, 2018 are the first which the Group has prepared in accordance with Ind AS. For the purpose of comparatives, consolidated financial statements for the year ended March 31, 2017 and opening balance sheet as at April 01, 2016 are also prepared under Ind AS.

The consolidated financial statements for the year ended March 31, 2018 were authorised and approved for issue by the Board of Directors on May 24, 2018.

2. Summary of significant accounting policies

i) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

ii) Basis of Preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

iii) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests ('NCI')

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's Statement of Profit and Loss and net assets that is not held by the Group. Statement of Profit and Loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

iv) Significant accounting policies

a) Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) 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.

d) Property, plant and equipment

Recognition and initial measurement

Under the previous GAAP (Indian GAAP), property plant and equipment ('PPE') were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward these carrying value of property, plant and equipment under Indian GAAP as on March 31, 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 or the management estimate of the useful life of the asset, disclosed separately below. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal 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 April 01, 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.

The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on the following property, plant and equipment of 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	Useful lives
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

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss when the asset is de-recognised.

e) Intangible assets

Recognition and initial measurement

Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward the carrying value of intangible assets under Indian GAAP as on March 31, 2016 as book value of such assets under Ind AS as at the transition date i.e. April 01, 2016.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets with finite lives are amortised over the useful economic life and impairment assessment is done annually. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Amortisation

The intangible assets are amortised over their useful lives as specified below.

Intangible assets	Useful lives
Brands	20
Computer software	3

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

f) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

The useful life has been determined based on technical evaluation performed by the management's expert.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

h) Functional and presentation currency

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Holding Company.

Transactions and balances

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

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

Conversion

Functional and reporting currencies of foreign operations are different from the reporting currency of the Holding Company. For all the foreign operations of the Group, all assets and liabilities (excluding share capital and opening reserves and surplus) are translated into INR using the exchange rate prevailing at the reporting date. Share capital, reserves and surplus are carried at historical cost. Revenues, costs and expenses are translated using the weighted average exchange rate during the reporting period. The resultant currency translation difference is recognised as foreign currency translation reserve under the head 'other equity'.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the reporting currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 01, 2016, in respect of all foreign operations to be nil at the date of transition. From April 01, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to Statement of Profit and Loss.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments

j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The Group applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below:

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Group, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably.

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 unless the escalation rate does not matches up in line with the increase in the inflation rate.

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

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

Interest Income

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

For all financial assets measured at amortised cost (refer 'I' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

Service concession arrangements

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

Recognition and initial measurement

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent measurement (depreciation and useful lives)

All finite – lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives. The

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the liability of the industry, and known technological advances), and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

Income from services:

The Group 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.

k) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the finance leases recognised in accordance with Ind AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l) Financial Instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets

Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortised cost** – A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. **Financial assets at fair value**

- **Investments in equity instruments** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

- **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- **Derivative assets** – All derivative assets are measured at fair value through profit and loss (FVTPL).

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derivative liabilities - All derivative liabilities are measured at fair value through profit and loss (FVTPL).

De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

m) Retirement and other employee benefits

Defined Contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit plans

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Other Employee Benefits

Compensated absences

Liability in respect of compensated absences becoming due or 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 benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or 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.

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.

n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

o) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

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.

Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.

p) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to April 01, 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a Lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit and Loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalised.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost.

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

q) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

r) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items

are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

s) **Government grants and subsidies**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

t) **Share based payments**

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. 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.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

For transactions between group entities, where the options are granted to employees of any of the group companies, the group company shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent.

u) **Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

Identification of segments:

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

v) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

w) **Cash dividend distribution to equity holders**

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

v) **Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Recognition of deferred tax liability on undistributed profits

The extent to which the Holding Company can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset. The Group has also factored in overall time period of rent agreements to arrive at lease period to recognise rental income on straight line basis.

Recoverability of advances/ receivables – At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

Valuation of investment property

Investment property is stated at cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

The determination of the fair value of properties requires the use of estimates such as future cash flows from the assets (such as lettings, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risk) are also taken into consideration when determining the fair value of the properties under construction. These estimates are based on local market conditions existing at the balance sheet date.

(vi) Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2018

determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 01, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115- Revenue from Contract with Customers:

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting policies, changes in accounting estimates and errors;
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch - up approach) The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 01, 2018.

The Company will adopt the standard on April 01, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

2 Property, plant and equipment

Description	Freehold land	Leasehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
Gross carrying value								
As at April 01, 2016*	4,721.45	615.67	13,866.25	32,615.74	1,191.58	1,310.85	2,577.57	56,899.11
Additions	4.98	-	876.13	2,073.02	175.44	106.83	135.99	3,372.39
Disposals	(85.00)	-	-	(88.23)	(7.59)	(0.23)	(40.36)	(221.41)
Translation adjustment	(12.15)	-	(41.91)	(45.50)	(10.09)	(6.38)	(7.17)	(123.20)
Other adjustments**	(12.66)	-	(4.84)	(173.15)	184.89	21.19	(201.01)	(185.58)
As at March 31, 2017	4,616.62	615.67	14,695.63	34,381.88	1,534.23	1,432.26	2,465.02	59,741.31
Additions	832.18	-	5,089.25	16,971.07	79.55	1,060.77	315.45	24,348.27
Disposals	(51.00)	-	-	(806.55)	(2.62)	(13.25)	(54.60)	(928.02)
Translation adjustment	(5.72)	-	(46.68)	(16.99)	(1.89)	(0.58)	(0.10)	(71.96)
As at March 31, 2018	5,392.08	615.67	19,738.20	50,529.41	1,609.27	2,479.20	2,725.77	83,089.60
Accumulated depreciation								
As at April 01, 2016*	-	-	4,044.04	20,938.38	631.52	1,108.52	1,857.46	28,579.92
Charge for the year	-	7.96	694.70	3,249.53	195.08	149.21	254.36	4,550.84
Disposals	-	-	-	(9.30)	(5.38)	(0.17)	(18.47)	(33.32)
Translation adjustment	-	-	(9.29)	(30.19)	(6.79)	(3.34)	8.66	(40.95)
Other Adjustments**	-	-	(27.07)	22.36	95.14	(68.92)	(207.09)	(185.58)
As at March 31, 2017	-	7.96	4,702.38	24,170.78	909.57	1,185.30	1,894.92	32,870.91
Charge for the year	-	7.96	800.02	2,677.07	201.39	176.56	204.47	4,067.46
Disposals	-	-	-	(788.84)	(2.62)	(11.36)	(45.70)	(848.52)
Translation adjustment	-	-	(2.23)	(3.19)	(1.66)	(0.69)	(0.10)	(7.87)
As at March 31, 2018	-	15.92	5,500.17	26,055.82	1,106.68	1,349.81	2,053.59	36,081.98
Net block as at April 01, 2016*	4,721.45	615.67	9,822.21	11,677.36	560.06	202.33	720.11	28,319.19
Net block as at March 31, 2017	4,616.62	607.71	9,993.25	10,211.10	624.66	246.96	570.10	26,870.41
Net block as at March 31, 2018	5,392.08	599.75	14,238.03	24,473.59	502.59	1,129.39	672.18	47,007.64

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

** Represents adjustment in the value of gross carrying amount and accumulated depreciation of tangible assets as per fixed asset register and books of accounts of the Group.

(i) Contractual obligations

Refer note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing cost

The borrowing costs capitalised during the year ended March 31, 2018 was ₹ 116.55 (March 31, 2017: Nil) with respect to addition to property, plant and equipment.

(iii) Property plant and equipment pledged as security

Refer note 56 for information on property, plant and equipment pledged as security by the group.

(iv) Leased assets

Refer note 55 for information of leasehold land where the group is a lessee under a finance lease.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

3 Capital work-in-progress

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital work-in-progress	2,753.91	3,950.39	2,442.81
	2,753.91	3,950.39	2,442.81

Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at April 01, 2016	2,442.81
Add: Additions during the year	5,451.72
Less: Capitalisation during the year	(3,944.14)
Capital work-in-progress as at March 31, 2017	3,950.39
Capital work-in-progress as at April 01, 2017	3,950.39
Add: Additions during the year	7,979.86
Less: Capitalisation during the year	(9,176.34)
Capital work-in-progress as at March 31, 2018	2,753.91

Capitalised borrowing cost

The borrowing costs capitalised during the year ended March 31, 2018 was ₹ 85.24 (March 31, 2017: Nil).

4. Investment property

Description	Gross block			Accumulated depreciation			Net block	Net block
	April 01, 2016*	Disposals/ Adjustments	March 31, 2017	April 01, 2016*	Additions	March 31, 2017	March 31, 2017	April 01, 2016*
Buildings	412.48	(7.74)	404.74	38.36	32.85	71.21	333.53	374.12
Total	412.48	(7.74)	404.74	38.36	32.85	71.21	333.53	374.12

Description	Gross block			Accumulated depreciation			Net block	Net block
	April 01, 2017	Disposals/ Adjustments	March 31, 2018	April 01, 2017	Additions	March 31, 2018	March 31, 2018	March 31, 2017
Buildings	404.74	-	404.74	71.21	32.46	103.67	301.07	333.53
Total	404.74	-	404.74	71.21	32.46	103.67	301.07	333.53

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

(i) Amount recognised in Statement of Profit and Loss for investment properties:

Particulars	March 31, 2018	March 31, 2017
Rental income	-	-
Direct operating expenses that generated rental income	-	-
Profit from leasing of investment properties	-	-

(ii) Fair value of investment properties

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Fair value	465.45	445.21	453.73

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

5 Intangible assets

Description	Goodwill	Brand/ Trademarks	Customer relationships	Non compete agreement	Intellectual property	Computer software	Total
Gross carrying value							
As at April 01, 2016*	10,000.85	300.00	-	-	-	356.46	10,657.31
Additions	326.61	-	269.96	881.43	1,310.30	704.69	3,492.99
Translation adjustment	(301.86)	-	-	-	-	-	(301.86)
As at March 31, 2017	10,025.60	300.00	269.96	881.43	1,310.30	1,061.15	13,848.44
Additions	-	-	-	-	-	80.87	80.87
As at March 31, 2018	10,025.60	300.00	269.96	881.43	1,310.30	1,142.02	13,929.31
Accumulated amortisation							
As at April 01, 2016*	2,292.92	241.58	-	-	-	300.34	2,834.84
Amortisation for the year	299.70	12.72	25.44	93.87	133.08	361.42	926.23
Translation adjustment	(57.31)	(6.09)	-	-	-	-	(63.40)
As at March 31, 2017	2,535.31	248.21	25.44	93.87	133.08	661.76	3,697.67
Amortisation for the year	433.18	10.35	36.51	40.86	132.25	258.46	911.61
As at March 31, 2018	2,968.49	258.56	61.95	134.73	265.33	920.22	4,609.28
Net block as at April 01, 2016*	7,707.93	58.42	-	-	-	56.12	7,822.47
Net block as at March 31, 2017	7,490.29	51.79	244.52	787.56	1,177.22	399.39	10,150.77
Net block as at March 31, 2018	7,057.11	41.44	208.01	746.70	1,044.97	221.80	9,320.04

* Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated amortisation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.

Impairment testing of goodwill

The group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows:

- Milling, processing and marketing of branded and non-branded basmati rice CGU

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Carrying amount of goodwill allocated to each of the CGUs:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Milling, processing and marketing of branded and non-branded basmati rice	7,057.11	7,490.29	7,707.93

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed three-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management.

The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

Cash flow assumptions

Management's key assumptions include discount rate and change in profit margins, based on past experience in this market.

For the year April 01, 2016, March 31, 2017 and March 31, 2018, the Group estimated the recoverable amount for aforesaid operating segment. Such recoverable amount was higher than the carrying value and hence, no impairment was recognised. Apart from the considerations in determining the value-in-use of the segments described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

Impairment loss

As a result of the analysis above, management has concluded that there are no further indication of impairment and hence no further impairment has been recognised.

6 Investments accounted for using equity method

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments carried at cost (unquoted)			
Investments in associates and joint ventures			
(a) In associate companies			
-Raghuvesh Warehousing Private Limited 1,600,000 (March 31, 2017: 1,600,000 ; April 01, 2016: 1,600,000) equity shares of ₹ 10 each	444.28	445.03	435.48
-Raghuvesh Agri Foods Private Limited 1,600,000 (March 31, 2017: 1,600,000 ; April 01, 2016: 1,600,000) equity shares of ₹10 each	414.19	485.15	464.48
-Raghuvesh Infrastructure Private Limited 15,000 (March 31, 2017: 15,000 ; April 01, 2016: 15000) equity shares of ₹ 10 each	-	1.50	1.42
	858.47	931.68	901.38
b) In joint venture			
-Genoa Rice Mills Private Limited 1,250,000 (March 31, 2017: 1,250,000 ; April 01, 2016: Nil) equity shares of ₹ 10 each	-	63.18	-
-Daawat Kameda India Private Limited 1,708,500 (March 31, 2017: Nil ; April 01, 2016: Nil) equity shares of ₹ 10 each	131.36	-	-
	131.36	63.18	-
	989.83	994.86	901.38

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

7 Non-current investments

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments at fair value through Profit and Loss			
Key man insurance policies	236.89	230.22	283.02
Equity instruments - Quoted	0.83	1.30	1.20
Mutual funds - Quoted	63.46	63.83	57.20
Equity instruments - Unquoted	135.05	135.05	135.05
Investments carried at amortised cost			
Investments in debt securities	0.26	0.26	0.26
	436.49	430.66	476.73
Details of investment is as follows:			
Investments at fair value through Profit and Loss			
Keyman insurance policies	236.89	230.22	283.02
Equity instruments - Quoted			
Fully paid-up equity shares (quoted)			
2,300 (March 31, 2017: 2,300 ; April 01, 2016: 2,300) equity shares - Andhra bank of ₹ 10 each fully paid up	0.83	1.30	1.20
Mutual funds - Quoted			
50,000 (March 31, 2017: 50,000; April 01, 2016: 50,000) units of principal emerging bluechip fund regular plan growth	39.19	36.97	32.48
48,875.855 (March 31, 2017: 48,875.855; April 01, 2016: 48,875.855) units of Templeton India Equity Income Growth Fund	18.61	19.80	15.80
12,999.619 (March 31, 2017: 12,999.619; April 01, 2016: 12,999.619) units of HDFC MIP Long Term Dividend Fund	1.01	1.88	4.61
2,023.636 (March 31, 2017: 2,023.636; April 01, 2016: 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.58	0.78	0.62
894.055 (March 31, 2017: 894.055; April 01, 2016: 894.055) units of Reliance Vision Fund	4.07	4.40	3.69
	63.46	63.83	57.20
Equity instruments - Unquoted			
Fully paid-up equity shares (unquoted)			
1,350,000 (March 31, 2017: 1,350,000 ; April 01, 2016: 1,350,000) equity shares of Express Warehousing Ltd. of ₹ 10 each	135.00	135.00	135.00
500 (March 31, 2017: 500 ; April 01, 2016: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05	0.05
	135.05	135.05	135.05
Investments in Debt securities			
National Saving Certificate*	0.26	0.26	0.26
	436.49	430.66	476.73
* National saving certificate of ₹ 0.21 is held in the name of an employee of a subsidiary company.			
Aggregate amount of :			
Quoted investments	64.29	65.13	58.40
Unquoted investments	372.20	365.53	418.33
	436.49	430.66	476.73

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

8 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good, unless otherwise stated (Carried at amortised cost)			
Security deposits	966.63	682.66	719.32
Loan to employees	42.77	-	-
	1,009.40	682.66	719.32

- (a) No loans are due from director or other officers of the group either severally or jointly with any other person. Further, no loans are due from firms or private companies respectively in which any director is partner, director or a member.

9 Other financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Derivative asset	-	14.68	-
Receivable from insurance company {Refer Note 9(i)}	13,410.53	13,410.53	13,410.53
Bank deposits with maturity of more than 12 months*	216.76	106.25	37.64
Advances recoverable in cash	-	18.67	23.04
	13,627.29	13,550.13	13,471.21

*The deposits are restricted as they are held as margin money deposits against guarantees given by the Group.

Note 9(i): On June 07, 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 has filed an insurance claim with the insurance company amounting to ₹ 18,971.02 lakhs and had recognised insurance claim to the extent of net books value of ₹ 17,810.53 lakhs in the books of account. The insurance company has repudiated the insurance claim vide its Order dated February 04, 2016. On the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by the management of the Company under Right to Information Act (RTI), as matter of prudence a loss of ₹ 4,400.00 lakhs had been recorded, against the claim amount recoverable from the insurance company. The Subsidiary Company has filed a civil suit against the repudiation of the insurance claim and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim.

10 Deferred tax assets (net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
On temporary difference between the book base and tax base			
Deferred tax assets arising on account of			
Property, plant and equipment, investment property and intangible assets	-	702.69	52.55
Provision for employee benefits	69.88	141.51	132.94
Provision for doubtful debts	3.65	233.61	350.65
Expenses disallowed for tax computation	-	73.39	73.39
Investment - impairment	-	5.12	-
Deferred income	3.24	7.02	8.57
Minimum alternate tax	4.88	4.88	135.94
Others (including share of loss of associates and unabsorbed losses)	1,575.77	41.10	481.21
	1,657.41	1,209.30	1,235.24
Deferred tax liabilities arising on account of			
Keyman insurance policy	-	74.65	74.65
Deferred income	-	-	-
Property, plant and equipment and intangible assets	398.28	-	-
Unrealised foreign exchange gain on forward contracts	40.75	-	-
Investment - impairment	-	-	233.50
	439.03	74.65	308.15
Deferred tax assets (net)	1,218.38	1,134.65	927.08

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Movement in deferred tax assets (net)

Particulars	April 01, 2016	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2017
Deferred tax assets arising on account of					
Property, plant and equipment, investment property and intangible assets	52.55	(108.88)	-	759.02	702.69
Provision for employee benefits	132.94	(52.38)	4.50	56.45	141.51
Provision for doubtful debts	350.65	(26.95)	-	(90.09)	233.61
Expenses disallowed for tax computation	73.39	-	-	(0.00)	73.39
Investment - impairment	-	-	-	5.12	5.12
Deferred income	8.57	-	-	(1.55)	7.02
Minimum alternate tax	135.94	-	-	(131.06)	4.88
Others (including share of loss of associates and unabsorbed losses)	481.21	(148.99)	-	(291.12)	41.10
	1,235.24	(337.20)	4.50	306.77	1,209.30
Deferred tax liabilities arising on account of					
Keyman insurance policy	74.65	-	-	-	74.65
Investment - impairment	233.50	-	-	(233.50)	-
	308.15	-	-	(233.50)	74.65
Net Deferred tax assets	927.08	(337.20)	4.50	540.27	1,134.65

Particulars	April 01, 2017	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2018
Deferred tax assets arising on account of					
Property, plant and equipment, investment property and intangible assets	702.69	(68.49)	-	(1,032.48)	(398.28)
Provision for employee benefits	141.51	(1.35)	7.42	(77.70)	69.88
Provision for doubtful debts	233.61	(2.02)	-	(227.94)	3.65
Expenses disallowed for tax computation	73.39	-	-	(73.39)	-
Investment - impairment	5.12	-	-	(5.12)	-
Deferred income	7.02	-	-	(3.78)	3.24
Minimum alternate tax	4.88	-	-	0.00	4.88
Others (including share of loss of associates and unabsorbed losses)	41.10	(12.35)	-	1,547.02	1,575.77
	1,209.30	(84.21)	7.42	126.62	1,259.13
Deferred tax liabilities arising on account of					
Keyman insurance policy	74.65	-	-	(74.65)	-
Deferred income	-	-	-	-	-
Property, plant and equipment and intangible assets	-	-	-	-	-
Unrealised foreign exchange gain on forward contracts	-	-	-	40.75	40.75
Investment - impairment	-	-	-	-	-
	74.65	-	-	(33.90)	40.75
Net Deferred tax assets	1,134.65	(84.21)	7.42	160.52	1,218.38

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

11 Other non current assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	20.72	-	-
Capital advances	597.43	250.25	240.47
Balances with government authorities	-	5.97	-
Prepaid expenses	-	16.78	14.91
	618.15	273.00	255.38

12 Income tax assets (net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance tax (net of provision for tax)	3,623.04	2,333.46	2,561.14
	3,623.04	2,333.46	2,561.14

13 Inventories

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw material			
Paddy*	54,360.04	44,586.92	51,986.60
Bardana	4,221.19	3,659.77	2,581.78
Work-in-progress*	204.60	156.79	186.11
Finished goods*	1,04,226.05	90,987.43	69,509.52
Traded goods	4,785.87	2,501.03	2,963.87
Stores and spares	1,896.14	644.38	780.10
Packing material	3,176.99	2,160.41	1,949.88
	1,72,870.88	1,44,696.73	1,29,957.86

* Includes interest capitalised during March 31, 2018 of ₹ 1,892.74 (March 31, 2017: ₹ 2,118.11; April 01, 2016: ₹ 2,314.70)

14 Trade receivables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured			
Considered good	46,799.48	46,283.64	37,573.24
Considered doubtful	10.44	60.68	61.43
	46,809.92	46,344.32	37,634.67
Less: provision for doubtful debts	(10.44)	(60.68)	(61.43)
	46,799.48	46,283.64	37,573.24

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

- (i) No trade receivables are due from director or other officers of the Group either severally or jointly with any other persons.

15 Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks in current accounts	1,802.54	3,215.97	2,500.31
Cash on hand			
In Indian currency	140.37	50.47	106.41
In foreign currencies	3.99	5.73	5.15
	1,946.90	3,272.17	2,611.87

Note: There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative years.

16 Other Bank balances

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unpaid dividend accounts (earmarked)	12.24	14.50	14.30
Balance held with bank as margin money*	-	67.05	-
In deposit account (with maturity upto 12 months)	946.68	797.73	661.15
	958.92	879.28	675.45

*The deposits are restricted as they are held as margin money deposits against guarantees given by the Group.

17 Loans

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured, considered good, unless otherwise stated (Carried at amortised cost)			
Security deposits	1,119.95	389.44	49.25
Loans and advances to others	95.26	35.43	193.14
Inter-corporate deposits	550.00	453.00	328.00
Loan to employees	66.97	35.48	-
	1,832.18	913.35	570.39

18 Other current financial assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Derivative asset	139.16	1,422.83	681.37
Receivable from insurance company	132.67	273.29	-
Subsidy receivable	147.59	1,142.22	-
Advances recoverable in cash	11.84	517.37	470.10
Others	1,165.77	-	72.31
	1,597.03	3,355.70	1,223.78

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

19 Other current assets

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid expenses	1,972.43	320.42	836.82
Staff advances	12.28	-	4.26
Balances with government authorities	1,265.20	1,777.48	498.49
Advances recoverable in kind	2,630.21	5,967.29	506.73
Advance to suppliers	13,351.33	5,341.47	14,269.91
	19,231.45	13,406.66	16,116.21

20 Current tax assets (net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance tax (net of provision for tax)	55.51	-	-
	55.51	-	-

21 Share capital

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
360,000,000 Equity shares of ₹ 1 each (March 31, 2017 : 300,000,000 equity shares of ₹ 1 each; April 01, 2016 : 30,000,000 equity shares of ₹ 10 each)	3,600.00	3,000.00	3,000.00
Issued, subscribed & paid up			
319,844,780 equity shares of ₹ 1 each (March 31, 2017 : 266,631,870 equity shares of ₹ 1 each; April 01, 2016: 26,663,187 equity shares of ₹ 10 each)	3,198.45	2,666.32	2,666.32
	3,198.45	2,666.32	2,666.32

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

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	2,666.32	2,666.32	266.63	2,666.32	266.63	2,666.32
Changes during the year	532.13	532.13	-	-	-	-
Increase in shares on account of subdivision (refer point e)	-	-	2,399.69	-	-	-
Equity shares at the end of the year	3,198.45	3,198.45	2,666.32	2,666.32	266.63	2,666.32

During the year, the Holding company had issued and allotted 112,910 (March 31, 2017: Nil, April 01, 2016: 209,605 of ₹ 10 each) equity shares of ₹ 1 each to eligible employees of the Holding company and its subsidiaries under Employees stock option scheme. The Holding company had issued and allotted 53,100,000 (March 31, 2017: Nil, April 01, 2016: Nil) equity shares of ₹ 1 each to qualified institutional buyers on December 26, 2017 at an issue price of ₹ 75.20 per equity share (including a premium of ₹ 74.20 per equity share), aggregating to ₹ 39,931.20 lakhs. The amount so raised has been utilised for repayment of borrowings (both long term and short term), trade payables and for general corporate purposes.

(b) Terms/ rights attached to equity shares

The Holding company has only one class of equity shares having the par value of ₹ 1 per share (March 31, 2017: ₹ 1 per share, April 01, 2016: ₹ 10 per share). Each holder of equity share is entitled to one vote per share. The Holding company declares and pays dividend in Indian Rupees.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

During the year ended March 31, 2018 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.15 per share (March 31, 2017: ₹ 0.15 per share, April 01, 2016: ₹ 1.50 per share).

In the event of liquidation of the Holding company, the holder of equity shares will be entitled to receive remaining assets of the Holding 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% shares in the group

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No of shares	% holding	No of shares	% holding	No of shares	% holding
India Agri Business Fund Limited	82,89,454	2.59%	2,82,00,735	10.58%	37,76,253	14.16%
Ashwani Arora	2,12,86,920	6.66%	2,12,86,920	7.98%	27,23,152	10.21%
Surinder Arora	2,12,86,920	6.66%	2,12,86,920	7.98%	28,20,152	10.58%
Gurucharan Dass Arora	2,12,86,920	6.66%	2,19,20,260	8.22%	15,73,932	5.90%
Ashok Kumar Arora	2,12,86,920	6.66%	2,12,86,920	7.98%	27,42,418	10.29%
Raghuvesh Holdings Private Limited	3,09,84,130	9.69%	3,09,84,130	11.62%	30,98,413	11.62%
Vijay Kumar Arora and Ashwani Arora (jointly)	-	0.00%	-	0.00%	16,06,320	6.02%
Vijay Kumar Arora	2,12,86,920	6.66%	2,12,86,920	7.98%	11,17,964	4.19%
	14,57,08,184	45.58%	16,62,52,805	62.34%	1,94,58,604	72.97%

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

The Holding company on April 01, 2011 granted 648,329 of ₹ 10 each options to employees specified in the Employee Stock Option Scheme of 2010. According to Ind AS 102 Share based payments, the Holding company has recorded an expense basis fair valuation of the underlying options. The Remuneration Committee on February 07, 2013 has approved additional grant of 201,209 of ₹ 10 each options to the eligible employees of the Holding company. Further under the above Scheme, the Committee in the previous meetings had allotted 556,064 of ₹ 10 each to the employees who have exercised their options. However, 293,474 of ₹ 10 each options granted to the employees specified have lapsed upto March 31, 2018. The aforementioned shares are before share split (refer note e below).

(e) Sub-division of equity shares

(i) During the year 2016-17 the equity shares of the Holding company having the face value of ₹ 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having 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.

(f) The Holding 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.

22 Other equity

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Retained earnings	68,295.71	55,441.08	44,205.08
(ii) General reserve	1,633.22	1,633.22	1,633.22
(iii) Securities premium reserve	44,456.10	6,868.15	6,868.15
(iv) Share options outstanding amount	183.58	183.58	183.58
(v) Foreign currency translation reserve	177.77	(301.94)	-
Total other equity	1,14,746.38	63,824.09	52,890.03

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Nature and purpose of other reserves

General reserve:

The group has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Securities premium reserve:

Securities premium reserve represents premium received on issue of shares. Further the securities premium reserve has been netted off with the share issue expenses incurred on issue of shares under qualified institutional placement amounting to ₹ 1,815.42 lakhs.

Share options outstanding amount:

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Statement of Profit and Loss when the net investment is disposed-off.

23 Non-controlling interests

	As at March 31, 2018	As at March 31, 2017
Opening balance	4,705.91	3,499.13
Share of profit for the year	975.88	1,206.78
Other adjustments	(140.86)	-
Closing balance	5,540.93	4,705.91

24 Long term borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Term loans			
From Banks	9,140.97	4,427.89	3,546.32
From Others	9,932.35	1,875.00	-
Vehicle loans	212.04	134.44	210.47
	19,285.36	6,437.33	3,756.79
Current maturities of long term debts			
Term loans	3,052.35	3,313.76	3,826.59
Vehicle loans	104.37	101.15	133.48
	3,156.72	3,414.91	3,960.07
	22,442.08	9,852.24	7,716.86
Interest accrued but not due on borrowings	23.27	7.63	30.40

There is no default as on the balance sheet date in the repayment of borrowings and interest thereon.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a) Rupee term loans (refer point A part (i) and (ii) for interest rate)							
Oriental Bank of Commerce (refer point C part (v) for security)	2,855.00	2014-15	12 equal quarterly	237.91	-	-	580.40
Oriental Bank of Commerce (refer point C part (v) for security)	1,156.00	2014-15	12 equal quarterly	96.33	-	289.00	674.33
Allahabad Bank (refer point C part (ii) for security)	2,700.00	2011-12	32 equal quarterly	107.00	356.16	831.90	1,305.99
Karur Vysya Bank (refer point C part (vi) for security)	1,644.00	2014-15	12 equal quarterly	45.67	-	167.45	837.23
Oriental Bank of Commerce (refer point C part (v) for security)	1,810.00	2016-17	6 equal half yearly	300.00	-	603.33	-
Oriental Bank of Commerce (refer point C part (v) for security)	150.00	2016-17	12 equal quarterly	12.50	55.45	85.40	-
Indian Overseas Bank (refer point C part (xiii) for security)	2,227.00	2013-14	11 equal quarterly 12th installment	186.60 181.00	-	-	925.00
Yes Bank (refer point C part (xxii) for security)	1,500.00	2017-18	20 equal quarterly	75.00	1,471.01	-	-
Yes Bank (refer point C part (xxiii) for security)	3,500.00	2017-18	20 equal quarterly	98.50	1,931.93	-	-
Mashreq Bank (refer point C part (xviii) for security)	AED 3 million	2016-17	180 equal monthly	4.14	436.95	513.75	-
Mashreq Bank (refer point C part (xvi) for security)	AED 0.75 million	2016-17	180 equal monthly	1.09	109.25	128.70	-
Mashreq Bank (refer point C part (xvii) for security)	AED 0.93 million	2016-17	180 equal monthly	1.35	135.47	159.58	-
Citi Bank (refer point C part (vii) for security)	USD 1.56 million	2013-14	175.5 equal monthly	5.33	-	-	1,467.09
Citi Bank (refer point C part (vii) for security)	USD 1.00 million	2013-14	54 equal monthly	11.09	-	-	355.76
JP Morgan Chase (refer point C part (viii) for security)	USD 2.33 million	2016-17	240 equal monthly	6.28	1,367.35	1,438.55	-
JP Morgan Chase (refer point C part (x) for security)	USD 5.00 million	2016-17	36 equal monthly	90.06	1,626.10	2,701.87	-
JP Morgan Chase (refer point C part (ix) for security)	USD 1.10 million	2016-17	60 equal monthly	11.89	500.84	641.97	-
JP Morgan Chase (refer point C part (xi) for security)	USD 3.20 million	2017-18	295 equal monthly	6.94	2,046.72	-	-
JP Morgan Chase (refer point C part (xii) for security)	USD 3.80 million	2017-18	75 equal monthly	32.88	1,681.34	-	-
De Lage Landen Financial services BV (refer point C part (xxiv) for security)	Euro 7.30 million	2017-18	96 monthly	0.21 Euro monthly till July 01, 2018 and thereafter 0.91 Euro	5,401.10	-	-
Dena Bank (refer point C part (iii) for security)	1,500.00	2011-12	72 equal monthly	18.52	-	180.14	427.10
Dena Bank (refer point C part (iv) for security)	2,400.00	2013-14	12 equal quarterly	200.00	-	-	800.00
Hero Fincorp Limited (refer point C part (xv) for security)	1,200.00	2016-17	20 equal quarterly	60.00	900.00	1,140.00	-
Hero Fincorp Limited (refer point C part (xv) for security)	300.00	2016-17	20 equal quarterly	15.00	225.00	285.00	-
Hero Fincorp Limited (refer point C part (xix) for security)	1,500.00	2017-18	20 equal quarterly	43.69	699.00	-	-
Axis Finance (refer point C part (xx) for security)	1,482.00	2017-18	Bullet payment	-	1,482.00	-	-
STCI Finance Limited (refer point C part (xxi) for security)	1,700.00	2017-18	Bullet payment	-	1,700.00	-	-
IIFL Wealth Finance Limited (refer point C part (xiv) for security)	500.00	2016-17	Bullet payment	-	-	450.00	-
					22,125.67	9,616.65	7,372.91

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installment	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
b) Vehicle loans (refer point A part (iii) for interest rate and point C part (vi) for security)							
HDFC Bank	22.25	2013-14	60	0.47	4.97	9.89	14.33
ICICI Bank	17.83	2010-11	60	0.38	-	-	0.27
HDFC Bank	17.87	2016-17	36	0.57	9.07	14.78	-
ICICI Bank	12.50	2013-14	60	0.26	-	5.52	8.02
HDFC Bank	54.00	2012-13	60	1.13	-	9.82	21.83
HDFC Bank	48.00	2012-13	60	1.02	-	4.00	15.21
ICICI Bank	49.77	2014-15	60	1.06	12.99	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	5.98	2014-15	60	0.19	-	0.39	2.56
HDFC Bank	16.31	2015-16	36	0.52	4.52	10.08	15.13
HDFC Bank	6.65	2015-16	36	0.21	1.84	4.10	6.16
HDFC Bank	14.94	2017-18	60	0.21	12.65	-	-
HDFC Bank	19.80	2017-18	60	0.27	18.45	-	-
HDFC Bank	7.59	2014-15	48	0.20	0.39	2.56	4.52
HDFC Bank	11.50	2014-15	48	0.25	3.49	5.94	8.14
HDFC Bank	5.66	2014-15	48	0.15	0.47	2.13	3.57
HDFC Bank	6.68	2014-15	48	0.18	0.57	2.52	4.21
HDFC Bank	18.99	2014-15	48	0.50	2.43	7.86	12.57
HDFC Bank	21.00	2014-15	60	0.45	6.27	10.74	14.80
HDFC Bank	12.50	2015-16	48	0.32	5.85	8.90	11.65
HDFC Bank	12.50	2015-16	48	0.32	5.85	8.90	11.65
HDFC Bank	12.50	2015-16	48	0.32	5.85	8.90	11.66
HDFC Bank	12.50	2015-16	48	0.32	5.85	8.90	11.66
HDFC Bank	7.00	2015-16	36	0.22	1.94	4.33	6.50
HDFC Bank	5.70	2015-16	48	0.15	2.09	3.57	4.91
HDFC Bank	5.80	2015-16	48	0.17	2.39	3.99	5.35
HDFC Bank	11.70	2017-18	36	0.38	11.03	-	-
HDFC Bank	11.68	2017-18	48	0.29	10.23	-	-
HDFC Bank	11.68	2017-18	48	0.29	10.23	-	-
HDFC Bank	11.68	2017-18	48	0.29	10.23	-	-
HDFC Bank	11.68	2017-18	48	0.29	10.23	-	-
HDFC Bank	11.68	2017-18	48	0.29	10.19	-	-
HDFC Bank	11.60	2017-18	48	0.29	10.16	-	-
Toyota Finance	20.00	2017-18	36	0.63	19.48	-	-
Oriental Bank of Commerce	100.00	2014-15	60	1.67	-	-	20.90
Daimler Financial Services India Private Limited	65.00	2015-16	36	2.23	63.93	-	-
Daimler Financial Services India Private Limited	65.00	2017-18	48	1.82	47.96	56.72	64.03
HDFC Bank	10.00	2016-17	36	0.32	4.81	8.00	-
					316.41	235.59	343.95
					22,442.08	9,852.24	7,716.86

A. Details of interest rate for each type of borrowings

- The interest on above Rupee term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2018 the interest rates ranges from 10.50% to 13.15% per annum (March 31, 2017: 10.70% to 13.50% per annum; April 01, 2016: 10.70% to 13.50% per annum).
- The interest on above foreign currency term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2018 the interest rates ranges from LIBOR plus 1.5% to 2.5% per annum (March 31, 2017: LIBOR plus 1.5% to 2.5% per annum; April 01, 2016: LIBOR plus 1.5% to 2.5% per annum).
- The interest on above vehicle loans from banks are linked to the respective banks base rates which are fixed in nature. As of March 31, 2018 the interest rates ranges from 7.95% to 14.00% per annum (March 31, 2017: 8.50% to 12.00% per annum; April 01, 2016: 8.50% to 12.00% per annum).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

B. Details of guarantee for each type of borrowings

Guaranteed by directors	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Term loans			
From banks	11,662.20	7,441.65	7,372.91
From others	10,463.47	2,175.00	-
	22,125.67	9,616.65	7,372.91

C. Details of security for each type of borrowing :

- (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 ₹ 356.16 (previous year: ₹ 831.90) availed by the LT Foods Limited (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 Nil (previous year ₹ 180.14) availed by the Daawat Foods Limited (Subsidiary Company) is secured against first exclusive charge over the entire fixed assets created under the Kurkure plant, Kamasapur. This is further secured by personal guarantee of Promoter-Directors of the Subsidiary group.
- (iv) In the financial year 2015-16, Term loan from Dena Bank amounting to ₹ 800.00 availed by the Daawat Foods Limited (Subsidiary 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 group.
- (v) Term loans from Oriental Bank of Commerce amounting to ₹ 55.45 (previous year: ₹ 977.73) availed by the LT Foods Limited (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 Vysya Bank amounting to Nil (previous year: ₹ 167.45) availed by the LT Foods Limited (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 Inc. (Subsidiary Company).
- (viii) USD Term loan 2.33 million from JP Morgan Chase availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage over warehouse at Houston.
- (ix) USD Term loan 1.10 million from JP Morgan Chase as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage against machinery in California and New Jersey.
- (x) USD Term loan 5.00 million from JP Morgan Chase as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage against machinery in California and New Jersey.
- (xi) USD Term loan 3.20 million from JP Morgan Chase as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage over warehouse at Houston.
- (xii) USD Term loan 3.30 million from JP Morgan Chase as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage against RTH Plant and machinery in California and New Jersey.
- (xiii) In the previous year, term loan Indian from Overseas Bank amounting to Nil (April 01, 2016: ₹ 925.00) availed by the LT Foods Limited (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.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

- (xiv) Term loan from IIFL Wealth Finance Limited amounting to Nil (previous year: ₹ 450.00) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by group in which directors are interested.
- (xv) Rupee term loan from Hero Fincorp Limited amounting to ₹ 1125.00 (previous year: ₹ 1425.00) availed by the Daawat Foods Limited (Subsidiary Company) is secured against first charge over the residential property owned jointly by relatives of the director of the group and pledge of shares held by group in which directors are interested.
- (xvi) AED Term loan from Mashreq Bank amounting 0.75 million availed by LT Foods Middle East DMCC (Subsidiary Company) is secured by office property and undated cheques.
- (xvii) AED Term loan from Mashreq Bank amounting 0.93 million availed by LT Foods Middle East DMCC (Subsidiary Company) is secured by office property and undated cheques.
- (xviii) AED Term loan from Mashreq Bank amounting 3.00 million availed by LT Foods Middle East DMCC (Subsidiary Company) is secured by office property and undated cheques.
- (xix) Term loan from Hero Fincorp Limited amounting to ₹ 699.00 (previous year: Nil) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by and Corporate Guarantee of a company in which directors are interested and personal guarantee of directors.
- (xx) Term loan from Axis Finance amounting to ₹ 1482.00 (previous year : Nil) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by a company in which directors are interested and personal guarantee of directors.
- (xxi) Term loan from STCI Finance Limited amounting to ₹ 1700.00 (previous year : Nil) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by a company in which directors are interested and personal guarantee of directors.
- (xxii) Term loan from Yes Bank amounting to ₹ 1471.01 (previous year : Nil) availed by the LT Foods Limited (Parent 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 Company.
- (xxiii) Term loan from Yes Bank amounting to ₹ 1931.93 (previous year : Nil) availed by the LT Foods Limited (Parent 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 Company.
- (xxiv) Euro Term loan 7.3 million from De Lage Laden Financial Services B.V. as availed by LT foods Europe B.V. (Subsidiary Company) is secured by mortgage against machinery in Netherland and Corporate Guarantee of a company in which directors are interested and personal guarantee of directors.
- (xxv) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

25 Other non-current financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits from distributors	13.66	9.78	9.89
	13.66	9.78	9.89

26 Long term provisions

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provisions for employee benefits			
Provision of gratuity	300.07	132.64	59.69
Provision of leave encashment	176.85	117.11	72.64
Others	137.32	47.45	51.39
	614.24	297.20	183.72

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

(i) Information about individual provisions and significant estimates

For disclosures related to provision for employee benefits, refer note 47- Employee benefit obligations

(ii) Movement in provision related to others during the financial year:

	As at March 31, 2018	As at March 31, 2017
As at beginning of reporting period	47.45	51.39
Adjustments	89.87	(3.94)
As at end of reporting period	137.32	47.45

27 Deferred tax liabilities (net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
On temporary difference between the book base and tax base			
Deferred tax liability arising on account of:			
Property, plant and equipment and intangible assets	545.84	-	-
Key man insurance policy	79.26	-	-
Unrealised foreign exchange gain on forward contracts	5.72	-	-
Others	9.88	-	-
	640.70	-	-
Deferred tax asset arising on account of:			
Provision for employee benefits	56.82	-	-
Investment - impairment	18.64	-	-
Others	3.63	-	-
	79.09	-	-
Deferred tax liabilities (net)	561.61	-	-

Movement in deferred tax liabilities (net)

Particulars	April 01, 2016	Recognised in Statement of Profit and Loss	March 31, 2017
Deferred tax liabilities arising on account of			
Property, plant and equipment and intangible assets	-	-	-
Key man insurance policy	-	-	-
Unrealised foreign exchange gain on forward contracts	-	-	-
	-	-	-
Deferred tax assets arising on account of			
Provision for employee benefits	-	-	-
Investment - impairment	-	-	-
Deferred grant	-	-	-
	-	-	-
Net Deferred tax liabilities	-	-	-

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	April 01, 2017	Recognised in Statement of Profit and Loss	March 31, 2018
Deferred tax liabilities arising on account of			
Property, plant and equipment and intangible assets	-	545.84	545.84
Key man insurance policy	-	79.26	79.26
Unrealised foreign exchange gain on forward contracts	-	5.72	5.72
Others	-	9.88	9.88
	-	640.70	640.70
Deferred tax assets arising on account of			
Provision for employee benefits	-	56.82	56.82
Investment - impairment	-	18.64	18.64
Others	-	3.63	3.63
	-	79.09	79.09
Net Deferred tax liabilities	-	561.61	561.61

28 Other non-current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred government grant	415.80	289.88	364.22
	415.80	289.88	364.22

29 Short-term borrowings

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Secured			
From banks	1,32,214.98	1,50,209.20	1,51,864.49
Others	-	851.53	-
Unsecured			
From directors	100.00	100.00	100.10
From others	19.13	18.27	62.04
	1,32,334.11	1,51,179.00	1,52,026.63

Details of security for each type of borrowing :

- 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 12.00% per annum (March 31, 2017: 8.50% to 12.50% per annum, April 01, 2016: 10.00% to 13.50% per annum) on rupee working capital loan and 4.00% to 6.00% per annum (March 31, 2017: 2.00% to 5.50% per annum, April 01, 2016: 2.50% to 6.50% per annum) on foreign currency working capital loans.
- Working capital loans are secured by hypothecation of inventory and trade receivables of the group.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

30 Trade payables

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Dues to			
Micro, small and medium enterprises	528.65	528.81	438.78
Others	33,349.39	20,944.65	12,398.33
Acceptances	292.96	312.27	528.60
	34,171.00	21,785.73	13,365.71

a) Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 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	528.65	528.81	438.78
Interest accrued and remaining unpaid as at year end	-	-	-
ii) Amount of interest paid by the group 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.	-	-	-
	528.65	528.81	438.78

31 Other current financial liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturity of long-term debts	3,156.72	3,414.91	3,960.07
Interest accrued but not due on borrowings	23.27	7.63	30.40
Security deposit	11.50	11.50	11.50
Unclaimed dividend *	12.24	14.50	14.30
Other liabilities	4,306.92	6,246.53	7,723.51
	7,510.65	9,695.07	11,739.78

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

32 Other current liabilities

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advances from customers	1,064.67	5,349.92	1,035.06
Statutory liabilities	509.83	317.73	349.43
Deferred rent	-	7.36	7.52
Deferred government grant	72.81	74.34	90.77
Other liabilities	1,386.22	7.69	17.16
	3,033.53	5,757.04	1,499.94

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

33 Short term provisions

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits			
Provision of gratuity	102.78	47.93	44.99
Provision of leave encashment	29.16	13.20	15.72
Others	38.73	2.87	0.69
	170.67	64.00	61.40

(i) **Information about individual provisions and significant estimates**

Refer note 47- Employee benefit obligations

(ii) **Movement in provision related to others during the financial year:**

	As at March 31, 2018	As at March 31, 2017
As at beginning of reporting period	2.87	0.69
Adjustments	35.86	2.18
As at end of reporting period	38.73	2.87

34 Current tax liabilities (net)

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for Income tax (net)	4,601.21	6,800.70	4,936.06
	4,601.21	6,800.70	4,936.06

35 Revenue from operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products		
Rice	3,31,313.59	3,08,827.54
Others	28,061.04	13,731.43
Other operating revenue		
Service charges	727.05	547.48
Processing charges	991.36	1,094.25
Lease rental (refer note A)	174.18	174.18
Rental income (refer note B)	102.74	102.74
	3,61,369.96	3,24,477.62

A The Daawat Foods Limited (DFL) has entered into rent agreements as a lessor for its Kurkure plant, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2018 and March 31, 2017 was ₹ 174.18 and ₹ 174.18 respectively. The Company has not executed any non-cancellable operating leases.

B The Holding company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2018 and March 31, 2017 was ₹ 102.74 and ₹ 102.74 respectively. The Holding company has not executed any non-cancellable operating leases.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

36 Other income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest on fixed deposits with banks	155.91	70.77
Net gain on foreign currency transactions and translations	2,232.57	2,286.81
Deferred grant income	98.06	90.77
Export incentives	39.32	36.98
Amounts written back	121.07	207.86
Insurance claim	-	222.24
Rental income	187.91	68.52
Income from fleet lease	93.80	67.22
Miscellaneous income	691.64	1,761.22
	3,620.28	4,812.39

37 Cost of material consumed

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Paddy	44,586.92	51,986.60
Bardana	3,659.77	2,581.78
Packing material	2,160.41	1,949.88
	50,407.10	56,518.26
Add: purchases		
Paddy	1,31,149.54	92,916.27
Bardana	629.38	3,270.69
Packing material	16,452.81	12,504.55
Other	3,544.66	1,979.66
Broken rice/unpolished rice for consumption	68,322.19	61,161.79
	2,20,098.58	1,71,832.96
Less: closing stock		
Paddy	54,360.04	44,586.92
Bardana	4,221.19	3,659.77
Packing material	3,176.99	2,160.41
	61,758.22	50,407.10
	2,08,747.46	1,77,944.12
Consumption details		
Paddy	1,21,376.42	1,00,315.94
Bardana	67.96	2,192.71
Packing material	15,436.23	12,294.02
Other	3,544.66	1,979.66
Rice	68,322.19	61,161.79
	2,08,747.46	1,77,944.12

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

38 Purchases of stock-in-trade

	Year ended March 31, 2018	Year ended March 31, 2017
Rice (traded)	68,142.14	43,704.11
Others	5,580.82	40,647.55
	73,722.96	84,351.66

39 Changes in inventories of finished goods, work in progress and stock in trade

	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stock		
Finished goods	90,987.43	69,509.52
Work-in-progress	156.79	186.11
Stock in trade	2,501.03	2,963.87
Closing stock		
Finished goods	1,04,226.05	90,987.43
Work-in-progress	204.60	156.79
Stock in trade	4,785.87	2,501.03
	(15,571.27)	(20,985.75)
Translation reserve	238.82	(335.92)
	(15,332.45)	(21,321.67)

40 Employee benefit expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus (refer note 48 for share based payments)	12,327.00	10,501.87
Contribution to provident and other fund (refer note 47 for employee benefit obligations)	685.77	306.22
Staff welfare expenses	489.79	880.82
	13,502.56	11,688.91

41 Finance cost

	Year ended March 31, 2018	Year ended March 31, 2017
Interest on working capital loans	12,642.98	13,859.57
Interest on term loans	439.49	544.22
Exchange rate fluctuations	265.85	1.52
	13,348.32	14,405.31
Interest capitalised	(201.79)	-
Other borrowing cost	1,511.04	1,272.00
	14,657.57	15,677.31

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

42 Depreciation and amortisation

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation on		
Property, plant and equipment	4,067.46	4,550.84
Investment properties	32.46	32.85
Amortisation on		
Intangible assets	911.61	926.23
	5,011.53	5,509.92

43 Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Warehouse rent (refer point A)	885.39	837.29
Wages and other manufacturing expenses	1,989.13	1,674.88
Factory insurance	154.06	118.32
Power and fuel	3,180.72	3,031.59
Security services	349.52	395.71
Research and development	5.60	3.70
Repairs		
- Building	123.58	121.23
- Machinery	212.76	214.56
- Others	513.00	333.04
Stores and spares consumed	2,297.44	2,027.02
Other manufacturing expenses	-	0.33
Packing expenses	697.82	573.06
Advertisement	3,477.29	3,482.00
Insurance	733.99	635.40
Legal and professional charges	2,401.61	1,741.66
Rates and taxes	552.15	354.33
Donation and charity	139.19	77.15
Auditors' remuneration (refer point B)	149.38	132.20
Rent (refer point A)	427.66	140.82
Vehicle running and maintenance	316.00	297.31
Commission to selling agents	908.20	877.20
Clearing and forwarding charges	10,728.22	8,220.32
Freight outward	577.38	752.37
Travelling and conveyance	2,280.40	2,046.23
Loss on sale of fixed assets (net)	0.77	20.45
Trade receivables and other amounts written off	1,164.91	4.47
Fair valuation of investments	-	7.10
Business promotion expenses	539.53	519.35
Directors' sitting fees	32.13	25.37
Provision for doubtful debts	-	20.41
Other administrative expenses	1,915.70	1,768.05
Other selling expenses	4,152.34	2,355.07
Market development expenses	2,004.82	2,885.66
Miscellaneous expenses	14.06	298.92
	42,924.75	35,992.57

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

- A.** 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 year ended March 31, 2018 was ₹ 1,313.05 (March 31, 2017: ₹ 978.11) respectively. The Group has not executed any non-cancellable operating leases.

B. Auditors' remuneration

	Year ended March 31, 2018	Year ended March 31, 2017
Statutory audit (including fees for limited reviews)	133.04	111.00
Other matters	38.37	8.31
Out of pocket expenses	4.73	3.53
Goods and services tax / Service tax	4.34	9.36
Less: Fees of qualified institutional placement (netted of from securities premium reserve)	(31.10)	-
	149.38	132.20

44 Earning per share

	As at March 31, 2018	As at March 31, 2017
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	13,466.10	11,720.60
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS	2,806.94	2,666.32
Nominal value of each equity share (₹)	1.00	1.00
Earnings per equity share		
Earning per share (basic) (₹)	4.80	4.40
Earning per share (diluted) (₹)	4.80	4.40

45 Income tax

	As at March 31, 2018	As at March 31, 2017
The income tax expense consists of the following :		
Current tax (including taxes earlier years)	6,736.91	7,159.62
Deferred tax expense /(credit)	401.09	(671.33)
Total income tax	7,138.00	6,488.29

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.608% and the reported tax expense in the Statement of Profit or Loss are as follows:

Accounting profit for the period before Share of profit in Associate and Joint venture	21,755.86	19,447.19
Applicable Indian statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	7,529.27	6,730.28
Effect of non deductible expenses	44.21	108.36
Tax pertaining to previous year	(69.94)	93.72
Tax impact of exempted income	(6.68)	(450.03)
Difference in overseas tax rate and other foreign entities adjustments	170.44	(954.14)
Others adjustments of Indian entities	(529.30)	960.09
Total income tax expense	7,138.00	6,488.28

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Unrecognised deferred tax assets

For the year ended March 31, 2018	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	0.12	340.88	689.26	-	1,030.26
Unabsorbed depreciation	-	-	79.29	-	79.29
Capital losses	-	-	115.28	-	115.28
Unused tax Credit	-	28.57	0.33	-	28.90

For the year ended March 31, 2017	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	-	336.70	653.39	-	990.09
Unabsorbed depreciation	-	-	-	69.09	69.09
Capital losses	-	0.29	114.99	-	115.28
Unused tax Credit	-	28.57	0.33	-	28.90

No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised by the respective entities.

46 Contingencies and commitments

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(A) Contingent liabilities			
I Income-tax demands (refer note 1)	4,059.41	2,838.21	2,905.37
II Guarantees given by group	2,173.55	2,229.09	2,408.49
III FCI Demand for differential price/freight/ taxes	339.00	339.00	339.00
IV Claims against the group (refer note 2)	161.24	35.25	35.25
V Duty saved under EPCG licenses (export obligation outstanding ₹ 3,796.05 (March 31, 2017: ₹ 6,591.40; April 1, 2016: ₹ 5,804.15)	589.09	1,054.04	910.37
	7,322.29	6,495.59	6,598.48

1 Notes

- a) In case of Daawat Foods Limited, the Subsidiary Company 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 the company and after allowing appeal effect of the order of CIT (Appeals) by the Assessing Officer, the demand has been reduced to ₹ 59.57 lakhs (March 31, 2017 ₹ 59.57 lakhs; April 1, 2016: ₹ 59.57 lakhs). The Company has filed appeals against the order of CIT(Appeals) for the above said assessment year before the Income Tax Appellate Tribunal, on issues for which relief has not been given by CIT(Appeals). The matter is still pending with ITAT.

During the financial year 2014-15, the DFL had received demands under section 143(3) for the Assessment Year 2010-11 for ₹ 225.21 lakhs. The Company had filed an appeal before the CIT (Appeals). The CIT (Appeals) has allowed substantial relief to the Company and after allowing appeal effect of the order of CIT (Appeals) by the Assessing Officer, the demand had reduced to Nil (March 31, 2017: ₹ 17.68 lakhs; April 1, 2016: ₹ 225.21 lakhs). During the financial year 2017-18, the DFL has received demands under section 271(1)(c) for the Assessment Year 2010-11 for ₹ 4.08 lakhs. The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

During the financial year 2015-16, the Company has received demands under section 143(3) for the Assessment Year 2012-13 for ₹ 80.03 lakhs (March 31, 2017: ₹ 80.03 lakhs; April 01, 2016: ₹ 80.03 lakhs). The Company had already filed an appeal before the CIT (Appeals). The CIT (Appeals) vide its order dated May 18, 2018 has allowed substantial relief to the Company and after allowing appeal effect of the order of CIT (Appeals), the demand will get reduced to ₹ 1.06 lakhs.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

During the financial year 2016-17, the DFL has received demands under section 143(3) for the Assessment Year 2013-14 for ₹ 197.43 lakhs (March 31, 2017: ₹ 197.43 lakhs; April 1, 2016: Nil). The Company has filed an appeal before the CIT (Appeals). The CIT (Appeals) vide its order dated May 18, 2018 has allowed substantial relief to the Company and after allowing appeal effect of the order of CIT (Appeals), the demand will get reduced to ₹ 0.05 lakhs (March 31, 2017: ₹ 197.43 lakhs, April 01, 2016: Nil)

During the financial year 2016-17, the DFL has received demands under section 143(3) for the Assessment Year 2014-15 for ₹ 468.54 lakhs (March 31, 2017: ₹ 468.54 lakhs; April 01, 2016: Nil). The Company has already filed an appeal before the CIT (Appeals). The CIT (Appeals) vide its order dated May 21, 2018 has allowed substantial relief to the Company and after allowing appeal effect of the order of CIT (Appeals), the demand will get reduced to ₹ 0.09 lakhs (March 31, 2017: ₹ 468.54 lakhs, April 01, 2016: Nil)

During the financial year 2017-18, the DFL has received demands under section 143(3) for the Assessment Year 2015-16 for ₹ 298.73 lakhs. The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

- b) In case of LT Foods Limited (Holding 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 lakhs (previous year ₹ 89.84 lakhs). 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 Parent Company's appeal for the AY 2008-09 and AY 2009-10 are still pending before ITAT and demand of ₹ 563.57 lakhs (net of relief from CIT (Appeals)) are outstanding against the company (previous year ₹ 563.57 lakhs).

The Parent Company's appeal for AY 2010-11 has been partially allowed by the CIT (Appeals) vide its order dated September 09, 2016. After allowing the appeal effect of the order of CIT (Appeals) the demand is reduced to ₹ 346.01 lakhs (previous year ₹ 346.01 lakhs). 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).

(All amounts are in ₹ in lakhs unless otherwise stated)

The Parent Company's appeal for AY 2011-12 to AY 2014-15 for ₹ 2,476.14 lakhs (previous year ₹ 985.32 lakhs) is pending before CIT (Appeals).

Also the Parent Company had received demand under section 271(1)(c) for AY 1999-2000 and AY 2010-11 for ₹ 213.69 lakhs (previous year Nil) 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.

The Parent Company has paid ₹ 1,538.08 lakhs (previous year ₹ 1,193.65 lakhs) 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 28.03.2013 has allowed substantial relief to the assessee firm and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand will get reduced to ₹ Nil (Previous year ₹ 23.21 lakhs). The appeal effect of the order of CIT (Appeals) is yet to be given by AO.
- d) In case of Nature Bio Foods Limited ('NBFL'), During the assessment year 2009-10 the Income Tax Department ('The Department') has added back ₹ 4.98 lakhs to the total income and has issued notice of demand u/s 156 of the Income Tax Act, 1961 on December 30, 2010 demanding ₹ 10.17 lakhs. The Company had contested the above order before CIT (Appeal) and then with ITAT. The ITAT has allowed substantial relief to the Company. After allowing appeal effect of the same the demand will get reduced to ₹ 1.99 lakhs and the same has been duly provided for in the financial statements.

During the assessment year 2010-11 the Income Tax Department has added back ₹ 24.43 lakhs to the total income of the Company demanding ₹ 5.15 lakhs. The Company had contested the above order before CIT (Appeal) and further with ITAT. No Provision is considered necessary in this regard since the company has been advised that it has a good case and the chances of case decided against the company is not probable.

During the assessment year 2013-14 the Assessing officer has added back Rs.2.95 lakhs on account of disallowance of gratuity to the total income of the company. The department has issued notice of

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

demand u/s 156 of the Income Tax Act, 1961 on March 21, 2016 demanding ₹ 1.32 lakhs. The company had contested the above order before CIT (Appeal). No Provision is considered necessary in this regard since the company has been advised that it has a good case and the chances of case decided against the company is not probable.

During the assessment year 2014-15 the Assessing officer has added back ₹ 0.25 lakhs on account of disallowance of Fines & Penalties to the total income of the company. The department has issued notice of demand u/s 156 of the Income Tax Act, 1961 on December 13, 2016 demanding ₹ 0.10 lakhs. The Company had contested the above order before CIT (Appeal).

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.

(All amounts are in ₹ in lakhs unless otherwise stated)

Accordingly no adjustment has been made in these financial statements (other than provision considered as mentioned above).

- 2 Foreign Brokerage Firm, M/s Food Tech Solutions, engaged by the Nature Bio Foods Limited has made claim on account of commission on export sales, of Euro 200,000 which were disputed and not accepted by the Company. Subsequently, the said brokerage firm has invoked the arbitration clause and initiated legal proceedings in International Arbitration Court for recovery of the claim and the matter is still pending at the Jurisdiction court. Since the Company is of the opinion and confident that outcome of the case will be in favour of the company and hence has not provided for the claim amount in the Books.

(B) Commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 940.66 lakhs (March 31, 2017: ₹ 227.56 lakhs; April 01, 2016: ₹ 540.82 lakhs).

47 Employee benefit obligations

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Gratuity	102.78	300.07	47.93	132.64	44.99	59.69
Compensated absences	29.16	176.85	13.20	117.11	15.72	72.64
Total	131.94	476.92	61.13	249.75	60.71	132.33

A Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination/ other decrements (if any) on account of any accident or disease is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Disclosure of gratuity

(i) Amount recognised in the Statement of Profit and Loss is as under:

Description	March 31, 2018	March 31, 2017
Current service cost	98.99	79.94
Interest cost	15.09	10.22
Past service cost	77.03	-
Amount recognised in the statement of profit and loss	191.10	90.16

(ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Description	March 31, 2018	March 31, 2017
Actuarial (gain)/loss on arising from change in demographic assumption	18.53	(58.11)
Actuarial (gain)/loss on arising from change in financial assumption	17.60	(31.75)
Actuarial (gain)/loss on arising from experience adjustment	(166.64)	89.12
Remeasurement on plan assets		
Return on plan assets (excluding interest)	(6.81)	(5.07)
Total actuarial (gain)/loss recognised in OCI	(137.32)	(5.81)

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

(iii) Movement in the defined benefit obligation during the year is as under:

Description	March 31, 2018	March 31, 2017	April 01, 2016
Present value of defined benefit obligation as at the start of the year	498.71	407.57	304.05
Current service cost	98.99	79.94	104.92
Interest cost	33.77	34.27	25.90
Actuarial loss/(gain) recognised during the year	82.78	(0.74)	(13.89)
Benefits paid	(22.93)	(22.33)	(13.41)
Past service cost	77.03	-	-
Present value of defined benefit obligation as at the end of the year	768.34	498.71	407.57

(iv) Change in fair value of assets:

Description	March 31, 2018	March 31, 2017	April 01, 2016
Fair value of plan assets at the beginning of the year	318.14	302.89	241.96
Interest income plan assets	25.81	24.05	20.49
Actual contributions	50.82	18.60	50.74
Actuarial Gains/(Losses)	(6.35)	(5.07)	3.11
Benefits paid	(22.93)	(22.33)	(13.41)
Fair value of plan assets at the end of the year	365.50	318.14	302.89

(v) Actuarial assumptions

Description	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate	7.79%	7.27%	7.92%
Retirement age	58 years	58 years	58 years
Employee turnover:			
- Upto 30 years	10.00%	10.00%	2.00%
- From 31 to 44 years			
- Above 44 years			
Rate of increase in compensation	5.00%	5.00%	5.00%

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

(vi) Movement in net liability recognised in balance sheet

Description	March 31, 2018	March 31, 2017	April 01, 2016
Defined benefit obligation	768.34	498.71	407.57
Fair value of plan assets	(365.50)	(318.14)	(302.89)
Liability recognised in the balance sheet	402.85	180.57	104.68

(vii) Sensitivity analysis for gratuity liability

Description	March 31, 2018	March 31, 2017	April 01, 2016
Impact of the change in discount rate			
Present value of obligation at the end of the year	768.34	498.71	407.57
- Impact due to increase of 1 %	(84.31)	(54.45)	(38.78)
- Impact due to decrease of 1 %	90.69	58.74	41.57
Impact of the change in salary increase			
Present value of obligation at the end of the year	768.34	498.71	407.57
- Impact due to increase of 1 %	82.78	54.07	37.65
- Impact due to decrease of 1 %	(74.41)	(48.98)	(33.81)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(viii) Maturity profile of defined benefit obligation (undiscounted)

Description	March 31, 2018	March 31, 2017	April 01, 2016
Within next 12 months	80.50	54.75	30.88
Between 2-5 years	336.50	176.36	90.78
Between 6-10 years	380.32	224.25	170.80

(ix) Maturity profile of defined benefit obligation (undiscounted)

Description	March 31, 2018	March 31, 2017	April 01, 2016
The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and the management of the fund is undertaken by the LIC.	361.98	318.14	302.89
Others	-	-	-

B Compensated absences

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

(i) Actuarial assumptions

Description	March 31, 2018	March 31, 2017	April 01, 2016
Discount rate	7.79%	7.27%	7.92%
Future basic salary increase	5.00%	5.00%	5.00%
Employee turnover/ Withdrawal rate	10.00%	10.00%	10.00%
Leave availment ratio	2.00%	2.00%	2.00%
Retirement age	58 years	58 years	58 years

Notes:

- 1 The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- 2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

C Provident fund and ESI fund

Contribution made by the Group towards Provident fund during the year is ₹ 259.56 (March 31, 2017: ₹ 224.34 lakhs)

Contribution made by the Group towards ESI fund during the year is ₹ 61.85 (March 31, 2017: ₹ 33.49 lakhs)

48 Share based payments

The Holding 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 shareholders on September 30, 2010.

Under the Plan the Board of Directors of the Holding 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

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

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 Holding company 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, 2018 is Nil (March 31, 2017 is Nil, April 1, 2016 is ₹ 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 Holding company reviews its estimates of the number of options that are expected to vest. The Holding 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:

	ESOP-2010 (Grant I) April 01, 2011	ESOP-2010 (Grant II) 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 (₹)	49.50	58.80
Exercise price (in ₹)	38.00	38.00
Expected volatility	67.00%	54.00%
Option life (in years)	4.00	4.00
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:

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

Number of options	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	2,05,770	3.80	2,05,770	3.80
Granted during the year	-	-	-	-
Forfeited during the year	2,05,770	3.80	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of the year	-	-	2,05,770	3.80
Exercisable at end of the year	-	-	2,05,770	3.80

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

Number of options	Year ended March 31, 2018		Year ended March 31, 2017	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	8,49,580	3.80	8,49,580	3.80
Granted during the year	-	-	-	-
Forfeited during the year	7,36,670	-	-	-
Exercised during the year	1,12,910	3.80	-	-
Expired during the year	-	-	-	-
Balance at end of the year	-	-	8,49,580	3.80
Exercisable at end of the year	-	-	8,49,580	3.80

Note: The above mentioned shares are before share split (refer note 21(e)).

49 Fair value disclosures

i) Financial instruments by category

Particulars	March 31, 2018			March 31, 2017			April 01, 2016		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments*	436.23	-	0.26	430.40	-	0.26	476.47	-	0.26
Security deposits	-	-	2,086.58	-	-	1,072.10	-	-	768.56
Trade receivables	-	-	46,799.48	-	-	46,283.64	-	-	37,573.24
Cash and cash equivalents	-	-	1,946.90	-	-	3,272.17	-	-	2,611.87
Other bank balances	-	-	958.92	-	-	879.28	-	-	675.45
Derivative asset	139.16	-	-	1,437.51	-	-	681.37	-	-
Other financial assets	-	-	15,840.16	-	-	15,992.22	-	-	14,534.77
Total	575.39	-	67,632.30	1,867.91	-	67,499.68	1,157.84	-	56,164.16
Financial liabilities									
Borrowings	-	-	1,54,799.46	-	-	1,61,038.87	-	-	1,59,773.89
Trade payable	-	-	34,171.00	-	-	21,785.73	-	-	13,365.71
Other financial liabilities	-	-	4,344.32	-	-	6,282.31	-	-	7,759.20
Total	-	-	1,93,314.78	-	-	1,89,106.91	-	-	1,80,898.80

*Investment in equity instrument of Joint venture and associates have been accounted using equity method of accounting and hence, not presented here.

ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL				
Keyman insurance policies	-	236.89	-	236.89
Equity instruments - Quoted	0.83	-	-	0.83
Equity instruments - Unquoted	-	-	135.05	135.05
Mutual funds - Quoted	63.46	-	-	63.46
Derivative asset	-	139.16	-	139.16
Total financial assets	64.29	376.05	135.05	575.39

March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL				
Keyman insurance policies	-	230.22	-	230.22
Equity instruments - Quoted	1.30	-	-	1.30
Equity instruments - Unquoted	-	-	135.05	135.05
Mutual funds - Quoted	63.83	-	-	63.83
Derivative asset	-	1,437.51	-	1,437.51
Total financial assets	65.13	1,667.74	135.05	1,867.92

April 01, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL				
Keyman insurance policies	-	283.02	-	283.02
Equity instruments - Quoted	1.20	-	-	1.20
Equity instruments - Unquoted	-	-	135.05	135.05
Mutual funds - Quoted	57.20	-	-	57.20
Derivative asset	-	681.37	-	681.37
Total financial assets	58.41	964.40	135.05	1,157.84

Valuation process and technique used to determine fair value

- (i) The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) In order to arrive at the fair value of unquoted investments, the group obtains independent valuations. The techniques used by the valuer are as follows:
 - a) Asset approach - Net assets value method
 - b) Income approach - Discounted cash flows ("DCF") method
 - c) Market approach - Enterprise value/Sales multiple method

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

- (iv) Keyman insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India which represents surrender value for the investors.

Derivative financial assets:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

		March 31, 2018		March 31, 2017		April 01, 2016	
Particulars	Level	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets							
Security deposit	Level 3	2,086.58	2,086.58	1,072.10	1,072.10	768.56	768.56
Loan to others	Level 3	645.26	645.26	488.43	488.43	521.14	521.14
Loan to employees	Level 3	66.97	66.97	35.48	35.48	-	-
Other financial assets	Level 3	64,833.49	64,833.49	65,903.68	65,903.68	54,874.45	54,874.45
Total financial assets		67,632.30	67,632.30	67,499.68	67,499.68	56,164.16	56,164.16
Financial liabilities							
Borrowings	Level 3	1,54,799.46	1,54,799.46	1,61,038.87	1,61,038.87	1,59,773.89	1,59,773.89
Trade payables	Level 3	34,171.00	34,171.00	21,785.73	21,785.73	13,365.71	13,365.71
Other financial liabilities	Level 3	4,344.32	4,344.32	6,282.31	6,282.31	7,759.20	7,759.20
Total financial liabilities		1,93,314.78	1,93,314.78	1,89,106.91	1,89,106.91	1,80,898.80	1,80,898.80

The management assessed that security deposits, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

50 Financial risk management

i) Risk management framework

The group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Group presently does not make any significant investments in equity shares.

The group's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2018	March 31, 2017	April 01, 2016
A: Low	Loans	2,841.58	1,596.01	1,289.71
	Investments	436.49	430.66	476.73
	Cash and cash equivalents	1,946.90	3,272.17	2,611.87
	Other bank balances	958.92	879.28	675.45
	Other financial assets	62,023.80	63,189.47	52,268.23
B: Medium	Trade receivables	46,799.48	46,283.64	37,573.24

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	March 31, 2018			March 31, 2017			April 01, 2016		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	1,946.90	0.00%	1,946.90	3,272.17	0.00%	3,272.17	2,611.87	0.00%	2,611.87
Other bank balances	958.92	0.00%	958.92	879.28	0.00%	879.28	675.45	0.00%	675.45
Loans	2,841.58	0.00%	2,841.58	1,596.01	0.00%	1,596.01	1,289.71	0.00%	1,289.71
Other financial assets	15,224.32	0.00%	15,224.32	16,905.83	0.00%	16,905.83	14,694.99	0.00%	14,694.99

Expected credit loss for trade receivables under simplified approach

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). Trade receivables are subject to credit limits, controls and approvals processes. Based on the historical experience, the risk of default in case of trade receivables is low.

Particulars	0-1 Year	1-3 Year
As at March 31, 2018		
Trade receivables	46,799.48	10.44
Default rate	-	100.00%
Expected credit loss	-	10.44
As at March 31, 2017		
Trade receivables	46,283.64	60.68
Default rate	-	100.00%
Expected credit loss	-	60.68
As at April 01, 2016		
Trade receivables	37,573	61.43
Default rate	-	100.00%
Expected credit loss	-	61.43

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Reconciliation of loss allowance	Trade receivables
Loss allowance on April 01, 2016	61.43
Add (Less): Changes in loss allowances	(0.75)
Loss allowance on March 31, 2017	60.68
Add (Less): Changes in loss allowances	(50.24)
Loss allowance on March 31, 2018	10.44

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The group takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity of group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2018	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	1,36,824.23	12,924.68	9,883.52	1,59,632.43
Security deposit received	11.50	13.66	-	25.16
Trade payable	34,171.00	-	-	34,171.00
Other financial liabilities	4,319.16	-	-	4,319.16
Total	1,75,325.89	12,938.34	9,883.52	1,98,147.75

March 31, 2017	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	1,55,041.03	4,640.38	2,771.02	1,62,452.43
Security deposit received	11.50	9.78	-	21.28
Trade payable	21,785.73	-	-	21,785.73
Other financial liabilities	6,261.03	-	-	6,261.03
Total	1,83,099.29	4,650.16	2,771.02	1,90,520.47

March 31, 2016	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	1,56,561.33	3,029.07	1,184.41	1,60,774.80
Security deposit received	11.50	9.89	-	21.39
Trade payable	13,365.71	-	-	13,365.71
Other financial liabilities	7,737.80	-	-	7,737.80
Total	1,77,676.34	3,038.96	1,184.41	1,81,899.71

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

a) Foreign currency risk

The group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the group entities.

(i) Exposure to currency risk:

The groups exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency			In INR		
	March 31, 2018	March 31, 2017	April 01, 2016	March 31, 2018	March 31, 2017	April 01, 2016
Financial assets						
Trade receivables						
EURO	84.56	45.04	33.70	7,097.41	3,113.11	2,450.36
USD	374.10	270.10	276.39	24,454.34	18,565.68	18,310.85
GBP	0.31	0.31	0.17	28.52	25.26	16.61
Foreign exchange derivative contracts						
EURO	(101.50)	(20.00)	(30.00)	(8,174.86)	(1,536.45)	(2,312.57)
USD	(637.70)	(510.00)	(498.50)	(42,381.97)	(35,187.41)	(34,724.73)
Financial liabilities						
Trade payables						
EURO	3.43	1.99	1.86	276.10	140.13	140.01
USD	16.88	9.14	13.12	1,097.29	593.81	869.32
GBP	-	-	-	-	-	-
Preshipment credit						
USD	464.42	70.22	47.70	30,207.98	4,553.24	3,160.13
Bill discounted						
EURO	-	1.53	-	-	105.90	-
USD	17.51	32.70	76.32	1,138.86	2,120.67	5,055.92
GBP	0.15	1.12	1.20	13.78	90.88	114.22
Net exposure:						
EURO	81.13	41.52	31.84	6,821.31	2,867.08	2,310.35
USD	(124.71)	158.04	139.25	(7,989.80)	11,297.96	9,225.48
GBP	0.16	(0.81)	(1.03)	14.74	(65.62)	(97.61)

The following significant exchange rates have been applied:

	Year end spot rate		
	March 31, 2018	March 31, 2017	April 01, 2016
EURO	80.62	69.14	75.38
USD	65.04	64.85	66.26
GBP	92.28	81.33	95.12

The Outstanding forward exchange contracts in INR as at the end of the year entered by the group for the purpose of hedging its foreign currency exposures are as follows:

	March 31, 2018	March 31, 2017	April 01, 2016
EURO	8,174.86	1,536.45	2,312.57
USD	42,381.97	35,187.41	34,724.73
Total	50,556.83	36,723.86	37,037.30

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthen		Weaken	
		Effect on profit after tax		Effect on profit after tax	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Sensitivity of change in exchange rate by 100 basis points (March 31, 2017: 100 basis points)*	EURO	44.38	18.75	(44.38)	(18.75)
Sensitivity of change in exchange rate by 100 basis points (March 31, 2017: 100 basis points)*	USD	(51.98)	73.88	51.98	(73.88)
Sensitivity of change in exchange rate by 100 basis points (March 31, 2017: 100 basis points)*	GBP	0.10	(0.43)	(0.10)	0.43

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2018, the group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The group's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the group to interest rate risk:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Variable rate borrowing	1,54,483.05	1,60,803.28	1,59,429.95
Fixed rate borrowing	316.41	235.59	343.95
Total borrowings	1,54,799.46	1,61,038.87	1,59,773.89

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	March 31, 2018	March 31, 2017
Total borrowings		
- Impact due to increase of 50 basis points*	(502.50)	(525.76)
- Impact due to decrease of 50 basis points*	502.50	525.76

*Holding all other variable constant

ii) Assets

The group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

c) Price risk

Exposure

The group's exposure price risk arises from investments held and classified in the balance sheet as fair value through profit or loss. To manage the price risk arising from investments, the group diversifies its portfolio of assets.

Sensitivity

The table below summarises the impact of increases/decreases of the index on the group's equity and profit for the period :
Impact on profit before tax

Particulars	March 31, 2018	March 31, 2017
Mutual funds	63.46	63.83
Net assets value – increase by 100 basis points (March 31, 2017: 100 basis points)	0.41	0.42
Net assets value – decrease by 100 basis points (March 31, 2017: 100 basis points)	(0.41)	(0.42)
Key man Insurance	236.89	230.22
Net assets value – increase by 100 basis points (March 31, 2017: 100 basis points)	1.54	1.51
Net assets value – decrease by 100 basis points (March 31, 2017: 100 basis points)	(1.54)	(1.51)
Unquoted equity instruments	0.26	0.26
Value per share – increase by 100 basis points (March 31, 2017: 100 basis points)	0.00	0.00
Value per share – decrease by 100 basis points (March 31, 2017: 100 basis points)	(0.00)	(0.00)
Quoted equity instruments	0.83	1.30
Market price – increase by 100 basis points (March 31, 2017: 100 basis points)	0.01	0.01
Market price – decrease by 100 basis points (March 31, 2017: 100 basis points)	(0.01)	(0.01)

The group does not have any significant investments in equity instruments which create an exposure to price risk.

51 Capital management

The group's capital management objectives are

- to ensure the group's ability to continue as a going concern
- to provide an adequate return to shareholders

The group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The group's adjusted net debt to equity ratio is as follows:

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Total borrowings	1,54,799.46	1,61,038.87	1,59,773.89
Less : cash and cash equivalents	1,946.90	3,272.17	2,611.87
Net debt	1,52,852.56	1,57,766.70	1,57,162.02
Total equity	1,17,944.83	66,490.41	55,556.35
Adjusted net debt to adjusted equity ratio	1.30	2.37	2.83

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Dividends

Particulars	March 31, 2018	April 01, 2017
Equity shares		
(i) Final Dividend		
For the year ended March 31, 2017 of ₹ 0.15 per share (excluding tax)	400.12	-
For the year ended 31 March 2016 of ₹ 0.15 per share (excluding tax)	-	401.87
(ii) Proposed Dividend		
For the year ended March 31, 2018 of ₹ 0.15 per share (excluding tax)	401.87	-
For the year ended 31 March 2017 of ₹ 0.15 per share (excluding tax)	-	400.12

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

52 Related party disclosures

The group's related party transactions and outstanding balances are with its subsidiaries, associates and joint venture, key management and others as described below.

A. Names of related parties and description of relationship

a) Associates

Raghuvesh Agri Foods Private Limited
Raghuvesh Warehousing Private Limited
Raghuvesh Infrastructure Private Limited (w.e.f. August 24, 2015)

b) Joint Venture

Genoa Rice Mills Private Limited (from January 25, 2017)
Daawat Kameda India Private Limited (from November 24, 2017)

B. Key Management Personnel and their relatives

- Key Management Personnel

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
Monika Jaggia	Company Secretary

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Entities in which Key Management Personnel have significant influence and transactions

V K Foods
S K Engineering
R. S Rice & General Mills
Ashok Arora HUF
Raghunath Arora HUF
Super Textfab Private Limited

Transactions with key management persons and their relatives

Particulars	March 31, 2018	March 31, 2017
Sales		
V. K Foods	30.43	168.42
Purchases		
S K Engineering	0.57	0.43
Super Textfab Private Limited	2,387.63	1,660.87
Genoa Rice Mills Private Limited	118.84	-
Daawat Kameda India Private Limited	27.09	-
Remuneration		
Key Management Personnel		
Vijay Kumar Arora	169.00	140.70
Ashwani Kumar Arora	98.27	120.58
Surinder Kumar Arora	58.23	116.67
Ashok Arora	98.27	120.00
Relatives of Key Management Personnel		
Abhinav Arora	383.50	338.59
Aditya Arora	1.98	24.00
Aditi Arora	-	0.33
Anmol Arora	11.52	8.00
Gursajan Arora	-	43.85
Isha Arora	-	0.33
Ritesh Arora	34.85	12.71
Rohan Grover	7.30	24.49
Purva Arora	-	0.33
Sanjana Arora	-	0.33
Dividend paid		
Dividend paid to key management personnel	95.79	165.15
Dividend paid to relatives of key management personnel	171.98	103.56
Employee benefits to the key management personnel		
Provision for long term benefits	37.78	30.34
Short Term	424.13	497.95
Purchase of fixed assets		
S K Engineering	13.95	-
Rent expense		
Raghuvesh Agri Foods Private Limited	18.00	-
Raghuvesh Warehousing Private Limited	18.00	-
R S Rice & General Mills	8.00	8.00
Rental income		
V K Foods	0.60	2.40
S K Engineering	0.60	2.40

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	March 31, 2018	March 31, 2017
Interest expense		
Ashok Arora HUF	0.25	0.23
Raghunath Arora HUF	0.13	0.12
Ranju Arora	1.20	1.09
Sakshi Arora	0.22	0.20
Investment in Joint ventures		
Genoa Rice Mills Private Limited	-	125.00
Daawat Kameda India Private Limited	170.85	-
Interest income on inter-corporate deposits		
Genoa Rice Mills Private Limited	18.72	-
Loan granted		
Genoa Rice Mills Private Limited	425.00	125.00
Director sitting fees		
Gokul Patnaik	6.09	2.76
Supras Bhandari	3.52	2.76
Pramod Bhagat	7.75	5.69
Radha Singh	8.55	6.05
Rajesh Kumar Srivastava	-	0.13

Particulars	March 31, 2018	March 31, 2017
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

Particulars	31 March 2018	31 March 2017	April 01, 2016
Balances at the year-end {(payable)/ receivable}			
Ashok Arora HUF	(2.36)	(2.13)	(1.92)
Raghunath Arora HUF	(1.16)	(1.07)	(0.96)
Ranju Arora	(11.04)	(9.97)	(8.99)
Sakshi Arora	(2.06)	(1.86)	(1.68)
V K Foods	4.50	20.26	51.30
S K Engineering	(17.17)	(10.68)	(110.71)
Super Texfab Private Limited	(62.41)	(37.34)	(17.88)
Genoa Rice Mills Private Limited	567.91	125.58	-
Raghuvesh Infrastructure Private Limited	-	381.05	(311.16)
Raghuvesh Agri Foods Private Limited	149.57	168.86	140.76
Raghuvesh Warehousing Private Limited	29.82	119.97	89.12
Daawat Kameda India Private Limited	0.75	-	-
R S Rice & General Mills	(32.62)	(24.35)	(16.15)
Vijay Kumar Arora	(113.70)	(100.20)	(117.25)
Ashwani Kumar Arora	(12.41)	(32.14)	(38.02)
Surinder Kumar Arora	-	(3.54)	(11.80)
Ashok Kumar Arora	(0.22)	(0.22)	(0.21)
Gokul Patnaik	(0.86)	-	-
Pramod Bhagat	(0.86)	-	-
Radha Singh	(0.86)	-	-
Monika Jaggia	(0.25)	(0.25)	0.86

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

53 Segment reporting

The business activity of the Group predominantly fall within a single reportable business segment viz. manufacture and storage of rice. There are no separate reportable business segments. As part of reporting for geographical segments, the Group operates in three principal geographical areas of the world, i.e., India, America and other countries (Rest of the world). The aforesaid is in line with review of operating results by the chief operating decision maker.

Information about products and services

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from external customers		
Rice	3,31,313.59	3,08,827.54
Others	28,061.04	13,731.43
Other operating revenue	1,995.33	1,918.66
Other income	3,620.28	4,812.39
Total	3,64,990.24	3,29,290.01

Information about geographical areas

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Revenues from external customers		
In India	1,38,585.02	1,49,561.54
In America	1,09,009.23	93,968.88
Others	1,17,395.99	85,759.59

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non current assets located			
In India	37,917.92	30,988.51	31,755.69
In America	13,198.66	9,741.15	10,476.80
Others	13,497.10	4,176.76	444.00

54 Deferred government grants

Particulars	March 31, 2018	March 31, 2017
At the beginning of the year	364.22	454.99
Received during the year	222.45	-
Released to the Statement of Profit and Loss	98.06	90.77
At the end of the year	488.61	364.22

Particulars	March 31, 2018		March 31, 2017	
	Current	Non-current	Current	Non-current
Government grants	72.81	415.80	74.34	289.88

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

55 Leases

In case of assets taken on operating lease

The Group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. The Group has not executed any non-cancellable operating leases.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Lease payments for the year recognised in the Statement of Profit and Loss	1,313.05	978.11

In case of assets provided on operating lease

The Group has entered into rent agreements as a lessor for Silos, Kurkure plant and other office premises, which are in the nature of operating lease. The Group has not executed any non-cancellable operating leases.

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Lease rentals for the year recognised in the Statement of Profit and Loss	276.92	276.92

In case of assets taken on finance lease

The Group has taken a lease of the piece of land in Mandideep at District Raisen comprising of an area measuring 20,072.41 square meters for a term of 99 years commencing from January 11, 2018 for the purpose of Non Polluting Industrial Activity. There are no restrictions imposed on the Group under the lease arrangement.

The total of minimum future lease payments under finance lease is as under:

Particulars	As at March 31, 2018	As at March 31, 2017
Minimum lease payments:		
Not later than one year	2.29	-
Later than one year but not later than five years	6.88	-
Later than five years	9.50	-

56 Assets pledged as security

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current asset			
First charge			
Property, plant and equipments	19,156.55	16,206.22	17,277.52
Capital work in progress	2,212.94	2,225.38	726.45
Other intangibles assets	8.98	6.23	15.40
Total non-current asset pledged as security	21,378.47	18,437.83	18,019.37
Current assets			
First charge			
<i>Pari-passu</i>			
Inventories	1,15,793.27	1,05,465.53	95,579.67
Trade receivables	43,565.45	38,277.86	32,911.80
Total current asset pledged as security	1,59,358.72	1,43,743.39	1,28,491.47
Total assets pledged as security	1,80,737.19	1,62,181.22	1,46,510.84

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

57 Interests in associates and joint ventures

Set out below are the associates and joint ventures of the group as at March 31, 2018 which, in the opinion of the directors, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount		
					As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raghuvesh Warehousing Private Limited	India	40.00%	Associate	Equity method	444.28	445.03	435.48
Raghuvesh Agri Foods Private Limited	India	40.00%	Associate	Equity method	414.19	485.15	464.48
Raghuvesh Infrastructure Private Limited	India	30.00%	Associate	Equity method	-	1.50	1.42
Genoa Rice Mills Private Limited	India	50.00%	Joint venture	Equity method	-	63.18	-
Daawat Kameda India Private Limited	India	51.00%	Joint venture	Equity method	131.36	-	-
Total equity accounted investments					989.83	994.86	901.38

Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not LT Foods Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Balance Sheet	Associates								
	Raghuvesh Warehousing Private Limited			Raghuvesh Agri Foods Private Limited			Raghuvesh Infrastructure Private Limited		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current Assets									
Other Intangible Assets	191.85	258.49	246.29	477.94	649.73	637.89	1,320.82	509.16	-
Financial Assets									
Other financial assets	1,702.84	1,850.33	1,970.90	1,702.84	1,850.33	1,970.90	-	-	-
Income tax assets	44.66	1.12	37.17	44.95	1.76	34.42	24.98	1.21	-
Deferred tax assets	218.80	191.85	203.24	308.52	227.52	243.32	0.02	0.02	0.02
Total Non-current Assets	2,158.15	2,301.78	2,457.59	2,534.25	2,729.34	2,886.53	1,345.82	510.39	0.02
Current Assets									
Financial Assets									
Inventories	-	-	-	-	-	-	-	-	317.83
Trade receivables	107.24	191.21	78.25	103.72	141.75	88.82	-	-	-
Cash and Cash equivalents	9.58	50.35	47.23	25.10	2.32	24.15	2.73	54.75	10.80
Loans	3.06	4.19	6.24	2.48	5.38	3.30	6.57	6.57	349.58
Other financial assets	147.86	120.58	97.05	147.49	120.58	97.05	200.13	-	-
Other assets	44.07	5.51	27.71	6.81	4.68	5.60	19.03	1,913.89	311.79
Total Current Assets	311.81	371.84	256.49	285.59	274.70	218.92	228.46	1,975.21	989.99

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Balance sheet	Associates								
	Raghuvesh Warehousing Private Limited			Raghuvesh Agri Foods Private Limited			Raghuvesh Infrastructure Private Limited		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current Liabilities									
Financial Liabilities									
Borrowings	791.53	970.60	1,127.95	977.54	1,146.98	1,295.86	-	-	-
Provisions	98.16	-	-	141.85	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-	925.36	1,745.59	-
Total Non-current Liabilities	889.69	970.60	1,127.95	1,119.40	1,146.98	1,295.86	925.36	1,745.59	-
Current liabilities									
Financial Liabilities									
Borrowings	283.75	283.75	208.75	325.21	325.21	250.21	-	91.03	-
Trade payables	3.26	143.26	125.79	7.60	7.87	82.61	-	-	-
Other financial liabilities	168.55	162.74	169.20	161.39	161.64	311.82	498.49	617.00	-
Other liabilities	14.00	0.69	1.09	170.81	154.43	1.50	167.06	27.23	985.26
Total Current liabilities	469.57	590.43	504.83	665.02	649.15	646.14	665.56	735.27	985.26
Net Assets	1,110.70	1,112.58	1,081.30	1,035.43	1,207.92	1,163.45	(16.64)	4.75	4.75

Balance sheet	Joint Venture					
	Genoa Rice Mills Private Limited			Daawat Kameda India Pvt Ltd		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current Assets						
Property, plant and equipment	11.64	0.89	-	-	-	-
Other Intangible assets	0.31	0.47	-	-	-	-
Financial Assets						
Loans	4.16	3.64	-	-	-	-
Other financial assets	-	-	-	-	-	-
Other Assets	116.51	116.81	-	9.28	-	-
Non current tax assets	-	-	-	1.05	-	-
Total Non-current Assets	132.62	121.82	-	10.33	-	-
Current Assets						
Inventories	713.17	263.56	-	3.82	-	-
Financial Assets						
Trade Receivables	285.15	36.19	-	10.79	-	-
Cash and Cash equivalents	348.35	19.19	0.82	246.67	-	-
Other assets	7.25	37.76	-	11.71	-	-
Total Current Assets	1,353.92	356.70	0.82	272.99	-	-

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Balance sheet	Joint Venture					
	Genoa Rice Mills Private Limited			Daawat Kameda India Pvt Ltd		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current Liabilities						
Provisions	1.34	0.07	-	-	-	-
Total Non-current Liabilities	1.34	0.07	-	-	-	-
Current liabilities						
Financial Liabilities						
Borrowings	1,395.74	250.00	-	-	-	-
Trade payables	352.84	88.62	-	2.57	-	-
Other financial liabilities	58.46	4.66	-	21.97	-	-
Other current liabilities	5.84	15.06	-	1.20	-	-
Provisions	0.01	0.05	-	-	-	-
Total Current liabilities	1,812.89	358.39	-	25.74	-	-
Net Assets	(327.69)	120.06	0.82	257.58	-	-

Reconciliation to carrying amounts

Summarised Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Opening net assets	1,112.58	1,081.30	1,207.92	1,163.45	4.75	4.75
Profit/(loss) for the year	(1.88)	31.28	(185.06)	44.47	(21.39)	-
Closing net assets	1,110.70	1,112.58	1,022.87	1,207.92	(16.64)	4.75
Group's share in %	40%	40%	40%	40%	30%	30%
Group's share in INR	444.28	445.03	414.19	483.17	(4.99)	1.50
Goodwill	-	-	-	1.98	4.99	-
Carrying amount	444.28	445.03	414.19	485.15	-	1.50

Summarised Balance Sheet	Joint Venture			
	Genoa Rice Mills Private Limited		Daawat Kameda India Pvt Ltd	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Opening net assets	120.06	0.82	-	-
Increase in equity share capital	-	242.88	335.00	-
Profit for the year	(447.52)	(123.64)	(77.42)	-
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Closing net assets	(327.46)	120.06	257.58	-
Group's share in %	50%	50%	51%	-
Group's share in INR	(163.73)	60.03	131.36	-
Goodwill	163.73	-	(0.00)	-
Carrying amount	-	60.03	131.36	-

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue						
Revenue from operations	332.30	316.81	329.16	306.41	2,876.92	3,346.68
Other income	0.36	2.36	0.13	1.66	323.84	-
Total income	332.66	319.17	329.29	308.07	3,200.75	3,346.68
Expenses						
Costs of services rendered	-	-	-	-	2,876.92	3,346.68
Purchase of stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-
Employee benefit expense	19.38	17.65	20.82	15.78	58.03	-
Depreciation and amortisation expense	68.34	-	171.79	-	-	-
Finance costs	93.17	121.30	110.59	139.96	0.10	-
Other expenses	180.63	137.55	279.58	92.06	287.10	-
Total expenses	361.52	276.49	582.78	247.80	3,222.14	3,346.68
Profit before tax	(28.86)	42.68	(235.49)	60.26	(21.39)	-
Current tax expense	-	-	-	-	-	-
Deferred tax expense	(26.98)	11.39	(80.99)	15.79	-	-
Profit/(loss) for the year	(1.88)	31.28	(172.51)	44.47	(21.39)	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	(1.88)	31.28	(172.51)	44.47	(21.39)	-

Note - Loss for Raghuvesh Infrastructure Private Limited has been recognised of ₹ 1.50 lakhs for 2017-18. However, ₹ 4.92 lakhs has not been recognised for 2017-18, since the Group share of losses exceeds its interest in the associate. Group share of loss for the year adjusted through investment.

Summarised Statement of Profit and Loss	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Pvt Ltd	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue				
Revenue from operations	2,423.47	64.51	27.09	-
Other income	0.44	0.25	10.54	-
Total income	2,423.91	64.76	37.64	-
Expenses				
Cost of materials consumed	2,280.91	244.10	-	-
Purchase of stock-in-trade	-	-	24.45	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(34.23)	(189.51)	-	-
Employee benefit expense	76.11	9.53	-	-
Depreciation and amortisation expense	1.06	0.03	-	-
Finance costs	70.36	3.69	-	-
Other expenses	477.22	120.56	90.61	-
Total expenses	2,871.43	188.39	115.06	-
Profit before tax	(447.52)	(123.64)	(77.42)	-
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Profit/(loss) for the year	(447.52)	(123.64)	(77.42)	-
Other comprehensive income	(0.23)	-	-	-
Total comprehensive income/(loss)	(447.75)	(123.64)	(77.42)	-

Note - Loss for Genoa Rice Mills Private Limited has been recognised of ₹ 63.18 lakhs for 2017-18. However, ₹ 160.70 lakhs has not been recognised for 2017-18, since the Group share of losses exceeds its interest in the Joint venture.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Total share of profits on account of equity accounting of the joint venture under Ind AS:

	Year ended March 31, 2018	Year ended March 31, 2017
Share of profits from associates	(73.21)	30.30
Share of profits from joint ventures	(102.67)	(61.82)
Total share of profits from associates and joint ventures	(175.88)	(31.52)

58 First-time adoption

Transition to Ind AS

These are the group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Statement of Financial Position at April 01, 2016 (the Group's date of transition). In preparing its opening Ind AS Statement of Financial Position, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Ind AS optional exemptions

1 Deemed cost for property, plant and equipment, investment property and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Accordingly, the group has elected to measure all of its property, plant and equipment, intangible assets and investment property at their Previous GAAP carrying value

2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at Fair value through Statement of Profit and Loss on the basis of the facts and circumstances at the date of transition to Ind AS. The group has elected to apply this exemption for its investment in equity investments.

3 Share based payments

Ind AS 102 Share based payments requires an entity to recognise the equity settled share based payment plans based on fair value of the stock options granted to employees instead of intrinsic value. Ind AS 101 permits a first time adopter to ignore such requirement for the options already vested as on transition date that is April 01, 2016. The group has elected to apply this exemptions for such vested options.

4 Deemed cost for investments in associates and joint ventures

The initial investment in joint venture and associates have been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint ventures and associates at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

5 Long-term foreign currency monetary items

The Company has continued the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements as at the date of transition.

6 Business combination

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

B. Ind AS mandatory exceptions

1 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The group made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

- a) Investment in equity instruments carried at Fair value through Statement of Profit and Loss.
- b) Impairment of financial assets is based on expected credit loss model

2 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

3 Classification and measurement of financial assets and liabilities

The classification and measurement of financial assets will be made considering whether the conditions as per Ind AS

109 are met based on facts and circumstances existing at the date of transition.

Financial assets can be measured using effective interest method by assessing its contractual cash flow characteristics only on the basis of facts and circumstances existing at the date of transition and if it is impracticable to assess elements of modified time value of money i.e. the use of effective interest method, fair value of financial asset at the date of transition shall be the new carrying amount of that asset. The measurement exemption applies for financial liabilities as well.

C. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

- i. Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at April 01, 2016 is as follows:

Description	Note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment	7	27,925.05	394.14	28,319.19
Capital work-in-progress		2,442.81	-	2,442.81
Investment property	3, 12	374.12	-	374.12
Goodwill		7,707.93	-	7,707.93
Other Intangible assets		114.54	-	114.54
Investments accounted for using the equity method	1	268.08	633.30	901.38
Financial assets				
Investments	6, 17	373.96	102.77	476.73
Loans		719.32	-	719.32
Other financial assets		13,471.21	-	13,471.21
Deferred tax assets (net)	16	862.72	64.36	927.08
Other non-current assets	5	37.64	217.74	255.38
Non current tax assets		2,561.14	-	2,561.14
		56,858.52	1,412.31	58,270.83
Current assets				
Inventories		1,29,957.86	-	1,29,957.86
Financial assets				
Trade receivables		37,573.24	-	37,573.24
Cash and cash equivalents		2,611.87	-	2,611.87
Other bank balances		675.45	-	675.45
Loans		570.39	-	570.39
Other financial assets		1,223.78	-	1,223.78
Other current assets		16,962.27	(846.06)	16,116.21
		1,89,574.86	(846.06)	1,88,728.80
		2,46,433.38	566.25	2,46,999.63

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Description	Note	Previous GAAP*	Adjustments	Ind AS
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,666.32	-	2,666.32
Other equity	4	51,010.58	1,879.45	52,890.03
		53,676.90	1,879.45	55,556.35
Non-controlling interest	11	3,428.45	70.68	3,499.13
Non-current liabilities				
Financial liabilities				
Borrowings		3,756.79	-	3,756.79
Other financial liabilities		9.89	-	9.89
Other non-current liabilities	7	-	364.22	364.22
Long-term provisions	7	136.42	47.30	183.72
		3,903.10	411.52	4,314.62
Current liabilities				
Financial liabilities				
Borrowings		1,52,026.63	-	1,52,026.63
Trade payables	10	14,801.49	(1,435.78)	13,365.71
Other financial liabilities		11,739.78	-	11,739.78
Other current liabilities		1,499.94	-	1,499.94
Short term provisions	7	421.03	(359.63)	61.40
Current tax liabilities (net)		4,936.06	-	4,936.06
		1,85,424.93	(1,795.41)	1,83,629.52
Total liabilities		2,46,433.38	566.25	2,46,999.62

* The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Note:- The Ind AS adjustment includes impact of joint venture entity which was proportionately consolidated under previous GAAP whereas consolidated/ accounted using equity method under Ind AS. Refer note 1

ii. Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

Description	Note	Previous GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Property, plant and equipment		26,570.51	299.90	26,870.41
Capital work-in-progress		3,950.39	-	3,950.39
Investment property	3, 12	333.53	-	333.53
Goodwill		7,490.29	-	7,490.29
Other Intangible assets		2,660.48	-	2,660.48
Investments accounted for using the equity method	1	189.45	805.41	994.86
Financial assets				
Investments	6	337.84	92.82	430.66
Loans		3,019.87	(2,337.21)	682.66
Other financial assets	5	13,550.13	-	13,550.13
Deferred tax assets (net)		844.53	290.12	1,134.65
Other non-current assets		164.66	108.34	273.00
Non current tax assets		2,333.46	-	2,333.46

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Description	Note	Previous GAAP*	Adjustments	Ind AS
		61,445.14	(740.62)	60,704.52
Current assets				
Inventories		1,44,828.51	(131.78)	1,44,696.73
Financial assets				
Trade receivables		46,291.54	(7.90)	46,283.64
Cash and cash equivalents		3,242.95	29.22	3,272.17
Other bank balances		879.28	0.00	879.28
Loans		913.35	-	913.35
Other financial assets		3,355.70	-	3,355.70
Other current assets		11,312.41	2,094.25	13,406.66
		2,10,823.74	1,983.79	2,12,807.53
		2,72,268.88	1,243.17	2,73,512.05
EQUITY AND LIABILITIES				
Equity				
Equity share capital		2,666.32	-	2,666.32
Other equity	4	62,957.09	867.00	63,824.09
		65,623.41	867.00	66,490.41
Non-controlling interest	11	4,515.40	190.51	4,705.91
Non-current liabilities				
Financial liabilities				
Borrowings		6,437.33	-	6,437.33
Other financial liabilities		9.78	-	9.78
Other non-current liabilities	7	258.63	31.25	289.88
Long-term provisions		-	297.20	297.20
		6,705.74	328.45	7,034.19
Current liabilities				
Financial liabilities				
Borrowings	2	1,51,304.01	(125.01)	1,51,179.00
Trade payables	10	21,839.14	(53.41)	21,785.73
Other financial liabilities		9,695.07	-	9,695.07
Other current liabilities		5,757.04	-	5,757.04
Short term provisions	7	28.26	35.74	64.00
Current tax liabilities (net)		6,800.70	-	6,800.70
		1,95,424.22	(142.68)	1,95,281.54
Total liabilities		2,72,268.77	1,243.27	2,73,512.05

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Note:- The Ind As adjustment includes impact of joint venture entity which was proportionately consolidated under previous GAAP whereas consolidated/accounted using equity method under Ind As.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

iii. Reconciliation of the revenue and expenses presented in the Statement of Profit and Loss prepared as per Previous GAAP and as per Ind AS as at March 31, 2017 is as follows:

Description	Note	Previous GAAP*	Adjustments	Ind AS
Revenue				
Revenue from operations	10	3,24,477.62	-	3,24,477.62
Other income		3,556.39	1,256.00	4,812.39
Total income		3,28,034.01	1,256.00	3,29,290.01
Expenses				
Cost of material consumed	1	1,77,467.04	477.08	1,77,944.12
Purchases of stock-in-trade	1	84,373.60	(21.94)	84,351.66
Changes in inventories of finished goods, work in progress and stock in trade		(21,321.67)	-	(21,321.67)
Employee benefits expense	1, 14	11,699.47	(10.56)	11,688.91
Finance costs	1, 2	15,455.02	222.29	15,677.31
Depreciation and amortisation expense	1	5,415.67	94.25	5,509.92
Other expenses	1	35,636.30	356.27	35,992.57
Total expenses		3,08,725.43	1,117.39	3,09,842.82
Profit before share of profit of investments accounted for using equity method and tax		19,308.58	138.61	19,447.20
Tax expense (Refer note 45)				
Current tax		6,948.74	210.88	7,159.62
Deferred tax expense/ (credit)		(509.37)	(161.96)	(671.33)
Total tax expense		6,439.37	48.92	6,488.29
Profit after tax		12,869.21	89.69	12,958.90
Share of net profits of associates and joint ventures accounted for using the equity method		(78.63)	47.11	(31.52)
Profit for the year		12,790.58	136.80	12,927.38
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Re-measurement losses on defined benefit plans	14	-	(5.81)	(5.81)
Income tax effect	16	-	4.50	4.50
Items that will be reclassified to profit or loss				
Exchange differences on translation of foreign operations		-	(301.94)	(301.94)
Income tax effect		-	-	-
Other comprehensive income /(loss) for the year		-	(303.25)	(303.25)
Total comprehensive income for the year		12,790.58	(166.45)	12,624.13
Profit attributable to owners				
Owners of LT Foods Limited		11,789.89	(69.29)	11,720.60
Non-controlling interest		1,047.79	158.99	1,206.78
		12,837.68	89.70	12,927.38
Total comprehensive income for the year				
Owners of LT Foods Limited		11,742.80	(325.44)	11,417.36
Non-controlling interest		1,047.79	158.99	1,206.78
		12,790.59	(166.45)	12,624.14

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Note:- The Ind AS adjustment includes impact of joint venture entity which was proportionately consolidated under previous GAAP whereas consolidated/accounted using equity method under Ind AS.

iv. Reconciliation of total equity as at March 31, 2017 and April 01, 2016

	Note	As at March 31, 2017	As at April 01, 2016
Total equity (shareholder's funds) as per previous GAAP		65,623.40	53,676.90
Adjustments:			
Impact of Ind AS adjustments in investments accounted for using equity method	1, 17	743.75	634.82
Measurement of investments at fair value through profit or loss (FVTPL)	6	92.04	101.18
Impact of depreciation on leasehold land		(44.06)	(36.11)
Impact of Capital Grant	7	(20.27)	(24.75)
Impact of foreign exchange forward contracts	8	186.53	681.32
Impact on non-controlling interests due to above adjustments	11	(190.51)	(31.53)
Deferred tax on above adjustments	16	96.72	63.38
Others	4	2.81	491.13
Total equity as per Ind AS		66,490.41	55,556.35
As per Financials		66,490.41	55,556.35

v. Reconciliation of total comprehensive income for the year ended March 31, 2017

	Note	April 01, 2016
As per previous GAAP for March 2017		11,742.79
Adjustments:		
Impact of Ind AS adjustments in investments accounted for using equity method	1, 17	108.93
Measurement of investments at fair value through profit or loss (FVTPL)	6	(9.14)
Impact of depreciation on leasehold land		(7.96)
Impact of Capital Grant	7	4.48
Impact of Foreign exchange forward contracts	8	-
Impact on non-controlling interests due to above adjustments	11	(158.98)
Others	4	7.14
Deferred tax on above adjustments	16	33.35
Total adjustments		(22.18)
Other Comprehensive Income (net of tax)		(303.25)
Total equity as per Ind AS		11,417.36

Note – 1

Joint ventures

Under Previous GAAP, investment in a joint venture is accounted for using proportionate consolidation method in the financial statements. Under Ind AS, the same has been accounted for using equity method of accounting, i.e. at cost of investment adjusted for share in profits or losses (losses to the extent of investment made by the Company) and any distributions made by the investee entity. Consequential difference between proportionate consolidation of net assets and value of investment determined using equity method of accounting has been adjusted in retained earnings.

Accordingly, Genoa Rice Mills Private Limited was classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under Ind AS, Genoa Rice Mills Private Limited has been classified as a joint venture and accounted for using the equity method since the group is a limited liability group whose legal form offers separation of the group from the investors. The parties to the joint arrangements do not have direct rights to the assets and liabilities of Genoa Rice Mills Private Limited."

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

For the purposes of applying the equity method, the investment in Genoa Rice Mills Private Limited of INR Genoa Rice Mills Private Limited, as at the date of transition, has been measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated.

i. The following assets and liabilities were previously proportionately consolidated under previous GAAP in joint ventures:

Summarised balance sheet	Genoa Rice Mills Private Limited As at March 31, 2017
Property, plant and equipment	0.89
Other Intangible Assets	0.47
Financial Assets	
Loans	3.64
Other financial assets	-
Income tax assets	-
Other Assets	116.81
Total Non-current Assets	121.82
ii. Current Assets	
Inventories	263.56
Financial Assets	
Trade receivables	36.19
Cash and Cash equivalents	19.19
Other bank balances	-
Loans	-
Other financial assets	-
Other assets	37.76
Total Current Assets	356.70
Non-current Liabilities	
Financial Liabilities	
Borrowings	-
Deferred tax liabilities (net)	-
Other Liabilities	-
Provisions	0.07
Total Non-current Liabilities	0.07
Current liabilities	
Financial Liabilities	
Borrowings	250.00
Trade payables	88.62
Other financial liabilities	4.66
Other liabilities	15.06
Provisions	0.05
Total Current liabilities	358.39
Net Assets	120.06

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

The following items of income and expenditure were previously proportionately consolidated under previous GAAP:

Summarised Statement of Profit and Loss	Genoa Rice Mills Private Limited
	As at March 31, 2017
Revenue	
Revenue from operations	64.51
Other income	0.25
	64.76
Expenses	
Costs of services rendered	233.39
Purchase of stock-in-trade	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(189.51)
Employee benefit expense	9.53
Depreciation and amortisation expense	0.03
Finance costs	3.69
Other expenses	131.27
	188.40
Current tax expense	-
Deferred tax expense	-
Profit/(loss) for the year	(123.64)
Total comprehensive income/(loss)	(123.64)

Impact on account of equity accounting of the joint venture under Ind AS:

Summarised statement of profit and loss	Genoa Rice Mills Private Limited
	As at March 31, 2017
Share of profits/(loss) of joint venture recognised as per equity method	(61.82)
Share of other comprehensive income (remeasurements) of joint venture recognised as per equity method	-

Summarised statement of cash flows of Genoa rice mill private limited for the year ended March 31, 2017 not considered under Ind AS in the consolidated statement of cash flows

	Genoa Rice Mills Private Limited
Opening cash and cash equivalents April 01, 2016	0.82
Cash flow from operating activities	(466.02)
Cash flow from investing activities	(4.92)
Cash flow from financing activities	489.19
Closing cash and cash equivalents March 31, 2017	19.07

Note – 2

Effective interest rates on borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the Statement of Profit and Loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to Statement of Profit and Loss as and when incurred.

Note – 3

Investment property

Under the previous GAAP, investment properties were presented as part of non-current investments. Under Ind AS, investment properties are required to be separately presented on the face of the balance sheet. There is no impact on the total equity or profit as a result of this adjustment.

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

Note – 4

Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of INR 481.37 (inclusive of corporate dividend tax) at April 1, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount..

Note – 5

Security deposits

Under the previous GAAP, interest free lease security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. Accordingly, the group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognised as prepaid rent.

Note – 6

Fair Valuation of Investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended March 31, 2017.

Note – 7

Government grant and fair valuation as deemed cost for certain items

Under Ind AS, the transfer of resources from the government in the form of a waiver of duty needs to be accounted for as government grant. Accordingly, the duty benefit availed under Export Promotion Capital Goods (EPCG) Scheme and SEZ scheme on purchase of plant and equipments has been recognised as government grant by an increase in the carrying value of property, plant and equipment with a corresponding credit to the deferred government grant. The increase in the value of property, plant and equipment is depreciated over the balance useful life of the asset. The deferred grant revenue is released to the profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset. Under Previous GAAP such benefits were

(All amounts are in ₹ in lakhs unless otherwise stated)

being netted off with the cost of the respective item of property, plant and equipment.

Note – 8

Employee stock option expense

Under the previous GAAP, the cost of equity-settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of equity settled share-based plan is recognised based on the fair value of the options as at the grant date. There is no impact on total equity.

Note – 9

Expected credit loss

Under previous GAAP, provision for doubtful debts was recognised based on the estimates of the outcome and of the financial effect of contingencies determined by the judgement of the management of the Company. This judgement was based on consideration of information available up to the date on which the financial statements were approved and included a review of events occurring after the balance sheet date.

Under Ind AS, a loss allowance for expected credit losses is recognised on financial assets carried at amortised cost. Expected loss on individually significant receivables is assessed when they are past due and based on Company's historical counterparty default rates and forecast of macro-economic factors.

Note -10

Netting off of rebates and discounts

"Under AS 9 the revenue is recognised at gross amount and cash discount is recorded as an expense when the seller receives the payment net of discount. Under Ind AS 18, revenue is measured at consideration receivable less estimated cash discount. The amount of cash discount is estimated on the basis of most likely outcome approach or expected outcome approach. Application of both approached depend on case to case basis.

Note – 11

Non- controlling interests

Non- controlling interests has been adjusted consequent to the above Ind AS transition adjustments with corresponding impact to retained earning.

Note – 12

Measurement of investments at fair value through profit or loss (FVTPL)

Under previous GAAP, investments in long-term equity instrument were carried at cost and tested for other than temporary diminution. Under Ind AS, such investments are carried at fair value through profit or loss (FVTPL) (except for investment in subsidiaries, associates and joint venture).

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Note – 13

Foreign currency translation reserve

The Group has deemed the cumulative translation differences for foreign operations at the date of transition to be zero. Adjustments to give effect to this are recorded against opening equity. After the date of transition, translation differences arising on translation of foreign operations are recognised in other comprehensive income and included in a separate translation reserve within equity.

Note – 14

Remeasurements of post-employment benefit obligations

Both under Indian GAAP and Ind AS, the Group recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the Statement of Net Defined Benefit Obligation and the return on plan assets excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income.

Note – 15

Minimum alternative tax

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement is grouped with deferred tax asset (net) in the Balance Sheet.

Note – 16

Deferred tax

Under previous GAAP, tax expense in the consolidated financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. No adjustments to tax expense was made on consolidation. Under Ind AS, deferred taxes are also recognised on undistributed profits of joint ventures and associates. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

Note - 17

Service concession arrangements

Service concession arrangements are arrangements between a public sector entity (grantor) and a private sector company (operator) for construction of infrastructure assets, in which the grantor controls or regulates the services provided with the infrastructure, their price, and any significant residual interest in the infrastructure. There is no specific accounting guidance in IGAAP applicable to service concession agreements. However IndAS provides specific guidance for public-to-private service concession arrangements in which:

- The public sector entity controls or regulates the services provided with the infrastructure and their prices and
- Controls any significant residual interest in the infrastructure.

As per the guidance the operator would not recognise the infrastructure as its PPE. Instead, it recognises it as either a financial asset or an intangible asset, or both, at fair value as compensation for any construction service that it provides to the grantor.

59 Additional information required by Schedule III

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
Parent								
LT Foods Limited								
March 31 2018	63.21%	78,054.61	29.05%	4,195.55	-30.36%	(106.19)	27.65%	4,089.36
March 31 2017	51.05%	36,345.28	23.13%	2,989.89	-12.23%	37.10	23.98%	3,026.99
Subsidiaries (group's share)								
Daawat Foods Limited								
March 31 2018	15.03%	18,561.40	22.73%	3,282.15	-2.77%	(9.68)	22.12%	3,272.47
March 31 2017	21.47%	15,288.91	27.34%	3,534.28	9.87%	(29.92)	27.76%	3,504.36
Nature Bio Foods Limited								
March 31 2018	5.52%	6,818.53	17.00%	2,454.43	-1.08%	(3.77)	16.57%	2,450.65
March 31 2017	6.13%	4,367.88	10.17%	1,314.35	2.80%	(8.49)	10.34%	1,305.86
SDC Foods India Limited								
March 31 2018	-0.26%	(316.69)	-0.06%	(8.62)	0.00%	-	-0.06%	(8.62)
March 31 2017	-0.43%	(308.07)	-0.07%	(8.86)	0.00%	-	-0.07%	(8.86)

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2018

(All amounts are in ₹ in lakhs unless otherwise stated)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
Raghuvesh Warehousing Private Limited								
March 31 2018	0.36%	444.28	-0.01%	(0.75)	0.00%	-	-0.01%	(0.75)
March 31 2017	0.63%	445.03	0.10%	12.51	0.00%	-	0.10%	12.51
Raghuvesh Agri Foods Private Limited								
March 31 2018	0.34%	414.19	-0.49%	(70.96)	0.00%	-	-0.50%	(70.96)
March 31 2017	0.69%	488.21	0.14%	17.79	0.00%	-	0.14%	17.79
Raghuvesh Infrastructure Private Limited								
March 31 2018	0.00%	-	-0.01%	(1.50)	0.00%	-	-0.01%	(1.50)
March 31 2017	0.00%	1.50	0.00%	-	0.00%	-	0.00%	-
Joint ventures								
Genoa Rice Mills Private Limited								
March 31 2018	0.00%	-	-0.44%	(63.18)	-0.03%	(0.12)	-0.41%	(63.30)
March 31 2017	0.08%	60.12	-0.48%	(61.82)	0.00%	-	-0.49%	(61.82)
Daawat Kameda India Private Limited								
March 31 2018	0.11%	131.36	-0.27%	(39.49)	0.00%	-	-0.27%	(39.49)
March 31 2017	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Intragroup eliminations								
March 31 2018	-11.88%	(14,664.01)	-1.54%	(222.25)	137.17%	479.82	1.74%	257.57
March 31 2017	-14.31%	(10,184.68)	1.36%	175.46	96.98%	(294.10)	-0.94%	(118.64)
Total								
March 31, 2018	100.00%	1,23,485.75	100.00%	14,441.98	100.00%	349.81	100.00%	14,791.79
March 31, 2017	100.00%	71,196.32	100.00%	12,927.38	100.00%	(303.25)	100.00%	12,624.14

60 Previous year figures

Previous year's figures have been regrouped/ reclassified wherever necessary, to confirm to current year's classification.

For Walker Chandio & Co LLP
Chartered Accountants

per Neeraj Goel
Partner

Place : Gurugram
Date : May 24, 2018

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



CORPORATE OFFICE

LT Foods Limited
4th Floor, MVL-I Park Sector 15,
Gurugram -122001, Haryana
Phone no. 0124-3055100,
www.ltgroup.in

REGISTERED OFFICE

LT Foods Limited
Unit No. 134, 1st Floor, Rectangle-1,
Saket District Centre, New Delhi-110017
Phone no. 011-29565344
CIN: L74899DL1990PLC041790



