

Your World, Our Brands...



LT Foods

“ It is often said that great brands aim for customers’ hearts, not their wallets. People decide which brands to buy and which ones to stick with based on how they make them feel. Our rich portfolio of branded specialty foods places the Company in the league of leading Food Companies that have strong emotional connection with their consumers.



Your World, Our Brands...

Our consumers are constantly in need to navigate their way carefully through a sea of choices. When it comes to their diet, they invariably look to place their trust in ethical food companies that are clear beacons of quality and good standing.

At LT Foods, we help bring simplicity to our consumers' complex world. They recognise us as a true standard bearer of

nutritious food products, that have great taste, that are the best in quality and that respects their health, as well as the environment's. In a world full of options, our Brands stand tall in the hearts and minds of our consumers. They have faith in our brands to be the caretakers of their interests and needs globally. This has, in turn, transformed us into a leading Food Company out of India, that sells top quality specialty food products under compelling Brands globally.





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CHAIRMAN'S MESSAGE

“ We feel a special connect with our consumers, making taste, health and quality the key ingredients in cultivating a deeper bond with them.

Dear Stakeholders,

A warm welcome to our Annual Report for the financial year 2015-16. A year in which bold steps were taken to march towards becoming a brand driven Food Company with a wide basket of products, covering multiple price points and reaching house-holds of all economic groups across the world like never before. We also enhanced our reach and penetrated deeper into our markets and ventured into newer geographies as well. Most importantly, we feel a special connect with our consumers, making taste, health and quality the key ingredients in cultivating a deeper bond with them. It's with this spirit that the chosen theme for this year is "Your World, Our Brands...", which is about how our brands are connected to the evolving and changing demographics, habits and expectations of our consumers, both at home and abroad.

LT@its home ground

For the Indian economy, FY2016 proved to be a challenging year that, nevertheless, provided a ray of hope for the future. The country's macro-economic situation is far better today, compared with a couple of years ago. As a result, retail consumption in the Indian context is in a growth sweet spot. Strong GDP Growth, improved ease of doing Business and better clarity regarding foreign direct investment (FDI) regulations has significantly improved conditions for foreign brands and national brands to expand their presence in India and take advantage of the opportunity that the Indian retail market offers. Overall, the Indian Retail Market supported by its enormous

potential, improving regulatory environment and favourable young and middle class demographics is expected to continue its growth in the longer term.

According to the 2011 official census, India has about 500 million Indians under the age of 25 years. Young Indians are driving purchases in categories such as mobile phones, fashion, accessories, food and beverage and quick service restaurants. They are usually better informed, (thanks to the internet age) and are willing to experiment and change habits. Young Indians have access to more money than before, driving independence, aspirations and demand for products. India also has a large and aspirational middle-class of 75 million households or 300 million individuals. Over the years, the disposable income of middle-class Indian consumers has increased significantly, which is leading to a substantial change in their spending habits. At the top end of the pyramid, the growth in millionaires in India is driving indulgence in luxury products, inclusive of finest value-added food products. According to the World Wealth Report 2014, the total number of millionaires in India grew by ~51%, the second fastest in the Asia-Pacific Region.

These conditions augur extremely well for our full range of high quality branded and value added food products that are known for their top quality. Keeping India's demographics in mind, we have tried to match up with the lifestyle trends taking shape before us in our home market. In line with the "Your World, Our Brands" theme, we are into the business of understanding our consumers' needs and adapting our products to their requirements

“ In line with the “Your World, Our Brands” theme, we are into the business of understanding our consumers’ needs and adapting our products to their requirements and making them accessible globally.

and making them accessible globally. Our continuous innovation model is helping us and leading us to be ahead of the curve by using latest technological advancements in our R&D methodologies and meet the challenge head on. This business will be driven through innovation and the real action in value creation will be pinned on our growing range of high value-added products. Today, we have an extensive presence across India and we are consistently expanding our distribution, enlarging product portfolio and making continuous investments in the Brand globally. Daawat has today emerged as a top player in the premium segment, with more than 35% market share, which led to a 15% volume growth on a YoY basis in our India branded business.

Retail consumption around the world

Retail consumption around the world is a little different from India. In broad terms, consumer demand remained weak in FY2016, with market growth continuing to be subdued in emerging markets sans India, while showing some signs of low-level growth in North America and Europe. Many emerging markets were hit by local currency devaluations versus the US dollar, driving up the cost of consumer goods faster than wage growth. A number of these economies export commodities and have also been hit by slowing global demand. In response to devaluations, interest rates in many countries remained relatively high, further squeezing incomes. Stalling economic growth in China undermined the performance of many of its South East Asian trading partners, further weakening local currencies. European markets were characterised by small amounts of volume growth cancelled out by price deflation. North America achieved modest overall growth of 1%-2%.

Vijay Kumar Arora
Chairman



CHAIRMAN'S MESSAGE

“Despite another year of tough economic conditions globally, FY2016 once again saw the delivery of consistent, competitive, profitable and responsible growth, a trend that has now been firmly established at LT Foods, despite tough market conditions.

As a Food Company focusing on premium, high quality, pollutant free and environmentally sensitive food products, LT Foods finds itself becoming more relevant in the minds of its consumers in Europe and USA. In keeping with the “Your World, Our Brands” theme once again, we are extremely cognisant of the influences around us and have been highly adaptive to maintain commendable growth in these markets despite the myriad of challenges. Today, we export to more than 65 countries around the world with sizeable presence in US through our brand Royal which is the No. 1 brand there and have more than 50% market share. Our US business has been witnessing a CAGR of 30% over the last five years ending FY2016. We are consistently expanding our distribution, enlarging product portfolio and making repeated investments on the brand.

The year gone by had witnessed huge volatility movement in basmati prices. The industry as whole saw a drop in realisations. Despite another year of tough economic conditions globally, FY2016 once again saw the delivery of consistent, competitive, profitable and responsible growth, a trend that has now been firmly established at LT Foods, despite tough market conditions. Prices of paddy came down by 17%, however our realisation dropped by only 15%. Thanks to the brand strength of Daawat and Royal, we registered strong volume growth of 25% both in India and in international markets as compared to last year. The portfolio strategy has been sharpened and adapted in order to increase LT Foods' presence in faster growing and more profitable segments of the market. Innovations have been made bigger and stronger and more brands have been introduced successfully into existing and new markets, most recently in 2016 with the launch of “Devaaya” and “Ecolife” in the USA. Further, to widen our product range to target markets, we have taken the inorganic route by acquiring three brands this year: “Gold Seal Indus Valley”, “Rozana” and “817 Elephant”.

Governance & Quality

We are committed to building an outstanding organisation on the foundations of Governance and Quality. LT Foods believes in maintaining the best Corporate Governance Practices that meet the highest standards. It is our unique method of self-governance by instating our own culture, policies and rules to our employees from the highest to the lowest levels. It is our way of ensuring that a key pillar of our value system - Business Ethics, is upheld and visible in our conduct at all times. In terms of record keeping and corporate reporting, we have engaged a leading and respected auditing firm in the business - Walker Chandiok & Co LLP. We have rigorous internal control systems in place. A world class renowned consulting firm Protivity conducts Internal Audit to further strengthen our systems and procedures. To make our internal financial controls more robust, this year we implemented world's leading ERP system SAP, across the organisation, inculcating best business practices in our day to day workings. Our Board of Directors play an important role in providing direction with respect to strategy, goal setting and governance and controls in the Company. There is a special focus of the Board on ensuring that the Company works towards delivering best results to its shareholders. During the year, we are privileged to have Mr. Adesh Gupta, Mr. Gokul Patnaik and Mr. Suparas Bhandari, join the Board, complementing our existing eminent leaders who have been contributing significantly to the organisation.

I truly believe that business transparency is the key to promoting shareholder trust. Having reached a certain scale of size and investor base, the Company recently initiated a full-fledged Investor Relations outreach programme as a normal course of fostering transparency and pro-active investor communications. Our strong governance is also reflected in the grading we get from leading rating agencies from time to time. I am pleased to inform you that during the year, our credit rating by CRISIL improved to “BBB+/Stable” for our long term bank loans and “A2” for our short term loans.

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As part of our ongoing Quality Assurance programme, our objective is to promote, encourage and support development of our products and brands. We are sustaining our position as a leading Food company through our impeccable performance on delivering quality, thereby creating value for stakeholders. We are committed to provide our consumers high-quality products by way of stringent quality assurance norms – with state-of-the-art technology and a high degree of automation. We are constantly improving our products to ensure we have a competitive market advantage. Our sustained delivery on this commitment ensures your Company's products are trusted by consumers. During the year, we also continued our focus on driving the quality culture and productivity management across all our facilities, with increased capacities and technology.

People

Your Company has a strong and diversified talent pool, geared up to fulfil our goal. Attracting, developing and retaining the very best people is critical to ensure that we succeed in our vision of accelerating growth in our business while reducing our environmental footprint and increasing our positive social impact. These priorities are supported by our investment in our people's well-being, while we continue to make progress in the diversity and inclusiveness of our workforce. We work hard to ensure that we are attracting the right mix of talent and are committed to providing an environment in which our people can balance work and life the best way possible.

Way Forward

To keep ahead of the challenges that we continue to face, our set strategic goals keep pushing us to keep the relentless hard work on and keep growing. Supported by an asset-light outsourcing model, we have expanded our distribution reach and made consistent investments in our brands globally. We have also taken steps to strengthen our position in

the Middle East and Canada through strategic brand acquisitions; tightened our grip in existing markets through product extensions and brand reinforcements; launched new product lines globally through "Devaaya"; and, we have also added an exciting organic product line through Ecolife that is getting a great response in USA. With this, and more exciting developments planned through FY2017, I am confident of a continued growth trend at LT Foods and are committed to our customers and all stakeholders world- wide.

I would like to take this opportunity to sincerely thank our, board members, advisory council members, regulators, central and state governments, financial institutions, bankers, farmers, vendors, employees and most of all our consumers - for their support in shaping LT Foods to what it is today.

Finally, I would like to express my deepest thanks to you, our shareholders for having trust and belief in our Company.

I am confident that with your support, the Company will achieve greater heights of success in times to come.

Sincerely,



Vijay Kumar Arora
Chairman

A CONVERSATION WITH MR. ASHWANI KUMAR ARORA

Chief Executive Officer and Managing Director



Ashwani Kumar Arora

Chief Executive Officer & Managing Director

Q How did LT Foods perform for FY2016?

A A great way to start the chat! I am delighted with FY2016's performance data on my dashboard. Our strategic goals to lead our industry, shape our future and create growth opportunities, produced solid results for the year gone by. Firstly, I am pleased to tell you that despite enormous price volatility and challenging market conditions witnessed during the year, our total revenue rose by 7% to ₹ 2,979 crores, mainly due to a favourable brand mix and our strong marketing initiatives. This is in line with the longer term trends, where we have delivered 20% CAGR growth in revenues over the last five years. Correspondingly, our sales and marketing expenses were up 50%, as we continued to actively invest in growing and nurturing our brands globally. You might recall the memorable campaigns we ran with brand ambassadors Amitabh Bacchan and Sanjeev Kapoor. These campaigns put us on the map as a highly recognised brand with immediate recall value. As per our consumer tracks, "Daawat" ranks the best in terms of consumer perceptions on most of the key basmati quality parameters.

Interestingly, as a testimony to our premiumisation strategies, our EBITDA grew by 17% to ₹ 363 crores, and the EBITDA margin expanded by 106 basis points to 12.2%. We are confident of sustaining this profitability expansion going forward through our continuing and increased focus on expanding our branded products portfolio and improving the demand for them due to our back-end efficiencies. Our profit before taxes excluding exceptional items grew to ₹163 crores, up by an impressive 47% from the previous year.

As for leverage, we ended the year with a ratio of net debt to EBITDA of 4.40 times, in line with our plans. At the close of the year, the consolidated networth of your Company stood at ₹ 571 crores and consolidated gross debt was ₹ 1,597 crores. The cash and bank balances on a consolidated basis was ₹ 26.12 crores and the net debt to equity ratio was 2.80 times.

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Q Can you expand on the strategies adopted by your management during FY2016?

A We are actively pursuing and are engaged in many opportunities that will keep our growth humming with energy going forward. Firstly, as you have experienced, we started a journey of building a very strong brand “Daawat” within the premium segment of the branded rice market. As the lead brand within our portfolio, we expect it to occupy top position in the premium segment. Our campaigns with famous brand ambassadors have created a lot of traction in the marketplace globally. Market survey reports are already showing continuously improving trends in Daawat’s brand recognition within key urban markets. On the back of this brands’ led approach, we hope to leverage their stickiness and trust factor to rub off on our line extensions and new value-added and niche complementary food service product offerings, such as “Devaaya” and “Ecolife”, that we are continuously introducing.

Secondly, we have been revamping and expanding our route to market in terms of reinforcing our manufacturing, storing and distribution infrastructure. With so many new products launched, there is a bigger need to take more volumes into our enlarged network. Without smooth supply, we cannot grow at the pace we are accustomed to. We have taken many steps in this area and today, our supply chain set up is well aligned to our growth ambitions. Further, the drive of adding efficiencies at the back-end are also keeping us competitive in the market and helping us in expanding the margins.

Thirdly, our growth will also get influenced by the expansion in the number of accessible towns we have on the grid. Over the last three years, the number of distributors have more than doubled, to cross 450 as of now. We have also ramped up the number of retailers to more than 150,000 today, making our direct coverage across India one of the most extensive in the business. We have also ramped up our activations in merchandising and consumer point of purchase promotions. All these efforts will continue and be a continuous driver for improving sales.

Fourthly, our North American business has performed commendably in FY2016. We are growing at a CAGR of 30% to reach US \$131.20 million for the year ending 2016. With 81% of LTFA’s business being branded, our flagship brand “Royal” continues its ascent as the No. 1 Basmati brand in this important market. During the year, we also introduced our staples line under this brand, which are fast gaining wide acceptance across all marketing channels. In addition, we launched our organics line under the “ecoLife” brand, which is gaining increasing buyer interest each day. Both “Royal” and “ecoLife” were star attractions at both the Fancy Food Show and Expo West, the largest natural foods show in the USA. Beyond our print advertising initiatives, we are steadily growing our visibility across social media. The Company is also exploring avenues for expanding its product portfolio through its exciting Royal Authentic Adventure franchise.

Finally, we have been and will keep introducing new and innovative high-value products. Our fast cooking brown rice and sauté sauces, which are becoming more popular by the day, are apt examples of such products. The launch of our “Devaaya” staples product range will also give us steady growth as more and more consumers switch to this brand for peace of mind when it comes to being both clean and safe. This brand will not only be available in India, but also globally - especially in the USA and the Middle East. I expect to see “Devaaya” become another pillar of a brand and in the same league as “Daawat” in time.

Q Organic growth aside, what’s your view towards inorganic growth going ahead?

A We are always open to acquisitions where the target categories and market access make strong business sense to us. As you can see with the acquisition of brands from Hindustan Unilever (HUL) during FY2016, the Company took highly calculated and strategic steps in terms of its inorganic growth in the Middle East, the largest market for basmati rice in the world. The acquired brands Gold Seal Indus Valley and Rozana have more than 40 SKUs, with more than ₹ 50 crores in sales in FY2015. This acquisition made good business sense to us in multiple

A CONVERSATION WITH MR. ASHWANI KUMAR ARORA

ways. Firstly, it allowed us to strengthen our position in the Middle East, giving us a chance to quickly strengthen our position in a critical market. This acquisition gave us a speedy entry into regions such as Qatar, Bahrain and Oman, quickly fortifying our position in the branded rice segment within this region. We were also able to leverage the strengths of HUL's distribution network and develop relationships with large key distributors to improve the reach and margins of our portfolio. All this might have taken years to accomplish organically. Instead, we now have a ready platform to attain a strong positioning in a regional market that has the dominant consumer demand of basmati rice in the world.

More recently in July, 2016, we also entered into an agreement to acquire the Branded Rice Business of Deva Singh Sham Singh (DSSS) through its UK subsidiary LT Foods International Limited. With this, we gain a decades old iconic brand "817 Elephant", which has a strong recall and presence particularly within the ethnic markets of Canada, USA and Dubai. This acquisition will broaden our basket of offerings of brands with a high recall value. We can also improve our margin profiles from the synergies of Supply Chain Management and Back-End Processing.

Going forward, we will continue to look for inorganic action with a strong positive case for healthily growing our business.

Q Your current gearing ratio is 2.80. How are you planning to manage your debt going forward?

A We are currently at a point where we are focusing on taking full advantage of our operating leverage. As mentioned earlier, we are focused on quality growth and strengthening our balance sheet by adopting a roadmap to deliver continuous improvement in our EBITDA and free cash generation. Going forward, the Company intends to incur capex mainly on the value added premium segments of our business, and not on its core operations, which is adequately resourced. Now, in the near term, given the strong growth opportunities ahead of the Company, we plan to finance our growth into value added premium segments through

our own cash accruals, while paring our debt levels gradually. During FY2016, we are pleased to inform you that we were able to repay and bring down our debt by around ₹ 100 crores. We are currently maintaining a healthy debt service cover ratio and, as a growing company with improving margins, we can comfortably service our debt while producing sufficient surplus cash to fuel our expansion at the same time. In the medium to longer term, I expect our debt levels will start reducing as we naturally cross the equilibrium point that will allow us to both grow and systematically repay our debts comfortably.

Q What's the latest progress with your insurance claim by your subsidiary Daawat Foods Limited?

A As you know, there was a fire accident at one of the Company's subsidiary - Daawat Foods Limited (DFL) on June 7th, 2014. The production area of the plant was safe and thankfully there was no human casualty. As a result of this fire, however, some raw materials with a book value of ₹179.9 crores got destroyed. The stock was fully insured and the Company duly filed for an insurance claim. Unfortunately, our claim is being disputed by the Insurance Company. Based on sound legal advice, we are currently pursuing a legal challenge to this dispute. In the meantime, it is important to note that while the loss of ₹ 179 crores of inventory is painful, it no way puts an impediment to our growth agenda. This is just an inconvenient bump on the road that we are confident to overcome.

Q What's the outlook for the Company going forward?

A Over the years, LT Foods has built a strong position within the Indian food landscape. Through our businesses, we are participating in the growth engines of India and other global markets, which is the vast consumption story of basic food items by billions of people worldwide. In doing so, we have built distinctive, market leadership positions in our business. Having reached a scale, size and stature that places us in a pole position for the next round of our marathon run, we are now at a crucial juncture for making some strategic choices on the future direction and focus of the organisation. Looking at the best interest of

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our shareholders, it is clear that we need to orient our business towards a direction that produces the best possible Return on Equity. As a consequence, we are sharpening our business model by distancing away from certain parts of our business which yield narrow margins, and paying even greater attention to growing the parts of our business where we have distinct stronghold positions and can command higher margins. This means that we must continually move towards premiumisation and value-added products. In doing so, we hope to further enhance our Profitability and thus Return on Equity (ROE). This transformation can only be achieved through a relentless focus on finding the ideal balance between the right products, the right structures, and the right people to execute our plans. I feel that we have made significant progress on all these fronts. Now, our business model has been primed to chase for quality growth.

There are several drivers that will propel us forward in this regard. I'll enumerate some key ones for you. Firstly, I expect our “Devaaya” brand to show stronger traction in both India and in international markets, as we progress forward. Catering to the mid-price segment in India, “Devaaya” offers a full range of branded Basmati rice and staples like Atta, Suji, Besan, Dalia, Poha and Maida. This brand promises assured quality and freedom from nearly 500 known impurities. Purity and safety are increasingly becoming more prominent purchasing criteria in people's minds.

Secondly, we're really excited about the introduction of “Royal® Authentic Adventures” range of products in the USA, a new line of flavoured basmati rice inspired by global cuisines. The largest selling basmati rice brand in the US, Royal has also more than doubled its revenue over the last four years. Expanding its reach and product portfolio on continuous basis, the brand is also becoming known for Jasmine rice, Arborio rice and wheat flour. With “Royal® Authentic Adventures” added to the mix, we expect to see good growth in this area and we have plans to further expand this portfolio by adding more products.

And thirdly, we're really charged up about “Ecolife”, our organic foods brand is already well

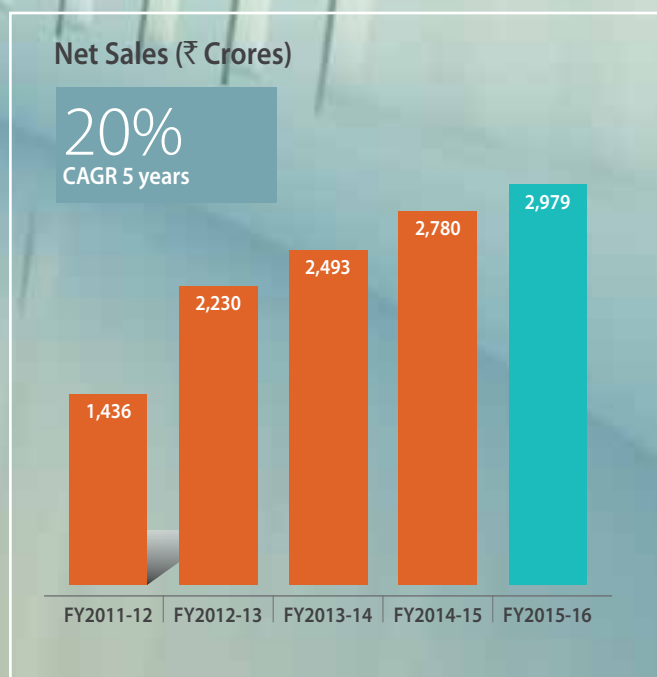
accepted in advanced markets. Its portfolio range includes rice, pulses, oil seeds, cereal grains, spices, nuts and fruits & vegetables. Right now, our organic business has been one of the fastest growing segments with a CAGR in excess of 55.3% from FY2011 to FY2016 and has contributed more than ₹ 224 crores to our topline in FY2016. We enjoy one of the largest procurement ecosystem for organic foods that is sourced from 80,000 farmers that cultivate 160,000 acres of land.

Obviously, growth cannot be sustained without commensurate adjustments on the supply side infrastructure. Keeping a focus on value creation, we have an overall strategy to grow our manufacturing capabilities in an asset-light way. Apart from our own plants, we also contract out to more than five other 3rd party facilities, giving us ample headroom to increase our supplies without making any major capex. In addition, where we see an opportunity, we are willing to get into strategic tie-ups that frees us off the capex but still gives us dedicated new capacity. With this idea in mind, we entered into a 50-50% JV agreement with the Future Group during FY2016, for processing and distributing Sona Masoori and rice into the southern region of India. Under the arrangement, the Future Group will invest and set up the processing unit and then lease it out to the JV Company. This is a perfect example of increasing our supply pool without the need for making any major capex investments.

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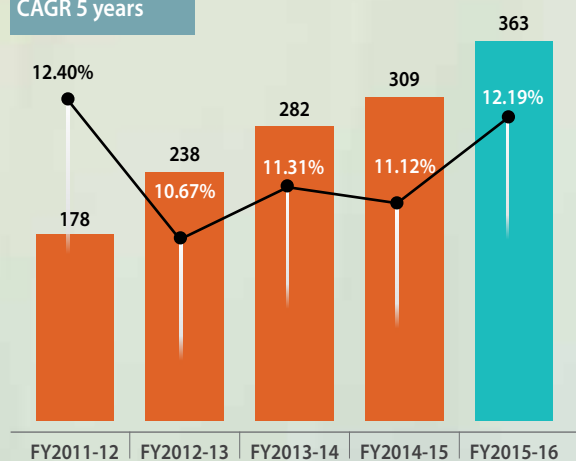
FINANCIAL HIGHLIGHTS

“ 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 pace. Its EBITDA has also witnessed healthy growth in tandem with the top-line. Profit after Tax and Earnings Per Share have also grown. Improving Operating Profitability has resulted in higher return on capital, which has increased from 9.7% in FY2012 to 12.18% in FY2016.

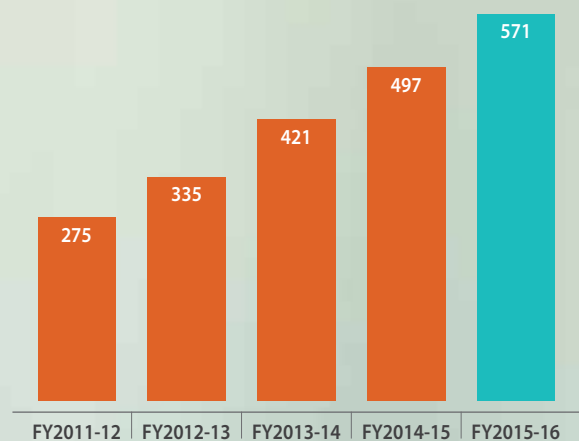


EBITDA (₹ crores) & EBITDA Margins (%)

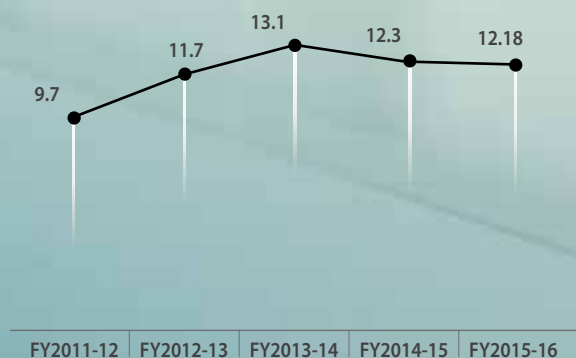
19.5%
CAGR 5 years



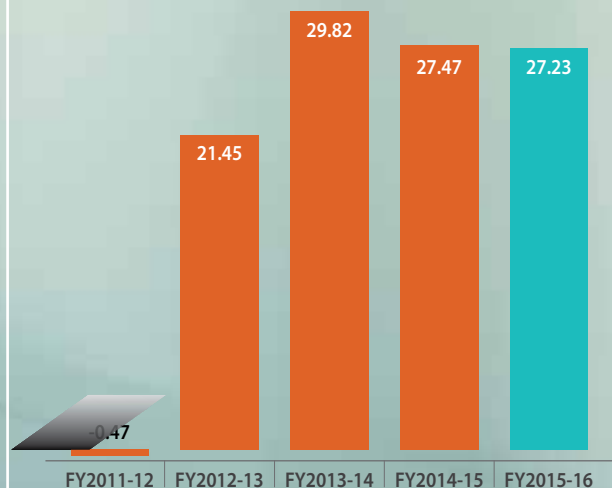
Net Worth (₹ Crores)



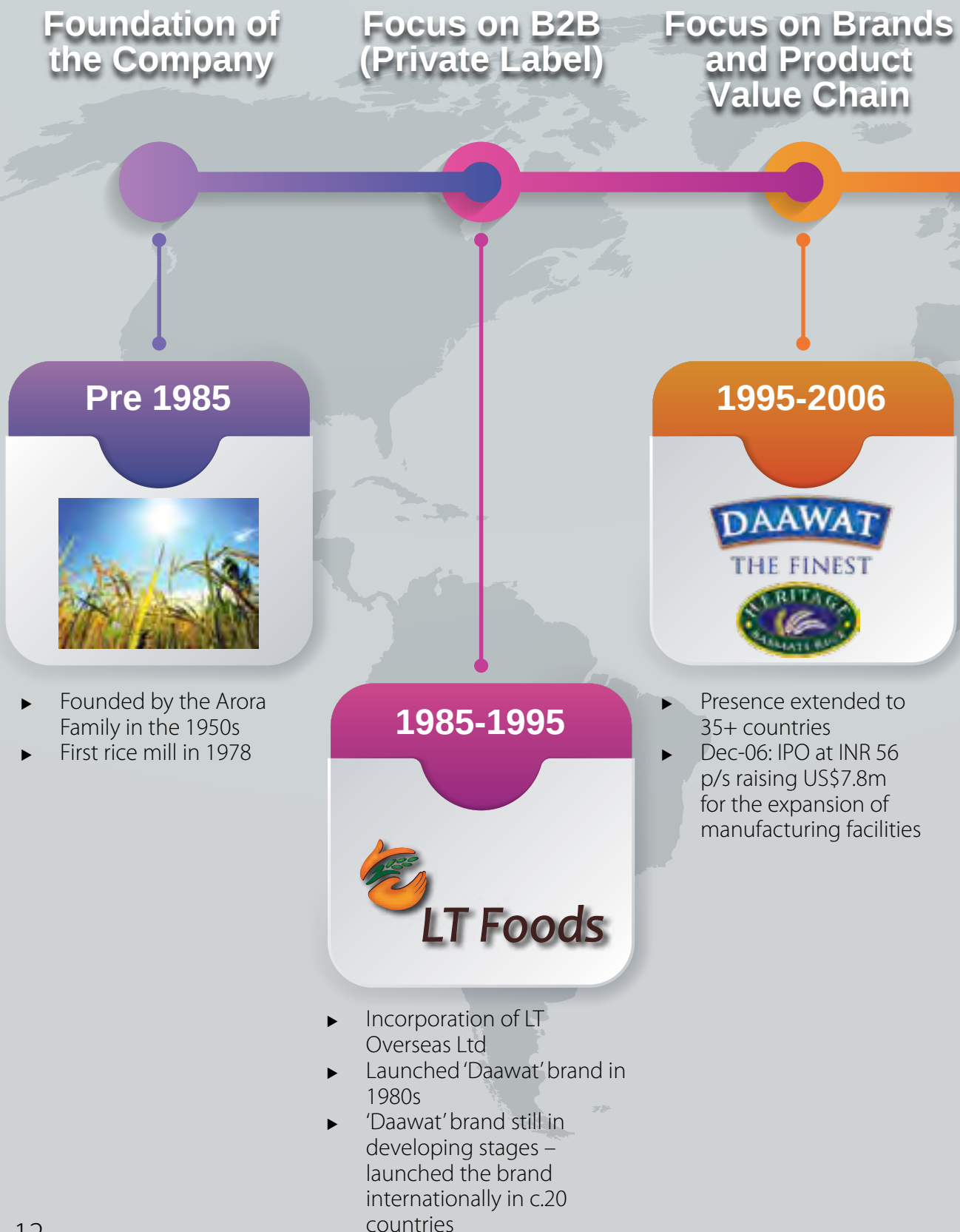
ROCE (%)



EPS (₹)



OUR JOURNEY FROM B2B TO B2C



Internationalisation

Next Stage of Growth

Strategic Acquisitions

2007-2014



- ▶ Acquired 'Royal' brand in US
- ▶ Rabo PE invested equity capital of c. US\$10m 2011-14
- ▶ Daawat attained a leading position among basmati rice brands in India
- ▶ Launched value added staples

2015-2016



- ▶ Present in 60+ countries
- ▶ Launched "Ecolife" in USA & India
- ▶ Acquired "Gold Seal Indus Valley", "Rozana"
- ▶ Leveraged
 - Strong Brand
 - Product base
 - Geographical presence

2016-2017



- ▶ Acquired "817 Elephant"
- ▶ Expanding products portfolio in India and US

Great Brands that People Trust

“We are a global specialty foods company from India. We have achieved this leading position as our Brands resonate well with our consumers.

Great brands achieve their goals by forging personal and meaningful bonds with customers. Once consumers experience our products first hand, it is hard for them to settle for anything less. They immediately recognise the high quality and superior taste we stand for. As a result, they begin to trust our brands and stand by our products for a lifetime. This emotional connection sets us apart from the competition. The affinity that they have developed to our leading brands “DAAWAT” and “ROYAL”, are the best examples to demonstrate this point.

“DAAWAT” is amongst our most revered and well recognised brands within our portfolio. Launched five decades ago, it is recognised by both the trade and consumers as a brand which has ushered in category innovations such as consumer packs. Over the past few years, the brand has been strengthened with a strong consumer connect based on clear insights into how consumers look at food in terms of taste, nutrition, health and purity. This insight has also resonated deeply with other ethnicities of Arab, Persian and other South Asian Diasporas across the world.

It is also the first rice brand which enjoys high visibility with celebrity endorsements across India. The creative expression of this insight in our TV Commercials featuring Mr. Amitabh Bachchan, globally seen as an ambassador of Indian culture, and Chef Sanjeev Kapoor, the highly acclaimed Master Chef, has struck a chord with consumers.

Today, “DAAWAT” has become a Global Power Brand that has set the benchmark for quality, taste and consistency. Over the years, we have seen a strengthening

to our leadership in the core consumer metrics of awareness, usage and imagery. The strengthening of the market share and of the consumer track parameters has been growing over the years, reflecting the sustainable success of our core brand building strategies. Today, “DAAWAT” is one of the leading brands in its category within India, enjoying ~18% + of the total branded rice market share, and around ~35%+ share in the premium segment.



LT Foods



“ Our Branded approach to business over the last five decades has transformed us from being a B2B company, to becoming a predominantly B2C company.



DAAWAT

18%+

Daawat's Market Share in India
FY2016 (Company Data)

20%+

CAGR Revenue Growth in Branded
Products over last 5 years

Our North Atlantic Business

“With 30% of our total sales to USA and Canada, our North American business is by far the largest amongst all the advanced markets that we participate in. In these markets, our leading brand “ROYAL” is synonymous with quality, innovation and meeting the needs of today’s consumers.

We have a broad and extensive product portfolio of super-premium, premium and value brands, with a market leadership position that has evolved over the last 20 years. Today, “ROYAL” is the No. 1 basmati brand in North America, with around ~50% market share. “ROYAL” is recognised for its authenticity, consistency, superior quality and an innovative range. Centred around our core product, basmati rice, we have built a wide and well-rounded portfolio of food products that are consistent with the brand values we espouse to.

Operating through our own subsidiary, LT Foods Americas Inc. (LTFA), the Company continues its strong Brands approach to market penetration in the USA. During FY2016, around 81% of LTFA’s total volume was contributed by its own brand. LTFA’s flagship brand, “ROYAL” is the #1 Basmati Rice in North America, continuously ascending year-on-year to become the most widely used Basmati brand across all channels of distribution. This is the result of our deep knowledge of the US consumer trends across ethnicities, lifestyle and behaviour.

During FY2016, LTFA introduced its brand new Staples line under the “Devaaya” Brand, which include Besan, Suji, Maida, Daliya and Poha, into its Ethnic channels to wide and enthusiastic acceptance. Our “Chakki Atta” has become the #3 brand in the market in the first year of introduction itself. Its line extension – “ROYAL” Chef’s Secret, featuring the world’s longest grain, is widely recognised as one of the most savoured grains available in the market today, not only within Indian consumers, but also with Persians, Arabs, Armenians and many other ethnicities as well.

During the year, LTFA also launched the Company’s organic brand “Ecolife” into the North Atlantic marketplace through the Fancy Food Show and Expo West, the largest, most attended, natural foods shows in the USA. The Company’s “ROYAL” brand ambassador, Chef Maneet Chauhan, recipient of the prestigious James Beard Award, represented the brand at the shows, introducing passersby to many tasty recipes made with “ROYAL” Basmati Rice.



“ Our aim is to be recognised across America as the No. 1 specialty foods company. We continue to make investment in supporting our brands across multiple forms of media: from ethnic national channels in both USA and Canada, to print advertising in Food Connoisseur and health conscious magazines.



81%

Branded Business Volume (LTFA)

30%

LTFA's CAGR Revenue Growth
over last 5 years

Our Middle East Business

“Taking inorganic routes to accelerate our penetration globally

We are leveraging our existing strengths to pursue specific growth opportunities. We are focusing on both the organic growth of our own home brands and also through the acquisition of established global and regional brands. The Middle East region is the key driver of growth in the branded rice segment. We aim to continue to drive growth in the premium basmati rice category through active consumer engagement across all demographic segments.

Acquisition of “Gold Seal Indus Valley” and “Rozana”

During FY2016, the Company acquired two iconic rice brands from Hindustan Unilever (HUL) – Gold Seal Indus Valley and Rozana, both of which have high recall value in Middle East. This acquisition will give us an entry into the regional markets of Qatar, Oman and Bahrain, in addition to strengthening our existing presence in Saudi Arabia, UAE and Kuwait.

Company's basket of brand offerings that have a high recall value. The Company intends to leverage the added relationships with distribution networks of the acquired Brands to further the interest of the Company's home grown brands in the relevant market, while gaining from synergies of the supply chain management and back-end processing. These synergies should yield a better margin profile for the Company in time.

These acquisitions will broaden the



“ We aim to strengthen the brand and build and sustain leading market share in each of our international markets. We aim to build our brand awareness further in the key focus sub-markets with the Middle East. We aim to replicate the successful India model across the GCC.



17%+

CAGR of Global Branded Business
excluding North America

Our Growing Value Added Portfolio

As part of our strategy to pursue growth, we recently added value added staples, organic and value added foods. Our value added staples are sold under the rapidly emerging “Devaaya” brand. With demand for organic food rising, our organic brand “Ecolife” too is rightly placed with surging brand equity.

Devaaya



“ Seizing new growth opportunities by adding value-added staples, organic foods and other value added products that will further differentiate us and drive future growth.

“Devaaya” (Tested Safe)

Recently, we augmented our product portfolio with the launch of value-added staples such as Maida, Suji, Daliya, Poha, Besan and Atta under our brand “Devaaya”.

We continue to successfully expand our staples range under the brand “Devaaya”. It is receiving excellent feedback on its quality and purity. “Devaaya” staples are now available in 10 other countries and sees growing consumer acceptance. The “Devaaya” branded business has been one of our most successful business segments, having recorded of 195% from FY2015 to FY2016. It has contributed ₹ 17 crores to our total revenues in FY2016.

9%+

Growth in Global Branded Business
in FY2016 (in Volume Terms)



Our Growing Value Added Portfolio

ecoLife

Incorporated in 1997, Nature Bio-Foods Limited (NBFL) is our wholly-owned subsidiary managing the Group's organic foods business. Our domestic portfolio comprises 40 products and includes organic rice, pulses, soya and spices, launched across 13 states in India. Internationally, the subsidiary has a range of 200 products being exported around the globe. We are the first Company in India to globally export certified organic basmati rice.

"Ecolife" (100% Organic)

We are fully integrated across the supply chain with production, processing and sales, with 80,000 farmers divided into 130 groups across 15 states and a dedicated facility in Sonapat. As the Indian market is witnessing increased awareness about healthy food products, we are striving to capitalise on global trends to promote organic business. We also commenced sale of organic products through exclusive stores selling organic and health food. We are gradually expanding our presence into chain stores to increase mass awareness. In addition to metro cities, we are also looking to spread our presence in Tier 2 and 3 cities of India.



“ In the USA, we have received exceptional feedback on the beautiful packaging, the healthy product offering, sustainable farming and the doing-good commitment with farming families.

In the USA, we have received exceptional feedback on the beautiful packaging, the healthy product offering, sustainable farming and the doing-good commitment with farming families. Through LTFA, we currently offer a 23-SKU product line across 4 product categories (ancient grains, pulses, brans and specialty rice), wider and deeper than any competitor in this category. The tagline used for this product line is: “Good for People, Good for the Planet”. “Live the Ecolife” has also caught on and is attracting buyers’ interest.



Our Growing Value Added Portfolio

Daawat Quick Cooking Brown Rice

To cater to changing lifestyles and people's increasing inclination towards health and fitness, we introduced Daawat Quick Cooking Brown Basmati Rice. With this, we remain committed to encouraging people to eat and stay healthy. Brown rice with healthy wholegrain offers a myriad of health benefits. According to research, Brown Rice helps in reducing the risk of chronic diseases like coronary heart disease, diabetes, gastrointestinal health and obesity. It offers a delightful gourmet experience with its subtle and balanced flavour, perfectly complementing the fast-paced health-conscious urbanites. In the USA, the 4lb Organic Quick Cook Brown Basmati Rice was the first product to become the rising star of the "Ecolife" line due to its reduced cooking time of just 12 minutes, a convenient alternative to the 40 minutes normally required to prepare brown rice.

Our innovation with launching the only truly genuine quick cooking brown rice, supported with a massive marketing thrust, including TV and Print Advertising and a Nutritionist awareness programme, has pioneered the Quick Cooking Brown Rice category in India, Far East and Middle East. We have been rewarded with leadership shares, in some countries as high as 70%. We now need to further create consumer awareness of the health benefits of brown rice and educate consumers against poor quality and fraudulent claims of quick cooking of several other brands to keep building this category ethically.

20%+

CAGR Revenue Growth in Global Branded Business over last 5 years



“Through these new lines, we are catering to the changing lifestyles and increasing inclination towards health and convenience, around the world. These products are hygienically processed and live up to its brand promise “Saaf bhi, Safe bhi”. In addition to this, we have introduced fortified rice as a new offering in the nutritional range, supplementing healthy eating habits.

Saute Sauces

During FY2016, we soft launched an innovative product in three major cities, a line of seven flavourful Daawat Rice Saute Sauces, which is being very well received by trade and consumers. They will be launched pan India across 54 cities in the current financial year. This line is our response to the changing role of mothers from being home makers to also being working professionals, leaving very little time for them to spend in their kitchens. These sauces allows one to quickly prepare tasteful meals, without compromising on quality and healthiness.

All our efforts and initiatives in growing our branded portfolio has resulted in a 9% growth in our global branded business in FY2016, and a 11% CAGR (5 years) in volume terms. As many of these initiatives are in their initial years of their launch, we are confident that these strategies will continue to deliver growth for the Company that is ahead of market growth rates in the coming years.



Our Deep Market Access

“Creating the right conditions for balance growth by deepening our presence within India and the World.

65 Countries
Steadily expanding
our international presence to
over 65 countries

In distribution network planning, there is a well-established relationship between the number of distribution points, transportation costs and customer service targets. At LT Foods, we are striving to strike the optimum balance between facility and transportation costs to develop a low-cost, high service distribution network. We are developing a robust sales network by opening new avenues into new and unexplored market geographies.

World

We are not only strengthening our presence in the existing markets, but also expanding our footprint in the key and advanced markets – in India and outside of India (in North America, Middle East and Europe). Supporting the growth of the brand is increased availability in both Modern Trade and General Trade. In markets across the world such as Australia, UK, Germany, France, Mauritius, Iraq, Singapore and UAE, “Daawat” is one the leading brand available in ethnic stores and mainstream chains and “Royal” in US.

We are steadily expanding our international presence to over 65 countries with the strong brand portfolio by deploying differentiating growth strategies and leveraging a unique route-to-market approach in each of these. In most global markets we have realigned our Distributors to create more brand availability and reworked terms with the major Modern Trade Chains to



have a superior Retail Performance Standards delivery. Having delivered strong performance on the back of trade and consumer promotions, we plan to continue these efforts and expect them to be a major driver of our business volumes going ahead.

India

LT Foods has a wide and superior distribution network with local and specialised sales force for each distribution channel. We have a wide distribution network with the ability to impact stocking and retailer preference in 2 lakh retail outlets.



We have created a sharp positioning based on consumer insights, consumer focussed spending and trade spending at retailers. We have a separate sales organisation dedicated to different sales channels with professionals of relevant experience. We have more than doubled the number of towns with distributors over the last 3 years. Moving forward, our "Daawat" brand is aiming to appoint a distributor in all Class 1 towns in its business priority states.

150,000+

Retail outlets in India

2,500+

Modern trade stores such as hypermarkets, supermarkets and mini markets

Caring For Society

“ At LT Group, we want to contribute by making Indian villages become self-reliant. Working with communities is an integral part of LT Foods sustainability strategy.

LT Foods is working for a future in which all people live with dignity and in harmony with the environment. The Company is committed towards giving back as much as possible to the community.

At LT Group, we want to contribute by making Indian villages become self-reliant. LT Foods Limited through its CSR implementing agency Fair Farming Foundation have initiated a “Parivartan” project in FY2015-16 to transform remote villages into the sustainable model along with an emphasis on women empowerment, dignity, cleanliness, community service, harmony and eco-friendliness. The latest addition to our commitment is holistic Integrated Village development program in the Nandlalpura village of Chhatarpur district, Madhya Pradesh.

This program is bringing cheer to the residents of the Nandlalpura village, a profound change has taken place here. Now the village School kids are enjoying facility of computers, sitting on benches, wear proper school dresses, facility of hygienic toilets for boys and girls, safe & clean

drinking water for the residents, sanitary facility for each household, solar street lights on roads, Bio-gas units and many livelihood interventions like poultry farm, dairy farm, book binding unit, among others can be seen in the village. With this, an integrated village development model has been created by LT Foods, by transforming the village into an inspirational model of how to integrate social, economical and environmental sustainability.

Working with communities is an integral part of LT Foods sustainability strategy. Apart from these, the Company is running various other programs of Rural Development in the remote villages across India. The Company looks forward to have never ending relationship with the community and to continuing its seamless work in the CSR field to benefit the human society, environment and ecology.





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



Adesh Kumar Gupta
Independent Director



Pramod Bhagat
Independent Director



Suparas Bhandari
Independent Director



Gokul Patnaik
Independent Director

CORPORATE INFORMATION

Board of Directors

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

Company Secretary & Compliance Officer

Monika Chawla Jaggia

Key Management Team

Corporate Office

Askok Kumar Arora, *President Punjab Operations*
Vivek Chandra, *CEO - Global Branded Business*
Kaizar Colombowala, *Head Research & Development*
S. K. Salhotra, *Group Head Treasury*
Rajinder Wadhawan, *Director Operations*
Vijay Malik, *Associate Director & Head Middle East*
Kamal Poplai, *Head Quality*
Dipol Dhole, *Vice President HR & Admin*
J. S. Oberoi, *Senior Consultant Projects*

Kusha Inc. USA

Abhinav Arora, *President*
Jerry Taylor, *Sr. Vice President Sales*
Mukesh Aggarwal, *Vice President Accounts*
Nadine Curias, Ph. D, *Vice President Strategy & Marketing*
Sai S. Krishnan, *Vice President Supply Chain & Operations*

Nature Bio Foods Limited

Tapan Ray, *CEO*

Statutory Auditors

Walker, Chandio & Co

Internal Auditors

Pro Legal Advisory LLP

Secretarial Auditors

D Dixit & Associates

Manufacturing Facilities

Basmati and Other value-added products

43Km Stone, GT Road, Bahalgarh,
Kamaspur, Bahalgarh, Sonapat
Mandideep, Bhopal
Phoola Road, Amritsar
Varpal, Punjab

Kurkure

Kamaspur, Sonapat

Silos Plant, Amritsar

Packaging Facility in U.S.

Cypress
Houston

Bankers to the Company

Oriental Bank of Commerce (Lead Bank)
Corporation Bank
Punjab National Bank
State Bank of India
Allahabad Bank
Bank of Baroda
State Bank of Hyderabad
IDBI Bank
ICICI Bank
Union Bank of India



MANAGEMENT DISCUSSION AND ANALYSIS



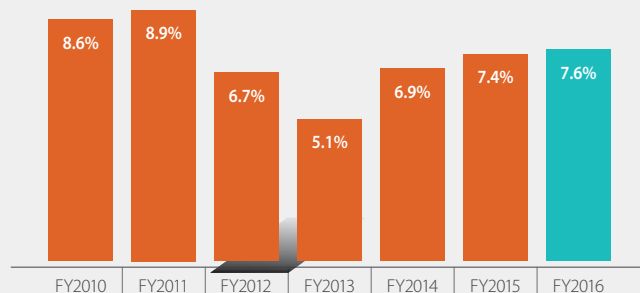
ECONOMIC OVERVIEW

GLOBAL ECONOMY

The world economy has passed through yet another difficult year. The growth in advanced economies has stagnated, while that in emerging and the developing world has decelerated leading to a slow global growth of 3.1% in 2015. The US economy continues to grow below potential with GDP growth falling to 1.4% in Q4 2015 and 1.9% for the whole year. The Euro Area expanded at 1.6% in 2015, again driven mainly by private consumption.

However, economic growth in the region has remained unchanged at 1.6% in the last three quarters. Meanwhile, growth in emerging market economies has remained tepid in 2015 at 4.0% with Brazil and Russia decelerating more than expected amidst sluggish growth in China. Global trade witnessed a sub-3% growth in 2015 for the fourth consecutive year with emerging and developing countries suffering more than the advanced economies. Going forward, the trade figures will remain sluggish in 2016, with moderate import demand from the developed world.

INDIA'S RISING GDP GROWTH RATE



Source IMF

Significant positive developments have taken place as India continued its growth charge, with GDP growth strengthening to 7.6% in FY2016 versus 7.4% in FY2015. Inflation further softened to ~5.0% in FY2016 (4.83% in FY2016) from 6.8% in FY2015 and 9.5% in FY2014.

7.6%

Indian GDP Growth FY2016

World Rice Market (In Million Tonnes)	2015-16	2016-17 Forecast
Production	490.3	495.2
Supply	664.0	664.1
Utilisation	496.2	503.4
Trade	44.9	44.1
Ending Stocks	168.9	164.0
World stock-to-use ratio (%)	33.6	32.0

INDIAN ECONOMY

The recently concluded financial year began with a lot of promise, with expectations that the elected government would take concrete steps to reboot the economy, stamp out corruption and lure foreign investment by streamlining the country's complex regulatory regime. Significant positive developments have taken place, as India continued its growth charge, with GDP growth strengthening to 7.6% in FY2016 versus 7.4% in FY2015. Inflation further softened to ~5.0% in FY2016 (4.83% in FY2016) from 6.8% in FY2015 and 9.5% in FY2014.

The moderation in inflation was driven by falling commodity prices, slumping oil prices and fiscal discipline, of government shoring up of fiscal and current account deficits.

The outlook for FY2017 is much more encouraging as per the IMF data, with economic growth expected to sustain above 7.5% levels, on the back of a normal monsoon expected during 2016. This would make India the fastest growing major economy, at a time when global growth is facing increasing downside risks placing India in a sweet spot in the global economic landscape.

WORLD FOOD GRAIN OVERVIEW

World cereal production reached a new all-time record of nearly 2,534 million tonnes (MT) in 2014, beating the previous record of the 2013 by over 13 MMT, according to estimates of the Food and Agriculture Organisation (FAO) of United Nations. In one decade, global cereal production has gone up by almost 25%, setting all-time high records in five years out of 10. A study by the Food and Agricultural Organisation (FAO) of the United Nations estimates world production at 2,521 million tonnes in 2016, a marginal 0.2% or 4 MMT less from a year before, and third highest ever, due to a recovery in India and China, despite an adverse climatic condition in parts of Africa and the European Union.

WORLD RICE OUTLOOK FOR 2016-17

According to FAO Research, world rice production is currently predicted to recover by 1.0% or 4.9 million tonnes in 2016 to 495 million tonnes. The forecast assumes a return to normal weather patterns in time for main-crop plantings in northern hemisphere Asia, following two consecutive seasons of erratic rains affecting planting activities. This anticipated world production level will imply a third successive season of below-trend growth, reflecting the continuing negative influence of the El Niño weather anomaly in the southern hemisphere.



MANAGEMENT DISCUSSION AND ANALYSIS

INDIA: BASMATI RICE – AN OVERVIEW

Basmati is nature's gift to the Indian sub-continent. Its delightful aroma, taste and texture make it the best among various types of rice in the world. The domestic basmati rice market is estimated at ₹ 10,000 crore, while exports account for ₹ 19,000 crore. Basmati makes up 75% of the total packaged rice industry pegged at ₹ 13,000 crore. Of the 25-29 MT of rice traded annually in the world market, basmati rice contributes around 10%. Rice production in India has seen a remarkable growth over the last few decades. This has led the nation to be recognised as the second-largest rice producer in the world. India's share in global rice production has been rising year on year. *(Source: Onicra Report "Bumper Crop Ahead")*

Changing consumer behaviour and an emerging modern food retail channel will support growth in the industry over the coming years. The Rabobank report sees considerable growth prospects in the domestic branded market in the future. An integrated value chain focused on quality will be critical to sustain momentum. Capabilities in procurement, distribution and branding will need to be developed in order to achieve the next level of growth. As a result, the industry will also see an increase in supply chain partnerships, consolidation and interest of investors in the coming years.

Basmati rice is one of the major exports of India. A steady increase in production of rice and availability of buffer stocks and the growing demand for basmati rice in the international market has made India an important rice exporting country of the world.

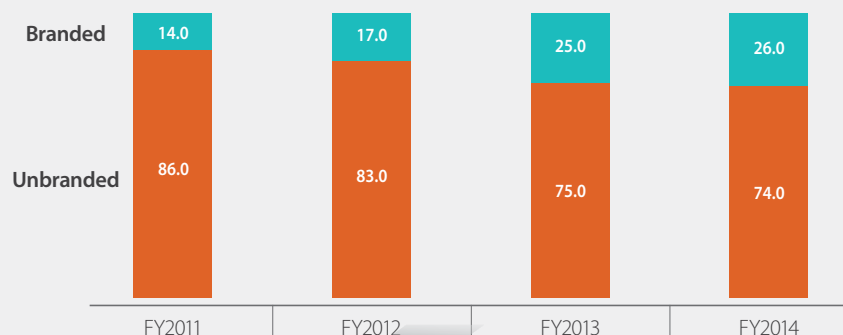
BRANDED RICE INDUSTRY – INDIA

India's rice industry has seen a transformation in the last decade, with growth of branded business in the Indian market and a strong impetus to exports. Over the last four years, the industry has shown strong revenue growth, with an increasing focus on branded business, according to CRISIL Research, Euromonitor & Ministry of Agriculture. Consumers are gradually switching towards branded Basmati Rice as they become more quality and health conscious.

MAJOR EXPORT MARKETS

Basmati rice is one of the major exports of India. A steady increase in production of rice and availability of buffer stocks and the growing demand for basmati rice in the international market has made India an important rice exporting country of the world. Basmati rice is exported from India to many countries, especially to the Gulf and European countries. Major export markets of Indian basmati rice include Saudi Arabia, the United Arab Emirates (UAE) and Iran. About 70% of export of basmati rice from India is to these three countries. Export of rice to Iran, Kuwait, Yemen, Jordan, Iraq and the Netherlands has been increasing. CRISIL Research expects demand-supply equilibrium to prevail over the medium term. Demand for basmati rice exports is expected to remain steady.

INDIAN BASMATI CONSUMPTION (%)



Consumers are switching from Unbranded to Branded Basmati Rice

Source: Crisil Research, Euromonitor, DGCIS, USDA, Ministry of Agriculture, India

Our Branded approach to business over the last five decades has transformed us from being a B2B company, to becoming a predominantly B2C Company.

LT FOODS BUSINESS OVERVIEW

LT Foods Limited (LTFL) is a leading branded specialty foods company, with leading brand positions in the countries, including India and the United States. Incorporated in 1990, it is primarily engaged in the business of milling, processing and marketing of basmati rice. The Company is a consumer-focused company, dealing in specialty branded basmati rice and having diversified into value-added staples and organic food products.

Being in the rice business for decades, the Company is leveraging its existing strengths to grow across brands, regions and tap newer geographies. It has evolved from being a rice trader in the 1980s, to a leading branded specialty food player, with a growing portfolio of value added complimentary products. LTFL is a fully integrated entity with presence across the supply chain – production, processing, distribution and sales.

OUR COMPETITIVE ADVANTAGES

LT Foods is amongst the most dynamic young food company. There are nine key areas that drive the growth of the Company, which are as follows:

1. **Strong Corporate Governance**
2. **Moving from B2B to B2C**
3. **Strong Global Business**
4. **An entrenched Presence in India and the World through strong distribution**
5. **An enviable Brand Portfolio**
6. **Innovation in Value Added Products**
7. **A Strong Procurement Network**
8. **Solid Manufacturing Infrastructure**
9. **An Uncompromising Quality Culture**

1. STRONG CORPORATE GOVERNANCE

The Company is built on solid foundations of uncompromising Corporate Governance. Its Board of Directors play an important role in providing direction with respect to strategy, goal setting and governance and controls in the

Company. There is a special focus of the Board on ensuring that the Company works towards delivering best results to its shareholders. Learned Board members with relevant experience are supporting the Company to benchmark with higher standards of Corporate Governance, Competitiveness, Ethical standards and shared values.

The Company adopts stringent policies and rules that are applicable to all employees of the Company. In terms of corporate reporting, the Company engaged a leading auditing firm in the business - Walker Chandio & Co LLP. The Company also has rigorous internal control systems in place. It has engaged a world class renowned consulting firm Protiviti, to conduct its Internal Audit and to further strengthen its internal systems.

During FY2016, the Company implemented world's leading ERP system SAP, across the organisation, inculcating best business practices in our day to day workings. During the year, the Company also initiated a full-fledged Investor Relations outreach programme as a normal course of fostering transparency and pro-active investor communications. During the year, the Company's credit rating by CRISIL improved to "BBB+/Stable" for its long term bank loans and "A2" for its short term loans.

2. MOVING FROM B2B TO B2C

Our Branded approach to business over the last five decades has transformed us from being a B2B Company to becoming a predominantly B2C Company. Today, a majority of our global business comes from the sale of our branded products to consumers across geographies, i.e., India, US, Middle East as well as other countries.

The Company has a vast product portfolio, broken into multiple brands, categories and price points.

Key Brands of LT Foods are as follows:

a. **Daawat (The finest):**

Daawat is the flagship brand with a legacy of over 30 years. This premium quality basmati

MANAGEMENT DISCUSSION AND ANALYSIS

LT Foods is a leading brands-based FMCG company out of India. Within India, "DAAWAT" is amongst its most revered and well recognised brands within LT Foods' portfolio.

rice is a leading brand in India, with 18% overall market share and more than 35% share in the premium segment. It is fast gaining market share in Europe, Middle East and Australia. Its sub-brands – Rozana and Chef's Secretz – are also gaining popularity in the mid-price and institutional segments. Continuous improvements on brands are reflected in our brand scores.

b. Royal (No. 1 brand in US):

Royal is leading brand in US holding more than 50% market share in U.S. branded segment. The brand is expanding its reach and diversifying in other product categories after analysing the consumer trends.

c. Ecolife (100% Organic):

Ecolife is the organic food brand launched in India and in the US. Its product portfolio includes rice, pulses, oil seeds, cereal grains, spices, nuts and fruits and vegetables.

d. Devaaya (Tested Safe):

Devaaya caters to the mid-price segment in India. It offers branded Basmati rice, with staples such as Atta, Suji, Besan, Dalia, Poha and Maida. The brand stands for assured quality. The product is tested for and is free from nearly 500 types of impurities.

e. Heritage (Trusted Basmati):

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

The Company has recently acquired additional brands such as Gold seal Indus Valley, Rozana and 817 Elephant, all of which give it a ready-made entry into specific global markets and strengthen the Company's channel networks.

3. STRONG GLOBAL BUSINESS

LT Foods is a leading brands-based Food Company out of India. Within India, "DAAWAT" is amongst its most revered and well recognised brands within LT Food's portfolio. Launched five decades ago, it is recognised by both the trade and consumers as a brand which has ushered in category innovations such as consumer packs and preferential categories. Over the past few

years, the brand has been strengthened with a strong consumer connect based on clear insights into how consumers look at food in terms of taste, nutrition, health and purity. The overall branded business of the Company is growing at a CAGR OF 20% (over five years).

Today, "DAAWAT" has become a Global Power Brand. Over the years, we have seen a strengthening to leadership in the core consumer metrics of awareness, usage and imagery. The strengthening of the market share and of the consumer track parameters has been growing over the years, reflecting the sustainable success of our core brand building strategies.

Operating through our own subsidiary, LT Foods Americas Inc. (LTFA), the Company continues its strong Brands approach to market penetration in the USA. LTFA's flagship brand, "ROYAL" is the #1 Basmati Rice in North America, continuously ascending year-on-year to become the most widely used Basmati brand across all channels of distribution.

When it comes to the Middle East Region, the Company has taken inorganic routes to accelerate our penetration into what is the world's largest rice market. The Company's product range sold in the Middle East is tailored to suit the local tastes of the population in that region. During FY2016, the Company acquired two iconic rice brands from Hindustan Unilever (HUL) – Gold Seal Indus Valley and Rozana, both of which have high recall value in the Middle East.

Further, another milestone added to strengthen the Company's position in Canada and Europe is the acquisition by the Company's newly incorporated UK subsidiary, of the iconic brand, "817 Elephant", which has evolved into a well-recognised brand over decades of history. In the Mainland European markets, LT Foods has made significant progress in expanding its distribution and point of sale network. In the UK, the Company is making a steady gain in its market share and is improving its focus and penetration by setting up its own marketing office there.

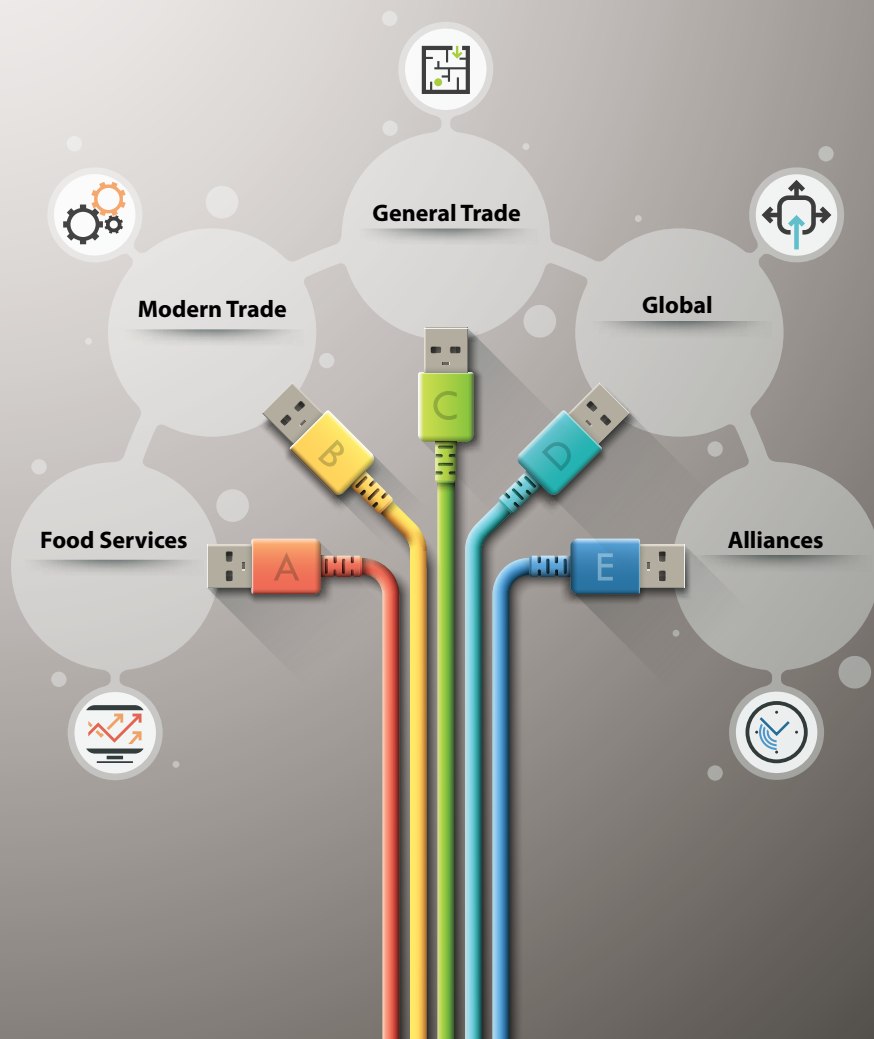
MANAGEMENT DISCUSSION AND ANALYSIS

In most global markets the Company realigned its distributors to create more brand availability and reworked the terms with the major Modern Trade Chains to drive superior retail performance.

In India, LT Foods has a wide and superior distribution network with local and specialised sales force for each distribution channel. It has a wide distribution network with the ability to impact stocking and retailer preference in more than 1.5 Lakhs retail outlets. In addition to this, its distribution is spread across 3,000 wholesalers and 2,500 modern trade stores such as hypermarkets, supermarkets and mini

markets. In India, the number of towns with distributors has doubled over the last 3 years. Moving forward, the “Daawat” brand is aiming to appoint a distributor in all Class 1 towns in its business priority states. In most global markets the Company realigned its distributors to create more brand availability and reworked the terms with the major Modern Trade Chains to drive superior retail performance.

A Multi-Pronged Channels Approach to Market Penetration:



2,500+

Modern Trade Stores in India

5. AN ENVIABLE BRAND PORTFOLIO

“Daawat” is the first rice brand which has enjoyed high visibility with celebrity endorsements across India. The creative expression of this insight in our TV Commercials featuring renowned actor Amitabh Bachchan and Chef Sanjeev Kapoor, has resonated well with consumers.



LT Foods



MANAGEMENT DISCUSSION AND ANALYSIS

The Company is fast building an enviable product portfolio that truly pays heed to being a multi-faceted specialty foods company.

6. INNOVATION IN VALUE ADDED PRODUCTS

The Company is fast building an enviable product portfolio that truly pays heed to being a multi-faceted specialty foods company. Here are the key niche and value-added products that are giving the Company a promising scope for future growth. Through these new lines, it is catering to the changing lifestyles and increasing inclination towards health and convenience, around the world.

Responsibly sourced staples “Devaaya”

Recently, the Company augmented its product portfolio with the launch of value-added staples such as Maida, Suji, Daliya, Poha, Besan and Atta under our fast emerging flagship brand “Devaaya”. These products are hygienically processed and live up to its brand promise “Saaf bhi, Safe bhi”.

Organic Products “Ecolife”

LT Foods is the first Company in India to globally export certified organic basmati rice. Ecolife products fits the Indian kitchen with cereal grains, pulses, oilseeds, spices and honey, among others. During the year, the organic range was launched in US too.

Quick Cooking Brown Rice “DAAWAT”

To cater to changing lifestyles and people’s increasing inclination towards health and convenience, LT Foods introduced Daawat Quick Cooking Brown Basmati Rice (QCBR). The Company’s innovation is the only truly genuine 1st QCBR or Fast Cooking Brown Rice (FCBR). Supported by strong marketing, including TV and Print Advertising and a Nutritionist awareness programme, the Company has promoted the FCBR category in India, Far East and the Middle East. The Company enjoys leadership shares, with some countries as high as 70% in this segment.

Saute Sauces “DAAWAT”

Keeping in mind the changing trends in Consumer segment wherein convenience scores high marks, the Company has soft launched an innovative product in three major cities, a line of seven flavourful Daawat Rice Saute Sauces, including Tamarind Sauce, Lemon Rice, Hot Garlic, Manchurian, Sweet Saffron, Pista and Cranberry and Methi Sauce. These are being very well received by both trade and consumers. These sauces allow busy people to quickly prepare tasteful meals, without compromising on quality and health.

7. A STRONG PROCUREMENT NETWORK

Scientific Methods

Best Practice Planning tools to procure high quality paddy

Strong Procurement Network

Strong Coverage: 234 Mandis covered by 270 Agents

Regular Flow of Information

Full control on buying process throughout the year

Stringent Quality Checks

Quality check at each stage from Mandis to Test Labs

Responsible Sourcing Programme

Sustainable farming practices in partnership with BayerCropScience

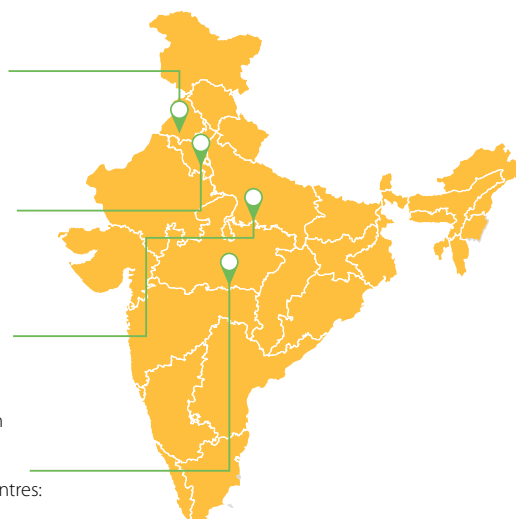
PROCUREMENT NETWORK

Punjab
Agents: 118
Mandis: 188
Coverage: 1.0x

Haryana
Agents: 80
Mandis: 60
Coverage: 1.4X

Uttar Pradesh
Agents: 36
Mandis: 35
Coverage: 1.0x

Madhya Pradesh
Agents: 36
Mandis: 21
Procurement centres:
Coverage: 1.7x





82 TPH

5 facilities with combined rice capacity

8. SOLID MANUFACTURING INFRASTRUCTURE

We have 5 state-of-the-art manufacturing units to manufacture high-quality food products in India. These are located in Haryana, Punjab and Madhya Pradesh with a combined milling capacity of 82 tonnes per hour (TPH). In addition to these, we have 5 third-party facilities. The current rice processing capacity of the Company stands at 82 TPH. it can process 1 mt/hr; upto 700 kg/hr for its FCBR line and 4 mt/hr for its wheat flour line. During the year, the Company achieved 83% of its processing capacity.

The current packaging capacity at Bahalgarh Unit is 198,000 mt per annum. In FY2016, the packaging capacity at Bahalgarh unit was taken to approximately 90% utilisation, serving 176,000 mt of the annual demand. The Varpal plant in Amritsar is the only plant in India which has automation in parboil and drying process. The current packaging capacity at this location is 72,000 MT per annum, which was utilised up to 94% for milling and 100% for packaging. The operational team is always on its toes to drive efficiency initiatives in terms of improving the yield as well as improving the realisation to strengthen the back-end operations to stay competitive.



Ashok Kumar Arora

President - Punjab Operations

“Going forward, the Company intends to make major Capex investments only on the Value Added segments of its business.

Integrated Business Model

Procurement	Milling	Packaging	Sales & Marketing	Farming
Established procurement network	5 facilities with combined rice capacity of 82 TPH	2 packaging facilities in US	Pan-India distribution	Backward integration through partnership with farmers
Scientific processes and traceability	Numerous awards from APEDA for quality	Domestic packaging done at 5 manufacturing facilities	400+ stockists serving retail outlets	Control on quality of produce

Asset Light Approach to Capacity Expansion/ Product Portfolio Expansion

Going forward, the Company intends to make major Capex investments only on the Value Added segments of its business. Currently, the Company has utilised more than ~90% of its core capacities and as this fills up, it has the option to continue growing by taking an asset-light model of outsourcing from strategic supply partners. Testimony to this strategy, the Company established a joint venture with the Future Group to utilise the integrated food park facilities that are being developed by the retailer's arm Future Ventures. Under the arrangement, LT Foods will use the facility for setting up a milling, processing and storage facilities for Sona Masoori Rice. This is a good example of LT Foods making best of an invested ecosystem to expand its manufacturing capabilities in an asset-light way.

LT Foods is setting up a rice mill for 'Sona Masoori' variety at Raygada in Orissa, in collaboration with MITS, a local developer and entrepreneur. The mill is located within the best growing areas in Andhra Pradesh and Orissa which is popular for the 'Sona Masoori' variety. In close proximity to the Andhra Pradesh border, the mill has a capacity of 12 tonnes per hour and is the first modern rice mill in that area. With the erection of milling machinery currently in progress, the mill is projected to be commissioned by October 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

RECOGNITION



**Trusted Brand Award'by
Reader's Digest**



**Brand Excellence Award'by
Economic Times**



**Product of the Year Award'by
Nielsen**



9. UNCOMPROMISING QUALITY CULTURE

At LT Foods, our mission is "Quality & Safety in every grain". This is a paramount prerequisite that is the foundation to our Promise behind our leading consumer Brands. The Company is committed to provide safe and superior quality products to our valued customers. The Company is committed to provide our consumers high-quality products by way of stringent quality assurance norms – with state-of-the-art technology and a high degree of automation. It is constantly improving its products to ensure a competitive market advantage. The Company is regularly audited by certification bodies towards adherence and compliance to the set standards. The Company has qualified, trained and efficient inspection and audit teams. Internal audits are conducted as per guidelines and standards provided by certification bodies.

In terms of sustainability, LT Foods continues to receive recognition from our international buyers for excellence in our sustainability and farm programs at several centres across Madhya Pradesh and Haryana to ensure consumers health is safeguarded at all times. The Company's Farm Control Programmes are run in active participation of all stakeholders,

including farmers, procurement teams, brokers, agents and other departments and laboratories. The Company propagates globally accepted and permitted farming methods for basmati cultivation.

The Company has also introduced new preventive approaches such as the Hazard Analysis Critical Control System (HACCP). This has ensured that its critical control points are established and monitored for control of food safety risks. The Company's Integrated Pest Management tools work to prevent pest problems from developing or worsening. It coordinates the use of pest biology, environmental biology, environmental information and available technology to prevent unacceptable levels of pests.



Manufacturing Certifications:

BAHALGARH-SONEPAT

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



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

NOP	(National Organic Programme) of USFDA Organic Standard.
NPOP	(National Programme for Organic Production)
EEC 837:2007	(Europe Organic Standard)
IFS	(Food Safety)
Kosher Certification from JK Kosher	
Rice Plant – FSSC 22000 : 2010	

DAAWAT FOODS LTD, MANDIDEEP, BHOPAL (MP)

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

LT FOODS LTD. VARPAL, AMRITSAR

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

RESEARCH & DEVELOPMENT

The focus on sustained quality is an integral component of the Company's business ethos and continues to drive its success story year after year. The systems are a clear endorsement of the Company's strong quality. The Company has a state-of-the-art seed farm and product testing centre, and is continuously working on improving seed quality. It works in close coordination with agriculture institutes across India to bring out better quality cropping methodologies, seed varieties and harvesting techniques of its farmer partners. This has led the Company to ensure an uninterrupted supply of good quality paddy for itself.

During the year, the Company also continued to gain the benefits of its tie-up with high-end machines manufacturers, which led to consistent development and progress in terms of improved processes. We are also engaged in research and development to add value to rice and rice food products, as we keep track of new global flavour trends and technologies. For this, we have set up new R&D centre at Cypress unit in California.

HUMAN RESOURCES

The Company believes that satisfied, highly-motivated and loyal employees are the base of any competitive and growing organisation. Hence, the mission at LT Foods Limited is to attract and nurture talent to succeed. The Company strives to build a highly-skilled and qualified workforce, supported by a safe and healthy work atmosphere. The Company has taken several initiatives to strengthen the organisational culture, build talent capabilities, enhance connect with members and potential talent and implement new governance standards. The Company has built a work culture which is based on sincerity, hard work and a pursuit for perfection. It holds regular training sessions to upgrade the skills and the knowledge base of its employees. Moreover, the Company ensures that it recognises and rewards exceptional performance of its employees year after year. As on 31st March 2016, the Company had over 1,000 employees.

The Company is committed to provide our consumers high-quality products by way of stringent quality assurance norms – with state-of-the-art technology and a high degree of automation.

MANAGEMENT DISCUSSION AND ANALYSIS

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

INFORMATION TECHNOLOGY

Organisations big and small are enhancing the use of Information Technology tools and applications in their business processes to become more competitive, efficient and effective. A robust IT infrastructure helps corporates achieve a strategic advantage and compete in cost leadership, differentiation and focus and help in achieving higher bottomline and topline strategies. LT Foods is increasingly using IT as part of its strategic planning process and tactical execution of their business strategies. Its goal is to use Information Technology to create the most efficient and

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

The key IT improvement made during the year was the adoption and implementation of the SAP software across the organisation. Being implemented in the functional areas such as Sales, Distribution, Warehouse Management, Material Management, Production and FICO (Face and Controlling), the Company expects to inculcate better business practices, controls and insightful Management Information Systems and dashboards.

CONSOLIDATED FINANCIAL PERFORMANCE OVERVIEW

Summary

(Figures in ₹ Lakhs)

Profit and Loss Summary	FY 2016	FY 2015
Revenue	2,97,968.19	2,77,978.24
Operating EBITDA	36,286.93	30,893.95
% of Sales	12.2	11.1
Depreciation, amortisation and impairment	5,151.93	4,657.36
Interest Expenses	14,780.20	15,114.91
Other Expenses	42,221.90	33,430.30
Profit Before Tax	11,954.80	11,121.68
Tax Expenses	4,707.29	3,480.09
Profit After Tax	7,247.51	7,641.59
Profit after Tax and Minority Interest	7,210.93	7,248.65

**Revenue was up
by 7.19%**

**Operating EBITDA
grew by 106 BPS**

**PBT was up by
7.49%**

- ▶ The Revenue of the Company increased to ₹ 2,97,968 Lakhs, as against ₹ 2,77,978 Lakhs in the previous year, up by 7.19%, despite experiencing volatile and falling commodity prices.
- ▶ The operating EBITDA of the Company increased to ₹ 36,287 Lakhs, as against ₹ 30,894 Lakhs in the previous year, up by 17.46%.
- ▶ The operating EBITDA margins for the Company improved by 106 basis points (bps) to 12.2%, against 11.1% in the previous year.
- ▶ The Profit Before Tax (PBT) for the Company increased to ₹ 11,955 Lakhs, as against ₹ 11,122 Lakhs in the previous year, up by 7.49%.
- ▶ The Profit After Tax (PAT) declined to ₹ 7,248 Lakhs, as against ₹ 7,642 Lakhs in the previous year on account of a key exceptional item, wherein the Company recognised the loss against the claim amount recoverable from the insurance company, on account of the loss of stock due to fire.

106 BPS

The operating EBITDA of the Company increased to ₹ 36,287 Lakhs, as against ₹ 30,894 Lakhs in the previous year, up by 17.46%.

The Company has a strong information and communications systems which supports capture and exchange of information enabling the employees to efficiently carry out their responsibilities.

RISK MANAGEMENT

The consumer landscape is in a constant state of transformation and it is vital to keep pace with the changing trends in order to win in the marketplace. The wave of better consumer awareness about purity, health and nutritional value is creating a significant business opportunity to be tapped and appropriate strategies need to be formulated to capture this opportunity. LT Foods is capturing these opportunities by investing in brands that are positioned strongly on the quality and organics platform that appeals to the contemporary consumers. The Company is leveraging its deep experience and heritage in its understanding of rice, grains, pulses and staples - and building its business based on the health and wellness themes across categories.

Currency volatility, slowdown in category growth rates and unpredictable weather patterns are some of the threats to the company's prospects. Business risks exist for any enterprise having national and international exposure. LT Foods also faces some such risks. A dramatic slowdown in economic activity,

unfavourable exchange rate fluctuations, emergence of inflationary conditions and any unexpected changes in relevant regulatory framework are standard risks faced by the Company.

The Company is well aware of these risks and challenges and has put in place mechanisms to ensure that they are managed and mitigated with adequate timely actions.

INTERNAL CONTROL SYSTEMS

The Company has well-established internal control procedures across all locations, commensurate with its size and nature of operations. The policies, procedures and systems are well laid out and regularly monitored by the top management ensuring all digressions or deviation is always within control. The Company also ensures that financial and operating Reporting Systems are reliable and that all material risks are evaluated. The Company has a strong information and communications systems which supports



MANAGEMENT DISCUSSION AND ANALYSIS

Moving ahead, the Company's endeavour is to strengthen its internal control systems and processes further to match the highest standards of corporate governance as well as adding more operational efficiencies to keep improving its margins.

capture and exchange of information enabling the employees to efficiently carry out their responsibilities. Your Company also has a review mechanism whereby the management regularly reviews actual performance in comparison to the plans and estimates drawn by budgets and forecasts.

The internal audit function is adequately resourced and reports independently to the Audit Committee of the Board. In the opinion of the management and the internal auditors, there exists adequate safeguard against fraud and negligence within the Company. In particular, the Company has established a wide ranging system of internal controls to ensure that all assets are safeguarded and protected against losses that may arise from unauthorised use or disposition, incorrect use and inappropriate storage.

The Company's internal control system is designed to adequately ensure that financial and other records maintained are accurate and are reliable for preparing financial information and other data. The internal control procedures are augmented by an extensive programme of internal, external audits and periodic review by management of key financial controls (Documented as part of IFC framework).

FUTURE OUTLOOK

As the leading Food Company, LT Foods has come a long way with integrated operations spanning across the value chain. The Company has lived by its brand promise of Health, Taste and Convenience and that of enhancing the nutritional value in the food its supplies to consumers. The Company is leveraging its existing strength of brands and distribution to expand its products and has a vibrant portfolio of innovative products. It deepened its presence in the India and several advanced markets, and established access to new high-potential markets. It also fortified sales network across all channels globally.

LT Foods is taking concrete steps today – to deliver sustained quality growth and value creation tomorrow. The Company's key strategies for producing sustainable growth have been – growing its brand portfolio (adding new products), creating synergistic businesses (staples and value-added products), continuous investment on brands (Daawat, Royal and Devaaya), expanding across channel distribution (general and modern trade), diversifying customer offerings (organics), making the right investments in technology, improving operational excellence and enabling cutting-edge research and development. This, it believes, will continue to keep LT Foods differentiated and appreciated in the marketplace. Moving ahead, the Company's endeavour is to strengthen its internal control systems and processes further to match the highest standards of corporate governance as well as adding more operational efficiencies to keep improving its margins. This will further bolster its ability to keep generating sustainable and value accretive growth.

CAUTIONARY STATEMENT

This document contains statements about expected future events, 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. There is significant 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 assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. 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, 2015-16.

LEADERS OF TOMORROW



Abhinav Arora
US Business



Aditya Arora
Operations



Rohan Grover
Sourcing & Development
of Staples Business



Gursajan Arora
Middle East Business



Ritesh Arora
New Business (India)



Anmol Arora
Organic Business

DIRECTORS REPORT

To,
The Members,

Your Directors have pleasure in presenting their 26th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

1. Financial Performance of the Company (Standalone)

Particulars	(₹ In Lakhs)	
	2015-2016	2014-2015
Gross Income	184,680.37	185,598.27
Profit Before Interest and Depreciation	16,394.16	16,099.94
Finance Charges	9,074.66	8,980.13
Gross Profit	46,098.01	38,263.11
Provision for Depreciation	2,635.99	2,851.55
Net Profit Before Tax	4,683.51	4,268.26
Provision for Tax	1,645.21	1,202.74
Net Profit After Tax	3,038.30	3,065.52
Balance of Profit brought forward	20,152.85	17,800.40
Balance available for appropriation	23,191.14	20,865.92
Proposed Dividend on Equity Shares	401.87	529.07
Tax on proposed Dividend	81.42	105.78
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	22,707.85	20,152.85

2. Company's working during the year

During the year, the LT group has witnessed a steady performance across all its business verticals. The consolidated gross sales during the year stood at ₹2,973 crores as against ₹ 2,735 crores in FY15. The growth has been due to strong sales growth in the domestic sales volume.

The Company's branded business is growing steadily and now contributes close to 53% of the total sales.

The branded rice business in India, which is largely contributed by the Company's flagship brand Dawaat, has grown at a CAGR of approx. 20% over FY12 to FY16. Growing at a CAGR of 25% plus over FY12 to FY16, the Company's US branded rice business has also witnessed a robust growth. The Company's Organic business has been one of the fastest growing segments with a CAGR in excess of 55% over FY12 to FY16 and contributed ₹223 crores in FY16. The institutional rice business has also been growing at a stable rate. During the year, the Company continued to invest in all its flagship brands to increase their market presence.

During the year, the Company acquired the Branded Rice business of Hindustan Unilever. The Brands acquired were "Gold Seal Indus Valley" and "Rozana" to strengthen our position in the Middle Eastern market. The acquisition will help us strengthen our existing presence in Saudi Arabia, UAE and Kuwait and also give us entry in the markets of Qatar, Oman and Bahrain. Apart from these markets, the brand also enjoys latent equity across India, North America, some of the European Union and Asian countries.

The Company has also incorporated a Company by the name of LT Foods International Limited in United Kingdom which shall be the wholly owned subsidiary of LT Foods Limited. The Company has acquired iconic brand 817 Elephant brand of rice through its UK subsidiary to further strengthen its presence in Canada, US and Dubai.

The gross revenue of the Company on standalone basis stood at ₹1,821 crores against ₹1,822 crores in FY15. The Profit Before Interest & Depreciation during the year stood at ₹16,394 Lakhs, up by 47% Y-o-Y whereas the margin stood at 8.7% as against 8.3% in FY15.

The Net Profit before tax stood at ₹4,683.51 Lakhs as against ₹4,268.26 Lakhs in FY15.

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

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

4. Dividend

Your Board of Directors has recommended a dividend of ₹ 1.50 per equity share of face value of ₹ 10/- each for the year ended 31st March 2016 subject to share holder's approval in the ensuing Annual General Meeting. The total payout including the dividend distribution tax amount to ₹ 481.37/- lakhs.

5. Reserves

Out of the amount available for appropriation, Company's Directors propose to transfer ₹ NIL /- lakhs to General Reserve and retain ₹ 22,707.84/- lakhs to Profit and Loss Account.

6. Share Capital

During the financial year, the Company has allotted 209,605 equity shares to the various employees of the Company who are eligible for allotment under the Employee Stock Option Plan-2010. Accordingly, issued, subscribed and paid up equity capital of the Company has increased from ₹2,64,535,820 to ₹ 2,66,631,870/-. During the year, the Company has not issued any equity shares with differential right or any sweat equity shares.

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

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

S. No.	Name of the Person	Designation	Appointment/Resignation	Date of Appointment / Resignation
1	Gokul Patnaik	Independent Director	Appointment	29/03/2016
2	Adesh Kumar Gupta	Independent Director	Appointment	12/02/2016
3	Suparas Bhandari	Independent Director	Appointment	12/02/2016
4	Renu Challu	Independent Director	Resignation	01/10/2015

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	1022415:21667
Ashwani Kumar Arora	1950000:65001
Surinder Kumar Arora	1000000:21667
2. Percentage increase in remuneration of each director and KMPs	
Vijay Kumar Arora	NIL
Surinder Kumar Arora	NIL
Ashwani Kumar Arora	NIL
Som Nath Chopra	NIL
Monika Chawla Jaggia	NIL
3. Percentage increase in the median remuneration of employees	8%
4. Number of permanent employees	857
5. Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	8%
Managerial Increase	8%
Non Managerial Increase	8%
6. Affirmation that the remuneration is as per the remuneration policy of the company	Yes

DIRECTORS REPORT

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 lakhs)	Nature of employment	Qualification	Experience	Age	Last employment	% of shares held
VIJAY KUMAR ARORA	MANAGING DIRECTOR	119.87	Permanent	B.Sc.	40 years of experience	58	NA	10.21

Mr. Vijay Kumar Arora is Promoter Director of the Company. He is related to Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora. He is holding more than 2% of equity shares of the Company.

9. Board Meetings

During the financial year, four Board Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

10. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 4(2) of the LODR, 2015, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

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.

During the year, Mrs. Renu Challu has resigned from the post of Independent Director w.e.f 01st October, 2015 due to her other pre-occupations. Further Mr. Adesh Kumar Gupta and Mr. Suparas Bhandari joined the LT Foods Board on 12th February, 2016 as Additional Director and Mr. Gokul Patnaik has also joined the Company as additional Director with effect from 29th March 2016.

12. Remuneration Policy

The Company has framed Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and SEBI(LODR) Regulations, 2015

The Key highlights of the Policy are as follows:

- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The objective of the Remuneration Policy is to attract and retain high caliber talent and assume that the policy is in consonance with the existing industry practice.

13. Details of Subsidiary/Joint Ventures/Associate Companies

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

During the year, the Company generated revenue of 2980 crores at group level. Its subsidiaries played a major role in contributing to the overall revenue. Kusha Inc. the fellow subsidiary of the Company contributed approx. 29% to the overall revenue. Daawat Foods Limited a 70% owned subsidiary of LT Foods contributed nearly 26% to the total revenue. The organic arm NBFL, a wholly owned subsidiary contributed approx. 8% to the group revenue.

Further, the Annual Accounts and related documents of the subsidiary Company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company

interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

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

During the year, Raghunath Agro Industries (RAI), the partnership firm in which the Company was partner has converted itself into Private Limited Company incorporated on 20th July 2015 in the name and style of M/s Raghunath Agro Industries Private Limited (RAIPL) and such Company has allotted equity shares in proportion to its shareholding in partnership firm and has become Company under same management of the Company during the financial year 2015-16.

LT Infotech Private Limited, one of the subsidiary Company was sold out therefore its become ceased w.e.f. 30th June 2015.

14. Auditors

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

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

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.

16. Secretarial Audit Report

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

- i. Delay in Filling Forms
Due to the oversight, the Company failed to file 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.
- ii. CSR Spent
The Company will spent the balanced amount in financial year 2016-17.
- iii. Stamp Duty on Issue of Shares
The Company will apply to the Revenue Department for payment of stamp duty.
- iv. Details of Male employee in Register as per Equal Remuneration Rules, 1975.
The Company has already noted the discrepancies and will comply the requirements of rule 6 of Equal Remuneration Rules, 1976.
- v. Gratuity Payment to Ex-employee
The Company will pay the dues soon as per the Company's policy.

17. Internal Audit & Controls

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, review of statutory compliances and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

DIRECTORS REPORT

18. Issue of employee stock options

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

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

Notes: -

- Details of options granted during the fiscal 2012 to:

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

19. 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 has been uploaded on the website of the Company at www.ltoverseas.com/india/pdf/whistle-blower-policy.pdf.

20. Risk Management Policy

LT has in place comprehensive risk assessment and minimization procedures, which are reviewed by the top management. Risk Management is a very important part of the Company's business. The Company has in place an integrated risk management system. It proactively identifies monitors and takes precautionary and mitigation measures in respect of various risks that threaten its operations and resources.

21. Extract of Annual Return:

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

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

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

23. Compliance to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (Details of Suspense A/c) 01.04.2015 to 31.03.2016

S. No.	Particulars	No. of Shareholders	No. of Shares
i.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the beginning of the year	7	6494
ii.	Number of shareholders who approached for transfer of shares from Unclaimed Suspense Account during the year	0	0
iii.	Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the year	0	0
iv.	Aggregate number of shareholders and the outstanding shares lying in Unclaimed Suspense Account at the end of the year	7	6494

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

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

The Company has a well placed internal financial control system which ensures the 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.

DIRECTORS REPORT

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

a) Details of Loans:

S. No.	Date of making loan	Details of Borrower	Amount	Purpose for which the loan is to be utilized by the recipient	Time period for which it is given	Date of BR	Date of SR (if reqd)	Rate of Interest	Security
NIL									

b) Details of Investments:-

LT FOODS LTD. - Details of Investments during FY 2015-16

S. No	Date of Investment	Details of Investee	Amount - ₹	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
						(if required)	
1	24/08/2015	Raghuvesh Infrastructure Private Limited	150,000	Business Purpose	12/02/2016	N.A.	-
2	20/07/2015	Raghunath Agro Industries Private Limited	18,565,981	Business Purpose	12/08/2015	N.A.	-
		TOTAL	18,715,981				

c) 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	37257.65	Business purpose
2	Nature Bio Foods Limited	10246.85	-do-

28. Particulars of contracts or arrangements with related parties:

The particulars of every contract or arrangements entered 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 (refer Annexure III). With reference to Section 134(3) (h) of Companies Act, 2013, all contracts and arrangement with related parties under Sec 188(1) entered by the Company were in ordinary course of business and on arms length basis.

29. Corporate Governance Certificate

The Compliance Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Regulation 27 of LODR 2015 is annexed with the report.

30. Management Discussion and Analysis

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31st March, 2016.

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

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention,

Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

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

32. 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:

a) Environment and efficiency - The Company has never shifted its focus from energy conservation and the same remained its key priority. Better controls are planned for reduction in energy consumption. The key areas where the Company have worked and achieved positive results are listed below:

Energy Savings through High Efficiency Motors:

High-efficiency motor is a term applied to an electric motors whose energy losses have been reduced to a minimum. If electrical motors are replaced, the energy efficiency can be improved upto 5%, such motors have been replaced. During the Internal Audit, few aged motors were identified which were resulting in over-consumption of Energy. Such motors are being replaced by High Efficiency motors which helped in reducing the Power consumption.

Lightning:

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

Compressed Air Line

The Company had achieved good results previously by replacing old compressed Air Line with the new Modular Pipeline. The idea was further extended to the remaining areas to optimize the use of Compressed Air.

Energy Saving through VFD

Installation of Variable Frequency Drives for various applications like Whiteners, Graders, Blower's as a flow control strategy for energy conservation. Such installation has resulted in Power Saving by controlling the RPM of Motors.

Power Factor

The Company has continued achieved the Power Factor of .99 to ensure optimum utilization of Power.

Power & Fuel Consumption (Bahalgarh Plant)

PARTICULARS	2015-16	2014-15
ELECTRICITY		
Through Purchases		
Units	1,478,419	19,067,355
Total Amount (₹)	131,107,004	150,111,338
Rate/Unit(₹)	8.99	7.87
Through Diesel Generator		
Units generated	388,901	574,418
TOTAL AMOUNT (₹)	5,118,150	8,239,891
Cost/Unit (₹)	13.61	14.34

DIRECTORS REPORT

Power & Fuel Consumption (Varpal Plant)

PARTICULARS	2015-16	2014-15
ELECTRICITY		
Through Purchases		
Units	4,451,984	3,547,368
Total Amount (₹)	33,478,920	25,412,148
Rate/Unit(₹)	7.52	7.16
Through Diesel Generator		
Units generated	96900	186,700
TOTAL AMOUNT(₹)	1,707,690	3,524,240
Cost/Unit(₹)	17.62	18.88

b) Technology, Absorption, Adaption and Innovation

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

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

(c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹5,169.21 lakhs and the total foreign exchange earned was ₹ 76,977.49 lakhs.

Particulars	(₹ In lakhs)	
	March 31, 2016	March 31, 2015
Value of imports on CIF basis		
Capital goods	516.46	597.44
Stores and spares	25.74	43.80
Other Food Items	-	446.97
Total	542.20	1,088.21
Expenditure in foreign currency		
Legal fees	18.14	47.81
Interest and other charges to bank	136.76	169.79
Steamer freight	1312.44	1,092.37
Sales promotion	41.57	36.45
Commission on export sales	3255.76	22.56
Others	404.54	77.16
Total	5,169.21	1,446.14
Earnings in foreign currency		
FOB value of exports	76,977.49	75,587.39
Total	76,977.49	75,587.39

33. 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 (AnnexureII).

34. Human Resources

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

Your 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. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Company maintains healthy, cordial and harmonious industrial relations at all level.

35. Directors' Responsibility Statement

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

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

36. Transfer of Amounts to Investor Education and Protection Fund

Pursuant to Section 205A and Section 205C of the Companies Act, 1956, the dividend which remain 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 amount of such dividend for the financial year 2008-09, remaining unclaimed for the period of seven years should be transferred to Investor Education and Protection Fund and cannot be claimed there from.

The amount of Dividend unclaimed/unpaid for the financial year 2008-09 to 2014-15 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 18th September 2015, with the Ministry of Corporate Affairs.

During the year, the Company has transferred unpaid dividend of ₹256,562/- to Investor Education and Protection Fund for the dividend declared in the financial year 2007-08.

37. Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2016-2017 to NSE and BSE where the Company's Shares are listed.

38. Acknowledgements

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

For and on behalf of the Board of Directors

Sd/-

Vijay Kumar Arora

DIN: 00012203

Chairman & Managing Director

Place: Gurgaon

Date: 11th August, 2016

DIRECTORS REPORT

ANNEXURE INDEX

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

Annexure-I to Directors Report for the year ended 31st March, 2016
Form No. MGT-9

Extract of Annual Return as on the financial year ended 31st March, 2016 (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	L74899DL1990PLC041790
2. Registration Date	16/10/1990
3. Name of the Company	LT FOODS LIMITED
4. Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5. Address of the Registered office & contact details	UNIT NO-134,FIRST FLOOR, RECTANGLE-1, SAKET DISTRICT CENTRE, NEW DELHI, DELHI-110017 Tel: 011-26857099 Fax: 011-26859344
6. Whether listed company	YES
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PVT. LTD. E-2&3, ANSA INDUSTRIAL ESTATE, SAKI-VIHAR ROAD, SAKINAKA, ANDERI EAST, MUMBAI-400072, MAHARASHTRA Tel: 011-28470652, 28470653 Fax: 011-28475207

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	RICE	10612	92

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	Section-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	L T International Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi 110017	U74899DL1999PLC097892	Subsidiary	89.98	-do-
4	LT Overseas North America Inc. 11130, Warland Drive, Cypress, CA	26-1422699	Subsidiary	100	-do-
5	Sona Global Limited, Office 104 Plot No. 358-615, Al Quoz 3, P.O. Box 17870, Dubai, UAE	OF 1027	Subsidiary	100	-do-
6	Raghuvesh Foods & Infrastructure Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15139DL2010PLC207824	Subsidiary	100	-do-

DIRECTORS REPORT

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%age of Shares Held	Applicable Section
7	LT Infotech Private Limited, A-21, Green Park, Aurobindo Marg, New Delhi-110016	U72300DL2007PTC162270	Associate (Sold on 30th June 2015)	42.5	Section 2(6)
8	Raghuvesh, Agri-Foods Private Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63000DL2014PTC267604	Associate	40	-do-
9	Raghuvesh Warehousing Private Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63020DL2014PTC267603	Associate	40	-do-
10	Nature Bio Foods Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi 110017	U15134DL2005PLC143017	Subsidiary	100	Section 2(87)(ii)
11	Raghuvesh Infrastructure Private Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2015PTC284471	Associate	30	Section 2(6)
12	LT Agri Services Private Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2009PTC189462	Subsidiary	70.48	Section 2(87)(ii)
13	Kusha Inc. 11130,warland drive, Cypress,CA	33-0525788	Subsidiary	100	-do-
14	LT Foods USA LLC	NA	Subsidiary	100	-do-
15	LT Foods Middle East DMCC, Unit 706-707, BB2,Mazaya Business Avenue, JLT, Dubai, UAE	DMCC 4037	Subsidiary	100	-do-
16	Raghuvesh Power Projects Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74140DL2011PLC222060	Subsidiary	35.94	-do-
17	Universal Traders Inc. 11130,warland drive, Cypress,CA	46-5216235	Subsidiary	100	-do-
18	Royal Curry Delights Inc 11130,warland drive, Cypress,CA	45-5216235	Subsidiary	60	-do-
19	Expo Services Private Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2009PTC241224	Subsidiary	80	-do-
20	Fresco Fruits N Nuts Private Limited, Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51909DL2011PTC222196	Subsidiary	70.48	-do-

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-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6548172	0	6548172	24.75	6548172	0	6548172	24.56	(0.19)
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 Relatives	8267588	0	8267588	31.25	8267588	0	8267588	31.01	(0.24)
(ii) Group Companies	3098413	0	3098413	11.71	3098413	0	3098413	11.62	(0.09)
Total shareholding of Promoter (A)	17914173	0	17914173	67.72	17914173	0	17914173	67.19	(0.53)
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	-
a) Mutual Funds	0	0	0	0	0	0	0	0	-
b) Bank/FI	8519	0	8519	0.03	9223	0	9223	0.03	-
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) (Overseas Bodies Corporate)	0	0	0	0	0	0	0	0	-
Sub-total (B)(1): -	8519	0	8519	0.03	9223	0	9223	0.03	-
2. Non-Institutions									
a) Bodies Corp.	460170	0	460170	1.74	419916	0	419916	1.57	(0.17)
i) Indian	0	0	0	0	0	0	0	0	-
ii) Overseas	0	0	0	0	0	0	0	0	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹1 lakh	1759147	151940	1911087	7.22	1604505	145682	1750187	6.56	(0.66)

DIRECTORS REPORT

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	2161058	0	2161058	8.17	2225050	0	2225050	8.35	0.18
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	87980	0	87980	0.33	129189	0	129189	0.48	0.15
Overseas Corporate Bodies	3835015	50000	3885015	14.70	3776253	50000	3826253	14.35	(0.35)
Foreign Nationals	0	0	0	0	0	0	0	0	-
Clearing Members	18595	0	18595	0.07	16143	0	16143	0.06	(0.01)
Unclaimed Suspense Account	6494	0	6494	0.02	6494	0	6494	0.02	-
Trusts	491	0	491	0.00	491	0	491	0.00	-
Foreign Bodies	0	0	0	0	0	0	0	0	-
Sub-total (B)(2):-	8328950	201940	8530890	32.25	8544109	195682	8739791	32.78	(0.53)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	8337469	201940	8539409	32.28	8553332	195682	8749014	32.81	(0.53)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	-
Grand Total (A+B+C)	26251642	201940	26453582	100	26467505	195682	26663187	100	-

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	3098413	11.71	80.69	3098413	11.62	80.69	(0.09)
2	Surinder Arora	2820152	10.66	0	2820152	10.66	0	-
3	Ashok Kumar Arora	2742418	10.37	0	2742418	10.29	0	(0.08)
4	Ashwani Arora	2723152	10.29	0	2723152	10.21	0	(0.08)
5	Vijay Kumar Arora*	2724284	10.3	0	2724284	10.22	0	0.08
6	Gurucharan Dass Arora**	2683452	10.14	0	2683452	10.06	0	(0.08)
7	Parvesh Rani	680000	2.57	0	680000	2.55	0	0.02
8	Vandana Arora	104000	0.39	0	104000	0.39	0	-

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	
9	Munish Kumar Arora	64366	0.24	0	64366	0.24	0	-
10	Abhinav Arora	63334	0.24	0	63334	0.24	0	-
11	Gurucharan Dass Arora	63334	0.24	0	63334	0.24	0	-
12	Aditya Arora	63334	0.24	0	63334	0.24	0	-
13	Ranju Arora	39534	0.15	0	39534	0.15	0	-
14	Vaneet Arora	16000	0.06	0	16000	0.06	0	-
15	Gursajan Arora	12666	0.05	0	12666	0.05	0	-
16	Anita Arora	8734	0.03	0	8734	0.03	0	-
17	Sakshi Arora	7000	0.03	0	7000	0.03	0	-

*Shareholding includes 1606320 Equity Shares (jointly held with Ashwani Kumar Arora)

**Shareholding includes 1109520 Equity Shares (jointly held with Surinder Kumar Arora)

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	17914173	67.72	17914173	67.72
1.	Name: As mentioned in Clause IV (B) of MGT-9 Date of Change: N.A. Reason for Change: N.A.				
	There is no change in promoters shareholding during the FY 15-16				
	At the end of the year	17914173	67.19*	17914173	-

*The change in promoter shareholding is due to allotment of equity share under ESOP.

DIRECTORS REPORT

D) Shareholding Pattern of top ten Shareholders

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	India Agri Business Fund Ltd				
	At the beginning of the year	3835015	14.38	3835015	14.38
	Date of change:31/12/2015	26197	0.10	3808818	14.28
	Reason: Sale				
	Date of change:08/01/2016	30000	0.11	3778818	14.17
	Reason: Sale				
	Date of change:29/01/2016	970	0.00	3777848	14.17
	Reason: Sale				
	Date of change:05/02/2016	1595	0.01	3776253	14.16
	Reason: Sale				
	At the end of the year	3776253	14.16	-	-
2	Seema Ahuja				
	At the Beginning of the year	211922	0.81	211922	0.81
	Date of change:22/05/2015	98399	0.38	113523	0.43
	Reason: Sale				
	Date of change:26/06/2015	10414	0.04	103109	0.39
	Reason: Sale				
	Date of change:25/09/2015	17818	0.07	85291	0.32
	Reason: Sale				
	Date of change:20/11/2015	9592	0.04	75699	0.28
	Reason: Sale				
	At the End of the year	75699	0.28	-	-
3	Pardeep Kumar				
	At the Beginning of the year	193021	0.73	193021	0.73
	At the end of the year	193021	0.73	-	-
4	Bharat Damji Salva				
	At the Beginning of the year	134280	0.51	134280	0.51
	At the end of the year	134280	0.51	-	-
5	Umesh C Shah				
	At the Beginning of the year	125044	0.48	125044	0.48
	At the end of the year	125044	0.48	-	-
6	Syed Arshad Ali				
	At the Beginning of the year	117867	0.45	117867	0.45
	At the end of the year	117867	0.45	-	-
7	Seetha Kumari				
	At the Beginning of the year	185840	0.70	185840	0.70
	Date of change:21/05/2015	2354	0.01	183486	0.69
	Reason: Sale				
	Date of change:12/06/2015	5926	0.02	177560	0.67
	Reason: Sale				

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date of change:07/08/2015 Reason: Sale	7809	0.03	169751	0.64
	Date of change:14/08/2015 Reason: Purchase	4620	0.01	174371	0.65
	Date of change:30/10/2015 Reason: Purchase	2503	0.01	176874	0.66
	Date of change:06/11/2015 Reason: Purchase	7271	0.03	184145	0.69
	Date of change:13/11/2015 Reason: Purchase	5875	0.02	190020	0.71
	Date of change:20/11/2015 Reason: Sale	4000	0.01	186020	0.70
	Date of change:27/11/2015 Reason: Sale	2817	0.01	183203	0.69
	Date of change:31/12/2015 Reason: Purchase	2373	0.01	185576	0.70
	Date of change:1/01/2016 Reason: Purchase	2419	0.01	187995	0.71
	Date of change:8/01/2016 Reason: Purchase	5218	0.01	193213	0.72
	Date of change:15/01/2016 Reason: Purchase	10750	0.05	203963	0.77
	Date of change:22/01/2016 Reason: Purchase	11676	0.04	215639	0.81
	Date of change:29/01/2016 Reason: Purchase	16729	0.06	232368	0.87
	Date of change:11/03/2016 Reason: Purchase	6528	0.03	238896	0.90
	At the end of the year	238896	0.90	-	-
8	Shivali Nitin Prakash				
	At the Beginning of the year	90000	0.34	90000	0.34
	At the end of the year	90000	0.34	-	-
9	Jaspal Malhotra				
	At the Beginning of the year	80484	0.30	80484	0.30
	At the end of the year	80484	0.30	-	-
10	Dolly Khanna				
	At the Beginning of the year	93368	0.35	93368	0.35

DIRECTORS REPORT

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Date of change:29/05/2015 Reason: Purchase	2630	0.01	95998	0.36
	Date of change:12/06/2015 Reason: Purchase	9535	0.04	105533	0.40
	Date of change:19/06/2015 Reason: Purchase	6251	0.02	111784	0.42
	Date of change:26/06/2015 Reason: Purchase	1700	0.01	113484	0.43
	Date of change:30/06/2015 Reason: Purchase	2500	0.01	115984	0.44
	Date of change:24/07/2015 Reason: Purchase	1500	0.00	117484	0.44
	Date of change:31/07/2015 Reason: Purchase	1190	0.01	118674	0.45
	Date of change:07/08/2015 Reason: Purchase	7550	0.02	126224	0.47
	Date of change:14/08/2015 Reason: Purchase	3000	0.01	129224	0.48
	Date of change:18/09/2015 Reason: Purchase	2000	0.01	131224	0.49
	Date of change:30/09/2015 Reason: Purchase	1888	0.01	133112	0.50
	Date of change:30/10/2015 Reason: Purchase	13274	0.05	146386	0.55
	Date of change:06/11/2015 Reason: Purchase	3766	0.01	150152	0.56
	Date of change:20/11/2015 Reason: Purchase	9850	0.04	160002	0.60
	Date of change:27/11/2015 Reason: Purchase	8045	0.03	168047	0.63
	Date of change:05/02/2016 Reason: Purchase	2250	0.01	170297	0.64
	At the end of the year	170297	0.64	-	-

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	Vijay Kumar Arora				
	At the beginning of the year	2724284	10.30	2724284	10.30
	At the end of the year	2724284	10.22	-	-
2	Renu Challu*				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
3	Pramod Bhagat				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
4	Rajesh Kumar Srivastava				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
5	Surinder Kumar Arora				
	At the beginning of the year	2820152	10.66	2820152	10.66
	At the end of the year	2820152	10.58	-	-
6	Ashwani Kumar Arora				
	At the beginning of the year	2723152	10.29	2723152	10.35
	At the end of the year	2723152	10.21	-	-
7	Radha Singh				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
8	Som Nath Chopra**				
	At the beginning of the year	2071	0.00	2071	0.00
	Date of change: 12.02.2016	11578	0.04	13649	0.051
	Reason: ESOP allotment				
	Date of change: 25.03.2016	10000	0.04	3649	
	Reason: Sale				
	At the end of the year	3649	0.014	-	-
9	Monika Chawla Jaggia				
	At the beginning of the year	9088	0.03	9088	0.03
	Date of change: 12.02.2016	9089	0.03	18177	0.034
	Reason ESOP allotment				
	At the end of the year	18177	0.07	-	-
10.	Adesh Kumar Gupta				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
11	Gokul Patnaik				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
12	Suparas Bhandari				
	At the beginning of the year	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-

* resigned w.e.f 01st October 2015

** resigned w.e.f.25th May, 2016

DIRECTORS REPORT

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	96,056.19	-	-	96,056.19
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	28.96	-	-	28.96
Total (i+ii+iii)	96,085.15	-	-	96,085.15
Change in Indebtedness during the financial year				
*Addition				
*Reduction				
Net Change	-9,782.34	-	-	-9,782.34
Indebtedness at the end of the financial year	86,278.37	-	-	86,278.37
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	24.44	-	-	24.44
Total (i+ii+iii)	86,302.81	-	-	86,302.81

XI. 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	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	119.87	77.88	197.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.80
	(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)	120.27	78.28	198.55
	Ceiling as per the Act	11%		

* Mr.Ashwani Kumar Arora was paid from foreign subsidiary.

B. Remuneration to other directors

(₹ Lakhs)

SN.	Particulars of Remuneration	Name of Directors						Total Amount
1	Independent Directors	Radha Singh	Pramod Bhagat	Gokul Patnaik	Adesh Kumar Gupta	Suparas Bhandari	Renu Challu	
	Fee for attending board committee meetings	4.66	4.21	Nil	-	-	1.02	9.89
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (1)	4.66	4.21	-	-	-	1.02	9.89
2	Other Non-Executive Directors	Rajesh Kumar Srivastava						
	Fee for attending board committee meetings	1.37						1.37
	Commission	-						
	Others, please specify	-						
	Total (2)	1.37						
	Grand Total (1+2)	6.03	4.21				1.02	11.26
	Total Managerial Remuneration	6.03	4.21				1.02	11.26
	Ceiling as per the Act	₹ 1Lakhs per meeting						

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

(₹ Lakhs)

S.N	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	20.32	88.67	108.99
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (including stock options)	13.68	17.34	31.02
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Sweat Equity	-	-	-
3	Commission	-	-	-
	- as % of profit			
	others, specify			
4	Others, please specify	-	-	-
	Total	34.00	106.01	140.01

DIRECTORS REPORT

XII. 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					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Sd/-

Vijay Kumar Arora

Chairman & Managing Director

DIN: 00012203

Place: Gurgaon

Date: 11th August, 2016

Annexure -II to Directors Report for the year ended 31st March, 2016

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.

FOCUS AREAS

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

CSR BUDGET

- I. The Board of Directors will ensure that the company spends, in every financial year, at least 2% of the average net profit (to be calculated in accordance with the provision of section 198) of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility policy.
- II. Any surplus or profit generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus or as a supplement to the CSR budget. These funds will be further used in development of the CSR projects and will not be added to the normal business profit.
- III. In the event that the amount to be spent on CSR activities is not spent in its entirety in that FY, the reasons thereof will be outlined as per section 134 (3) (o).
- IV. The company will claim CSR expenditure only for the funds that are provided from its own resources and not for the contribution received from the other sources.
- V. The CSR budget will be used as per the activities mentioned in the schedule VII in project / Programme mode with a process of monitoring, evaluation and clear outlining of desired outcomes.

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

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

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.

DIRECTORS REPORT

- ▶ 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

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

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

(1) The Composition of the CSR Committee.

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

(2) Average net profit of the company for last three financial years- ₹ 4734.85 Lakhs

(3) Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above) – ₹ 94.70 Lakhs

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

- (a) Total amount to be spent for the financial year:- ₹ 94.70 Lakhs
- (b) Amount unspent, if any:- ₹1 Lakhs
- (c) The Company is exploring projects for CSR activities and the balanced amount will be spent in the Financial Year 16-17.

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

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

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

1. The following table provides a summary of the domain wise expenditure on CSR for 2015-16 along with the geographies. The list of partners with who we collaborate is available right below the table
2. In the column 'Cumulative expenditure till reporting period', we have chosen to take 2015-16 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.
3. 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 (ii). Specify the State or district where the projects or programmes Was undertaken	Amount Outlay (Budget) Project or Program wise (INR)	Amount spent On project or programs: Sub head: 1.Direct expenditure on project or program; 2.Overhead (INR)	Cumulative expenditure up to the date of reporting (INR)	Amount spent: Direct or through Implementing agencies*
1.	Initiatives in improving the education in primary school. School renovation, computer centre, Furniture, EAC	Promoting Education	Chhatarpur District, MP Nandlpura village	3,50,000	3,77,675	3,77,675	Fair Farming Foundation
2.	Providing toilets to each household Community healthcare, Sanitation, Awareness Programs	Promoting Preventive Healthcare & Sanitation	Chhatarpur District, MP Nandlpura village	21,00,000	20,72,435	20,72,435	Fair Farming Foundation
3.	Community water filters for access to clean drinking water	Safe Drinking Water	Chhatarpur District, MP Nandlpura village	4,00,000	4,38,019	4,38,019	Fair Farming Foundation
4.	Bio-Gas Units, Solar lights, Solar Panel for alternative source of energy,Bio-inputs	Environment Sustainability	Chhatarpur District, MP Nandlpura village	10,00,000	10,19,400	10,19,400	Fair Farming Foundation
5.	Sewing centre, Dairy farm, Poultry Farm, Register making unit	Women Empowerment & Livelihood Enhancement	Chhatarpur District, MP Nandlpura village	26,00,000	25,57,563	25,57,563	Fair Farming Foundation
6.	Road, drainage, Handpumps, Community centre construction for better village infrasture, project implementation cost	Rural Development	Chhatarpur District, MP Nandlpura village	13,00,000	12,83,508	12,83,508	Fair Farming Foundation

DIRECTORS REPORT

S. No	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 Program wise (INR)	Amount spent On project or programs: Sub head: 1.Direct expenditure on project or program; 2.Overhead (INR)	Cumulative expenditure up to the date of reporting (INR)	Amount spent: Direct or through Implementing agencies*
7	Admin Cost	Documentation/ video	Chhatarpur District, MP	2,50,000	126,000	1,26,000	Own-LT Foods
TOTAL				80,00,000	78,76,000	78,76,000	

S. No.	PARTICULARS	1	2	3	TOTAL
1	CSR project and activity identified				
2	Sector in which the project is covered		Girl's education		
3	Projects or Programme				
	(1) Local area or other				
	(2) Specify the state and district where projects or programmes was undertaken	Delhi	Gurgaon	Interest generated till 31st March'16 on 6,00,000	
4	Amount outlay(budget project or programme wise)	613,140	389,842	21,946	1,024,928
5	Amount spent in the project or programme	575,807	328,379	-	904,186
	Sub heads;				
	(1) Direct expenditure on projects or programmes	418,000	182,000	-	600,000
	Direct programme running expenses	110,707	110,939		221,646
	(2) Overheads	47,100	35,440	-	82,540
6	Cumulative expenditure up to reporting period	575,807	328,379	-	904,186
	Surplus / Deficit	37,333	61,463	21,946	120,742
7	Amount spent through implementing agency				

Apart from Fair Farming Foundation and Udayan Care, the Company associated with two more organisations viz.

Guru Nanak Garib Niwas Society and INTAC for CSR . Guru Nanak Garib Niwas Society works to help children living in slum by providing them good food, clothes, education and clean environment.

Intac is an organisation which works for conservation of unprotected architectural heritage sites in India.

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

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

Annexure -III to Directors Report for the year ended 31st March, 2016
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.

S. 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 / Rent Paid / Interest Received / Purchase of Fixed Assets/ Sale of Fixed Assets / Guarantees given	01.04.15 to 31.03.2016	63,657.37	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-
2	Nature Bio Foods Limited (Subsidiary Company)	Sales / Purchase / Rent Received / Sale of Fixed Assets / Guarantees given / Misc Income received / Processing charges received	01.04.15 to 31.03.2016	12,856.65	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-
3	Kusha Inc. (Subsidiary Company)	Sale of Fixed Assets / Sales	01.04.15 to 31.03.2016	5,069.63	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-

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(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
4	LT Foods Middle East DMCC (Subsidiary Company)	Sales	01.04.15 to 31.03.2016	5,930.62	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-
5	Raghunath Agro Industries* (Partnership Firm and Subsidiary Company)	Sales / Purchase / Interest income / Share of profit / Balance payable at the end of year / Guarantees given	01.04.15 to 31.03.2016	5,114.40	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-
6	V.K.Foods (Entities of KMP)	Sales / Rent Received	01.04.15 to 31.03.2016	168.68	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-
7	SK Engineering Company	Rent Received/ Purchase of Fixed Assets	01.04.15 to 31.03.2016	217.24	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-
8	Super Texfab Private Limited (Company under same management)	Purchase/Rent Received	01.04.15 to 31.03.2016	151.93	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-
9	Fresco Fruits N Nuts Private Limited (Subsidiary Company)	Purchase	01.04.15 to 31.03.2016	317.65	27-05-2015 12-08-2015 09-11-2015 12-02-2016	-

All material transactions were approved by shareholders in the Annual General meeting of the Company held on 18th September, 2015

* The said Partnership firm converted into Private Limited Company and becomes Company under same management w.e.f. 20/07/2015 in the name of M/s Raghunath Agro Industries Private Limited.

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

Sd/-
Ashwani Kumar Arora
Managing Director
DIN 01574773

Sd/-
Surinder Kumar Arora
Managing Director
DIN 01574728

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

Annexure -IV to Directors Report for the year ended 31st March, 2016

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)														
Name of the subsidiary	Date since when subsidiary was acquired	Report- ing period	Report- ing cur- rency	Share capital	Re- serves and surplus	Total Assets	Total Liabili- ties	Invest- ments	Turn over (includ- ing other income)	Profit / loss before tax	Provi- sion for tax	Profit / loss After tax	Pro- posed divi- dend	% of share- hold- ing
1 LTO North America, Inc. USA (Wholly Owned Subsidiary)	18.08.1992	31.03.16	USD *	47.70	(12.48)	15.58	160.74	180.39	-	(0.14)	1.76	1.62	-	100
2 Kusha, Inc. USA (Fellow Subsidiary)	18.08.1992	31.03.16	USD *	21.00	228.56	667.06	417.50	-	1313.29	83.05	36.25	46.80	-	100
3 LT Foods USA LLC (Wholly Owned Subsidiary)	22.09.2010	31.03.16	USD *		(4.13)	24.39	28.51	-	-	(0.82)	0.31	(0.5)		100
4 Universal Traders, Inc. (Fellow Subsidiary)	19.07.2012	31.03.16	USD *	0.10	-	0.11	-	-	21.17	-	-	-	-	100
5 Royal Curry Delights, LLC (Wholly Owned Subsidiary)	10.01.2012	31.03.16	USD *	2.20	(2.20)	-	-	-	0.18	(0.70)	-	(0.71)	-	60
6 LT Foods Middle East DMCC (Fellow Subsidiary)	17.04.2013	31.03.16	AED **	10.00	42.98	156.91	103.93	-	648.85	37.19		37.19	-	100
7 Sona Global Ltd. UAE (Wholly Owned Subsidiary)	19.03.2005	31.03.16	AED **	65.20	7.76	63.60	0.65	10.00	2.40	(0.87)	-	(0.87)	-	100
8 Daawat Foods Limited (Subsidiary)	04.05.2005	31.03.16	INR	1915.53	9812.23	62820.28	53336.94	2244.42	78361.84	452.35	166.50	285.85	-	70.48
9 Nature Bio Foods Limited (Wholly Owned Subsidiary)	25.11.2005	31.03.16	INR	200.00	2864.68	16051.32	12998.76	12.12	22433.69	1837.27	639.72	1197.55	-	100
10 Expo Services Private Limited (Fellow Subsidiary)	18.12.2009	31.03.16	INR	1.00	32.72	165.87	132.16	-	30.86	14.85	-	14.85	-	80
11 SDC Foods India Limited (Subsidiary)	02.01.2009	31.03.16	INR	100.00	(399.21)	74.19	374.60	1.20	1.85	(20.45)	-	(20.45)	-	80
12 Fresco Fruits & Nuts Pvt Limited (Fellow Subsidiary)	28.08.2014	31.03.16	INR	435.69	(525.43)	140.43	230.17	-	5084.90	(530.82)	1.66	(532.47)	-	84.94
13 LT Agri Services Private Limited (Fellow Subsidiary)	17.04.2009	31.03.16	INR	1.00	(2.02)	0.56	1.58	-	-	(0.93)	-	(0.93)	-	70.48
14 LT International Limited (Subsidiary)	12.01.1999	31.03.16	INR	200.00	(48.84)	210.50	59.34	-	366.58	0.95	0.03	0.93	-	89.98
15 Raghuvesh Foods & Infrastructure Limited (Subsidiary)	03.09.2010	31.03.16	INR	5.00	(4.92)	5.21	5.14	-	0.17	(0.32)	-	(0.32)	-	100
16 Raghuvesh Power Projects Limited (Subsidiary)	07.07.2011	31.03.16	INR	5.00	(0.95)	4.47	0.42	-	0.32	-	-	-	-	35.94
17 Raghunath Agro Industries Private Limited	20.07.2015	31.03.16	INR	424.79	1703.39	14618.78	12490.59	-	20426.80	35.05	10.83	24.22	-	4

1. Names of subsidiaries which are yet to commence operations: Nil

2. Names of subsidiaries which have been liquidated or sold during the year: LT Infotech Private Limited was sold on june 30, 2015

* USD : Exchange Rate as on 31/03/2016 is ₹ 65.46 per USD

**AED: Exchange Rate as on 31/03/2016 is ₹ 16.62 per AED

During the year, LTONA formed Ecolife, LLC, single member LLC in California to engage in importing and distributing of organic products. As of March 31, 2016, Ecolife, LLC has not started its operations.

Royal Curry Delights, LLC ceased its operations in last quarter of financial year 2016

DIRECTORS REPORT

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)
1.	Last Audited Balance Sheet date	9/04/2016	9/04/2016	16/05/2016
2.	Date on which the Associate or Joint Venture was associated or acquired	20/05/2014	20/05/2014	24/08/2015
3.	Shares of the Associate or Joint Venture held by the company on the year end			
	No.	1600000	1600000	15000
	Amount of Investment in the Associate or Joint Venture	160.00	160.00	1.50
	Extent of holding (in percentage)	40	40	30
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	Share of Profit / loss is being Consolidated		
6.	Networth attributable to shareholding as per latest audited balance sheet	400.00	400.00	5.00
7.	Profit or Loss for the year			
	(i) Considered in consolidation	(7.92)	(45.41)	(0.08)
	(ii) Not Considered in consolidation	(11.87)	(68.11)	(0.18)

- Names of associates or joint ventures which are yet to commence operations: Nil
- Names of associates or joint ventures which have been liquidated or sold during the year: Nil

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

Sd/-
Ashwani Kumar Arora
Managing Director
DIN 01574773

Sd/-
Surinder Kumar Arora
Managing Director
DIN 01574728

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

Annexure -V to Directors Report for the year ended 31st March, 2016**Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and ruleNo.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 2016 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, 2016 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme)Guidelines, 1999;
 - (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.

DIRECTORS REPORT

(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 except the below mentioned observation in respect of the said Acts.

- (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
- (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

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 2015-16, the Company has spent ₹ 93.70 Lakh out of allocated ₹94.70 Lakh for the purpose of CSR activities, as required under Companies Act, 2013 and rules thereunder.

Observations in Clause (vi) (1) of Para one of our Report

1. The Company is yet to pay stamp duty on allotment of 2,09,605 number of equity shares, under ESOP on 12th February, 2016

Observations in Clause (vi) (3) of Para One of Our Report

1. As per rule 6 of Equal Remuneration Rules, 1976 company has to maintain details of male and female workers in the Form-D as prescribed. However verification of the records of the company, it has been found that company is not mentioning number of male workers in the said register.

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 and made effective w.e.f. 01st July 2015.
- (ii) The Listing Agreements entered into by the Company with BSE Ltd & National Stock Exchange India Limited (applicable upto November 2015) and listing regulations applicable w.e.f. 01st December 2015.

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

I further report that

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

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

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

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

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

1. Taken Approval of Shareholders in Annual General Meeting of the Company held on 18th September, 2015
 - (a) Re-Appointment of Mr. Ashwani Kumar Arora as Managing Director of the Company.
 - (b) Re-Appointment of Mr. Surinder Kumar Arora as Managing Director of the Company.
 - (c) Regularization of Mrs. Renu Challu as Independent Director of the Company.
 - (d) Approval of all material related party transactions under section 188 of the Companies Act, 2013 and clause 49 of the listing agreement for the financial year 2015-16.
 - (e) Ratification of excess Related Party Transactions for the Financial Year 2014-15.
2. Made allotment of Equity Shares under Employee Stock Option Scheme, 2010 (ESOP 2010) during the financial year under review.

Place: New Delhi
Date: 02.08.2016

For D Dixit and Associates
Company Secretaries

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

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: 02.08.2016
Place: New Delhi

CEO/CFO Certification pursuant to Regulation 17(8) of SEBI(Listing Obligations & Disclosure Requirements). 2015 for the financial year ending 2015-16.

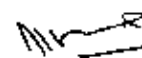
To
The Board of Directors
LT Foods Limited,
Unit-134, 1st Floor, Rectangle-1,
Saket District Centre, Saket,
New Delhi-110017

This is to certify that

- a. We have reviewed financial statements and cash flow statement for the year 2015-16 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - II. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee,
 - I. Significant changes in internal control over financial reporting during the year,
 - II. Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Thanking you,

For **LT Foods Limited**



Ashwani Kumar Arora
Chief Executive Officer

Date: 27/05/2016
Place: Gurgaon

CORPORATE GOVERNANCE REPORT

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

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

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

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

Whistle Blower Policy/ Vigil Mechanism

LT Foods introduced its Whistle Blower Policy in the belief that a fearless environment must exist for the employees to report any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy to the Independent Ombudsman. The Whistle Blower Policy / Vigil Mechanism Policy is available on the Company's website www.ltgroup.in

The policy aims to:

- Allow stakeholder to bring to the management's notice any malpractice, fraud or unethical behaviour.
- Build and strengthen a culture of transparency and trust; and
- Provide protection against victimization.

BOARD OF DIRECTORS

In strict adherence to our corporate governance philosophy, we have on Board of Directors with an appropriate mix of skills and integrity to Independent Directors to maintain its independence.

- a) On March 31, 2016, our Board consisted of nine members, three of whom are Executive, five are Non Executive Independent members and one is Non Executive Nominee Director. The Board has formed Seven Committees. These are the Audit Committee / Risk Management Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Management Committee, Governance Committee, Corporate Social Responsibility Committee and the Selection Committee.

None of the Non Executive Independent Director serve as Independent Director on more than seven Listed Companies and none of the Executive or Whole-time Directors serve as an Independent Director in any Listed Company. During the year, the Company has appointed three Independent Directors who are experts in their fields, complementing the existing blend of our professional Board. Mr. Adesh Kumar Gupta and Mr. Suparas Bhandari joined the Board on 12th February, 2016 and Mr. Gokul Patnaik joined the Board on 29th March, 2016. The Company has issued appointment letters to the Directors their terms and conditions of appointment. This is available on website of the Company. The weblink for the same is <http://www.ltoverseas.com/india/pdf/terms-and-conditions-of-appointment-of-independent-director.pdf>

- b) None of the Directors on the Board are members of more than ten (10) committees or hold the post of Chairman on more than five (5) Committees. Necessary disclosures regarding the Committee positions on the Board of other Public Companies, as on March 31, 2016, have been made by the Directors.
- c) 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 2015-16:

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2015-16		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)	2724284	4	3	NO	4	NIL	NIL
Ashwani Kumar Arora	Managing Director (Executive)	2723152	4	4	YES	3	NIL	NIL
Surinder Kumar Arora#	Managing Director (Executive)	2820152	4	3	NO	4	NIL	NIL
Pramod Bhagat	Non Executive (Independent)	Nil	4	4	YES	1	2	2
Rajesh Kumar Srivastava	Non Executive (Nominee Director)	Nil	4	2	NO	6	NIL	3
Radha Singh	Non Executive (Independent)	Nil	4	4	NO	3	NIL	2
Adesh Kumar Gupta	Non Executive (Independent)	Nil	0	0	NA	2	0	0
Suparas Bhandari	Non Executive (Independent)	Nil	0	0	NA	8	2	2
Gokul Patnaik	Non Executive (Independent)	Nil	0	0	NA	0	1	1

1 includes only Audit and Stakeholders Relationship Committees

@ Out of 2724284 equity shares, Mr. Vijay Kumar Arora holds 1606320 equity shares in joint holding with Mr. Ashwani Kumar Arora.

#Mr. Surinder Kumar Arora also holds 1109520 equity shares in joint holding with Mr. Gurucharan Dass Arora.

Mr. Adesh Kumar Gupta and Mr. Suparas Bhandari joined the Board on 12th Feb, 2016 and Mr. Gokul Patnaik joined the Board on 29th March, 2016.

- During the year, four meetings were held and the gap between two meetings did not exceed one hundred twenty days. The dates on which these meetings were held are: May 27, 2015; August 12, 2015; November 09, 2015; and February 12, 2016.
- 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.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- 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.
- 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.
- The Non- Executive Directors donot hold any convertible instruments in the Company.

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 value and its growth. The

CORPORATE GOVERNANCE REPORT

Board exercises its duties with care, skill and diligence and also exercises independent judgement. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders' aspirations and societal expectations.

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

Definition of Independent Directors

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

Familiarization Programme of Independent Directors

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

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

The weblink for the details of familiarisation programme imparted to Independent Directors is <http://www.ltoverseas.com/india/pdf/familiarization-programme-for-independent-directors.pdf>

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 has not participated.

Separate Meeting of Independent Directors

The Listed Company needs to conduct atleast one meeting in a year wherein Independent Directors can evaluate the Board, Independent Directors individually, Committees as well as the Board procedures of the Company. All Independent Directors met separately on 12th February, 2016 without presence of Non Independent Directors.

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

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

Succession Plan

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

I 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
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
Stakeholders Relationship Committee	Selection Committee
1. Pramod Bhagat (Chairman of the Committee) Independent Director	1. Vijay Kumar Arora (Chairman of the Committee) Executive Director
2. Radha Singh Independent Director	2. Ashwani Kumar Arora Executive Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee 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 erstwhile Listing Agreement and Regulation 18 of Listing Obligation and Disclosure Requirement Regulations, 2015. Members of the Audit Committee possess financial accounting expertise and exposure.

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

Powers of the Audit Committee

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if considered necessary.

Role of the Audit Committee

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
- Reviewing with the management, the annual financial statements and Auditors Report thereon, before submission to the Board for approval, with particular reference to:

CORPORATE GOVERNANCE REPORT

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

Audit Committee terms of reference are:

- Reviewing with the management, the quarterly financial statements, before submission to the Board for approval
- Monitoring and reviewing with the Management, the statement of uses/ application of funds raised through an issue (public issue, right issue and preferential issue, among others), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the Report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditors independence and performance, and effectiveness of the audit process
- Approval or any subsequent modification of transactions of the Company with the related parties
- Valuation of undertakings or assets of the Company, wherever necessary
- Evaluation of Internal Financial Controls and Risk Management Systems
- Reviewing with the management, the performance of statutory auditors, internal auditors, adequacy of internal control systems
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussions with internal auditors of any significant findings and follow-up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- Approval of appointment of CFO (i.e. the whole- time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background of the candidate
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries
- Reviewing the following information:

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

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

Members of the Committee	Category and Designation	Number of meetings held during the year 2015-16	
		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

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

All the members of the Audit Committee are financially literate.

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

II. NOMINATION & REMUNERATION COMMITTEE

Brief Description & Terms of Reference:

The Committee comprises two Independent Directors and one Non-Executive Nominee Director, viz. Ms. Radha Singh (Chairman), 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.

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

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

CORPORATE GOVERNANCE REPORT

Dates: May 27, 2015, January 11, 2016 and February 12, 2016

Members of the Committee	Category and Designation	Number of meetings held during the year 2015-16	
		Held	Attended
Radha Singh	Independent, Non- Executive (Chairman)	3	3
Rajesh Kumar Srivastava	Nominee, Non- Executive	3	2
Pramod Bhagat	Independent, Non- Executive	3	3

I. Remuneration Policy

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

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

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

II. Directors Remuneration Policy

- Independent Non Executive Directors** - The Non - Executive Directors are given to sitting fees only, as recommended by Nomination & Remuneration Committee and approved by the Board.
- 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, 2016, 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, 2016 are as under:

Name of the Directors	(Amount in ₹ Lakhs)
	Sitting Fees paid
Radha Singh	4.66
Rajesh Kumar Srivastava	1.37
Renu Challu	1.02
Pramod Bhagat	4.21
Total	11.26

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

Name	Salary & Allowances (Amount in ₹ Lakhs)
Vijay Kumar Arora	120.27
Ashwani Kumar Arora	77.35
(Salary paid from foreign subsidiary)	
Surinder Kumar Arora	78.28

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

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

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

Brief Description & Terms of Reference:

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

Name	Designation	Category
Pramod Bhagat	Chairman	Independent Non-Executive Director
Radha Singh	Member	Independent Non-Executive Director
Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director

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

Shareholder's Complaints: 2015-16

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

IV. MANAGEMENT COMMITTEE

Brief Description & Terms of Reference:

The Management Committee comprises of three directors:

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

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

CORPORATE GOVERNANCE REPORT

V. GOVERNANCE COMMITTEE

Brief Description & Terms of Reference:

The Governance Committee comprises of three members:

S. No	Name	Designation	Category
1	Vijay Kumar Arora	Chairman	Executive Director
2	Ashwani Kumar Arora	Member	Executive Director
3	Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director

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

VI. SELECTION COMMITTEE

Brief Description & Terms of Reference:

The Selection Committee comprises of three members:

S. No	Name	Designation	Category
1	Vijay Kumar Arora	Chairman	Executive Director
2	Ashwani Kumar Arora	Member	Executive Director
3	Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director

The 'Selection Committee' of the Board of Directors takes decisions regarding the appointment, such as the terms of appointment, and remuneration and termination, of the identified 'Key Men' positions and further appraises the Board of Directors of these.

VII. CORPORATE SOCIAL RESPONSIBILITY(CSR) COMMITTEE

The CSR Committee comprises of the following members:

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

Role of CSR Committee

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

During the year, four CSR meetings were held.

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.

MATERIAL SUBSIDIARY COMPANIES

Daawat Foods Limited is an unlisted material subsidiary of the Company with an independent Board of Directors. The Audit Committee and the Board of Directors of the Company review the financial statements of the subsidiary.

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
2014-15	25th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	18.09.2015	03.00 PM
2013-14	24th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	09.09.2014	3.00 PM
2012-13	23rd AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	23.09.2013	3.00 PM

During the last three Annual General Meetings, the Shareholders of the Company have 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
2014-15	25th AGM	1. Reappointment of Mr. Ashwani Kumar Arora as Managing Director of the Company. 2. Reappointment of Mr. Surinder Kumar Arora as Managing Director of the Company 3. Approval of Related party transactions for the financial year 2015-16 4. Ratification of resolution passed through Postal ballot dated 30th March, 2015
2013-14	24th AGM	1. Adoption of New Articles of Association 2. Re-appointment of Mr. Vijay Kumar Arora as Chairman & Managing Director of the Company 3. Authorize the Board to borrow money in excess of prescribed limit under Section 180(1)(c) of Companies Act, 2013 4. Authorize the Board to create Charges under Section 180(1)(a) of Companies Act, 2013
2012-13	23rd AGM	1. To Increase the remuneration of Ashwani Kumar Arora 2. To Increase the remuneration of Surinder Kumar Arora

POSTAL BALLOT

No resolutions were passed through postal ballot during the year Financial Year 2015-16.

DISCLOSURES

- 1) During the financial year ended 31st March, 2016, there were no materially significant transactions with related parties, viz. promoters, relatives, the management, and subsidiaries, among others, that may have a potential conflict with the interest of the Company at large. The relevant disclosures on related parties and transactions with them appear in the Notes to the Accounts (Schedule-21). The Company has formulated a policy on materiality of Related Party transactions and on dealing with RPI in accordance with relevant

CORPORATE GOVERNANCE REPORT

provision of Companies Act, 2013 and Listing Regulations, 2015. The policy has been disclosed on the website of the Company at www.ltgroup.in under the investors section.

- 2) No non compliance have been done by the Company and no penalty or stricture was imposed on the Company by any Stock Exchange, SEBI or any statutory authority on account of non-compliance by the Company on any matter related to the Capital Market during the last three financial years.
- 3) The CEO/CFO Certificate in terms of Reg 17(8) of SEBI (Listing Obligations and Disclosure Requirements) 2015 has been placed before the Board.
- 4) In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended till date, on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The Code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company. It also cautions them on the consequences of non-compliance thereof.
- 5) The Company follows the practice of 'Closure of Trading Window' prior to the publication of price sensitive information. During this period, the Company has set up a mechanism whereby the management and relevant staff and business associates of the Company are informed regarding the same and are advised not to trade in the Company's securities.
- 6) The Company complies with all the mandatory requirements of Listing Regulations, 2015. It is in the process of also complying with the non-mandatory requirements of the Listing Agreement on 'Corporate Governance'.
- 7) **Reconciliation of Share Capital Audit**
A qualified Company Secretary carried out a secretarial audit to reconcile the total admitted equity capital with the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total issued and listed equity capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.
- 8) **Disclosure of accounting treatment in preparation of financial statements**
The Company has followed prescribed accounting standards as laid down by ICAI in preparation of its financial statements.

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

Clause F of schedule V of LODR is not applicable.

CODE OF CONDUCT

The Company has adopted revised Code of Conduct and Ethics for Directors and Senior Management personnel vide Board Meeting held on 27th May, 2016. A copy of the 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 2015-16.

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.
- The Management Discussion and Analysis (MDA) report, which covers the operations of the Company, forms part of the Annual Report.
- The Company has not made any presentation to Institutional Investor.

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

GENERAL SHAREHOLDER'S INFORMATION

Twenty Sixth Annual General Meeting

Date & Time	Wednesday, the 21st September 2016 at 3.00 PM
Venue	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010.

Financial Calendar for the Year 2015-16:

Financial Year	April 2015 to 31st March 2016
Dividend Payment Date	The Board of Directors has recommended a dividend of ₹ 1.5 per share for the financial year ended 31st March, 2016.
Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 14th September, 2016 to Wednesday, 21st September, 2016, 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, Gurgaon-122001.

Listing on Stock Exchanges:

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

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

ISIN No. for NSDL & CDSL: INE818H01012

Listing Fees / Custodial Fees for 2015 -16:

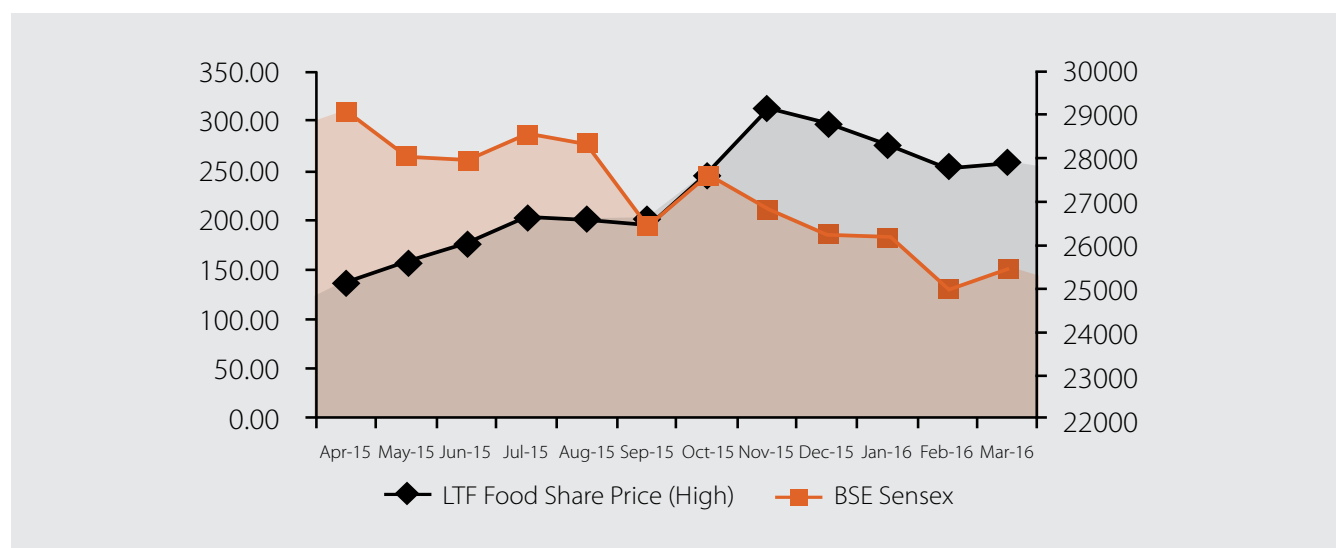
The annual listing fees have been paid to BSE and NSE. Annual custodian fees have also been paid to NSDL and CDSL for the financial year 2015-16.

CORPORATE GOVERNANCE REPORT

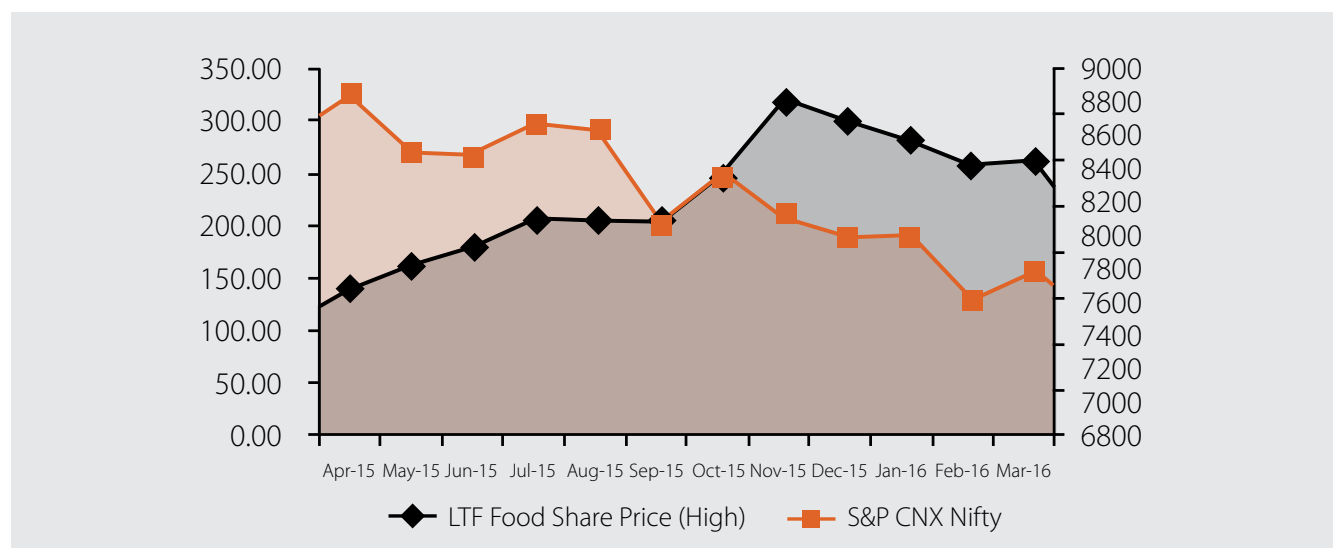
Stock Market Data on BSE

Month	Bombay Stock Exchange Limited					National Stock Exchange Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	S&P CNX Nifty
Apr-15	138.00	101.80	115.25	199024	29095	138.00	99.50	116.50	769959	8845
May-15	158.80	117.10	143.50	231818	28071	158.70	113.00	143.00	775461	8490
Jun-15	177.40	118.30	164.80	330065	27969	178.00	122.50	163.75	986276	8467
Jul-15	207.40	160.30	196.00	179796	28578	204.00	160.20	197.00	869078	8655
Aug-15	203.90	144.00	179.20	102376	28418	201.95	140.95	178.75	492129	8622
Sep-15	203.00	162.60	187.00	87806	26472	202.80	163.20	186.55	399809	8055
Oct-15	241.90	181.90	233.80	193482	27618	244.90	181.35	234.00	858179	8336
Nov-15	314.40	226.40	286.60	580227	26824	314.00	226.50	285.00	2687392	8116
Dec-15	299.00	260.10	263.80	118532	26256	299.00	262.00	264.00	466446	7979
Jan-16	277.00	218.00	246.60	82659	26197	278.00	215.20	247.25	319679	7973
Feb-16	253.00	180.00	183.00	34760	25002	255.00	180.10	183.20	175522	7600
Mar-16	259.80	184.60	225.90	191828	25480	259.40	183.75	225.05	769965	7778

STOCK PRICE VS BSE SENSEX



STOCK PRICE VS NSE NIFTY



Unclaimed Dividend

The shareholders who have not encashed their dividend warrants for the year 2014-15 are requested to claim the amount from the Registrar & Share Transfer Agent (in case shares are held in the demat form) or the Corporate Office (in case shares are held in the physical form).

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

Share Transfer System and Registrar & Share Transfer Agent

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

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

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

Bigshare Services Private Limited
 E-2/3, Ansa Industrial Estate,
 Saki Vihar Road, Saki Naka,
 Andheri (East), Mumbai
 Pin Code-400072.
 Contact Person: Mr. N.V.K.Mohan
 Tel No. 022-28470652
 Fax No. 022-28475207
 Email id:mohan@bigshareonline.com and
 bssdelhi@bigshareonline.com

CORPORATE GOVERNANCE REPORT

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

As required under Regulation 40(10) of the Listing Regulations, the Company obtains a certificate regarding share transfer compliances, on a half-yearly basis, from a Practicing Company Secretary. A copy of this certificate is filed with the Stock Exchanges.

Dematerialization of Shares & Liquidity

Procedure for dematerialization/rematerialization of shares

Shareholders seeking demat/remat of their shares must approach the Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to the Registrar and Share transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. Upon verification, the Registrar will request the National Securities Depository Ltd. (NSDL)/Central Depository Services Ltd. (CDSL) to confirm the demat request. The demat account of the concerned shareholder will be credited with an equivalent number of shares. In case of a rejection of the request, it will be communicated to the shareholder.

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

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

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

Distribution of Shareholding as on dated March 31st, 2016:

(A) Distribution of Shareholding by Ownership

Category	Total Shareholders	% Of Shareholders	Voting Strength	%
CLEARING MEMBER	51	0.3497	16143	0.0605
CORPORATE BODIES	224	1.5358	419916	1.5749
DIRECTORS	4	0.0274	8267588	31.0075
EMPLOYEE	49	0.336	366068	1.3729
FINANCIAL INSTITUTIONS	1	0.0069	8196	0.0307
FOREIGN COMPANY	1	0.0069	3776253	14.1628
GROUP COMPANIES	1	0.0069	3098413	11.6206
NON NATIONALISED BANKS	1	0.0069	1027	0.0039
NON RESIDENT INDIANS	108	0.7405	129189	0.4845
OVERSEAS CORPORATE BODIES	1	0.0069	50000	0.1875
PROMOTERS	14	0.096	6548172	24.5588
PUBLIC	14126	96.8529	3975237	14.9091
TRUSTS	3	0.0206	491	0.0018
UNCLAIMED SUSPENSE ACCOUNT	1	0.0069	6494	0.0244
TOTAL	14585		26663187	100

(B) Distribution of Shareholding by Size

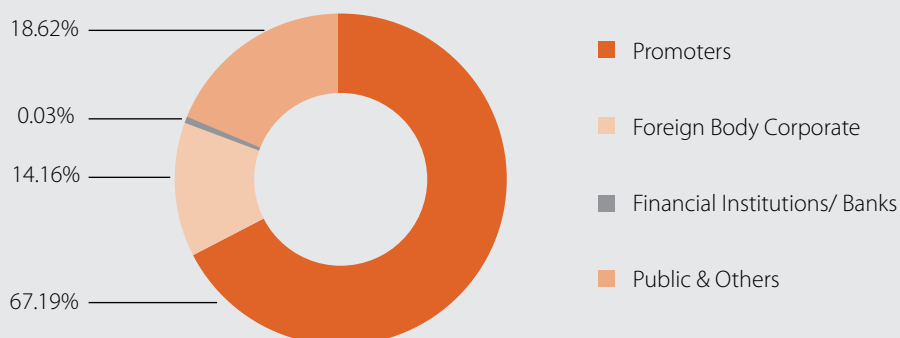
No. of shares		No of shareholders	% of total shareholders	Share Amount(₹)	% of total
1	5000	13690	93.8636	7064010	2.6493
5001	10000	366	2.5094	3080020	1.1552
10001	20000	271	1.8581	4264750	1.5995
20001	30000	74	0.5074	1855150	0.6958
30001	40000	30	0.2057	1013520	0.3801
40001	50000	29	0.1988	1334410	0.5005
50001	100000	36	0.2468	2405480	0.9022
100001	500000	56	0.384	11746980	4.4057
500001	1000000	16	0.1097	10552260	3.9576
1000001	5000000	7	0.048	10834050	4.0633
5000001	10000000	1	0.0069	6800000	2.5503
10000001	999999999	9	0.0617	205681240	77.1405
Total		14585		266631870	100.0000

(C) Top Shareholders as on 31st March, 2016

S. No.	CATEGORY	NAME	Shares	%
1	FOREIGN COMPANY	INDIA AGRI BUSINESS FUND LTD	3776253	14.1628
2	GROUP COMPANIES	RAGHUVESH HOLDINGS PRIVATE LIMITED	3098413	11.6206
3	DIRECTORS	SURINDER ARORA	2820152	10.5770
4	PROMOTERS	ASHOK KUMAR ARORA	2742418	10.2854
5	DIRECTORS	ASHWANI ARORA	2723152	10.2132
6	DIRECTORS	VIJAY KUMAR ARORA	1606320	6.0245
7	PROMOTERS	GURUCHARAN DASS ARORA	1573932	5.9030
8	DIRECTORS	VIJAY KUMAR ARORA	1117964	4.1929
9	PROMOTERS	GURUCHARAN DASS ARORA	1109520	4.1612
10	PROMOTERS	PARVESH RANI	680000	2.5503
Total			22586687	84.7111

CORPORATE GOVERNANCE REPORT

Shareholding Pattern as on 31st March, 2016



Plant Locations:

At present, the Company has five 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.

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

Company 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
Mail Id: monika.jaggia@ltgroup.in

On behalf of the Board of Directors

Place: Gurgaon
Date: 11.08.2016
Sd/-
(Vijay Kumar Arora)
Chairman & Managing Director
DIN: 00012203

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, 2016 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

Debasis Dixit
FCS-7218, CP-7871

Date:-2nd August 2016
Place:- New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of LT Foods Limited Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of LT Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

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

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 the 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 the standalone financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

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 the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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 of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 27, 2016 as per Annexure B expressed unqualified opinion; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. as detailed in Note 28 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**
Partner
Membership No.: 099514

Place: Gurgaon
Date: May 27, 2016

INDEPENDENT AUDITOR'S REPORT

Annexure A

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 fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year except for stocks lying with third parties. For stocks lying with third parties at year end, written confirmations have been obtained by the management. No material discrepancies were noticed on aforesaid verification.
- (iii) The Company has granted unsecured loans to one company 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 the principal and the payment of the interest has not been stipulated and hence we are unable to comment as to whether repayments/receipts of the principal amount and the interest are regular;
 - (c) in the absence of stipulated schedule of repayment of principal and payment of interest, we are unable to comment as to whether there is any amount which is overdue for more than 90 days and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loan, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs)	Period to which the amount relates	Due Date	Date of Payment
Income Tax Act, 1961	Advance Income Tax	77.28	Financial Year 2015-16	15 June 2015	Not Yet Paid
Income Tax Act, 1961	Advance Income Tax	531.84	Financial Year 2015-16	15 September 2015	Not Yet Paid

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

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	57.54	-	Financial Year 2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	0.65	-	Financial Year 2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	26.81	26.81	Financial Year 2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	4.84	-	Financial Year 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	327.62	250.00	Financial Year 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	235.95	123.95	Financial Year 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	861.98	-	Financial Year 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	829.80	191.00	Financial Year 2010-11	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	155.52	-	Financial Year 2011-12	The Company is in the process of filing the appeal against order

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding debentures and dues payable to the government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid by the company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
 (Formerly Walker, Chandiok & Co)
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**
 Partner
 Membership No.: 099514

Place: Gurgaon
 Date: May 27, 2016

INDEPENDENT AUDITOR'S REPORT

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, 2016, 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 issued by the Institute of Chartered Accountants of India. 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 Institute of Chartered Accountants of India (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 on Audit of Internal Financial Controls Over Financial Reporting (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.

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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants
Firm Registration No: 001076N/N500013

per **Neeraj Goel**
Partner
Membership No. 099514

Place: Gurgaon
Date: May 27, 2016

BALANCE SHEET

As at March 31, 2016

	Notes	March 31, 2016	March 31, 2015
(₹ in Lakhs)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,666.32	2,645.36
Reserves and surplus	4	30,166.82	27,552.78
		32,833.14	30,198.14
Non-current liabilities			
Long-term borrowings	5	1,811.29	4,623.70
Deferred tax liabilities (net)	6	216.36	223.45
Other long term liabilities	7	9.89	9.78
Long-term provisions	8	89.87	120.73
		2,127.41	4,977.66
Current liabilities			
Short-term borrowings	9	81,807.56	87,452.13
Trade payables	10		
total outstanding dues of micro, small and medium enterprises		220.63	437.32
total outstanding dues of creditors other than micro, small and medium enterprises		7,186.93	7,111.60
Other current liabilities	11	6,963.69	10,146.42
Short-term provisions	8	2,117.79	1,912.18
		98,296.60	107,059.65
		133,257.15	142,235.45
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	15,834.07	18,074.92
Intangible assets	13	69.66	86.00
Capital work-in-progress		1,716.40	984.03
Non-current investments	14	6,199.96	6,195.71
Long-term loans and advances	15	2,537.70	1,832.13
Other non-current assets	16	9.49	40.52
		26,367.28	27,213.31
Current assets			
Inventories	17	65,712.78	65,822.45
Trade receivables	18	26,650.87	19,161.94
Cash and bank balances	19	1,249.97	683.28
Short-term loans and advances	15	13,276.25	29,353.98
Other current assets	16	-	0.49
		106,889.87	115,022.14
		133,257.15	142,235.45

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Place : Gurgaon

Date : May 27, 2016

For and on behalf of the Board of Directors of LT Foods Limited
Ashwani Kumar Arora

Managing Director

DIN 01574773

Surinder Kumar Arora

Managing Director

DIN 01574728

Monika Chawla Jaggia

Company Secretary

Membership No. :- F5150

STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2016

(₹ in Lakhs)

	Notes	March 31, 2016	March 31, 2015
Income			
Revenue from operations	20	182,120.10	182,164.12
Other income	21	2,549.05	3,434.10
Prior period items		11.22	0.05
Total revenue		184,680.37	185,598.27
Expenses			
Cost of materials consumed	22	114,451.78	117,788.92
Purchases of stock in trade	23	22,032.97	27,792.02
Changes in inventories of finished goods and stock in trade	24	2,097.61	1,754.22
Employee benefits	25	4,142.60	3,970.37
Finance costs	26	9,074.66	8,980.13
Depreciation and amortisation expense	12 & 13	2,635.99	2,851.55
Other expenses	27	25,561.25	18,192.80
Total expenses		179,996.86	181,330.01
Profit before tax		4,683.51	4,268.26
Tax expense			
Current Year			
Current tax		1,574.68	1,424.12
Deferred tax		(7.10)	(221.38)
Earlier Year			
Current tax		77.63	-
Profit for the year		3,038.30	3,065.52
Earnings per equity share in ₹	32		
Basic		11.47	11.61
Diluted		11.44	11.52

This is the statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

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

Ashwani Kumar Arora

Managing Director

DIN 01574773

Surinder Kumar Arora

Managing Director

DIN 01574728

Place : Gurgaon

Date : May 27, 2016

Monika Chawla Jaggia

Company Secretary

Membership No. : F5150

CASH FLOW STATEMENT

for the year ended March 31, 2016

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Profit before tax	4,683.51	4,268.26
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,635.99	2,851.55
Profit on sale of fixed assets	(235.76)	(57.77)
Unrealised foreign exchange loss/(gain)	240.44	186.60
Provision for impairment of investment	-	80.00
Amounts written off	207.38	-
Provision for doubtful debts	-	79.81
Share of profit of partnership firm	(0.51)	(1.87)
Interest from partnership firm	(2.43)	(4.48)
Interest expense	8,827.56	8,747.48
Interest income	(22.01)	(13.37)
Liabilities written back	(259.31)	(300.81)
Dividends received from non trade investments	(0.16)	(0.14)
Operating profit before operating assets and liabilities	16,074.70	15,835.26
Changes in operating assets and liabilities :		
Decrease in trade payables	(147.96)	(1,721.65)
(Decrease)/ Increase in provisions and other liabilities	(1,629.51)	3,957.90
(Increase)/ Decrease in trade receivables	(7,898.27)	5,955.16
Decrease in inventories	109.67	1,366.07
Decrease/ (Increase) in loans and advances and other current assets	16,015.20	(23,798.13)
Cash generated from operations	22,523.83	1,594.61
Direct taxes paid (net of refunds)	(1,923.91)	(1,632.06)
Net cash generated from/ (used in) operating activities	20,599.92	(37.45)
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(2,050.81)	(3,387.41)
Proceeds from sale of fixed assets	1,162.19	108.28
Purchase of non current investments	(1.31)	(277.17)
Interest received	22.50	49.90
Investment in fixed deposits and unpaid dividend account	(380.69)	(52.67)
Withdrawal in fixed deposits and unpaid dividend account	153.06	-
Dividends received from non trade investments	0.16	0.14
Net cash used in investing activities	(1,094.90)	(3,558.93)

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Cash flow from financing activities		
Proceeds from issue of equity shares	79.64	56.23
Proceeds from long term borrowings	22.96	2,791.44
Repayment of long term borrowings	(4,156.21)	(3,532.46)
(Repayment)/ Proceeds from short term borrowings (net)	(5,676.45)	13,222.26
Interest paid	(8,832.08)	(8,770.27)
Dividends paid on equity shares	(529.07)	(591.88)
Tax on equity dividend paid	(105.78)	(100.59)
Net cash (used in)/ generated from financing activities	19,196.99	3,074.73
Net increase/(decrease) in cash and cash equivalents	308.03	(521.65)
Cash and cash equivalents at the beginning of the year	571.82	1,093.47
Cash and cash equivalents at the end of the year	879.85	571.82
Components of cash and cash equivalents		
Cash on hand	50.42	22.29
With banks		
- on current account	829.43	549.53
Total cash and cash equivalents	879.85	571.82

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 27, 2016

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

Ashwani Kumar Arora
Managing Director
DIN 01574773

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, 2016

1. Corporate information

LT Foods Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the 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 contract farming, 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. LT Foods Limited rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavoured rice in the ready to cook segment.

2. Significant accounting policies

a. Basis of preparation

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

b. Use of estimates

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

c. Revenue recognition

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

Sale of goods:

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

Dividend:

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

Interest:

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

Share of profit and interest in partnership

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

d. Fixed assets

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

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

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

e. Depreciation and amortisation

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

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

In respect of assets whose useful life has been revised, the unamortized depreciable amount is charged over the revised remaining useful life.

f. Investments

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

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

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

g. Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

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

Work in progress

At raw material cost and a proportion of direct and indirect overheads upto 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.

h. Foreign currency transaction

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

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevailing at the date of balance sheet. The resulting difference is also recognized in the statement of profit & loss.

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

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

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

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

i. Employee benefits

Provident Fund

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

Gratuity

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

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

Compensated absences

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

Other short term benefits

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

j. Borrowing costs

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

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

k. Earnings per share

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

I. Income tax

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

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

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

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

m. Contingent liabilities and provisions

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

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

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

n. Impairment of assets

The Company on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

o. Share-based payment

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

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

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

p. Leases

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term.

3 Share capital

	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
Authorised share capital				
-Equity shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up capital				
-Equity shares of ₹ 10 each	26,663,187	2,666.32	26,453,582	2,645.36
Total	26,663,187	2,666.32	26,453,582	2,645.36

(₹ in Lakhs)

a) During the year, the Company had issued and allotted 209,605 (previous year 147,973) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 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, 2016 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50 per share (previous year ₹ 2.00 per share).

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

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

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each				
India Agri Business Fund Limited	3,776,253	14.16%	3,835,015	14.50%
Ashwani Arora	2,723,152	10.21%	2,723,152	10.29%
Surinder Arora	2,820,152	10.58%	2,820,152	10.66%
Gurucharan Dass Arora	1,573,932	5.90%	1,573,932	5.95%
Ashok Kumar Arora	2,742,418	10.29%	2,742,418	10.37%
Raghuvesh Holdings Private Limited	3,098,413	11.62%	3,098,413	11.71%
Vijay Kumar Arora and Ashwani Arora	1,606,320	6.02%	1,606,320	6.07%
Gurucharan Dass Arora and Surinder Arora	1,109,520	4.16%	1,109,520	4.19%
Vijay Kumar Arora	1,117,964	4.19%	1,117,964	4.23%

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

The Company had reserved issuance of 849,538 (previous year 849,538) Equity shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Plan (ESOP). During the year, the Company had issued and allotted 209,605 (previous year 147,973) equity shares to eligible employees of the Company and its subsidiaries under ESOP. The option would vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria.

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

		(₹ in Lakhs)	
		March 31, 2016	March 31, 2015
Capital reserve	(A)	108.61	108.61
Securities premium reserve			
Balance at the beginning of the year		5,593.38	5,551.94
Add : Additions made during the year		58.69	41.44
Balance at the end of the year	(B)	5,652.06	5,593.38
General reserve			
Balance at the beginning of the year		1,514.72	1,514.72
Add : Additions made during the year		-	-
Balance at the end of the year	(C)	1,514.72	1,514.72
Share options outstanding amount			
Balance at the beginning of the year		183.22	154.22
Add : Additions made during the year		0.36	29.00
Balance at the end of the year	(D)	183.58	183.22
Surplus in the statement of profit and loss			
Balance at the beginning of the year		20,152.85	17,800.40
Add : Transferred from statement of profit and loss		3,038.29	3,065.52
Less : Proposed dividend		(401.87)	(529.07)
Less : Corporate dividend tax		(81.42)	(105.78)
Less: Depreciation adjustments against reserves		-	(78.22)
Balance at the end of the year	(E)	22,707.85	20,152.85
Total reserves and surplus	(A+B+C+D+E)	30,166.82	27,552.78

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

5 Long term borrowings

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
	Non current	Current	Non current	Current
Secured				
Rupee term loans				
From banks	1,736.43	2,006.12	3,989.50	2,951.93
Foreign currency term loans				
From banks	-	580.40	511.44	951.67
Vehicle loans	74.86	73.00	122.76	76.76
	1,811.29	2,659.52	4,623.70	3,980.36
a) Details of guarantee for each type of borrowings				
Guaranteed by directors				
Rupee term loans	3,742.55		6,941.43	
Foreign currency term loans	580.40		1,463.11	

b) Details of rupee term loan:

(₹ in Lakhs)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installments	March 31, 2016	March 31, 2015
Oriental Bank of Commerce	1,156	2014-15	12 equal quarterly	96.33	674.33	1,059.67
Corporation Bank	875	2012-13	12 equal quarterly	72.92	-	291.64
Allahabad Bank	3,750	2010-11	24 equal quarterly	156.25	-	729.97
Allahabad Bank	2,700	2011-12	32 equal quarterly	156.25	1,305.99	1,643.52
Allahabad Bank	250	2011-12	12 equal quarterly	22.50	-	40.63
Indian Overseas Bank	2,227	2013-14	"11 equal quarterly 12th installment"	" 186.60 181.00 "	925.00	1,669.00
Karur Vysysa Bank	1,644	2014-15	12 equal quarterly	45.67	837.23	1,507.00
					3,742.55	6,941.43

The interest on above term loans from banks are linked to the respective bank base rates which are floating in nature. As of March 31, 2016 the interest rates ranges from 10.70% to 13.50% per annum (previous year 11.20% to 12.75% per annum.)

c) Details of foreign currency term loan:

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installments	March 31, 2016	March 31, 2015
Oriental Bank of Commerce	2,855	2014-15	12 equal quarterly	237.91	580.40	1,463.11
					580.40	1,463.11

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2016 the interest rate is LIBOR + 2% (previous year LIBOR + 3.50%)

d) Details of vehicle loan :

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installments	March 31, 2016	March 31, 2015
HDFC Bank	22.25	2013-14	60	0.47	14.33	18.34
ICICI Bank	17.83	2010-11	60	0.38	0.27	2.29
ICICI Bank	60	2010-11	60	1.27	-	12.12
ICICI Bank	12.3	2013-14	60	0.26	8.02	10.27
HDFC Bank	54.00	2012-13	60	1.13	21.83	32.70
State bank of India	48.00	2012-13	60	1.02	15.21	25.30
ICICI Bank	49.77	2014-15	60	1.00	33.84	42.41
HDFC Bank	19.00	2012-13	60	0.40	4.95	9.06
HDFC Bank	79.50	2012-13	60	1.10	25.56	42.51
HDFC Bank	6.00	2014-15	60	0.19	2.56	4.52
HDFC Bank	16.31	2015-16	36	0.52	15.13	-
HDFC Bank	6.65	2015-16	36	0.21	6.16	-
					147.86	199.52

The interest on above vehicle loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2016 the interest rates ranges from 8.50% to 12.00% per annum (previous year 8.50% to 12.00%)

e) Details of security for each type of borrowings :

- Rupee term loan from all banks, other than those mentioned in (ii) & (iii) below are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu on current assets of the Company.
- Rupee term loan from Allahabad Bank amounting to ₹ 1,305.99 Lakhs (previous year ₹ 1,684.15 Lakhs) is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar.
- Rupee term loan from Allahabad Bank amounting to Nil (previous year- ₹729.97 Lakhs) is secured against first exclusive charge over the entire fixed assets created under the Varpal, Amritsar project. second charge on current assets on reciprocal basis with ceding of second charge on the fixed assets in favour of working capital loan bankers.
- Foreign currency term loan from Oriental Bank of Commerce are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu on current assets of the Company.
- Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Deferred taxes

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
a) Deferred tax liabilities arising on account of		
Timing difference on tangible assets depreciation	184.38	371.38
Keyman Insurance Policy	74.53	74.66
	258.90	446.04

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
b) Deferred tax assets arising on account of		
Provision for employee benefits	23.10	31.08
Provision for doubtful debts and advances	-	149.36
Provision for disallowances under income tax act	-	22.71
Diminution in value of investment	19.44	19.44
	42.54	222.59
Net deferred tax liability	216.36	223.45

7 Other long term liabilities

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Security deposits from distributors	9.89	9.78
	9.89	9.78

8 Provisions

	March 31, 2016		March 31, 2015	
	Long term	Short term	Long term	Short term
Proposed dividend to equity shareholders (Also refer note (a) below)	-	399.95	-	529.07
Corporate dividend tax	-	81.42	-	105.78
Provisions for employee benefits (Also refer note (b) below)	89.87	21.76	120.73	21.14
Provision for taxation (net of advance tax)	-	1,614.42	-	1,256.19
Others	-	0.24	-	-
	89.87	2,117.79	120.73	1,912.18
a) Details with respect to proposed dividend				
Dividends proposed to				
Equity shareholders		399.95		529.07
Proposed dividend per share				
Equity shareholders		1.50		2.00

b) Employee benefits

The Company has taken a group gratuity for its employees with the Life Insurance Corporation of India (LIC). Under this policy the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes upto a maximum limit of ₹ 1,000,000.

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

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	252.90	205.71
Service cost	55.35	52.50
Interest cost	21.35	19.68
Actuarial (gain) / loss	(13.45)	(6.62)
Benefits paid	(10.94)	(18.37)
Projected benefit obligation at the end of the year	305.21	252.90
Change in plan assets		
Fair value of plan assets at the beginning of the year	200.84	164.04
Expected return on plan assets	17.33	15.72
Employer contributions	50.74	39.66
Actuarial gains	2.35	(0.21)
Benefits paid	(10.94)	(18.37)
Fair value of plan assets at the end of the year	260.32	200.84
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	305.21	252.90
Funded status of the plan assets	260.32	200.84
Liability recognised in the balance sheet	44.89	52.06
Components of net gratuity costs are		
Service cost	55.35	52.50
Interest cost	21.35	19.68
Expected returns on plan assets	(17.33)	(15.72)
Recognised net actuarial (gain)/ loss	(13.45)	(6.62)
Net gratuity costs	45.92	49.84

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

	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Gratuity	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Defined benefit obligation	305.21	252.90	205.72	202.36	152.79
Plan assets	260.32	200.84	166.04	118.21	106.57
Surplus / (deficit)	(44.89)	(52.06)	(41.67)	(84.15)	(46.22)
Experience gain / (loss) adjustments on plan assets	2.35	(0.21)	0.77	-	-

Assumptions used		
Discount rate	7.92%	7.85%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	7.92%	9.00%
Average remaining life	22.78	23.28

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

Notes

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

Compensated absences:

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

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	89.81	70.85
Current service cost	6.57	5.38
Interest cost	7.10	6.52
Actuarial (gain) / loss	(28.66)	15.64
Benefits paid	(8.08)	(8.58)
Projected benefit obligation at the end of the year	66.74	89.81
Expenses recognised in the statement of profit and loss		
Current service cost	6.57	5.38
Interest cost	7.10	6.52
Recognised net actuarial (gain)/ loss	(28.66)	15.64
Net costs	(14.99)	27.54
Assumptions used		
Discount rate	7.92%	7.85%
Long-term rate of compensation increase	5.00%	5.00%

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

Note:

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

9 Short-term borrowings

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Secured		
Rupee working capital loans		
From banks	79,389.43	81,898.81
Foreign currency working capital loans		
From banks	2,418.13	5,553.32
	81,807.56	87,452.13

Working capital loans from banks are secured by hypothecation of stocks and book debts of the Company.

The working capital demand loans is repayable on demand and the interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. The interest rate ranges from 9.55 % to 12.00 % on rupee working capital loan and 2.75% to 6.00% on foreign currency working capital loans.

10 Trade payables

(₹ in Lakhs)		
Dues to	March 31, 2016	March 31, 2015
Micro, small and medium enterprises (Also refer note (a) below)	220.63	437.32
Others	6,658.33	3,819.90
Acceptances	528.60	231.33
Due to partnership firm in which Company is a partner	-	3,060.37
	7,407.56	7,548.92
Includes amounts due to related parties:		
Expo Services Private Limited	9.50	-

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

i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount remaining unpaid	220.63	437.32
Interest accrued and remaining unpaid as at year end	-	-
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	-
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

11 Other current liabilities

(₹ in Lakhs)		
	March 31, 2016	March 31, 2015
Current maturity of long term debts (refer note 5)	2,659.52	3,980.36
Interest accrued but not due on borrowings	24.44	28.96
Unclaimed dividend *	14.31	14.60
Advances from customers	620.14	3,847.13
Other liabilities	3,645.28	2,275.37
	6,963.69	10,146.42

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

12 Tangible assets

a) Gross block	(₹ in Lakhs)					
	Land Freehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles
						Total
Balance as at April 01, 2014	3,336.72	7,371.63	18,182.17	350.31	852.97	1,495.80
Additions during the year	0.41	1,682.47	1,781.59	207.67	108.89	159.41
Disposals during the year			(96.74)	(2.04)	(2.66)	(32.61)
Balance as at March 31, 2015	3,337.13	9,054.10	19,867.02	555.94	959.21	1,622.60
Additions during the year		348.32	738.86	4.60	129.04	84.40
Disposals during the year	(45.25)	(327.75)	(1,081.28)	(2.83)	(3.08)	(38.17)
Balance as at March 31, 2016	3,291.88	9,074.67	19,524.59	557.72	1,085.17	1,668.84
b) Accumulated depreciation						35,202.85
Balance as at April 01, 2014	-	1,942.93	10,883.16	141.25	556.06	985.75
Depreciation charge for the year	-	478.89	1,805.50	103.82	221.21	207.79
Reversal on disposal of assets	-	-	(61.43)	(1.04)	(2.55)	(18.50)
Transfer to Opening general reserve*	-	11.18	12.96	1.32	50.84	1.93
Balance as at March 31, 2015	-	2,433.00	12,640.19	245.35	825.56	1,176.96
Depreciation charge for the year	-	471.84	1,744.59	109.28	150.10	143.84
Reversal on disposal of assets	-	(117.81)	(428.24)	(1.51)	(2.57)	(21.78)
Balance as at March 31, 2016	-	2,787.02	13,956.54	353.12	973.09	1,299.01
(a-b) Net block						19,368.79
Balance as at March 31, 2016	3,291.88	6,287.65	5,568.06	204.60	112.07	369.82
Balance as at March 31, 2015	3,337.13	6,621.10	7,226.83	310.59	133.64	445.64
						18,074.92

13 Intangible assets

a) Gross block	Goodwill	Brand	Total
Balance as at April 01, 2014	12.11	300.00	312.11
Additions during the year	10.28	-	10.28
Balance as at March 31, 2015	22.39	300.00	322.39
Additions during the year	-	-	-
Balance as at March 31, 2016	22.39	300.00	322.39
b) Accumulated Impairment			
Balance as at April 01, 2014	10.35	191.70	202.05
Amortisation charge for the year	0.54	33.80	34.34
Balance as at March 31, 2015	10.89	225.50	236.39
Amortisation charge for the year	0.25	16.08	16.34
Balance as at March 31, 2016	11.15	241.58	252.73
(a-b) Net block			
Balance as at March 31, 2016	11.25	58.42	69.66
Balance as at March 31, 2015	11.50	74.50	86.00

* During last year, the company has revised the useful life of its fixed assests to comply with the life as mentioned under schedule II of the new Companies Act, 2013. Accordingly, in case of assets whose life has been completed as on March 31, 2014, the carrying value (net residual value) of those assets amounting to ₹ 78.23 Lakhs has been adjusted with opening balances of retained earnings i.e surplus in the statement of profit and loss.

14 Non-current investments

(Valued at cost unless stated otherwise)

	March 31, 2016	March 31, 2015
	(₹ in Lakhs)	
Trade investments		
Investments in equity instruments (unquoted)		
(i) Subsidiary companies		
-L T International Limited		
1,799,581 (previous year 1,799,581) fully paid up equity shares of ₹10 each	179.96	179.96
-Nature Bio Foods Limited		
49,994 (previous year 49,994) fully paid up equity shares of ₹10 each	200.00	200.00
-Sona Global Limited		
65,200 (previous year 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
-Daawat Foods Limited		
13,249,944 (previous year 13,249,944) fully paid up equity shares of ₹10 each	1,324.99	1,324.99
250,050 (previous year 250,050) non voting equity shares of ₹10 each fully paid up	25.01	25.01
-SDC Foods India Limited (formally known as Staple Distribution Company Limited)		
800,000 (previous year 800,000) fully paid up equity shares of ₹10 each*	80.00	80.00

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
-LT Overseas North America, Inc		
238,500 (previous year 238,500) shares fully paid up	2,822.31	2,822.31
-Raghuvesh Foods and Infrastructure Limited		
49,994 (previous year 49,994) equity shares fully paid up of ₹10 each	5.00	5.00
-Raghunath Agro Industries Private Limited *		
169,918 (previous year NIL) equity shares fully paid up of ₹10 each	185.66	-
(ii) Investment in partnership firm *		
M/s Raghunath Agro Industries	-	182.52
(iii) Investment in associate		
-L T Infotech Private Limited **		
42,500 (previous year 42,500) equity shares of ₹10 each	-	4.25
-Raghuvesh Warehousing Private Limited		
1,600,000 (previous year 1,600,000) equity shares of ₹10 each	160.00	160.00
-Raghuvesh Agri Foods Private Limited		
1,600,000 (previous year 1,600,000) equity shares of ₹10 each	160.00	160.00
-Raghuvesh Infrastructure Private Limited		
15,000 (previous year nil) equity shares of ₹10 each	1.50	-
(iv) Keyman insurance policies	215.32	215.71
Other investments- Quoted		
(a) Fully paid-up equity shares (quoted)		
2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
(b) Investment in mutual funds (quoted)		
50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
48,875.855 (previous year 48,875.855) units of Templeton India Equity Income Growth Fund	5.00	5.00
12,999.619 (previous year 12,999.619) units of HDFC MIP Long Term	1.50	1.50
2,023.636 (previous year 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
894.055 (previous year 894.055) units of Reliance Vision Fund	0.40	0.40

* The Company earned income of ₹ 0.51 Lakhs (previous year ₹ 1.87 Lakhs) as share in profit from partnership firm and ₹ 2.43 Lakhs (previous year ₹ 4.48 Lakhs) as interest on capital in partnership firm till September 30, 2015. Effective October 1, 2015, Raghunath Agro Industries (RAI), the partnership firm was acquired by Raghunath Agro Industries Private Limited and correspondingly, the Company was allotted equity shares in RAIPL in proportion to its share of partnership in the RAI.

Share of Investments in partnership firm :-The Company has 4% interest in partnership firm M/s Raghunath Agro Industries, which is engaged in the business of milling and export of rice. The financial results of the partnership firm for the year ended September 30, 2015 (previous year ended March 31, 2015) are as under:

	(₹ in Lakhs)	
	September 30, 2015	March 31, 2015
Assets	11,684.87	9,320.48
Liabilities	9,580.17	7,758.64
Revenues	14,447.78	15,842.02
Expenditure	14,367.19	15,696.57
Outstanding capital/reserves	2,104.70	1,561.84

* Share in LT Infotech Limited was sold on July 1, 2015

Other investments- Unquoted
(a) Fully paid-up equity shares (unquoted)

(₹ in Lakhs)

500 (previous year 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
	6,279.96	6,279.96
*Less: permanent diminution in value of investment	80.00	84.25
	6,199.96	6,195.71
Aggregate amount of		
Non trade quoted investments	12.43	12.43
Market value of non trade quoted investments	24.24	25.83
Unquoted trade investments	6,267.48	6,183.23
Unquoted non trade investments	0.05	0.05

15 Loans and advances

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
	Long term	Short term	Long term	Short term
Unsecured, considered good, unless otherwise stated				
Capital advances	22.12	-	8.91	-
Security deposits	291.41	30.15	211.15	93.84
Loans and advances to related parties	-	1,579.81	-	18,458.09
Advance income tax (net of provision for tax)	2,201.13	-	1,571.30	-
Balances with central excise authorities	-	78.65	-	234.98
	2,514.66	1,688.61	1,791.36	18,786.91
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good*	23.04	11,587.64	40.77	10,567.07
	23.04	11,587.64	40.77	10,567.07
	2,537.70	13,276.25	1,832.13	29,353.98

Loans and advances to related parties		
LT International Limited	50.42	81.51
Raghuvesh Foods & Infrastructure Limited	1.99	1.96
Raghuvesh Power Projects Limited	0.02	-
LT Agri Services Private Limited	0.84	0.41
Expo Services Private Limited	-	156.42
Fresco Fruit N Nuts Private Limited	-	5.49
Daawat Foods Limited	1,526.54	18,212.30

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

16 Other assets

	March 31, 2016		March 31, 2015	
	Non-current	Current	Non-current	Current
Interest accrued but not due on fixed deposits	-	-	-	0.49
Bank deposits with maturity of more than 12 months (refer note 19)	9.48	-	40.52	-
	9.48	-	40.52	0.49

(₹ in Lakhs)

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

	March 31, 2016	March 31, 2015
Raw material		
Paddy *	27,188.62	25,809.96
Bardana	950.76	613.32
Finished goods *	31,659.20	36,976.73
Traded goods	4,438.36	1,218.44
Stores and spares	368.75	254.81
Packing Material	1,107.09	949.19
	65,712.78	65,822.45

(₹ in Lakhs)

* Includes interest capitalised during the year of ₹1,614.63 Lakhs (previous year: ₹930.36 Lakhs)

18 Trade receivables

	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured considered good	-	220.91
-Doubtful	-	431.57
	-	652.48
Less : Provision for bad and doubtful debts	-	(431.57)
(a)	-	220.91
Other debts		
-Unsecured considered good	(b) 26,650.87	(b) 18,941.03
(a+b)	26,650.87	19,161.94
Includes amounts due from related parties:		
Kusha, Inc	928.21	1,310.11
LT Foods Middle East DMCC	143.48	2,448.36
SDC Foods India Limited	-	220.91
Raghunath Agro industries Private Limited	4,499.38	-
Nature Bio Foods Limited	1,251.13	170.92

(₹ in Lakhs)

19 Cash and bank balances

(₹ in Lakhs)

	March 31, 2016		March 31, 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
(a) Cash on hand				
In Indian currency	-	48.12	-	21.53
In foreign currencies	-	2.30	-	0.76
(b) Balances with banks				
In current accounts	-	829.43	-	549.53
	-	879.85	-	571.82
(c) Other bank balances				
Unpaid dividend account	-	14.31	-	14.60
Deposits with original maturity more than 3 months but residual maturity less than 12 months	-	355.81	-	96.86
(d) Bank deposits with residual maturity of more than 12 months	9.48	-	40.52	-
	9.48	370.12	40.52	111.46
Less : Amounts disclosed under non-current assets (refer note 16)	(9.48)	-	(40.52)	-
	-	370.12	-	111.46
	-	1,249.97	-	683.28

20 Revenue from operations

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Sale of products (rice)		
Export	70,634.36	67,695.82
Domestic	89,800.64	83,868.92
Sale of traded goods *		
Export	8,318.89	10,312.07
Domestic	11,895.06	19,004.25
Other operation revenue	1,471.15	1,283.06
	182,120.10	182,164.12
Details of products sold		
-Finished goods sold		
Rice	154,978.52	146,932.11
Others	5,456.48	4,632.63
-Traded goods sold		
Rice	18,397.45	28,273.26
Others	1,816.50	1,043.05
	180,648.95	180,881.05

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

21 Other income

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Dividend from non trade investments	0.16	0.14
Profit from sale of fixed assets (net)	235.76	57.77
Share of profit in partnership firm	0.51	1.87
Interest from partnership firm	2.43	4.48
Interest on bank fixed deposits	22.01	13.37
Liabilities written back	259.31	300.81
Interest on advances	1,696.16	636.38
Miscellaneous	332.71	338.98
Profit on exchange fluctuation (net)	-	2,080.30
	2,549.05	3,434.10

22 Material consumed

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Opening stock		
Paddy	25,809.97	25,867.05
Bardana	613.32	557.40
Packing material	949.19	631.19
	27,372.48	27,055.64
Add: purchases		
Paddy	50,443.20	67,735.42
Bardana	1,016.51	582.83
Packing material	4,890.41	4,869.47
Broken rice/unpolished rice for consumption	59,975.66	44,918.04
	116,325.78	118,105.76
Less: closing stock		
Paddy	27,188.63	25,809.97
Bardana	950.76	613.32
Packing material	1,107.09	949.19
	29,246.48	27,372.48
	114,451.78	117,788.92

23 Purchases of stock-in-trade

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Rice	20,204.74	26,909.46
Others	1,828.23	882.56
	22,032.97	27,792.02

24 Changes in inventories of finished goods and stock in trade

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Opening stock		
Finished goods	36,976.73	39,457.56
Stock in trade	1,218.44	491.83
Closing stock		
Finished goods	31,659.20	36,976.73
Stock in trade	4,438.36	1,218.44
	2,097.61	1,754.22

25 Employee benefits expenses

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Salaries, wages and bonus (refer note b)	3,563.01	3,448.66
Contribution to provident and other fund	187.23	169.80
Staff welfare expenses	194.59	153.97
Director's remuneration	197.76	197.94
	4,142.60	3,970.37

a) Provident fund

Contribution made by the Company during the year is ₹ 127.76 Lakhs (previous year ₹ 101.85 Lakhs).

b) Share-based payment

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognised in the income statement for the year ended March 31, 2016 is ₹ 0.36 Lakhs (March 31, 2015 ₹ 29.00 Lakhs).

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

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

Grant date	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
	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 (₹)	49.5	58.8
Number of options granted	6,48,329	2,01,209
Exercise price (in ₹)	38	38
Expected volatility	67%	54%
Option life (in years)	4	4
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

Number of options	March 31, 2016		March 31, 2015	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of the year	1,96,312	38	4,67,048	38
Granted during the year	-	-	-	-
Forfeited during the year	-	-	1,28,677	-
Exercised during the year	1,75,735	38	1,42,059	38
Balance at end of the year	20,577	38	1,96,312	38
Exercisable at end of the year	20,577	38	34,230	38

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

Number of options	March 31, 2016		March 31, 2015	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of the year	1,35,618	38	1,95,295	38
Granted during the year	-	-	-	-
Forfeited during the year	16,790	-	53,763	-
Exercised during the year	33,870	38	5,914	38
Balance at end of the year	84,958	38	1,35,618	38
Exercisable at end of the year	34,656	38	35,014	38

26 Finance costs

	March 31, 2016	March 31, 2015
(₹ in Lakhs)		
Interest on working capital loans	8,099.10	7,795.34
Interest on term loans	697.80	952.14
Exchange rate variation	30.66	-
	8,827.56	8,747.48
Other borrowing cost	247.10	232.65
	9,074.66	8,980.13

27 Other expenses

	March 31, 2016	March 31, 2015
(₹ in Lakhs)		
Warehouse rent (refer note 33)	533.94	334.34
Wages and other manufacturing expenses	583.95	454.57
Factory insurance	257.13	76.34
Power and fuel	2,032.67	1,766.97
Security services	186.74	143.76
Research and development	1.00	6.58
Packing expenses	255.49	227.73
Repairs and maintenance		
- Machinery	217.95	139.70
- Building	171.97	104.86
- Others	155.36	63.90
Stores and spares consumed	981.39	766.89
Advertisement	3,826.22	2,781.68
Insurance	119.05	137.25
Legal and professional charges	503.10	920.10
Rates and taxes	133.81	81.04
Donation and charity	134.14	38.49
Directors' sitting fees	11.26	5.73
Auditors' remuneration *	45.75	39.49
Fines and penalties	6.22	8.36
Rent (refer note 33)	16.64	37.93
Vehicle running and maintenance	66.95	72.92
Travelling and conveyance	982.49	901.54
Rebate and discounts	1,211.58	1,393.06
Commission to selling agents	3,583.66	378.47
Clearing, forwarding and freight charges	3,826.03	3,633.04
Business promotion expenses	2,158.35	1,235.45
Freight outward	1,014.10	988.02
Amounts written off	207.38	-
Provision for doubtful recoveries	-	79.81
Impairment of investment	-	80.00
Loss on exchange fluctuation (net)	801.11	-
Premium on forward contract	-	60.25
Miscellaneous expense	1,535.82	1,234.54
	25,561.25	18,192.80

* Auditors' remuneration

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

	March 31, 2016	March 31, 2015
Statutory audit (including fees for limited reviews)	38.20	32.00
Others Matters	0.88	0.70
Out of pocket expenses	2.26	2.43
Services Tax	4.41	4.35
	45.75	39.48

28. Contingent liabilities

		(₹in Lakhs)
Nature of contingency	March 31, 2016	March 31, 2015
- Income-tax demands *	2,500.71	2,345.19
- Food Corporation India demand for differential price /freight /taxes	339.00	339.00
- Saracen Advertising JLT demand for breach of contract	-	133.07
- Duty saved under EPCG licenses (export obligation outstanding (previous year ₹2,728.53 Lakhs))	₹3,082.73 Lakhs 513.79	451.40
- Bank Guarantees	2,354.14	710.72
- Guarantee given by Company to bank on behalf of subsidiary	47,489.82	51,416.95
- Guarantee given by Company on the behalf of subsidiary for export obligation under EPCG scheme **	14.68	14.68
Total	53,212.14	55,411.01

* The company has filed appeals in previous years against the order of the AO before 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, 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 Income Tax Appellate Tribunal and demand of ₹563.57 Lakhs (net of relief from CIT(Appeals)) are outstanding against the company (previous year ₹563.57 Lakhs).

The Company's appeal for AY 2010-11 and AY 2011-12 for ₹1,691.78 Lakhs are pending before CIT (Appeals). Pending the orders from CIT (Appeals) Pending order from CIT (Appeals), no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.

Also the Company had received demand under section 143(3) for AY 2012-13 for ₹155.52 Lakhs against which appeal is yet to be made before CIT (Appeals), accordingly, no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.

The Company has paid ₹1,174.15 Lakhs (previous year ₹1,028.15 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.

The management is confident that its position is likely to be upheld in the appeals pending before Income Tax Appellate Tribunal and no liability could arise on the Company on account of these proceedings.

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

29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances - ₹22.50 Lakhs (previous year: ₹40.42 Lakhs).

30. Related party disclosures

In accordance with the requirements of Accounting Standard (AS)-18 on "Related Party Disclosures", the names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are:

(i) Names of related parties and description of relationship

- Subsidiaries

Daawat Foods Limited
SDC Foods India Limited
Nature Bio Foods Limited
LT International Limited
LT Overseas North America, Inc.
Sona Global Limited
Raghuvesh Foods & Infrastructure Limited

- Step subsidiaries

Kusha, Inc.
Nice International FZE (liquidated on 22 March 2015)
LT Foods USA LLC
LT Foods Middle East DMCC
Raghuvesh Power Projects Limited
Universal Traders Inc.
Royal Curry Delights LLC
Fresco Fruit N Nuts Private Limited
Expo Services Private Limited
LT Agri Services Private Limited
Raghunath Agro Industries Private Limited (1st October'2015 onwards)

- Partnership firm

Raghunath Agro Industries (Till September 30, 2015)

- Associate enterprises

LT Infotech Private Limited (Till June 30, 2015)
Raghuvesh Agri Private Limited
Raghuvesh Warehousing Private Limited

- Entities of KMP and their relatives have significant influence and transactions

V.K Foods
SK Engineering Company
Super Texfab Private Limited

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

- Key Management Personnel and their relatives

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Joint Managing Director
Ashok Kumar Arora	President-Punjab Operations

- Relatives of Key Management Personnel

Aditi Arora
Aditya Arora
Isha Arora
Rohan Grover
Purva Arora
Ritesh Arora
Sanjana Arora

Transactions with subsidiary companies, Entities of KMP

	(₹ in Lakhs)	
Particulars	March 31, 2016	March 31, 2015
Sales		
SDC Foods India Limited	-	231.67
Kusha, Inc.	5,051.86	12,219.48
Raghunath Agro Industries Private Limited	3,477.30	-
LT Foods Middle East DMCC	5,930.62	9,112.00
Daawat Foods Limited	9,691.30	8,347.48
Nature Bio Foods Limited	101.95	700.84
V. K Foods	166.28	173.24
SK Engineering Company	-	13.75
Purchases		
SDC Foods India Limited	-	725.53
Raghunath Agro Industries Private Limited	1,637.10	-
Daawat Foods Limited	14,940.79	11,480.58
Nature Bio Foods Limited	500.56	279.46
Super Texfab Private Limited	143.29	77.17
Fresco Fruit N Nuts Private Limited	317.65	-
Rent paid		
Daawat Foods Limited	65.42	56.06

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
Rent received		
VK Foods	2.40	2.40
SK Engineering Company	2.40	1.40
Nature Bio Foods Limited	10.34	9.21
Super Texfab Private Limited	8.64	-
Misc. Income received		
Nature Bio Foods Limited	55.18	31.98
Processing Charges received		
Nature Bio Foods Limited	841.77	633.76
Interest received		
Daawat Foods Limited	1,696.16	636.38
Balances at the year end		
SDC Foods India Limited (net receivable)	-	220.91
LT Foods Middle East DMCC(net receivable)	143.48	2,448.36
Kusha, Inc. (net receivable)	928.21	1,310.11
Daawat Foods Limited (net receivable)	1526.54	18,212.30
Expo Services Private Limited (net (payable)/receivable)	(9.50)	156.42
Nature Bio Foods Limited (net receivable)	1,251.13	170.92
LT International Limited (net receivable)	50.42	81.51
Raghuvesh Foods & Infrastructure Limited (net receivable)	1.99	1.96
Raghuvesh Power Projects Limited (net receivable)	0.02	-
LT Agri Services Private Limited (net receivable)	0.84	0.41
Raghunath Agro Industries Private Limited(net receivable)	4,499.38	-
Fresco Fruit N Nuts Private Limited(net receivable)	-	5.49
Guarantees given on behalf		
Daawat Foods Limited	37,257.65	40,834.62
Nature Bio Foods Limited	10,246.85	8,130.12
LT Overseas North America Inc.	-	1,718.75
LT Foods Middle East DMCC	-	748.13

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

(₹ in Lakhs)		
Particulars	March 31, 2016	March 31, 2015
Sale of Fixed Assets		
Nature Bio Foods Limited	1,100.00	1.32
Kusha, Inc.	17.77	-
Daawat Foods Limited	6.05	38.00
Purchases of Fixed Assets		
Daawat Foods Limited	-	8.05
SK Engineering Company	217.24	30.27
Transactions with partnership firm (Raghunath Agro Industries)		
Sales	3,980.64	6,946.38
Purchases	2,002.02	5,826.63
Interest income	2.43	1.87
Share of profit	0.51	4.48
Balance payable at the year end	-	3,060.37
Transactions with key management personnel		
Remuneration paid		
Vijay Kumar Arora	119.87	120.39
Surinder Kumar Arora	77.88	78.32
Key Management Personnel Relatives		
Aditi Arora	4.00	4.00
Isha Arora	4.00	4.00
Purva Arora	4.00	1.67
Sanjana Arora	3.99	3.74
Ritesh Arora	10.85	-
Rohan Grover	12.25	-
Aditya Arora	23.66	-
Dividend paid to key management personnel	220.20	247.73
Dividend paid to relatives of key management personnel	138.08	155.12

31. Information pursuant to provisions of paragraph 5 of Part II of Schedule III of the Companies Act, 2013:
(a) Expenditure in foreign currency

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Legal fees	18.14	47.81
Interest and other charges to bank	136.76	169.79
Steamer freight	1,312.44	1,092.37
Sales promotion	41.57	36.45
Commission on export sales	3,255.76	22.56
Others	404.54	77.16
Total	5,169.21	1,446.14

(b) Raw material consumed

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
Particulars	Value	Percentage	Value	Percentage
Indigenous	49,064.54	100%	67,792.48	100%
Imported	-	-	-	-
Total	49,064.54	100%	67,792.48	100%

(c) Packing material consumed

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
Particulars	Value	Percentage	Value	Percentage
Indigenous	4,732.51	100%	4,551.47	100%
Imported	-	-	-	-
Total	4,732.51	100%	4,551.47	100%

(d) Bardana consumed

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
Particulars	Value	Percentage	Value	Percentage
Indigenous	679.07	100%	526.91	100%
Imported	-	-	-	-
Total	679.07	100%	526.91	100%

(e) Consumable and Spares

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
Particulars	Value	Percentage	Value	Percentage
Indigenous	956.2	97.44%	723.09	94.29%
Imported	25.17	2.56%	43.80	5.71%
Total	981.39	100%	766.89	100%

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

(f) Value of imports on CIF basis

	March 31, 2016	March 31, 2015
Capital goods	516.46	597.44
Stores and spares	25.74	43.80
Other food items	-	446.97
Total	542.20	1,088.21

(₹ in Lakhs)

(g) Earning in foreign currency

	March 31, 2016	March 31, 2015
FOB value of exports	76,977.49	75,587.39
Total	76,977.49	75,587.39

(₹ in Lakhs)

32. Earnings per share

Particulars	March 31, 2016	March 31, 2015
Net profit attributable to equity shareholders after Exceptional Loss (₹ in Lakhs)	3038.28	3065.52
Numbers of weighted average equity share outstanding at the year end for Basic (in Lakhs)	264.81	263.94
Numbers of weighted average equity share outstanding at the year end for Diluted (in Lakhs)	265.66	266.17
Nominal value of equity share (₹)	10	10
Earnings Per Share—		
Basic (₹)	11.47	11.61
Diluted (₹)	11.44	11.52

(₹ in Lakhs)

33. The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2016 and 2015 was ₹ 550.58 Lakhs and ₹ 372.27 Lakhs respectively. The Company has not executed any non-cancelable operating leases.

34. The yearend foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:

	March 31, 2016 (₹ in Lakhs)	March 31, 2015 (₹ in Lakhs)	March 31, 2016 (FC in Lakhs)	March 31, 2015 (FC in Lakhs)
i) Receivables in Foreign Currency	10,403.49	8,214.84	USD 110.63	USD 132
- Trade receivables			EURO 15.37	
ii) Payables in Foreign Currency	59.11	2.09	EURO 0.04	EURO 0.03
- Trade payables			USD 0.85	

35. Transfer Pricing

As per the international transfer pricing norms introduced in India with effect from April 1, 2001 and the domestic transfer pricing norms introduced with effect from April 1, 2012, the Company is required to use certain specified methods in computing arm's length price of international and national transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial period. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

36. The Company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2016.

(₹ in Lakhs)

Particulars	Purpose
Forward contract to sell (USD)	Hedge of highly probable foreign currency sales
USD 346.00 (previous year: USD 354.68)	
₹ 24,121.43 (previous year: ₹ 23,043.20)	

37. In accordance with AS-17 "Segment Reporting", segment information has been given in the consolidated financial statements of LT Foods Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

38. Corporate social responsibility expenses

- (a) Gross amount required to be spent by the parent company during the year in compliance with section 135 of the Act is ₹94.70 Lakhs

- (b) Amount spent during the year on-

	In Cash	Yet to be paid in Cash	Total
Contribution Made	93.70 Lakhs	-	93.70 Lakhs

39. Previous year figures

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 27, 2016

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

Ashwani Kumar Arora
Managing Director
DIN 01574773

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") and its associates, comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates, in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors of the subsidiaries included in the Group and of its associates 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 with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiary and associate, which are incorporated in India are responsible for maintenance of adequate accounting records; safeguarding the assets; 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, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

Auditors' 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 the 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 auditors' 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 and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 below, is sufficient and appropriate to provide a basis for our audit opinion on the 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 the financial statements of the subsidiaries and associates as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2016 and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 36 in the consolidated financial statements which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments, with respect to its assessment of recovery of the insurance claim in the books of the subsidiary, Daawat Food Limited, at Rs.13,410.53 Lakhs (net). The claim has been repudiated by the insurance company vide its letter dated 4 February 2016. The subsidiary Company is in process of filing an appeal against this letter with appropriate legal authority. Our opinion is not modified in respect of this matter.

Other Matter

10. We did not audit the financial statements of 16 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹55,508.27 Lakhs as at March 31, 2016, total revenues (after eliminating intra-group transactions) of ₹121,100.93 Lakhs and net cash outflows amounting to ₹1,384.75 Lakhs for the year ended on that date. The consolidated financial statements also include the Group's share of net loss of ₹53.40 Lakhs for the year ended March 31, 2016, as considered in the consolidated financial statements, in respect of 3 associates whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates 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 and associates is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section 143(3) of the Act and based on the auditor's reports of the subsidiaries and associates, we report, to the extent applicable, that:
- 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;
 - 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;
 - 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;
 - In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of Group companies and its associate companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - We have also audited the internal financial controls over financial reporting (IFCoFR) of the Company, its subsidiary companies and associate companies, which are companies incorporated in India, as at March 31, 2016, in conjunction with our audit of the consolidated financial statements of the group and its associates for the year ended on that date and our report dated May 27, 2016 as per Annexure I expressed unqualified opinion.
 - With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - as detailed in Note 28, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates;
 - the Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and associate companies incorporated in India.

For **Walker Chandiok & Co LLP**
 (Formerly Walker, Chandiok & Co)
 Chartered Accountants
 Firm's Registration No.: 001076N/N500013

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

Place: Gurgaon
 Date: May 27, 2016

INDEPENDENT AUDITOR'S REPORT

Annexure I

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 the LT Foods Limited ("the Holding Company"), its subsidiary companies (the Holding Company and its subsidiaries together referred to as "the Group") and its associate companies as of and for the year ended March 31, 2016, we have audited the internal financial control over financial reporting ("IFCoFR") of the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies and its associate companies, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies and its associate companies based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR. 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 auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 and its associate 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are incorporated in India, have, in all material respects, adequate internal control over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to 9 subsidiary companies, which are companies incorporated in India, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹25,041.17 Lakhs as at 31 March 2016, total revenues (after eliminating intra-group transactions) of ₹23,457.38 Lakhs and net cash outflows amounting to ₹99.19 Lakhs for the year ended on that date and 3 associate companies, which are companies incorporated in India, in respect of which, the Group's share of net loss of ₹53.40 Lakhs for the year ended 31 March 2016 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies and its associate companies, which are incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries and associate companies, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**
Partner
Membership No.: 099514

Place: Gurgaon
Date: May 27, 2016

CONSOLIDATED BALANCE SHEET

As at March 31, 2016

	Notes	March 31, 2016	March 31, 2015
(₹ in Lakhs)			
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,666.32	2,645.36
Reserves and surplus	4	51,010.59	43,626.90
		53,676.91	46,272.26
Minority interest		3,428.45	3,445.28
Non-current liabilities			
Long-term borrowings	5	3,756.79	8,884.54
Other long term liabilities	6	9.89	9.78
Long-term provisions	7	137.56	133.72
		3,904.24	9,028.04
Current liabilities			
Short-term borrowings	8	152,026.64	154,984.03
Trade payables	9		
total outstanding dues of micro, small and medium enterprises		438.78	643.28
total outstanding dues of creditors other than micro, small and medium enterprises		14,505.17	9,352.69
Other current liabilities	10	13,097.27	17,475.21
Short-term provisions	7	5,355.95	3,331.22
		185,423.81	185,786.43
		246,433.41	244,532.01
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	28,336.64	29,502.58
Intangible assets	12	7,785.00	7,536.27
Capital work-in-progress		2,442.81	1,465.24
Non-current investments	13	642.05	693.51
Long-term loans and advances	14	16,762.73	2,869.57
Deferred tax assets (net)	15	727.77	119.90
Other non-current assets	16	37.64	271.07
		56,734.64	42,458.14
Current assets			
Inventories	17	129,957.87	136,221.57
Trade receivables	18	37,573.25	31,792.22
Cash and bank balances	19	3,232.18	2,120.50
Short-term loans and advances	14	18,892.23	31,883.81
Other current assets	16	43.24	55.77
		189,698.77	202,073.87
		246,433.41	244,532.01
Notes 1 to 37 form an integral part of these financial statements			

This is the consolidated balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Place : Gurgaon

Date : May 27, 2016

For and on behalf of the Board of Directors of LT Foods Limited**Ashwani Kumar Arora**

Managing Director

DIN 01574773

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, 2016

(₹ in Lakhs)

	Notes	March 31, 2016	March 31, 2015
Revenue from operations	20	297,342.28	273,458.15
Other income	21	620.33	4,520.09
Prior Period Items		5.58	-
Total revenue		297,968.19	277,978.24
Expenses			
Cost of Material consumed	22	145,583.15	144,239.18
Purchases of stock in trade	23	62,054.39	65,273.69
Changes in inventories of finished goods and stock in trade	24	2,844.29	(3,288.88)
Employee benefits	25	8,977.53	7,421.92
Finance costs	26	14,780.20	15,114.91
Depreciation, amortisation and impairment	12 and 13	5,151.93	4,657.36
Other expenses	27	42,221.90	33,430.30
Prior period items		-	8.08
Total expenses		281,613.39	268,856.5
Profit before exceptional item and tax		16,354.80	11,121.68
Exceptional item Loss due to fire (refer note 36)		4,400.00	-
Profit before tax		11,954.80	11,121.68
Tax expense			
Current year			
Income tax current year		4,891.96	3,621.55
Deferred tax		(279.32)	(211.52)
Earlier Year			
Current Tax		77.63	70.06
Minimum alternative tax		17.02	(30.09)
Profit after tax		7,247.51	7,641.59
Share of profit/loss transferred to minority		16.82	(392.94)
Share of loss of associates		53.40	-
Profit after tax and minority interest and loss of associates		7,210.93	7,248.65
Earnings per equity share (₹)	31		
Basic		27.23	27.46
Diluted		27.14	27.23
Notes 1 to 37 form an integral part of these financial statements			

This is the consolidated statement of profit and loss referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Place : Gurgaon

Date : May 27, 2016

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

Ashwani Kumar Arora

Managing Director

DIN 01574773

Surinder Kumar Arora

Managing Director

DIN 01574728

Monika Chawla Jaggia

Company Secretary

Membership No. :- F5150

CASH FLOW STATEMENT

for the year ended March 31, 2016

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Cash flow from operating activities		
Profit before tax	11,954.80	11,121.68
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	5,151.93	4,657.36
Profit on sale of fixed assets	(74.25)	(57.36)
Share based payments	0.36	29.00
Unrealised foreign exchange loss	169.84	290.03
Provision for doubtful debts	164.20	-
Liabilities written back	(260.60)	(328.15)
Amounts written off	105.03	176.18
Loss due to fire	4,400.00	-
Interest expense	14,039.67	14,534.46
Interest income	(63.69)	(59.17)
Dividend income	(0.16)	(0.14)
Operating profit before operating assets and liabilities	35,587.13	30,363.89
Changes in operating assets and liabilities :		
Increase/ (decrease) in trade payables	5,324.68	(4,790.44)
(Decrease)/ increase in provisions and other liabilities	(2,704.11)	5,207.37
(Increase) /decrease in trade receivables	(6,362.67)	825.16
Decrease /(increase) in inventories	6,248.52	(1,011.73)
Increase in loans and advances and other assets	(4,995.51)	(24,740.69)
Cash generated from operations	33,098.04	5,853.56
Income tax paid (net of refunds)	(3,382.83)	(4,954.46)
Net cash generated from operating activities	29,715.21	899.11
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(5,367.74)	(5,527.19)
Proceeds from sale of fixed assets	74.25	57.36
Purchase of non current investments	(1.94)	(181.18)
Investment in fixed deposits and unpaid dividend account	(321.08)	(230.45)
Withdrawal in fixed deposits and unpaid dividend account	153.06	-
Subsidy received	25.00	-
Interest received	76.11	85.59
Dividends received from other investments	0.16	0.14
Net cash used in investing activities	(5,362.18)	(5,795.73)

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Cash flow from financing activities		
Proceeds from issue of equity shares	79.65	56.24
Proceeds from long term borrowings	204.86	1,290.10
Repayment of long term borrowings	(6,615.54)	(5,342.91)
(Repayment)/ Proceeds from short term borrowings (net)	(2,885.32)	22,455.76
Interest paid	(14,062.08)	(14,580.73)
Dividends paid on equity shares	(529.07)	(591.88)
Tax on equity dividend paid	(105.78)	(100.59)
Proceeds from issue of share capital to minority	378.90	26.64
Net cash (used in)/ generated from financing activities	(23,534.38)	3,212.63
Net increase/ (decrease) in cash and cash equivalents	818.65	(1,683.99)
Effect of exchange difference on cash and cash equivalents held in foreign currency	(0.09)	26.36
Cash and cash equivalents at the beginning of the year	1,793.30	3,450.93
Cash and cash equivalents at the end of the year	2,611.86	1,793.30
Components of cash and cash equivalents		
Cash on hand	111.56	86.65
With banks - on current account	2,500.30	1,616.65
- on deposit account	-	90.00
Total cash and cash equivalents	2,611.86	1,793.30
Notes 1 to 37 form an integral part of these financial statements		

This is the consolidated cash flow statement referred to in our report of even date

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 27, 2016

For and on behalf of the Board of Directors of LT Foods Limited
Ashwani Kumar Arora
Managing Director
DIN 01574773

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, 2016

1. Basis of preparation of consolidated financial statements

The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ("Indian GAAP") and in compliance with the mandatory accounting standards ("AS") specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The accounting policies have been consistently applied by the Company and are consistent with those used in previous year. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in Schedule III to the Companies Act, 2013.

2. Significant accounting policies

a) Principles of consolidation

The financial statements of LT Foods Limited ("Parent Company" or "the Company"), together with its subsidiaries and associates (hereinafter collectively referred to as the "Group") are consolidated to form consolidated financial statements (the "Consolidated Financial Statements"). The consolidated financial statements include the financial statements of the Parent Company, its subsidiaries, joint venture and share of profits or losses in associate.

The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase/ decrease in the reserves of the consolidated entities.

An investment in an associate has been accounted for by the equity notified method of consolidation from the date on which it falls within the definition of associate in accordance with Accounting Standard – 23, "Accounting for Investments in Associates in Consolidated Financial Statements".

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

The consolidated financial statements are presented, to the extent possible, in the same format as that adopted by the Parent Company for its separate financial statements.

b) Use of estimates

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

c) Revenue recognition

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

Sale of goods:

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

Rental income:

Rental income for operating leases is recognized on straight line basis with reference to terms of the agreements.

Interest:

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

Service charges:

Income from service charges is recognised on accrual basis in accordance with the terms of the contract entered into in respect thereof.

Dividend:

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

d) Fixed assets

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

Intangible assets are stated at the cost of acquisition less accumulated amortisation and impairment losses (if any) and it is recognised as assets if it is probable that future economic benefits attributable to such assets will flow to the group and cost of assets can be measured reliably.

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

e) Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Where the government grants are of the nature of promoter's contribution and no repayment is ordinarily expected in respect of thereof, the grant are treated as Capital Reserve which can be neither distributed as dividend nor considered as deferred income.

f) Depreciation and amortisation

Depreciation on assets is provided based on estimated useful life of assets and after considering depreciation rates prescribed under respective local laws.

Amortisation is charged over a period depending upon the expected useful life of an asset.

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

Depreciation on the following tangible assets of some overseas subsidiaries is charged on straight line basis, at the rates based on the useful life of the assets as estimated by the management.

Assets description	Rate of depreciation
Buildings	15 to 39 and ½ years
Plant and machinery	4 to 10 years
Furniture, fixtures and office equipment	4 to 10 years
Vehicles	4 to 10 years

g) Investments

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

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

h) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

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

Work in progress

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

Finished goods

Lower of cost and net realisable value. Cost includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition.

i) Foreign currency transaction

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

Exchange differences arising on the settlement of monetary items or on reporting respective company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchanged rate prevailing at the date of balance sheet. The resulting difference is also recognized in the statement of profit and loss.

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

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

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

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

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

j) Employee benefit

Provident fund

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

Gratuity

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

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

Compensated Absences

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

Share-based payment

The Parent company operates an equity-settled share-based plan for its employees. Where persons are rewarded using share-based payments, the fair values of services rendered by employees are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model at the respective measurement date. In the case of employees, the fair value is measured at the grant date. The fair value excludes the impact of non-market vesting conditions. All share-based remuneration is recognized as an expense in statement of profit and loss with a corresponding credit to 'share option reserve'.

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

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

Other short term benefits

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

k) Borrowing costs

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

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

l) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

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.

m) Income tax

Provision for tax for the year comprises estimated current income-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of temporary timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is calculated in accordance with the relevant domestic tax laws. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum alternate tax ("MAT") payable under the provisions of the Income Tax Act, 1961 is recognised as an asset in the year in which credit becomes eligible and is set off in the year in which the Group companies become liable to pay income taxes at the enacted tax rates.

n) Contingent liabilities and provisions

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

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

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

o) Impairment of assets

The Group on an annual basis makes an assessment of any indicator that may lead to impairment of assets. If any such indication exists, the Group estimates the recoverable amount of the assets. If such recoverable amount is less than the carrying amount, then the carrying amount is reduced to its recoverable amount by treating the difference between them as impairment loss and is charged to the statement of profit and loss. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

p) Segment Reporting

The accounting policies adopted for segment reporting are in line with those of the Company with the following additional policies for segment reporting:

- a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.
- b) Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".
- c) Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

q) Lease

Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term.

3 Share capital

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
	Number	Amount	Number	Amount
Authorised share capital				
-Equity shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up capital				
-Equity shares of ₹ 10 each	26,663,187	2,666.32	26,453,582	2,645.36
Total Issued, subscribed and fully paid up capital	26,663,187	2,666.32	26,168,395	2,645.36

- a) During the year, the Company had issued and allotted 209,605 (previous year 147,973) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 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, 2015 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1.50 per share (previous year ₹ 2.00 per share).

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

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

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each				
India Agri Business Fund Limited	3,776,253	14.16%	3,835,015	14.50%
Ashwani Arora	2,723,152	10.21%	2,723,152	10.29%
Surinder Arora	2,820,152	10.58%	2,820,152	10.66%
Gurucharan Dass Arora	1,573,932	5.90%	1,573,932	5.95%
Ashok Kumar Arora	2,742,418	10.29%	2,742,418	10.37%
Raghuvesh Holdings Private Limited	3,098,413	11.62%	3,098,413	11.71%
Vijay Kumar Arora and Ashwani Arora	1,606,320	6.02%	1,606,320	6.07%
Gurucharan Dass Arora and Surinder Arora	1,109,520	4.16%	1,109,520	4.19%
Vijay Kumar Arora	1,117,964	4.19%	1,117,964	4.23%

- d) No shares have been issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and bought back during the last 5 years.

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

The Company had reserved issuance of 849,538 (previous year 849,538) Equity shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Plan (ESOP). During the year, the Company had issued and allotted 209,605 (previous year 147,973) equity shares to eligible employees of the Company and its subsidiaries under ESOP. The option would vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

4 Reserves and surplus

		(₹ in Lakhs)	
		March 31, 2016	March 31, 2015
Capital reserve/subsidy			
Balance at the beginning of the year		133.61	133.61
Add : Additions made during the year		25.00	-
Balance at the end of the year	(A)	158.61	133.61
Securities premium reserve			
Balance at the beginning of the year		6,809.47	6,768.03
Add : Additions made during the year		58.69	41.44
Balance at the end of the year	(B)	6,868.16	6,809.47
General reserve			
Balance at the beginning of the year		1,672.37	1,672.37
Add : Additions during the year		-	-
Balance at the end of the year	(C)	1,672.37	1,672.37
Share options outstanding amount			
Balance at the beginning of the year		183.22	154.22
Add : Additions made during the year		0.36	29.00
Balance at the end of the year	(D)	183.58	183.22
Surplus in the statement of profit and loss			
Balance at the beginning of the year		32,791.56	26,271.95
Add : Transferred from statement of profit and loss		7,210.93	7,248.65
Less : Proposed dividend		(401.87)	(529.07)
Less : Corporate dividend tax		(81.42)	(105.78)
Depreciation adjustment against reserve		-	(94.19)
Balance at the end of the year	(E)	39,519.20	32,791.56
Foreign currency translation reserve		(F)	2,608.67
Total reserves and surplus		(A+B+C+D+E+F)	51,010.59
			43,626.90

5 Long term borrowings

		(₹ in Lakhs)	
		March 31, 2016	March 31, 2015
		Non current	Current
Secured			
Term loans			
From banks		3,546.32	3,826.58
Vehicle loans		210.47	112.58
		3,756.79	3,939.16
a) Details of guarantee for each type of borrowings			
Guaranteed by directors			
Term loans			
From banks		7,372.90	13,901.55

b) Details of term loan :

(₹ in Lakhs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2016	March 31, 2015
Oriental Bank of Commerce	2,855	2014-15	12 equal quarterly	237.91	580.40	1,463.11
Oriental Bank of Commerce	1,156	2014-15	12 equal quarterly	96.33	674.33	1,059.67
Corporation Bank	875.00	2012-13	12 equal quarterly	72.92	-	291.64
Allahabad Bank	3,750.00	2010-11	24 equal quarterly	156.25	-	729.97
Allahabad Bank	2,700.00	2011-12	32 equal quarterly	156.25	1,305.99	1,643.52
Allahabad Bank	250.00	2011-12	12 equal quarterly	22.50	-	40.63
Karur Vysysa Bank	1,644	2014-15	12 equal quarterly	45.67	837.23	1,507.00
Indian Overseas Bank	2,227.00	2013-14	"11 equal quarterly 12th installment"	" 186.60 181.00 "	925.00	1,669.00
Allahabad Bank, Hong Kong	USD 10.00 million	2011-12	USD 0.25 million for 4 quarterly installments then USD 0.75 million per quarter	USD 0.25 Million	-	1,718.75
US Finance	USD 0.1 million	2012-13	36 equal monthly	19.52	-	73.03
Citi Bank	USD 1.56 million	2013-14	175.5 equal monthly	5.33	1,467.09	888.68
Citi Bank	USD 1.0 million	2013-14	54 equal monthly	11.09	355.76	472.02
Allahabad Bank	150.00	2012-13	12 equal quarterly	5.47	-	62.32
Dena Bank	1,500.00	2011-12	72 equal monthly	18.52	427.10	682.21
Dena Bank	2,400.00	2013-14	12 equal quarterly	200.00	800.00	1,600.00
					7,372.90	13,901.55

Note: The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2016 the interest rates ranges from 10.00 % to 13.50 % on rupee working capital loan and 3.00% to 6.50% on foreign currency working capital loans.

c) Details of vehicle loan :

Name of the bank	Amount of sanction	Year of sanction	No of installments	Amount per installments	March 31, 2016	March 31, 2015
HDFC Bank	22.25	2013-14	60	0.47	14.33	18.34
ICICI Bank	17.83	2010-11	60	0.38	0.27	2.29
ICICI Bank	60	2010-11	60	1.27	-	12.12
ICICI Bank	12.3	2013-14	60	0.26	8.02	10.27
HDFC Bank	74.41	2012-13	60	1.22	21.83	32.70
State Bank of India	48.00	2012-13	60	0.68	15.21	25.30
ICICI Bank	49.77	2014-15	60	1.00	33.84	42.41

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

Name of the bank	Amount of sanction	Year of sanction	No of installments	Amount per installments	March 31, 2016	March 31, 2015
HDFC Bank	18.59	2012-13	60	0.06	4.95	9.06
HDFC Bank	42.58	2012-13	60	0.76	25.56	42.51
HDFC Bank	5.98	2014-15	60	0.16	2.56	4.52
HDFC Bank	16.31	2015-16	36	0.52	15.13	-
HDFC Bank	6.65	2015-16	36	0.21	6.16	-
HDFC Bank	19.07	2011-12	48	0.50	-	0.50
HDFC Bank	19.07	2011-12	48	0.50	-	0.50
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	20.10	2011-12	48	0.49	-	2.86
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	19.10	2011-12	48	0.49	-	2.86
HDFC Bank	7.59	2014-15	48	0.20	4.52	6.27
HDFC Bank	11.50	2014-15	48	0.25	8.14	10.13
HDFC Bank	5.66	2014-15	48	0.15	3.57	4.83
HDFC Bank	6.68	2014-15	48	0.18	4.21	5.69
HDFC Bank	18.99	2014-15	48	0.50	12.57	16.85
HDFC Bank	21.00	2014-15	48	0.45	14.80	18.48
HDFC Bank	12.50	2015-16	48	0.32	11.65	-
HDFC Bank	12.50	2015-16	48	0.32	11.65	-
HDFC Bank	12.50	2015-16	48	0.32	11.66	-
HDFC Bank	12.50	2015-16	48	0.32	11.66	-
HDFC Bank	7.00	2015-16	36	0.22	6.50	-
HDFC Bank	5.70	2015-16	48	0.15	4.91	-
HDFC Bank	5.80	2015-16	48	0.17	5.35	-
ICICI Bank	9.00	2012-13	36	0.30	-	2.51
Daimler Financial Services India Pvt.Ltd.	65.22	2015-16	47	1.21	64.03	-
					323.05	288.14

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2016 the interest rates ranges from 8.50% to 12.00% per annum.

d) Details of security for each type of borrowings :

- (i) Term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu charge on current assets of the Company and personal guarantee of promoters
- (ii) Term loan from Allahabad Bank of ₹ Nil (Previous year ₹ 729.97 Lakhs) is secured against first exclusive charge over the entire fixed assets created under the Varpal, Amritsar project. Second charge on current assets on reciprocal basis with ceding of second charge on the fixed assets in favour of working capital loan bankers.
- (iii) Term loan from Allahabad Bank ₹ 1,305.99 (Previous ₹ 1,643.52 Lakhs) 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.
- (iv) Rupee Term loan from Dena Bank amounting to ₹ 427.16 Lakhs is secured against first exclusive charge over the entire fixed assets created under the Kurkure plant, Kamasapur
- (v) Term loan from Dena Bank is secured against first pari passu charge with term lenders on existing project assets excluding vehicles and computer software and fixed assets pertaining to Kurkure project
- (vi) Term loans from Oriental Bank of Commerce 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 company
- (vii) Term loan Karur Vysysa Bank is 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 company
- (viii) Term loan from Citi Bank is secured primarily by all assets of LTO North America
- (ix) USD Term loan from Allahabad Bank, Hong Kong is secured by mortgage over land, building and personal guarantee of promoters, corporate guarantee of LT Foods Limited and assignment of brands
- (x) Term loan Indian Overseas Bank 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 company.
- (xi) Working capital loans are secured by hypothecation of stocks and book debts of the Company.
- (xii) USD term loan from Allahabad Bank is secured by assignment of "Kusha" brand.
- (xiii) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Other long term liabilities

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Security deposits from distributors	9.89	9.78
	9.89	9.78

7 Provisions

	(₹ in Lakhs)			
	March 31, 2016		March 31, 2015	
	Long term	Short term	Long term	Short term
Provisions for employee benefits	136.42	61.16	130.81	31.09
Proposed dividend to equity shareholders	-	481.37	-	529.07
Corporate dividend tax	-	-	-	105.78
Provision for taxation (net of advance tax)	-	4,765.89	-	2,632.18
Others	1.14	47.53	2.91	33.10
	137.56	5,355.95	133.72	3,331.22

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

b) Employee benefits (Gratuity)

The parent company has a funded gratuity plan and subsidiaries have unfunded plans, for the purpose of funded gratuity obligation the parent company makes contribution to the LT Overseas Gratuity Fund, which is administered by its trustees. The trust further makes contribution to Life Insurance Corporation of India which administers its fund. Information regarding plan assets disclosed below has been obtained by the parent company from Life Insurance Corporation of India.

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	304.03	259.35
Current service cost	99.47	69.61
Interest cost	21.90	25.21
Actuarial (gain) / loss	(4.45)	(28.40)
Benefits paid	(13.41)	(21.74)
Projected benefit obligation at the end of the year	407.55	304.03
Change in plan assets		
Fair value of plan assets at the beginning of the year	247.54	201.39
Expected return on plan assets	20.73	19.81
Employer contributions	51.47	46.48
Actuarial gains	3.89	1.60
Benefits paid	(13.41)	(21.74)
Fair value of plan assets at the end of the year	310.22	247.54

Reconciliation of present value of obligation on the fair value of plan assets

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Present value of projected benefit obligation at the end of the year	407.56	304.04
Funded status of the plans	310.22	247.54
Liability recognised in the balance sheet	97.34	56.50

Components of net gratuity costs are

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Service cost	64.35	80.16
Interest cost	65.47	25.21
Expected returns on plan assets	(20.73)	(19.81)
Recognised net actuarial (gain)	(15.26)	(28.40)
Net gratuity costs	93.83	57.16

Gratuity	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)	(₹ in Lakhs)
Plan assets	407.56	304.04	259.36	245.45	169.92
Surplus / (deficit)	310.22	247.54	202.16	118.20	106.57
Experience (gain) / loss adjustments on plan liabilities	97.34	56.50	57.20	127.25	63.35
Experience gain / (loss) adjustments on plan assets	3.89	1.60	-	-	-

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Assumptions used		
Discount rate	7.92%	7.85%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	7.92%	9.00%
Average remaining life	17.54 to 25.44	23.28 to 26.35

Compensated absences:

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

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	105.39	88.28
Current service cost	12.07	7.80
Interest cost	8.40	8.13
Actuarial loss	(24.67)	10.08
Benefits paid	(8.61)	(8.89)
Projected benefit obligation at the end of the year	92.58	105.40
Expenses recognised in the statement of profit and loss		
Current service cost	12.07	18.06
Interest cost	8.40	(6.97)
Recognised net actuarial (gain)/ loss	(24.67)	84.25
Net costs	(4.20)	95.34
Assumptions used		
Discount rate	7.92%	7.85%
Long-term rate of compensation increase	5.00%	5.00%

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

b) Details with respect to proposed dividend

Dividends proposed to		
Equity shareholders	399.95	529.07
Proposed dividend per share (₹)		
Equity shareholders	1.50	2.00

8 Short-term borrowings

	March 31, 2016	March 31, 2015
(₹ in Lakhs)		
Secured		
From banks	151,864.50	154,854.84
	151,864.50	154,854.84
Unsecured		
Loans repayable on demand		
From directors	100.10	100.10
From other parties	62.04	29.09
	162.14	129.19
	152,026.64	154,984.03

a) The working capital loans is repayable on demand and the interest on the above term loans from banks are linked to the respective bank base rates which are floating in nature. The interest ranges from 10.00% to 13.50% on rupee working capital loan and 2.50% to 6.50% on foreign currency working capital loans.

b) Working capital loans are secured by hypothecation of stocks and book debts of the Company.

9 Trade payables

	March 31, 2016	March 31, 2015
(₹ in Lakhs)		
Due to		
Micro, small and medium enterprises (refer note (a) below)	438.78	643.28
Other sundry creditors	13,976.57	9,121.36
Acceptances	528.60	231.33
	14,943.95	9,995.97

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

i) The Principal amount and the interest due there on remaining unpaid to any supplier at the end of each accounting years		
Principal amount remaining unpaid	438.78	643.28
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.	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 . Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 and 2015 has been made in the financial statements based on information received and available with the Company.

10 Other current liabilities

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Current maturity of long term debts (refer note 5)	3,960.07	5,305.15
Interest accrued but not due on borrowings	30.40	52.81
Unclaimed dividend *	14.43	14.60
Advances form customers	983.47	6,899.15
Other liabilities	8,097.40	5,191.70
Security deposits from customer	11.62	11.80
	13,097.27	17,475.21

* Not due for deposit to Investor Education and Protection Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

11 Tangible assets

		Land freehold	Land leasehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicle	Total
(₹ in Lakhs)									
a) Gross block									
Balance as at April 01, 2014		4,609.50	651.77	11,599.43	26,448.55	807.74	1,251.86	2,142.92	47,511.77
Additions		0.41	-	1,775.09	4,156.16	259.45	170.32	282.74	6,644.17
Disposals		-	-	(27.76)	(110.10)	(2.04)	(2.66)	(47.63)	(190.19)
- Foreign exchange fluctuation		22.40		81.85	43.52	15.70	5.89	2.20	171.56
Balance as at March 31, 2015		4,632.31	651.77	13,428.61	30,538.13	1,080.85	1,425.41	2,380.23	54,137.31
Additions		101.96	-	1,317.86	2,819.50	139.50	209.83	261.39	4,850.04
Disposals		(45.25)	-	(510.42)	(1,245.43)	(10.82)	(3.70)	(42.88)	(1,858.50)
- Foreign exchange fluctuation		32.43		42.68	73.30	(17.95)	(1.83)	(21.17)	107.46
Balance as at March 31, 2016		4,721.45	651.77	14,278.73	32,185.50	1,191.58	1,629.71	2,577.57	57,236.31
b) Accumulated depreciation									
Balance as at April 01, 2014		-	-	2,922.62	14,773.65	280.03	743.03	1,373.31	20,092.64
Depreciation charge		-	-	716.85	2,898.60	188.26	328.18	307.62	4,439.51
Reversal on disposal of assets		-	-	-	(65.93)	(1.04)	(2.55)	(23.19)	(92.71)
Translation Reserve		-	-	9.28	83.82	4.73	2.02	1.25	101.10
Charged to Opening general reserve (refer note 4)				11.18	12.96	1.32	66.79	1.94	94.19
Balance as at March 31, 2015		-	-	3,659.93	17,703.10	473.30	1,137.47	1,660.93	24,634.73
Depreciation charge		-	-	729.78	3,688.44	199.84	262.12	244.86	5,125.04
Reversal on disposal of assets		-	-	(252.00)	(479.00)	(8.26)	(3.10)	(26.37)	(768.73)
Translation reserve		-	-	(55.31)	25.84	(33.36)	(6.58)	(21.96)	(91.37)
Balance as at March 31, 2016		-	-	4,082.40	20,938.38	631.52	1,389.91	1,857.46	28,899.67
Net block									
Balance as at March 31, 2016		4,721.45	651.77	10,196.33	11,247.12	560.06	239.80	720.11	28,336.64
Balance as at March 31, 2015		4,632.31	651.77	9,768.68	12,835.03	607.55	287.94	719.30	29,502.58

12 Intangible assets

Gross block	Goodwill	Brands/ Trademarks	Computer software	Total
Balance as at April 01, 2014	9,097.12	300.00	14.30	9,411.42
Additions	-	-	-	-
Other adjustments				
- Foreign exchange fluctuation	279.58	-	-	279.58
Balance as at March 31, 2015	9,376.70	300.00	14.30	9,691.00
Additions	-	-	23.30	23.30
Other adjustments				
- Foreign exchange fluctuation	624.15	-	-	624.15
Balance as at March 31, 2016	10,000.85	300.00	37.60	10,338.45
Accumulated depreciation				
Balance as at April 01, 2014	1,663.95	191.70	5.74	1,861.39
Amortisation	181.43	33.80	2.62	217.85
Other Adjustment				
- Foreign exchange fluctuation	75.49	-	-	75.49
Balance as at March 31, 2015	1,920.87	225.50	8.36	2,154.73
Amortisation	0.25	16.08	10.59	26.92
Other Adjustment				
- Foreign exchange fluctuation	371.80	-	-	371.80
Balance as at March 31, 2016	2,292.92	241.58	18.95	2,553.45
Net block				
Balance as at March 31, 2016	7,707.93	58.42	18.65	7,785.00
Balance as at March 31, 2015	7,455.83	74.50	5.94	7,536.27

* During last year, the company has revised the useful life of its fixed assests to comply with the life as mentioned under schedule II of the new Companies Act, 2013. Accordingly, in case of assets whose life has been completed as on March 31, 2014, the carrying value (net residual value) of those assets amounting to ₹ 94.19 Lakhs has been adjusted with opening balances of retained earnings i.e surplus in the statement of profit and loss.

13 Non-current investments

(Valued at cost unless stated otherwise)

	March 31, 2016	March 31, 2015
Non Trade investments		
Investments in equity instruments (unquoted)		
(i) Investment in associate		
42,500 (previous year 42,500) equity shares of	-	4.25
-L T Infotech Private Limited of ₹ 10 each		
-Raghuvesh Warehousing Private Limited	114.59	160.00
1,600,000 (previous year 1,600,000) equity shares of ₹10 each		

(₹ in Lakhs)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
-Raghuvesh Agri Foods Private Limited	152.08	160.00
1,600,000 (previous year 1,600,000) equity shares of ₹10 each		
-Raghuvesh Infrastructure Private Limited	1.42	-
150,00 (previous year nil) equity shares of ₹10 each		
(ii) Keyman insurance policies	226.27	225.82
Other investments- Quoted		
(a) 2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
(b) Investment in mutual funds (quoted)		
50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
48,875.855 (previous year 48,875.855) units of Templeton India Equity Income Growth Fund	5.00	5.00
12,999.619 (previous year 12,999.619) units of HDFC MIP Long Term Dividend Fund	1.50	1.50
2,023.636 (previous year 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
894.055 (previous year 894.055) units of Reliance Vision Fund	0.40	0.40
Other investments- Unquoted		
Fully paid-up equity shares (unquoted)		
(a) 500 (previous year 500) equity shares of India International Marketing Limited of ₹ 10 each fully paid up.	0.05	0.05
(b) 13,50,000 (previous year 13,50,000) equity shares of Express Warehousing Limited	135.00	135.00
(c) In Government securities		
National Saving Certificate *	0.21	0.21
	642.05	697.76
*Less: Share of loss in associate	-	4.25
	642.05	693.51
** National saving certificate of ₹ 0.22 Lakhs is held in the name of an employee.		
Aggregate amount of :		
Non trade quoted investments	12.43	12.43
Unquoted non trade investments	135.26	135.26
Unquoted trade investments	494.36	545.82
Market value of quoted investments	24.24	25.83

14 Loans and advances

(₹ in Lakhs)

	March 31, 2016		March 31, 2015	
	Long term	Short term	Long term	Short term
Unsecured, considered good unless otherwise stated				
Capital advances	240.47	-	187.03	-
Security deposits				
- Unsecured, considered good	742.38	11.87	613.12	209.20
Minimum alternative tax credit receivable	-	134.95	-	345.13
Advance income tax (net of provision for tax)	2,201.22	189.74	1,660.52	300.72
Balances with central excise authorities	-	136.34	234.98	50.73
	3,184.07	472.90	2,695.65	905.78
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good	13,578.66	18,419.33	173.92	30,978.03
	16,762.73	18,892.23	2,869.57	31,883.81

15 Deferred tax (asset) / liability

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Deferred tax liabilities arising on account of :		
Depreciation and amortisation	-	434.69
Keyman insurance policy	74.65	74.65
	34.60	509.34
Deferred tax assets arising on account of :		
Depreciation and amortisation	40.05	-
Provision for employee benefits	132.94	139.04
Provision for doubtful debts and advances	350.65	236.93
Diminution in value of investment	19.44	19.44
Expenses disallowed for tax computation	73.39	73.3
Others	166.03	160.44
	782.50	629.24
	707.85	119.90

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

16 Other assets

	March 31, 2016		March 31, 2015	
	Non-current	Current	Non-current	Current
Interest accrued but not due on fixed deposits	-	43.24	-	55.66
Bank deposits with maturity of more than 12 months (refer note 19)	37.64	-	162.74	-
Others	-	-	108.33	0.11
	37.64	43.24	271.07	55.77

(₹ in Lakhs)

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

	March 31, 2016	March 31, 2015
Raw material		
Paddy	51,986.61	57,099.15
Bardana	2,585.15	2,221.49
Packaging material	1,946.15	1,480.97
Finished goods	69,695.63	70,641.00
Traded goods	2,963.87	4,252.89
Stores and spares	780.10	526.07
	129,957.87	136,221.57

(₹ in Lakhs)

18 Trade receivables

	March 31, 2016	March 31, 2015
Outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured considered good	-	390.63
- Considered doubtful	61.43	587.42
	61.43	987.05
Less : Provision for bad and doubtful debts	(61.43)	(587.42)
	-	390.63
Other debts		
- Unsecured considered good	37,573.25	31,401.59
	37,573.25	31,792.22

(₹ in Lakhs)

19 Cash and bank balances

(₹ in Lakhs)

	March 31, 2016		March 31, 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents:				
Cash on hand				
In Indian currency	-	106.41	-	80.65
In foreign currencies	-	5.15	-	6.00
Balances with banks				
- in current accounts	-	2,500.30	-	1,616.65
- in deposit account (with original maturity upto 3 months)*	-	-	-	90.00
	-	2,611.86	-	1,793.30
Other bank balances:				
Unpaid dividend account	-	14.31	-	14.60
Deposits with original maturity more than 3 months but residual maturity less than 12 months	-	606.01	-	312.60
Bank deposits with residual maturity of more than 12 months	37.64	-	162.74	-
	37.64	620.32	162.74	327.20
	37.64	3,232.18	162.74	2,120.50

* The deposits are restricted as they are held as margin money deposits against guarantees.

20 Revenue from operations

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Sale of products		
Rice	285,636.14	262,707.35
Other items	9,095.16	8,971.73
	294,731.30	271,679.08
Revenue from services	2,610.98	1,779.07
	297,342.28	273,458.15

21 Other income

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Dividend from non trade investments	0.16	0.14
Profit from sale of fixed assets (net)	74.25	57.77
Interest on bank fixed deposits	63.69	59.17
Profit on exchange fluctuation (net)	-	2,835.88
Profit on sale of investments	-	23.00
Export incentive	31.14	26.13
Amounts written back	260.60	328.15
Miscellaneous receipts	190.49	1,189.85
	620.33	4,520.09

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

22 Material consumed

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Opening stock		
Paddy	57,099.15	61,047.11
Bardana	2,221.49	1,229.83
Packing material	1,480.97	1,108.33
	60,801.61	63,385.27
Add: purchases		
Paddy	87,046.78	117,525.80
Bardana	1,399.19	1,797.14
Packing material	8,041.84	6,757.34
Rice	44,804.25	33,553.07
Others	7.75	13.57
	141,299.81	159,646.92
Less: closing stock		
Paddy	51,986.61	57,099.15
Bardana	2,585.51	2,221.49
Packing material	1,946.15	1,480.97
	56,518.27	60,801.61
	145,583.15	162,230.58
Consumption details		
Paddy	92,159.32	121,473.76
Bardana	1,035.17	805.48
Packing Material	7,576.66	6,384.70
Rice	44,804.25	33,553.07
Others	7.75	13.57
	145,583.15	162,230.58
Less: Loss due to fire	-	17,991.40
	145,583.15	144,239.18

23 Purchases of stock-in-trade

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Rice	56,363.48	59,823.59
Soyabean	173.85	2,181.89
Others	5,517.06	3,268.21
	62,054.39	65,273.69

24 Changes in inventories of finished goods and stock in trade

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Opening stock		
Finished goods	70,641.00	68,153.72
Traded goods	4,252.89	3,173.37
Translation reserve	609.90	277.92
Closing stock		
Finished goods	69,695.63	70,641.00
Traded goods	2,963.87	4,252.89
	2,844.29	(3,288.88)

25 Employees benefit expenses

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Salaries, wages and bonus	7,955.37	6,483.40
Contribution to provident and other fund	322.81	234.72
Staff welfare expenses	358.77	255.38
Director's remuneration	263.23	263.94
Directors remuneration of subsidiary companies	77.35	184.48
	8,977.53	7,421.92

a) Share-based payment

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognised in the income statement for the year ended March 31, 2016 is ₹ 0.36 Lakhs (March 31, 2015 ₹ 29.00 Lakhs).

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

The inputs to the Black Scholes model for options that have been granted are summarised 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 (₹)	49.5	58.8
Number of options granted	6,48,329	2,01,209
Exercise price (in ₹)	38	38
Expected volatility	67%	54%
Option life (in years)	4	4
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

The total outstanding and exercisable share options and weighted average exercise prices for the various categories of option holders during the reporting periods are as follows:

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

Number of options	March 31, 2016		March 31, 2015	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of the year	1,96,312	38	4,67,048	38
Forfeited during the year	-	-	1,28,677	-
Exercised during the year	1,75,735	38	1,42,059	38
Balance at end of the year	20,577	38	1,96,312	38
Exercisable at end of the year	20,577	38	34,230	38

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

Number of options	March 31, 2016		March 31, 2015	
	Number of options	Weighted average exercise price (in ₹)	Number of options	Weighted average exercise price (in ₹)
Balance at beginning of the year	1,35,618	38	1,95,295	38
Forfeited during the year	16,790	38	53,763	-
Exercised during the year	33,870	38	5,914	38
Balance at end of the year	84,958	38	1,35,618	38
Exercisable at end of the year	34,656	38	35,014	38

26 Finance costs

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Interest on working capital loans	13,125.47	13,208.37
Interest on term loans	914.20	1,326.09
	14,039.67	14,534.46
Other borrowing cost	740.53	580.45
	14,780.20	15,114.91

27 Other expenses

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
Warehouse rent (refer note 34)	1,014.00	568.34
Wages	1,530.61	1,142.08
Job work	49.59	25.00
Factory insurance	257.13	76.34
Power and fuel	3,322.02	2,857.61
Security services	314.24	220.63
Research and development	1.00	6.58
Packing expenses	542.04	350.78
Repairs and maintenance		
- Machinery	330.26	187.57
- Building	201.19	135.24
- Others	216.92	98.15
Stores and spares consumed	1,679.50	1,305.81
Advertisement	5,306.75	4,167.95
Insurance	570.46	512.17
Legal and professional charges	1,680.84	1,769.88
Rates and taxes	351.33	204.55
Donation and charity	135.33	41.55
Directors' sitting fees	19.00	11.35
Auditors' remuneration	45.75	39.48
Fines and penalties	6.81	8.36
Rent (refer note 34)	10.05	61.89
Vehicle running and maintenance	266.09	232.64
Travelling and conveyance	1,698.96	1,476.63
Rebate and discounts	1,888.19	1,879.60
Commission to selling agents	3,990.90	733.48
Clearing, forwarding and freight charges	7,084.93	7,776.29
Market development expenses	1,885.61	1,375.60
Business promotion expenses	373.15	280.27

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Freight outward	1,334.37	1,433.43
Amounts written off	105.03	176.18
Loss on sales of fixed assets	-	0.41
Provision for doubtful recoveries	164.20	-
Loss on exchange fluctuation (net)	745.40	-
Premium on forward contract	-	89.95
Miscellaneous expenses	5,100.25	4,184.51
	42,221.90	33,430.30

28. Contingent liabilities

	(₹ in Lakhs)	
Nature of contingency	March 31, 2016	March 31, 2015
- Income-tax demands (refer note 1)	2,905.37	2,895.85
- Guarantees given by group	2,408.49	813.82
- FCI Demand for differential price/freight/ taxes	339.00	339.00
- Claims against the group	35.25	35.25
- Duty saved under EPCG licenses (export obligation outstanding ₹ 5,804.15 Lakhs (previous year ₹ 5,955.78 Lakhs))	910.37	931.86
-Saracen Advertising JLT demand for breach of contract (refer note 2)	-	133.07
Total	6,598.48	5,148.84

Note 1:-

(a) In case of Daawat Foods Limited, the Company had filed appeals in previous years against the order of 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 reduced to ₹59.57 Lakhs (previous year ₹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).

During the financial year 2014-15, the Company had received demands under section 143(3) for the Assessment Year 2010-11 for ₹225.21 Lakhs. The Company has filed an appeal before the 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.

During the financial year 2014-15, the Company had received demands under section 143(3) for the Assessment Year 2011-12 for ₹250.30 Lakhs (inclusive of interest u/s 234B of ₹82.31 Lakhs). The Company in the current financial year has filed application for rectification u/s 154 for not allowing the credit of prepaid taxes of ₹170.86 Lakhs in the computation of income of the assessment order. After making the rectification, the demand of ₹250.30 Lakhs has been reduced to Nil.

During current financial year, the Company has received demands under section 143(3) for the Assessment Year 2012-13 for ₹80.03 Lakhs. The Company has already filed an appeal before the 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 management is confident that it's position is likely to be upheld in the appeals pending before CIT (Appeals) and no liability on the company is likely to evolve on account of these proceedings.

(b) In case of LT Foods Limited, The company has filed appeals in previous years against the order of the AO before 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, 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 Income Tax Appellate Tribunal and demand of ₹563.57 Lakhs (net of relief from CIT(Appeals)) are outstanding against the company (previous year ₹563.57 Lakhs).

The Company's appeal for AY 2010-11 and AY 2011-12 for ₹1,691.78 Lakhs are pending before CIT (Appeals). Pending the orders from CIT (A) and filing of orders respectively, no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.

Also the Company had received demand under section 143(3) for AY 2012-13 for ₹155.52 Lakhs against which appeal is yet to be made before CIT (Appeals), accordingly, no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.

The Company has paid ₹1,174.15 Lakhs (previous year ₹1,028.15 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.

The management is confident that its position is likely to be upheld in the appeals pending before Income Tax Appellate Tribunal and no liability could arise on the Company on account of these proceedings.

(c) In case of Raghunath Agro Industries Private Limited, 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 reduce to ₹23.21 Lakhs (Previous year ₹23.21 Lakhs). The appeal effect of the order of CIT (Appeals) is yet to be given by AO.

The assessee firm has filed appeal against the order of CIT (Appeals) for the above said assessment year before the ITAT on issues for which relief has not been given by CIT (Appeals).

(d) In case of Nature Bio Foods Limited (NBFL), during the assessment year 2009-10 the Income Tax Department ('The Department') has added back ₹ 4.97 Lakhs on account of various reasons to the total income of the NBFL. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 30.12.2010 demanding ₹10.17 Lakhs. The NBFL had contested the above order before CIT (Appeal) and the Ld. CIT (Appeal) has dismissed the appeal vide order dated. 29.3.2012. The NBFL has contested above order before H'ble 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 NBFL is not probable. The aforesaid demand is including interest up to 30.12.2010 but excluding interest from 01.01.2011 onwards and penalty.

During the assessment year 2010-11 the Income Tax Department ('The Department') has added back ₹24.43 Lakhs on account of various reasons to the total income of the company. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 28.03.2013 demanding ₹5.15 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. The aforesaid demand is including interest up to 28.03.2013 but excluding interest from 01.04.2013 onwards and penalty.

During the assessment year 2013-14 the Assessing officer has added back ₹2.95 Lakhs on account of disallowance of gratuity to the total income of the NBFL. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 21.03.2016 demanding ₹1.32 Lakhs. The NBFL had contested the above order before CIT (Appeal). No Provision is considered necessary in this regard since the NBFL has been advised that it has a good case and the chances of case decided against the NBFL is not probable. The aforesaid demand is including interest up to 21.03.2016 but excluding interest from 01.04.2016 onwards and penalty.

The management is confident that its position is likely to be upheld in the appeal pending before ITAT and no liability on the company is likely to evolve on account of these proceedings.

Note:- 2

Legal case was filed by Saracen Advertising JLT (the plaintiff) against LT Foods Limited, India for an amount of AED 781,768 comprising of the disputed amount, legal charges and interest. Since the plaintiff could not recover this amount from the ultimate parent, they filed a case against LT Foods Limited. The court order dated June 29, 2015 was in favour of the plaintiff. A full and final settlement as per the court order is paid to the plaintiff and there is no liability to the company.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 540.82 Lakhs (previous year: ₹ 466.93 Lakhs).

30. Related party disclosures

In accordance with the requirements of notified Accounting Standard (AS)-18 on "Related Party Disclosures" as prescribed under the Companies (Accounting Standard) Rules, 2006 the names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are:

(i) Names of related parties and description of relationship

- Associates

LT Infotech Private Limited (Sold on 30th June 2015)
Raghuvesh Agri Foods Private Limited
Raghuvesh Warehousing Private Limited
Raghuvesh Infrastructure Private Limited (From August 24, 2015)

- Key Management Personnel and their relatives

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Joint Managing Director
Ashok Arora	President-Punjab Operations
Abhinav Arora	Relative of Managing Director
Aditya Arora	Relative of President-Punjab Operations
Aditi Arora	Relative of Managing Director
Gursajan Arora	Relative of Joint Managing Director
Isha Arora	Relative of Joint Managing Director
Ritesh Arora	Relative of Joint Managing Director
Anmol Arora	Relative of Joint Managing Director
Purva Arora	Relative of Joint Managing Director
Sanjana Arora	Relative of Joint Managing Director
Divya Arora	Relative of President-Punjab Operations
Sakshi Arora	Relative of Joint Managing Director
Ranju Arora	Relative of Managing Director
Rohan Grover	Relative of Managing Director

-Enterprises over which Key Management Personnel exercise significant influence

V.K Foods
S K Engineering Company
R.S. Rice & General Mills
Ashok Arora HUF
Raghunath Arora HUF
Super Taxfab Private Limited
Balaji Trading Company

Transactions with key management persons and their relatives

(₹ in Lakhs)

Particulars	March 31, 2016	March 31, 2015
Sales		
V.K Foods	177.65	173.24
S K Engineering Company	-	13.75
Purchases		
S K Engineering Company	232.09	30.27
Super Taxfab Private Limited	1,316.32	77.17
Remuneration paid		
Vijay Kumar Arora	119.87	120.39
Ashwani Kumar Arora	77.35	72.28
Surinder Kumar Arora	77.88	78.32
Ashok Arora	72.00	60.00
Abhinav Arora	117.83	110.06
Aditya Arora	23.66	18.00
Aditi Arora	4.00	4.00
Anmol Arora	4.41	1.25
Gursajan Arora	42.67	27.42
Isha Arora	4.00	4.00
Ritesh Arora	10.85	4.75
Rohan Grover	12.25	-
Purva Arora	4.00	1.67
Sanjana Arora	3.99	3.74
Divya Arora	6.75	6.75
Dividend paid to key management personnel	220.20	247.73
Dividend paid to relatives of key management personnel	138.08	155.12
Rent Paid		
R..S. Rice & General Mills	8.00	8.00
Vijay Kumar Arora	6.75	7.50
Ranju Arora	6.75	7.50
Rent Received		
V.K Foods	2.40	2.40
S K Engineering Company	2.40	1.40
Super Textfab Private Limited	8.64	-
Interest paid		
Ashok Arora HUF	0.21	0.19
Raghunath Arora HUF	0.10	0.09
Ranju Arora	0.97	0.88
Sakahi Arora	0.18	0.16

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

Particulars	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Balance at year end		
Ashok Arora HUF(net payable)	1.92	1.73
Raghunath Arora HUF(net payable)	0.96	0.87
Ranju Arora(net payable)	8.99	8.11
Sakshi Arora(net payable)	1.68	1.51
V. K Foods(net receivable)	51.30	37.22
S K Engineering Company(net payable)	110.71	-
Super Taxfab Private Limited(net payable)	144.79	38.56

31. Earnings per share

	(₹ in Lakhs)	
	March 31, 2016	March 31, 2015
Net profit attributable to equity shareholders after minority interest (₹ in Lakhs)	7,210.93	7,248.65
Numbers of weighted average equity share outstanding at the year end for Basic (in Lakhs)	264.81	263.86
Numbers of weighted average equity share outstanding at the year end for Diluted (in Lakhs)	265.66	266.09
Nominal value of equity share (₹)	10	10
Earnings Per Share–Basis	27.23	27.46
Diluted	27.14	27.23

32. The following subsidiary companies, partnership firms and associates are considered in the consolidated financial statements:

Name of subsidiary	Country of operations	Percentage of holding by LT Foods Limited
Subsidiaries		
Daawat Foods Limited	India	70.48%
Nature Bio Foods Limited	India	100.00%
SDC Foods India Limited	India	80.00%
LT International Limited	India	89.98%
Sona Global Limited	UAE	100%
LT Overseas North America, Inc	USA	100%
Raghuvesh Foods & Infrastructure Limited	India	100%

Name of Step subsidiary	Country of operations	Percentage of holding by LT Foods Limited
Step subsidiaries		
Kusha Inc.	USA	100%
LT Foods USA LLC	USA	100%
Universal Traders Inc.	USA	100%
Royal Curry Delights LLC	USA	60%
LT Foods Middle East DMCC	UAE	100%

Name of subsidiary	Country of operations	Percentage of holding by LT Foods Limited
LT Agri Services Private Limited	India	70.48%
Expo Services Private Limited	India	80%
Raghuvesh Power Projects Limited	India	35.94%
Fresco Fruit N Nuts Private Limited	India	84.94%
Raghunath Agro Industries Private Limited (w.e.f. October 01, 2015)	India	71.66%
Name of partnership firm		
Raghunath Agro Industries (Till September 30, 2015)	India	71.66%
Name of Associates		
LT Infotech Private Limited (Till June 30, 2015)	India	42.5%
Raghuvesh Agri Foods Private Limited	India	40%
Raghuvesh Warehousing Private Limited	India	40%
Raghuvesh Infrastructure Private Limited (w.e.f August 24, 2015)	India	30%

- 33.** The Group is engaged in the business of manufacture and storage of rice, which as per accounting standard 17 on "Segment Reporting" as prescribed under the Companies (Accounting Standard) Rules, 2006, is considered to be the only reportable business segment. Accordingly only secondary segment information has been disclosed below.

(₹ in Lakhs)

Particulars	India India	North America	Rest of the world	Total
Revenue:				
External	109,198.91	86,809.48	101,954.21	297,962.61
Previous year	149,704.80	84,443.29	43,830.14	277,978.24
Segment assets	15,638.61	24,460.03	12,015.57	52,114.21
Previous year	7,636.60	16,982.17	15,873.98	40,492.75
Unallocated assets*				194,319.20
Previous year				203,919.35
Capital expenditure*				5,367.74
Previous year				5,527.18

* The assets, other than receivables, used for earning revenue from geographical locations above are not maintained separately as the same is impractical and not feasible.

- 34. The group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease.**

Rental expense for operating lease for the years ended March 31, 2016 and 2015 was ₹ 1,024.05 Lakhs and ₹ 630.23 Lakhs respectively. The Group has not executed any non-cancelable operating leases.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

for the year ended March 31, 2016

35. i) The yearend foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:

(₹ in Lakhs)

Particulars	March 31, 2016 (₹ in Lakhs)	March 31, 2015 (₹ in Lakhs)	March 31, 2016 (FC in Lakhs)	March 31, 2015 (FC in Lakhs)
i) Receivables in Foreign				
Currency				
- Trade receivables	19,975.48	17,288.73	USD 234.01 EURO 33.70 GBP 0.17	USD 258.06 EURO 14.90
ii) Payables in Foreign				
Currency				
- Trade payables	480.85	452.29	USD 5.00 EURO 1.86	USD 4.14 EURO 2.85

- ii) The holding company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2016.

Particulars	Purpose
Forward contract to sell (USD)	Hedge of highly probable foreign currency sales
USD 498.50 Lakhs (previous year: USD 576.69 Lakhs)	
₹34724.73 Lakhs (previous year: ₹37,398.98 Lakhs)	
Euro 30.00 Lakhs (previous year: 20.00 Lakhs)	
₹2,312.57 Lakhs (previous year: 1437.71 Lakhs)	

36. On June 7, 2014, a major fire occurred in the subsidiary company "Dawaat 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 Company had filed an insurance claim with the insurance company amounting to ₹ 18,971.02 Lakhs and had recognized insurance claim to the extent of net book value of ₹17,795.88 Lakhs (net of salvage value of goods of ₹224.89 Lakhs) in the books of account. The insurance Company has repudiated the insurance claim vide its Order dated February 4, 2016. The subsidiary Company is in the process of identifying suitable course of action to challenge this Order and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim. However, on the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by the management of the subsidiary Company under Right to Information Act (RTI), as matter of prudence a loss of ₹4,400.00 Lakhs has been recorded against the claim amount recoverable from the insurance company, which has been disclosed as exceptional item in the above financial statements.

37. Previous year figures

Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

This is the balance sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Place : Gurgaon

Date : May 27, 2016

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

Ashwani Kumar Arora

Managing Director

DIN 01574773

Surinder Kumar Arora

Managing Director

DIN 01574728

Monika Chawla Jaggia

Company Secretary

Membership No. :- F5150

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Devaaya



LT Foods

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