LT FOODS LIMITED

Our Company was originally incorporated as 'L.T.Overseas Private Limited' on October 16, 1990 as a private limited company under the Companies Act, 1956 with the RoC. Our Company was then converted into a public limited company and consequently, its name was changed to 'L.T. Overseas Limited' and the RoC issued a fresh certificate of incorporation on May 3, 1994. The name of our Company was subsequently changed to 'LT Foods Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on September 25, 2008. For further details, please see section "General Information"on page 231 *of this Placement Document.*

Registered Office: Unit No. 134, First Floor, Rectangle - 1, Saket District Centre, New Delhi - 110017, India
Corporate Office: 4th Floor, MVL-I Park, Sector 15, Gurgaon – 122001, Haryana
CIN: L74899DL1990PLC041790;
Telephone No.: +91 11 29565344, +91 124 3055101; **Email**: monika.jaggia@ltgroup.in; **Website**: http://www.ltgroup.in

Our Company is issuing 53,100,000 Equity Shares (as defined below) at a price of ₹ 75.20 per Equity Share (the "**Issue Price**"), including a premium of ₹ 74.20 per Equity Share, aggregating up to ₹ 3,993.12 million (the "**Issue**").

ISSUE IN RELIANCE UPON CHAPTER VIII OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI ICDR REGULATIONS"), AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED AND THE RULES MADE THEREUNDER

The total number of issued and paid-up equity shares of our Company of face value of ₹1 each are 266,744,780 ("**Equity Shares**"), and all of such Equity Shares are currently listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", together with the BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on the BSE and the NSE as on December 15, 2017 was ₹ 80.05 and ₹ 79.85 per Equity Share, respectively. In-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for listing of the Equity Shares have been received from the BSE and the NSE on December 18, 2017 and December 18, 2017, respectively. Applications shall be made for obtaining the listing and trading approvals for the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE.

A copy of the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter) was delivered to the Stock Exchanges. A copy of this Placement Document (which includes disclosures prescribed under Form PAS-4) will also be delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**") and the Securities and Exchange Board of India ("**SEBI**"), each within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014. This Placement Document has not been reviewed by SEBI, the Reserve Bank of India ("**RBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined below). This Placement Document has not been and will not be registered as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED BELOW), IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT 2013 AND THE RULES MADE THEREUNDER AND CHAPTER VIII OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR AND ONLY QUALIFIED INSTITUTIONAL BUYERS, AS DEFINED IN REGULATION 2(1)(zd) OF THE SEBI ICDR REGULATIONS ("QIBs") WHICH ARE NOT: (A) EXCLUDED PURSUANT TO REGULATION 86 OF THE SEBI ICDR REGULATIONS; AND (B) RESTRICTED FROM PARTICIPATING IN THE ISSUE UNDER THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LAWS, ARE ELIGIBLE TO INVEST IN THIS ISSUE.

YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER;OR (3) RELEASE ANY PUBLIC ADVERTISEMENT OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TOCAREFULLY READ THE SECTION "RISK FACTORS" ON PAGE 45 OF THIS PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES BEING ISSUED PURSUANT TO THIS PLACEMENT DOCUMENT.

The Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has been circulated only to such Eligible QIBs whose names are recorded by our Company prior to making an invitation to subscribe to the Equity Shares.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to the Preliminary Placement Document together with the Application Form and this Placement Document and the Confirmation of Allotment Note. For further details, please see section "***Issue Procedure***" on page 167 of this Placement Document. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorized and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any other applicable state securities laws of the United States and, unless so registered, may not be offered, sold or delivered within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("**Rule 144A**")) ("**U.S. QIB**") pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "**QIBs**" and (b) outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made.See the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 179 and 186, respectively.

The information on our Company's website or any website directly or indirectly linked to our Company's website or the website of the Book Running Lead Manager or any of its affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

This Placement Document is dated December 21, 2017.

BOOK RUNNING LEAD MANAGER	
	Motilal Oswal Investment Advisors Limited Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot Prabhadevi, Mumbai- 400 025 Tel: +91 22 3980 4380 | Fax: +91 22 3980 4315

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Placement Document and confirms that to its best knowledge and belief, having made all reasonable enquiries, this Placement Document contains all information with respect to our Company, its Subsidiaries, Associates and Joint Ventures (collectively, the "**Group**") and the Equity Shares that is material in the context of the Issue. The statements contained in this Placement Document relating to the Group and the Equity Shares are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Placement Document with regard to the Group and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to the Group. There are no other facts in relation to the Group and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

The Book Running Lead Manager has not separately verified all of the information contained in this Placement Document (financial, legal or otherwise). Accordingly, neither the Book Running Lead Manager nor any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates makes any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by any of the Book Running Lead Manager or any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates as to the accuracy or completeness of the information contained in this Placement Document or any other information supplied in connection with the Group and the Equity Shares. Each person receiving this Placement Document acknowledges that such person has not relied on either the Book Running Lead Manager or on any of its shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of the Group and the merits and risks involved in investing in the Equity Shares.

No person is authorised to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the Book Running Lead Manager. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the U.S. Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offense in the United States and may be a criminal offence in other jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any other applicable state securities laws of the United States and, unless so registered may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another applicable exemption from registration under the U.S. Securities Act; for avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Placement Document as "**QIBs**" and (b) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. See the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 179 and 186, respectively. The Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions"* and *"Transfer Restrictions*" on pages 179 and 186, respectively, of this Placement Document. Purchasers of the Equity Shares will be deemed to make the representations, warranties, acknowledgments and agreements set forth in the sections "*Representations by Investors*" and "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 4, 179 and 186, respectively of this Placement Document.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue (in consultation with the Book Running Lead Manager or its representatives), and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to not make copies of this Placement Document or any documents referred to in this Placement Document.

The distribution of this Placement Document and the issue of the Equity Shares may be restricted in certain jurisdictions by law. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by our Company and the Book Running Lead Manager which would permit an offering of the Equity Shares or distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction.

In making an investment decision, prospective investors must rely on their own examination of the Group and the terms of the Issue, including the merits and risks involved. Investors should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, business, tax, accounting or investment advice. Investors should consult their own counsel and advisors as to business, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor the Book Running Lead Manager are making any representation to any offeree or subscriber of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or subscriber under applicable legal, investment or similar laws or regulations.

Each subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is eligible to invest in India and in our Company under Indian law, including Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, and that it is not prohibited by SEBI or any other statutory authority from buying, selling or dealing in the securities including the Equity Shares. Each Eligible QIB subscribingto the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to the Group and the Equity Shares.

This Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

The information on our Company's website, http://www.ltgroup.in or any website directly and indirectly linked to the website of our Company or on the website of the Book Running Lead Manager or its affiliates, does not constitute nor form part of this Placement Document. Prospective investors should not rely on such information contained in, or available through, any such websites.

CERTAIN U.S. MATTERS

THE EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR ANY OTHER APPLICABLE STATE SECURITIES LAWS OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE EQUITY SHARES ARE BEING OFFERED AND SOLD (A) IN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) PURSUANT TO SECTION 4(a)(2) UNDER THE SECURITIES ACT, AND (B) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT. FOR A DESCRIPTION OF CERTAIN RESTRICTIONS ON TRANSFER OF THE EQUITY SHARES, SEE "TRANSFER RESTRICTIONS".

THE SECURITIES OFFERED HEREBY HAVE NOT BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES

REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE OFFERING OR THE ACCURACY OR ADEQUACY OF THIS PLACEMENT DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

For information for investors in certain other jurisdictions, please see sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 179 and 186 of this Placement Document, respectively.

REPRESENTATIONS BY INVESTORS

References herein to "you" or "your" is to the prospective investors in the Issue.

By Bidding for and subscribing to any Equity Shares in the Issue, you are deemed to have represented, warranted, acknowledged and agreed to our Company and the Book Running Lead Manager, as follows:

- You are a QIB as defined in Regulation 2(1)(zd) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allocated to you in accordance with Chapter VIII of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, the Companies Act and all other applicable laws, including any reporting obligations;

- if you are not a resident of India, you are an Eligible FPI (as defined hereinafter) (including a sub-account other than a sub-account which is a foreign corporate or a foreign individual), and have a valid and existing registration with the SEBI under the applicable laws in India and you agree that you will participate in this Issue through the Portfolio Investment Scheme or the Foreign Portfolio Investment Scheme, as applicable. You confirm that you are not an FVCI or a foreign multilateral and bilateral development financial institution;

- If you are Allottedany Equity Shares in the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so Allotted except on the floor of the Stock Exchanges. Additional restrictions apply if you are within the United States. Please see the section "*Transfer Restrictions*";

- You have made, or are deemed to have made, as applicable, the representations set forth under sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 179 and 186 of this Placement Document, respectively;

- You are aware that the Equity Shares have not been and will not be registered through a prospectus under the Companies Act (as defined hereinafter), the SEBI ICDR Regulations or under any other law in force in India. This Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs and that this Placement Document will not be registered as a prospectus under the Companies Act;

- You are entitled to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have the necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations and complied with all necessary formalities, to enable you to commit to participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

- Neither our Company nor any of the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates are making any recommendations to you or advising you regarding the suitability of any transactions you may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of any of the Book Running Lead Manager. Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not in any way acting in any fiduciary capacity;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Book Running Lead Manager may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Book Running Lead Manager has advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that, you have not been provided any material information relating to our Company and the Issue that was not publicly available;

- All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our Company's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our Company's present and future business strategies and the environment in which our Company shall operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Our Company assumes no responsibility to update any of the forward-looking statements contained in this Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs and are not being offered to the general public, and the Allotment basis shall be made at the discretion of our Company and the Book Running Lead Manager;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company in the format prescribed in the SEBI Listing Regulations will be filed by our Company with the Stock Exchanges, and if you are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their websites and you consent to such disclosures;

- You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read it in its entirety, including in particular, the section "*Risk Factors*" on page 45 of this Placement Document;

- In making your investment decision, you have (i) relied on your own examination of our Company, its subsidiaries, its joint ventures and associates and the terms of the Issue, including the merits and risks involved, (ii) made your own assessment of our Company, its subsidiaries, its joint ventures and associates, the Equity Shares and the terms of the Issue based solely on the information contained in this Placement Document and no other disclosure or representation by our Company, its Directors, promoters and affiliates or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in the Preliminary Placement Document and this Placement Document and no other disclosure or representation by our Company or any other party, (v) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of our Company and the Equity Shares, and (vi) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither the Book Running Lead Manager nor any of its shareholders, directors, officers, employees, counsel, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Book Running Lead Manager or any of its respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against our Company or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity

Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of your investment in the Equity Shares, (ii) will not look to our Company and/or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, and (iv) have no need for liquidity with respect to the investment in the Equity Shares and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute;

- If you are acquiring the Equity Shares to be issued pursuant to the Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' (as defined under the SEBI ICDR Regulations) of our Company or any of its affiliates and are not a person related to the promoter, either directly or indirectly and your Bid does not directly or indirectly represent the 'promoter', or 'promoter group', (as defined under the SEBI ICDR Regulations) of our Company or persons related to the promoters;

- You agree that in terms of Section 42(7) of the Companies Act, 2013and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, our Company shall file the list of Eligible QIBs (to whom the Preliminary Placement Document has been circulated) along with other particulars with the RoC and SEBI within 30 days of circulation of the Preliminary Placement Document and other filings required under the Companies Act, 2013 in connection with the Issue;

- You are aware that our Company shall make necessary filings with the RoC pursuant to the Allotment (which shall include certain details such as your name, address and number of Equity Shares Allotted) and if the Allotment of Equity Shares in the Issue results in you being one of the top ten shareholders of our Company, we shall also be required to disclose your name and shareholding details to the RoC within 15 days of Allotment, and you consent to such disclosure being made by us, under Section 93 of the Companies Act, 2013;

- You have no rights under a shareholders' agreement or voting agreement with the promoters or persons related to the promoters, no veto rights or right to appoint any nominee director on the Board of Directors other than the rights acquired, if any, in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the promoters;

- You will have no right to withdraw your Bid after the Bid/Issue Closing Date (as defined hereinafter);

- You are eligible to apply for and hold the Equity Shares Allotted to you together with any Equity Shares held by you prior to the Issue. Further, you confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable regulation;

- The Bid made by you would not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**");

  The number of Equity Shares Allotted to you pursuant to the Issue, together with other Allottees that belong to the same group or are under common control shall not exceed 50% of the Issue.
- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approval has been received from each of the Stock Exchanges, and (ii) the applications for the final listing and trading approvals will be made only after Allotment. There can be no assurance that the final approvals for listing and trading in the Equity Shares will be obtained in time or at all. Our Company shall not be responsible for any delay or non-receipt of such final approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the Book Running Lead Manager has entered into a Placement Agreement with our Company whereby the Book Running Lead Manager has severally and not jointly, subject to the satisfaction of certain conditions set out therein, agreed to manage the Issue and use its reasonable efforts as placement agents of our Company to procure subscriptions for the Equity Shares on the terms and conditions set forth therein;

- The contents of this Placement Document are exclusively the responsibility of our Company, and neither the Book Running Lead Manager nor any person acting on its behalf has or shall have any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting a participating in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Book Running Lead Manager or our Company or any of their respective affiliates or any other person, and neither the Book Running Lead Manager nor our Company nor any other person will be liable for your decision to participate in the Issue based on any other information, representation, warranty or statement that you may have obtained or received;

- You understand that theBook Running Lead Manager does not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of our respective obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Transfer Restrictions*" and you warrant that you will comply with those restrictions;

- You are eligible to invest in India under applicable law, including the FEMA 20, and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI or any other regulatory authority, from buying, selling or dealing in securities;

- You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

- If you are within the United States, you are a U.S. QIB who is, or are, acquiring the Equity Shares for your own account or for the account of an institutional investor who also meets the requirements of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of U.S. securities laws) thereof, in whole or in part;

- If you are outside the United States, you are purchasing the Equity Shares in an "offshore transaction" within the meaning of Regulation S under the U.S. Securities Act;

- You are not our affiliate or a person acting on behalf of such an affiliate; and

- You are not acquiring or subscribing for the Equity Shares as a result of any general solicitation or general advertising (as those terms are defined in Regulation D under the U.S. Securities Act) or directed selling efforts (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) thereof, and the Equity Shares may not be eligible for resale under Rule 144A. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described under the sections titled "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 179 and 186, respectively.

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Mumbai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares issued pursuant tithe Issue;

- You agree to indemnify and hold our Company and the Book Running Lead Manager and their respective directors, officers, affiliates, associates and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- Our Company, the Book Running Lead Manager, their respective affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, given by you to the Book Running Lead Manager on its own behalf and on behalf of our Company, which are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will prompty notify our Company and the Book Running Lead Manager; and

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws.

Offshore Derivative Instruments

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations (as defined below), FPIs (other than Category III foreign portfolio investors and unregulated broad based funds, which are classified as Category II FPI by virtue of their investment manager being appropriately regulated)may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**") directly or indirectly, for which they may receive compensation from the purchasers of such instruments. P-Notes may be issued only in favour of those entities which are regulated by any appropriate foreign regulatory authorities in the countries of their incorporation, and are issued in compliance with 'know your client' requirements. An FPI shall also ensure that no further issue or transfer of any instrument referred to above is made to any person other than such entities regulated by appropriate foreign regulatory authorities. P-Notes have not been and are not being offered or sold pursuant to this Placement Document. This Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-notes, including any information regarding any risk factors relating thereto.

Affiliates of the Book Running Lead Manager that are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Book Running Lead Manager do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the Book Running Lead Manager and does not constitute any obligations of or claims on the Book Running Lead Manager.

Prospective investors interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of the preliminary placement document and this placement document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

(1) warrant, certify or endorse the correctness or completeness of any of the contents of the preliminary placement document and this placement document;

(2) warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges; or

(3) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the preliminary placement document and this placement document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against any of the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investors', 'prospective investors' and 'potential investor' are to the prospective investors in the Issue, references to the 'Company', 'LT Foods Limited, 'Issuer', 'we', 'us' or 'our' are to LT Foods Limited, its Subsidiaries, Associates and Joint Ventures.

Currency and Units of Presentation

In this Placement Document, references to"USD" or "US$" or "U.S. dollar"are to United States Dollars, the official currency of the United States of America.

All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GOI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable.

References to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable, and the words "lakh" or "lac" mean "100,000", and the word "million" means "10 lakh", and the word "crore" means "10 million" or "100 lakh" and the word "billion" means "1,000 million" or "100 crore".

Financial Data

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'Fiscal Year' or 'fiscal' or "financial year" or 'FY' are to the 12 month period ended on March 31 of that year.

Our Company publishes its financial statements in Indian Rupees.

In this Placement Document, we have included, (i) the audited standalone and consolidated financial statements for Fiscal 2015, 2016 and 2017 prepared in accordance with Indian GAAP, and the Companies Act, 1956 (to the extent applicable) and the Companies Act, 2013 ("**Indian GAAP Audited Financial Statements**") and (ii) the unaudited standalone and consolidated financial information for the six months ended September 30, 2017 subjected to a limited review, which have been prepared in line with the Ind AS notified under the Companies Act, 2013, as amended read with the Companies (Indian Accounting Standards) Rules, 2015, by our statutory auditors (the "**Ind AS Unaudited Financial Statements**. Our Ind AS Unaudited Financial Statements also includes reconciliation statements of the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101 – First time adoption of Indian Accounting Standards.

Unless the context otherwise requires, all financial data in this Placement Document are derived from our Indian GAAP Audited Financial Statements and Ind AS Unaudited Financial Statements.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the Unites States ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does our Company provide a reconciliation of the Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Financial Statements prepared in accordance with Ind AS, included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. For further information, see "*Risk Factors - We have prepared and presented our Ind AS Unaudited Financial Statements for and as of the six months ended September 30, 2017 under Ind AS in accordance with applicable regulatory requirements in India. Our Ind AS Unaudited Financial Statements are not comparable to our Indian GAAP Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP.*" on page 46.

In this Placement Document, certain monetary thresholds have been subjected to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

INDUSTRY AND MARKET DATA

Information regarding market position, growth rates and other industry data pertaining to the businesses of our Company contained in this Placement Document consists of estimates based on data and reports compiled by government bodies, professional organizations and analysts, data from other external sources and knowledge of the markets in which our Company competes. The statistical information included in this Placement Document relating to the various sectors in which our Company operates has been reproduced from various trade, industry and regulatory/ government publications and websites. We have also relied on the Euromonitor Report on "*Indian Basmati Rice Industry*" published in September 2017 by ICRA Limited.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey.

Neither our Company, nor the BRLM have independently verified this data and make any representation regarding the accuracy or completeness of such data. Similarly, while we believe that our internal estimates are reasonable, such estimates have not been verified by any independent sources, and neither our Company nor any of the BRLM can assure potential investors as to their accuracy.

The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Information in this Placement Document on the basmati rice industry in India is from independent market research carried out by ICRA Limited but should not be relied upon in making, or refraining from making, any investment decision.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute ‘forward-looking statements’. Investors can generally identify forward-looking statements by terminology such as ‘aim’, ‘anticipate’, ‘believe’, ‘continue’, ‘can’, ‘could’, ‘estimate’, ‘expect’, ‘intend’, ‘may’, ‘objective’, ‘plan’, ‘potential’, ‘project’, ‘pursue’, ‘shall’, ‘should’, ‘will’, ‘would’, ‘will likely result’ ‘is likely’, ‘are likely’, ‘believe’, ‘expect’, ‘expected to’, ‘will continue’, ‘will achieve’, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding our Company’s expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements and any other projections include statements as to our Company’s business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause the actual results, performances and achievements of our Company to be materially different from any of the forward-looking statements include, among others:

- our inability to timely procure sufficient good quality basmati paddy at reasonable costs;
- our Ind AS Unaudited Financial Statements are not comparable to our Indian GAAP Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP;
- any failure on the part of procurement agents to procure, in a timely manner, the desired quality and quantity of basmati paddy;
- any unfavorable change in the policies passed by the governments of the countries where we export;
- our inability to comply with repayment and other covenants in our financing agreements;
- our exposure to foreign currency exchange rate fluctuations and exchange control risks;
- our inability to adequately protect or continue to use our intellectual property;
- we do no enter into long-term arrangements with our distributors and we may not able to sell the quantities we have historically supplied;
- our inability to meet the consistent quality requirements of our customers, or adapt to changes in, the preferences of our customers; and
- our processing facilities are primarily situated in one geographical area, which exposes us to any adverse developments affecting that area.

Additional factors that could cause actual results, performance or achievements of our Company to differ materially include, but are not limited to, those discussed under the sections “*Risk Factors*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”, “*Industry Overview*” and “*Business*” and on pages 45, 75, 128 and 136 of this Placement Document, respectively.

By their nature, market risk disclosures are only estimates and could be materially different from what actuallyoccurs in the future. As a result, actual future gains, losses or impact on net interest income and net incomecould materially differ from those that have been estimated, expressed or implied by such forward lookingstatements or other projections. The forward-looking statements contained in this Placement Document are based on the beliefs of the management, as well as the assumptions made by, and information currently available to, the management of our Company. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and neither our Company nor the Book Running Lead Manager undertakes any obligation to update or revise any of them, whether as a result of new information, future events or otherwise, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our

Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public company with limited liability incorporated under the laws of India. All the Directors and key managerial personnel of our Company named herein are residents of India. As a result, it may be difficult or may not be possible for investors outside India to effect service of process upon our Company or such persons in India.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code (as defined below), on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, Republic of Singapore and Hong Kong (among others) are some of the countriesthat havebeen declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees at the applicable foreign exchange rateon the date of such judgment or award becomes enforceable and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws. Further, any judgment or award in foreign currency would be converted with Rupees on the date of such judgement or award and not on the date of payment. Our Company cannot predict whether a suit brought in an Indian court will be disposed off in a timely manner or be subject to considerable delays.

EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and the foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$), for the periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

As of November 30, 2017, the exchange rate (RBI reference rate) was ₹ 64.4332 to US$ 1.00.

(₹ per US$)

	Period End	Average(1)	High(2)	Low(3)
Fiscal Year Ended:				
March 31, 2017	64.8386	67.0896	68.7235	64.8386
March 31, 2016	66.3329	65.4611	68.7775	62.1580
March 31, 2015	62.5908	61.1471	63.7498	58.4260
Quarter Ended:				
Friday, September 30, 2017	65.3552	64.2936	65.7604	63.6314
Friday, June 30, 2017	64.7379	64.4559	65.0438	64.0013
Thursday, March 31, 2017	64.8386	67.0076	68.2310	64.8386
Thursday, December 31, 2016	67.9547	67.4584	68.7235	66.4273
Month ended:				
Tuesday, October 31, 2017	65.3552	64.4409	65.7604	63.8664
Saturday, September 30, 2017	64.0154	63.9684	64.2428	63.6314
Thursday, August 31, 2017	64.0773	64.4559	64.8168	64.0773
Monday, July 31, 2017	64.7379	64.4430	64.7379	64.2584
Friday, June 30, 2017	64.5459	64.4248	64.9906	64.0214
Wednesday, May 31, 2017	65.3552	64.4409	65.7604	63.8664

Source: www.rbi.org.in

(1) Represents the average of the official rate for each working day of the relevant period;

(2) Maximum of the official rate for each working day of the relevant period;

(3) Minimum of the official rate for each working day of the relevant period.

AVAILABLE INFORMATION

Our Company has agreed that, for so long as any Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, our Company will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, subject to compliance with the applicable provisions of Indian law.

DEFINITIONS AND ABBREVIATIONS

Our Company has prepared this Placement Document using certain definitions and abbreviations which you should consider when reading the information contained herein.

Company Related Terms

Term	Description
"Issuer", "we", "us", "our", "LT Foods Limited", "Company", "Our Company", "the Company", "LTFL"	Unless the context otherwise indicates or implies, refers to LT Foods Limited, a public limited company incorporated under the Companies Act, 1956
Articles or Articles of Association	Articles of association of our Company, as amended from time to time
Auditors	Statutory auditors of our Company namely Walker Chandiok & Co LLP.
Board of Directors or Board	The board of directors of our Company or any duly constituted committee thereof
Compliance Officer	The compliance officer of our Company
Director(s)	The directors of our Company presently on our Board
Executive Director(s)	The executive directors of our Company
Equity Share(s)	The equity shares of our Company having a face value of ₹ 1 each
ESOP Plan	LT Foods Limited - Employee Stock Option Plan 2016
Financial Statements	Indian GAAP Audited Financial Statements and the Ind AS Unaudited Financial Statements
Ind AS Unaudited Financial Statements	The unaudited standalone and consolidated financial information for the six months ended September 30, 2017 subjected to a limited review by our statutory auditors
Indian GAAP Audited Financial Statements	Audited standalone and consolidated financial statements as of and for the Fiscals ended March 31, 2015, 2016 and 2017
Joint Venture	The joint venture of our Company is namely Genoa Rice Mills Private Limited
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended from time to time
Promoters	Promoters mean a promoter of our Company as per the SEBI ICDR Regulations and include, Mr. Vijay Kumar Arora, Mr. Surinder Kumar Arora, Mr. Ashwani Kumar Arora, and Mr. Ashok Kumar Arora, as named in our filings with the Stock Exchanges.
Registered Office	The registered office of our Company is located at Unit No. 134, First Floor, Rectangle - 1, Saket District Centre, New Delhi – 110017, India.
"RoC" or "Registrar of Companies"	Registrar of Companies, National Capital Territory of Delhi and Haryana
Subsidiaries	The subsidiaries of our Company are as listed below: 1. Daawat Foods Limited 2. LT International Limited 3. Nature Bio Foods Limited 4. Raghunath Agro Industries Private Limited 5. Raghuvesh Foods & Infrastructure Limited 6. SDC Foods India Limited 7. Sona Global Limited 8. LT Overseas North America Inc. 9. LT Foods International Limited (UK) 10. LT Foods Middle East DMCC 11. LT Foods Europe B.V 12. LT Agri Services Private Limited 13. Expo Services Private Limited 14. Raghuvesh Power Projects Limited 15. Fresco Fruit N Nuts Private Limited 16. Deva Singh Sham Singh Exports Private Limited 17. LT Foods USA LLC 18. Universal Traders Inc 19. Kusha Inc 20. Ecolife LLC

Issue Related Terms

Term	Description

Term	Description
Allocated/ Allocation	The allocation of Equity Shares following the determination of the Issue Price to Eligible QIBs on the basis of the Application Form submitted by them, by our Company in consultation with the Book Running Lead Manager and in compliance with Chapter VIII of the SEBI ICDR Regulations
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares to be issued pursuant to the Issue
Allottees	Eligible QIBs to whom Equity Shares are issued and Allotted pursuant to the Issue
Application Form	The form (including any revisions thereof) pursuant to which a Eligible QIB shall submit a Bid for the Equity Shares in the Issue
Bid(s)	Indication of interest of a Eligible QIB, including all revisions and modifications thereto, as provided in the Application Form, to subscribe for the Equity Shares pursuant to the Issue. The term "Bidding" shall be construed accordingly
Bid/Issue Closing Date	December 21, 2017,which is the last date up to which the Application Forms shall be accepted
Bid/Issue Opening Date	December 18, 2017
Bid/Issue Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids including any revision and/ or modification thereof
Bidder	Any prospective investor, an Eligible QIB, who makes a Bid pursuant to the terms of the Preliminary Placement Document and the Application Form
Book Running Lead Manager or Lead Manager or BRLM	The book running lead manager to the Issue, namely Motilal Oswal Investment Advisors Limited.
CAN or Confirmation of Allocation Note	Note or advice to Eligible QIBs confirming Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price and requesting payment for the entire applicable Issue Price for all Equity Shares Allocated to such Eligible QIBs
Closing Date	The date on which Allotment of Equity Shares pursuant to the Issue shall be made, *i.e.*, on or about December 26, 2017.
Cut-off Price	The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the Book Running Lead Manager
Designated Date	The date of credit of Equity Shares, pursuant to the Issue, to the Eligible QIB's demat account, as applicable to the respective Eligible QIBs
Eligible FPI	FPIs that are eligible to participate in this Issue and does not include Category III FPIs who are not allowed to participate in the Issue
Eligible QIBs	QIBs, as defined in regulation 2(1)(zd) of the SEBI ICDR Regulations which are not, (a) excluded pursuant to regulation 86 of the SEBI ICDR Regulations, and (b) restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws. Only QIBs which are Eligible FPIs are permitted to participate in the Issue. FVCIs, foreign multilateral and bilateral development financial institutions and any other non-resident investors are not permitted to participate in the Issue
Escrow Agent	Oriental Bank of Commerce
Escrow Account	The account entitled "LT Foods QIP - Escrow Account" with regard to any money received towards the subscription of the Equity Shares, opened with the Escrow Agent, subject to the terms of the Escrow Agreement
Escrow Agreement	Agreement dated December 19, 2017, entered into amongst our Company, the Escrow Agent and the Book Running Lead Manager for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The floor price of ₹79.13, which has been calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations
Issue	The offer, issue and Allotment of 53,100,000 Equity Shares to Eligible QIBs pursuant to Chapter VIII of the SEBI ICDR Regulations and the provisions of the Companies Act, 2013
Issue Price	₹ 75.20 per Equity Share
Issue Size	The issue of 53,100,000 Equity Shares, aggregating up to ₹ 3,993.12 million.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended

Term	Description
Pay-in Date	The last date specified in the CAN for payment of application monies by the Eligible QIBs
Placement Agreement	Agreement dated December 18, 2017 entered into amongst our Company and the Book Running Lead Manager
Placement Document	This placement document dated December 21, 2017 issued by our Company in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013
Preliminary Placement Document	The preliminary placement document dated December 18, 2017 issued in accordance with Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013
Pricing Date	Has the meaning ascribed to the term in the Placement Agreement
QIBs or Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations or such other persons as maybe permitted by applicable laws to acquire the Equity Shares to be issued pursuant to the Issue
QIP	Qualified institutions placement, being private placement to Eligible QIBs under Chapter VIII of the SEBI ICDR Regulations and applicable sections of the Companies Act
Relevant Date	December 18, 2017, which is the date of the meeting of the Board, or any committee duly authorised by the Board, deciding to open the Issue

Industry Related Terms

Term	Description
BSCI	Business Social Compliance Initiative
HORECA	Hotels, restaurants and caterers
IFS	International Featured Standards
ISO	International Organization for Standardization
MSP	minimum support price
MT	Metric tonne
SQF	Safe Quality Food

Conventional and General Terms/Abbreviations

Term	Description
AGM	Annual general meeting
AIF(s)	Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
AOP	Association of persons
AS	Accounting Standards issued by ICAI, as required under Companies Act
AY	Assessment year
BSE	BSE Limited
Calendar Year	Year ending on December 31
Category III Foreign Portfolio Investor	An FPI registered as a category III foreign portfolio investor under the SEBI FPI Regulations
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
CEO	Chief executive officer
CFO	Chief financial officer
CII	Confederation of Indian Industry
CIN	Corporate identity number
CSR	Corporate social responsibility
Civil Procedure Code	The Code of Civil Procedure, 1908, as amended
Companies Act	The Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	The Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
Competition Act	The Competition Act, 2002, as amended
DIN	Director identification number
Depositories Act	The Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board

Term	Description
	of India (Depositories and Participant) Regulations, 1996, as amended
Depository Participant	A depository participant as defined under the Depositories Act
EBITDA	Earnings before interest, tax, depreciation and amortisation
ECB	External commercial borrowing
ECS	Electronic clearing service
EGM	Extraordinary general meeting
EPS	Earnings per share
FCCB	Foreign currency convertible bonds
FCNR(B)	Foreign currency non-resident (bank)
FDI	Foreign direct investment
FDI Policy	Consolidated FDI policy issued by the DIPP by circular D/o IPP F. No. 5(1)/2017-FC-1 of 2017, with effect from August 28, 2017, ("**Consolidated FDI Policy"**)
FEDAI	Foreign Exchange Dealers' Association of India
FEMA	The Foreign Exchange Management Act, 1999, as amended, and the regulations issued thereunder
FEMA 20	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended
FICCI	Federation of Indian Chambers of Commerce and Industry
"Financial year" or "Fiscal Year" or "FY" or "Fiscal"	Period of 12 months commencing on April 1 of each calendar year and ending on March 31 of the following calendar year, unless otherwise stated
FIPB	Foreign Investment Promotion Board of the Ministry of Finance, Government of India
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations.
FRA/IRS	Forward rate agreements/interest rate swaps
FVCI	Foreign venture capital investors as defined and registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended
GAAP	Generally accepted accounting principles
GAAR	General Anti-Avoidance Rules
GDP	Gross domestic product
GIR	General index registrar
GoI/Government	Government of India, unless otherwise specified
GST	Goods and services tax
HNIs	High net worth individuals
HR	Human resources
HUF	Hindu undivided family
ICAI	The Institute of Chartered Accountants of India
ICRA	ICRA Limited
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards issued by the International Accounting Standards Board
IMF	International Monetary Fund
Ind-AS/ IND-AS	Indian accounting standards converged with IFRS, as notified by the Ministry of Corporate Affairs vide Companies (Indian Accounting Standards) Rules, 2015 in its general statutory rules dated February 16, 2015, as amended
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally accepted accounting principles in India as prescribed under the Companies (Accounting Standard) Rules, 2006
IPO	Initial public offering
ISO	International Standards Organisation
IT	Information technology
IT Act	The Income Tax Act, 1961, as amended
MAT	Minimum alternate tax
MCA	The Ministry of Corporate Affairs, Government of India
MIS	Management Information System
MNC	Multinational corporation
MoU	Memorandum of understanding
Mn/ million	Million
MSEs	Micro and small enterprises

Term	Description
NASSCOM	National Association of Software and Services Companies
NEFT	National electronic fund transfer
NGOs	Non-government organisations
Notified Sections	Sections of the Companies Act, 2013 that have been notified by the Government of India
NRE	Non-resident (external)
NRI	Non-resident Indian
NRO	Non-resident Ordinary
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per annum
PAN	Permanent account number
PAT	Profit after tax
PBT	Profit before tax
PDAI	Primary Dealers Association of India
PLM Act	Prevention of Money Laundering Act, 2002, as amended
RBI	Reserve Bank of India
RBI Act	The Reserve Bank of India Act, 1934, as amended
Regulation S	Regulation S under the U.S. Securities Act
RoC	Registrar of Companies
₹/Rupees/INR	Indian Rupees
Rule 144A	Rule 144A under the U.S. Securities Act
SCR (SECC) Rules	Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012, notified by the SEBI
SCRA	Securities Contracts (Regulation) Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, read with SEBI Circular No. CIR/CFD/POLICY CELL/2/2015 dated 16 June 2015
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
SEBI Insider Trading Regulations, 2015	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEC	United States Securities and Exchange Commission
SENSEX	Index of 30 stocks traded on the BSE representing a sample of large and liquid listed companies
SEZ	Special economic zone
SICA	The Sick Industrial Companies Act, 1985, as amended
Stock Exchanges	BSE and NSE
STT	Securities transaction tax
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended
U.S. $/U.S. dollar/ USD	United States Dollar, the legal currency of the United States of America
U.S. GAAP	Generally accepted accounting principles in the United States of America
US Holder	Has the meaning given to that term in "*Taxation – United States Federal Income Tax Considerations*" on page 216 of this Placement Document.
USA/U.S./United States	The United States of America
U.S. Securities Act	The United States Securities Act of 1933, as amended
VCF	Venture capital fund
WOS	Wholly owned subsidiaries
WPI	Wholesale Price Index
WTO	World Trade Organisation

DISCLOSURE REQUIREMENTS UNDER FORM PAS-4 PRESCRIBED UNDER THE COMPANIES ACT, 2013

The table below sets out the disclosure requirements as provided in Form PAS-4 under the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant pages in this Placement Document where these disclosures, to the extent applicable, have been provided.

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
1.	**GENERAL INFORMATION**	
a.	Name, address, website and other contact details of our company indicating both registered office and corporate office.	Cover Page and Last Page
b.	Date of incorporation of our company.	Cover Page and 231
c.	Business carried on by our company and its subsidiaries with the details of branches or units, if any.	136-151
d.	Brief particulars of the management of our company.	156-164
e.	Names, addresses, DIN and occupations of the directors.	156-157
f.	Management's perception of risk factors.	45-66
g.	Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:	
(i)	Statutory dues;	227
(ii)	Debentures and interest thereon;	227
(iii)	Deposits and interest thereon; and	227
(iv)	Loan from any bank or financial institution and interest thereon.	227
h.	Names, designation, address and phone number, email ID of the nodal/ compliance officer of our company, if any, for the private placement offer process.	231
2.	**PARTICULARS OF THE OFFER**	
a.	Date of passing of board resolution.	32
b.	Date of passing of resolution in the general meeting, authorising the offer of securities.	32
c.	Kinds of securities offered (i.e. whether share or debenture) and class of security.	32
d.	Price at which the security is being offered including the premium, if any, along with justification of the price.	Cover Page and 32
e.	Name and address of the valuer who performed valuation of the security offered.	N.A
f.	Amount which our company intends to raise by way of securities.	32
g.	Terms of raising of securities:	
(i)	Duration, if applicable;	N.A
(ii)	Rate of dividend;	N.A
(iii)	Rate of interest;	N.A
(iv)	Mode of payment; and	N.A
(v)	Repayment.	N.A
h.	Proposed time schedule for which the offer letter is valid.	20-21
i.	Purposes and objects of the offer.	69
j.	Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects.	69
k.	Principle terms of assets charged as security, if applicable.	N.A
3.	**DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC**	
a.	Any financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.	164
b.	Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed.	227
c.	Remuneration of directors (during the current year and last three financial years).	159-160
d.	Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantees given or securities provided.	164
e.	Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of our company	228-229

Sr. No.	Disclosure Requirements	Relevant page of this Placement Document
	and the corrective steps taken and proposed to be taken by our company for each of the said reservations or qualifications or adverse remark.	
f.	Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries. Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for our company and all of its subsidiaries.	226
g.	Details of acts of material frauds committed against our company in the last three years, if any, and if so, the action taken by our company.	227
4.	**FINANCIAL POSITION OF OUR COMPANY**	
a.	The capital structure of our company in the following manner in a tabular form:	
(i)(a)	The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value);	71
(b)	Size of the present offer; and	71
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(B)	After conversion of convertible instruments (if applicable);	N.A
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(ii)	The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration.	71-73
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b.	Profits of our company, before and after making provision for tax, for the three financial years immediately preceding the date of circulation of offer letter.	36 and 232
c.	Dividends declared by our company in respect of the said three financial years; interest coverage ratio for last three years (Cash profit after tax plus interest paid/interest paid).	74 and 106
d.	A summary of the financial position of our company as in the three audited balance sheets immediately preceding the date of circulation of offer letter.	34-44
e.	Audited Cash Flow Statement for the three years immediately preceding the date of circulation of offer letter.	232
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5.	**A DECLARATION BY THE DIRECTORS THAT**	483-484
a.	Our company has complied with the provisions of the Act and the rules made thereunder.	
b.	The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government.	
c.	The monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter.	

SUMMARY OF BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Principal Factors Affecting Our Results Of Operations" on pages 45 and 77, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to LT Foods Limited on a standalone basis, while any reference to "we", "us", "our Group" or "our" refers to LT Foods Limited on a consolidated basis.

Under applicable regulations, we were required to prepare standalone and consolidated financial statements in accordance with Ind AS for the six months ended September 30, 2017. Our historical audited standalone and consolidated financial statements for Fiscal 2015, 2016 and 2017 were prepared in accordance with Indian GAAP.

In this Placement Document, we have therefore included the Indian GAAP Audited Financial Statements for Fiscal 2015, 2016, and 2017, and the Ind AS Unaudited Financial Statements for the six months ended September 30, 2017. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" and "Financial Information".

Overview

We are an emerging global food company with a longstanding presence in basmati rice products in India. In addition, our product portfolio has expanded to include organic foods and convenience rice based products. As of September 30, 2017, we operated through our 11 subsidiaries in India, nine subsidiaries outside India, two joint ventures, and three associates. We have a considerable presence in the United States and have grown to be one of the leading manufacturers of basmati rice from India. Our business primarily involves processing basmati paddy and aged rice and marketing branded, unbranded and private label basmati rice and their product-variants in India and in various international markets. In Fiscal 2015, 2016 and 2017, our total income was ₹ 27,797.82 million, ₹ 29,796.26 million and ₹ 33,221.10 million, respectively, and our profit after tax was ₹ 764.16 million, ₹ 724.75 million and ₹ 1,286.92 million, respectively. In Fiscal 2015, 2016 and 2017, we had income outside India of ₹ 12,827.34 million, ₹ 18,876.37 million and ₹ 17,972.85 million, respectively, which accounted for 46.15%, 63.35%, and 54.10%, respectively, of our total income in these periods.

We believe we are one of the few Indian companies with fully integrated operations with a presence across the basmati rice value chain, with operations that include procurement, storage, processing, marketing and sales. We sell our products internationally under various key brands, including "Daawat", "Royal", "Devaaya" and "EcoLife".

Basmati is a premium long-grain rice variety with a fine texture and retains a strong aroma in both raw and cooked forms. It is one of the most expensive varieties of rice in the world. Basmati paddy is grown only in certain areas of India and Pakistan as its unique aroma, flavour and texture are attributed to the soil and climate of the region. (*Source: ICRA Report*) Our product portfolio includes brown and white grain rice. In addition, we also produce and sell organic basmati rice, organic pulses, spices, nuts, organic soya and regional rice, and other products such as cooking oil and sauces.

We procure basmati paddy primarily from the basmati producing States in northern India, through our extensive and entrenched procurement network consisting of procurement agents and farmers' agents. As of September 30, 2017, we had arrangements with 210 procurement agents, across 200 agricultural produce markets known as "*mandis*" established by the various State Governments.

As of September 30, 2017, we operated five processing and packaging facilities in India, with an aggregate rice milling and sorting capacity of 86.90 MT per hour, aggregate rice sorting and grading capacity of 72.00 MT per hour and aggregate rice packaging capacity of 86.30 MT per hour. In addition, as of September 30, 2017, we operated three packaging facilities in the United States, and a processing and packaging facility in Rotterdam, Europe. Our processing facilities have received various accreditations including ISO 17025, ISO 9001 and ISO 14001 certifications, and have received quality management system certifications including SA 8000 and BSCI. We have extensive storage capacities at silos operated by us that protect the grains to ensure quality control throughout our processing activities. We also have silos for semi-processed rice that ensure timely delivery of the product to our customers. As of September 30, 2017, our aggregate storage capacity (including open and covered warehousing facilities) for paddy and rice was 637,900 MT.

Our products cater to various consumer segments at different price points in the branded basmati rice market. We also supply rice to other branded basmati rice companies in international markets and record such sales as a "private label" sale. We believe we have developed a strong relationship with our customers resulting in long-term associations and sustained business from them. We have also established a strong sales and distribution network in all our international markets and in India, which has enabled us to cater and service the consumer demand.

Our Competitive Strengths

Leading branded specialty rice company

As of September 30, 2017, we had a large number of brands registered under our Group across various jurisdictions. We launched our specialty rice and anchor brand, "Daawat" in India over 30 years ago, which is one of the prominent brands of basmati rice in India. We have since launched the "Daawat" brand in prominent international markets, including the United States, Mauritius, Australia, Middle East and Canada. It is our key brand in the premium basmati rice segment. We also own the "Royal" brand of basmati rice, which we believe is an established brand in the basmati rice segment in the United States. Other products distributed under the "Royal" brand include jasmine rice, arborio rice, wheat flour and couscous. In addition to the premium rice segment, our brands are present across other value added staples such as semolina, wheat flour and refined flour under the "Devaaya" brand, and our chain of organic products under the "EcoLife" brand.

We have carried out significant investments in enhancing our brand over the years through substantial advertising and promotion. We have enhanced our brand recall through media and built the brand's core values strategically by engaging various celebrities including movie actor Amitabh Bachchan and celebrity chef Sanjeev Kapoor for our key brands. We believe that in our business, branded basmati rice commands a premium over the unbranded variety. Our branding differentiates our offerings from other private labels by providing customers with quality assurance, facilitating product recognition and brand recall, which helps in attracting new customers and retaining our existing customer base. Retention of our existing customer base also allows us to maintain margins, as increase in production and distribution costs are factored into the price of our products, supported by our significant brand value.

Strong procurement capabilities and locational advantage

We believe that our extensive network of procurement agents spread across the basmati paddy producing regions of northern and central India enables us to effectively procure quality basmati paddy at competitive prices in a timely manner. As of September 30, 2017, we had entered into arrangements with 210 procurement agents, across 200 *mandis* established by the various State governments. We believe we have developed an effective procurement strategy and mechanism based on our well established relationships with procurement agents as well as the knowledge and experience of our Promoters and senior management regarding basmati paddy production areas, cultivation cycles and practices followed by farmers. Our procurement processes are supported by our strong relationships with farmers, the primary cultivators of our raw material.

Our processing facilities are strategically located in close proximity to the basmati paddy producing regions of northern and central India, including the basmati paddy *mandis* in the States of Haryana, Punjab and Madhya Pradesh. The States of Punjab, Haryana and Uttar Pradesh together account for over 95% of India's total basmati rice production (*Source: ICRA Report*). In particular, our operations are located in basmati rice producing States in India including, Haryana, Punjab and Madhya Pradesh. We believe that these locational advantages enable us to effectively participate in the basmati paddy procurement process across the various *mandis.*

Prior to the procurement season, our procurement team conducts surveys and analyzes estimated paddy supply information to implement an effective procurement strategy that adapts to changing supply patterns. Our procurement network comprises our team of purchasers, middlemen and external agencies that conduct field surveys to assist with the procurement process. To further optimize our procurement process, our senior management closely interact with the procurement team to enable quick decision making. We believe that our large operations, effective procurement mechanism and timely payment to procurement agents have over the years enabled us to establish significant goodwill among the procurement agents. We believe that this goodwill and preferred purchaser status provides us with an access to large quantities of quality basmati paddy at competitive prices.

Integrated operations with technological advancements resulting in operational efficiencies

We believe we are one of the few Indian companies with fully integrated operations with a presence across the basmati rice value chain, with operations that include procurement, storage, processing, marketing and sales. We have been and continue to be among the few rice processors to use silos for storage of paddy and rice. Our processes are fully mechanized. We have invested consistently in technology and process improvements. In order to maintain product quality, we have implemented automatic sorting machines. To further integrate our operations and develop operational efficiencies, we have engaged leading consultants and service providers to undertake various projects to improve our operational efficiencies including business process reengineering, setting-out and implementing growth strategies, and aligning our other operations such as sales and distribution, supply chain management, paddy procurement systems and human resource management, with best industry practices.

Our integrated operations provide us with several competitive advantages, including the ability to purchase large quantities of paddy at competitive prices, and effectively plan, schedule and implement production, storage and dispatch processes. This also enables us to exercise greater control over the quality of our products, and ensure effective inventory and resource management. We believe that our processing technology gives us a competitive edge over most of our competitors.

Wide distribution network supported by strong relationships with export customers

We have a pan-India presence with our extensive sales and distribution network that allows us to target a wide range of consumers and ensure effective penetration of our products and marketing campaigns. As on September 30, 2017, our distribution network included over 750 distributors across 29 States in India. In addition, we directly engage with institutional consumers and modern trade channels including local supermarkets and national and regional retail chains. We also target hotels, restaurants and caterers, and have established longstanding relationships with some of the well-known restaurant chains in India. Our sales and distribution network is strategically spread across regions in India where basmati rice is popular, and has an especially strong outreach in certain markets, where we expect growth to be more significant. We work closely with our distributors to understand customer preferences, to receive feedback on our products and that of our competition, which enables us to formulate an effective strategy for sales, trade marketing and pricing. Our distribution network is also well integrated with our marketing and promotional activities, and helps in strengthening our brand image.

As of September 30, 2017, our international distribution network included quality sensitive markets such as the United States, Canada and United Kingdom. Our tie-ups with various distributors through our subsidiaries established in international markets ensure presence of our products in major markets. We also have significant brand presence across certain key geographies that we have achieved by either strengthening our existing brand value or acquiring established brands in these regions. Our product quality, infrastructure and effective supply chain have enabled us to attract distributors as our partners. Our brands are registered in a large number of jurisdictions. In Fiscal 2017 and in the six months ended September 30, 2017, we derived 54.10% and 64.64% of our total income from outside India, respectively. Our global distribution network includes exclusive as well as non-exclusive distributors. We have entered into arrangements with a large number of distributors in North America, South America and Europe, which enables us to penetrate these markets in an efficient manner.

We were one of the recognized exporters of basmati rice from India in Fiscal 2017. In Fiscal 2017, we exported basmati rice to over 50 countries. In Fiscal 2015, 2016 and 2017, our income outside India was ₹ 12,827.34 million, ₹ 18,876.37 million and ₹ 17,972.85 million, respectively, which accounted for 46.15%, 63.35% and 54.10%, respectively, of our total income in these periods. We believe that our ability to cater to large orders, meet stringent quality requirements specified by customers and ability to timely deliver on orders, have enabled us to develop strong relationships with our customers in key markets, including in the United States, Middle East, South East Asia, and United Kingdom, leading to repeat orders from such customers.

Quality control and operational efficiencies

We have a dedicated quality assurance department that performs several tests across procurement, storage and processing, as well as sales and distribution. Our procurement teams conduct surveys to ascertain the total estimated crop-areas under basmati paddy cultivation, yields per acre and the quality and availability of the raw material - paddy. The paddy is verified against standard crop specifications that are rolled out ahead of the season and pre-checked prior to loading on to the trucks. This is verified at the time of arrival at the facility, thereafter all the paddy is sampled during the unloading process and one composite sample is made per truck for the purpose of testing in the laboratory. Any paddy that does not meet our quality specifications is returned to the relevant procurement agent. Our quality control procedures include both internal processes wherein in-process sampling is undertaken at each stage, as well as external checks, through verification of goods prior to dispatch. We also have quality checks performed by reputed government and non-government agencies as part of regulatory compliance measures. In addition, our customers may engage agencies for the purpose of conducting quality checks at our facilities. We focus on R&D initiatives to improve operations including milling, improvement in yields and parboiling processes to ensure that we consistently match quality requirements.

We have installed sophisticated equipment operated by a trained work force with an in-house laboratory that facilitates greater operational efficiencies. All our manufacturing facilities are equipped with modern rice processing equipment supplied by global equipment suppliers which enables increased production speed and higher operational efficiencies, including lower breakages, production losses as well as more efficient cleaning, de-stoning, sorting and grading processes. Our processing facilities are accredited with the food safety management systems such as IFS, SQF as well as Laboratory Management system ISO 17025:2005, Environment system ISO 14001 and Social Standard SA 8000.

Experienced management team

We benefit from the experience of our Promoters and the senior management team who have extensive knowledge in basmati rice procurement, processing and marketing activities. Our Promoters are actively involved in our operations, and along with our senior management have been instrumental in implementing our growth strategies and expanding our business through various initiatives including broadening our distribution channel, and increasing our product sales within and outside India. Mr. Vijay Kumar Arora, our Managing Director, has considerable experience in the basmati rice export business and has been instrumental in developing our international operations, and developing our business globally. Mr. Ashwani Kumar Arora, our CEO and Managing Director has been responsible for driving overall business including operations, sales and distribution and brand building initiatives. Mr. Surinder Kumar Arora, our Managing Director, has been responsible for managing our operational efficiencies and overseeing operations at our manufacturing facilities in Haryana. Mr. Ashok Kumar Arora, President of our operations in North India has been responsible for growing our operations in the region.

Our Strategies

Diversifying our product portfolio to cater to evolving consumer preferences

We seek to leverage our position as an established branded rice company to grow into an emerging global food company, with new strategic initiatives and product developments. We continue to expand our product portfolio to provide differentiated offerings to cater to the evolving preferences of our consumers. We intend to leverage our extensive experience to enhance our brand, strengthen our infrastructure and further expand our distribution network by entering new product categories and creating new products to meet emerging trends.

There is an increasing awareness of health and wellness products in India as well as globally. In order to address this demand, we have introduced a range of organic products under our “Ecolife” brand in Fiscal 2012, managed by our subsidiary, Nature Bio Foods Limited. We also launched “quick cooking brown rice” and have also expanded our product portfolio to include convenience foods, such as “sauté sauces”. These products are focused on the working population, involving minimal cooking and preparation time. We are also in the process of introducing a range of organic “ready to heat” products, with a facility in the United States that was inaugurated in October 2017.

We have also entered into arrangements with consultants and food manufacturers to evaluate emerging market opportunities including for formulation of dietary supplements, development of meat analogues and other dry mixes for use as cooking stock.

We intend to further develop our organic product segment by expanding our product portfolio to include value-added staples grown and processed organically. We propose to add various products to our organic product portfolio including soya meals and ready to heat organic food. We believe this segment generates higher margin and has significant demand and growth potential. We intend to leverage our established distribution network to introduce our new products.

Investment in research and development

We intend to increase our research and development efforts on new product development in order to make our products healthier, nutritious, and more convenient. This would allow us to better serve increasing demand from consumers for efficient cooking, healthier, tastier and higher quality food. Our research and development efforts have resulted in some of our most popular products, such as the 15 minute Daawat Quick-Cooking Brown Rice range, and 'simmer sauces' that can be conveniently mixed with rice for added flavor, and our Authentic Adventure Flavored Rice range distributed under our "Royal" brand, that is the product of our finest rice without preservatives.

As of September 30, 2017, we had two product innovation centers, one in Gurugram, India and one in California, United States, with a team of research personnel. We also consult with culinary testing experts and chefs to support our product innovation initiatives. We are in the process of developing additional products to expand our range of convenience foods and develop our healthy snack segment. Certain products under development include '90 second ready-to-heat' pouched rice and other healthy grains, '5 minute meal-in-a-cup', as well as a combination of white basmati rice and brown rice under the 'Rozana Gold Plus' brand. We have also entered into certain arrangements for the development of baked rice snack products in flavors that cater to the Indian cuisine.

Strengthen our brand presence globally

We currently sell basmati rice in India through a network of distributors, who further distribute our branded basmati rice products to local retail outlets. We are continuously making investments to expand our distribution and retail outlet reach in India as well as globally along with consistent efforts to strengthen the brand recall and usage across geographies through marketing initiatives.

We intend to increase the visibility of our branded basmati rice products in international markets, to particularly target the premium and organic segment of the basmati rice market, which we believe involves higher margins. We continue to leverage our established operations and economies of scale to focus on increasing our international sales of branded basmati rice products. We actively pursue distribution arrangements with established international retail chains to further increase sales of both our branded and unbranded basmati rice products internationally.

We intend to further grow our brands in specific target markets, including the United States, Europe, Middle East and India.

Expand our operations organically and inorganically

We continue to focus on growing our business through organic and inorganic channels to expand our capabilities, product offerings, and geographic reach. We have expanded our business through a number of acquisitions and tie-ups, and have successfully integrated these businesses into our operations. For instance, we have acquired brands such as "Gold Seal Indus Valley", "Rozana" and "817 Elephant" in the past to gain presence in new geographies. We believe that the highly fragmented nature of the industry we operate in will continue to offer consolidation opportunities, and we intend to continue our strategic expansion plans through inorganic growth opportunities in geographies that complement our existing operations. Through strategic tie-ups, we intend to increase our market share, enable access to new customer segments and geographies and diversify into high margin products in collaboration with experienced partners. To this effect, as of September 30, 2017, we have entered into two joint ventures to expand our product portfolio to include manufacture and distribution of regional rice, and development of rice-based snacks. We intend to continue to expand our operations through such strategic arrangements as we believe that our experience, track record and consistent approach of identifying and implementing our inorganic growth strategy will enable us to successfully integrate new business opportunities in the food segment.

In conjunction with our inorganic growth strategies, we intend to set up facilities in key geographies directly as well as through joint ventures, to support our global operations. We recently inaugurated a processing and packaging facility in Rotterdam, for processing and distribution of basmati rice in Europe. We have set up the processing facility as the import duty on processed goods is higher compared to unprocessed goods in Europe. We intend to commence operations at our facility in Houston, United States by Fiscal 2019, which will be equipped to launch our organic "ready to heat" range of products. We also intend to strengthen our presence in South East Asia, the Middle East, North America and Europe.

SUMMARY OF THE ISSUE

The following is a general summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Placement Document, including the section "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 45, 69, 177 ,167 and 192of this Placement Document, respectively.

Issuer	LT Foods Limited
Issue Price	₹ 75.20 per Equity Share
Face Value	₹ 1 per Equity Share
Floor Price	₹ 79.13 per Equity Share. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. However, our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations. The Floor Price, net of discount of 5% is ₹ 75.17.
Issue Size	53,100,000 Equity Shares, aggregating up to ₹ 3,993.12 million. A minimum of 10% of the Issue Size shall be available for Allocation to Mutual Funds only and balance Equity Shares shall be available for Allocation to all QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs.
Date of Board Resolution	October 3, 2017
Date of Shareholders' Resolution (passed by way of postal ballot)	November 11, 2017
Eligible Investors	QIBs as defined in regulation 2(1)(zd) of the SEBI ICDR Regulations and not, excluded pursuant to regulation 86 of the SEBI ICDR Regulations to whom this Placement Document and the Application Form is circulated and who are eligible to bid and participate in the Issue. The Equity Shares are being offered and sold (a) in the United States only to persons who are U.S. QIBs pursuant to Section 4(a)(2) or another applicable exemption from registration under the U.S. Securities Act; and (b) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made. See the sections "*Issue Procedure*", "*Selling Restrictions*" and "*Transfer Restrictions*" beginning on pages 167, 179 and 186, respectively. The list of Eligible QIBs to whom this Placement Document and Application Form is delivered, shall be determined by the Book Running Lead Manager in consultation with our Company, at its sole discretion. Please see section "*Issue Procedure – Eligible QIBs*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 170, 179 and 186, respectively of this Placement Document.
Dividend	Please see section "*Description of the Equity Shares*", "*Dividends*" and "*Taxation*" on pages 192, 74 and 195, respectively of this Placement Document.
Indian Taxation	Please see section "*Taxation*" on page 195 of this Placement Document.
Equity Shares issued and outstanding immediately prior to the Issue	266,744,780 Equity Shares.
Equity Shares issued and outstanding immediately after the Issue	319,844,780 Equity Shares.
Listing	Our Company has obtained in-principle approvals in terms of Clause Regulation 28(1) (a) of the SEBI Listing Regulations, for listing of the Equity Shares issued pursuant to the Issue from the Stock Exchanges. Our Company will make applications to each of the Stock Exchanges after Allotment to obtain final listing and trading approval for the Equity Shares.
Lock-up	90 days

Transferability Restrictions	The Equity Shares to be issued pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Please see section "*Transfer Restrictions*" and "*Selling Restrictions*" on pages 179 and 186, respectively, of this Placement Document.	
Use of Proceeds	The gross proceeds from the Issue will be approximately ₹ 3,993.12 million. The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, will be approximately ₹ 3,853.12 million. Please see section "*Use of Proceeds*" on page 69 of this Placement Document for information regarding the use of net proceeds from the Issue.	
Risk Factors	Please see section "*Risk Factors*" on page 45 of this Placement Document for a discussion of risks you should consider before investing in the Equity Shares.	
Pay-In Date	Last date specified in the CAN sent to the Eligible QIBs for payment of application money.	
Closing	The Allotment of the Equity Shares, expected to be made on or about December 26, 2017.	
Ranking	The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of dividends. The shareholders of our Company (who hold Equity Shares as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Bid/ Issue Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. Please see sections "*Dividends*" and "*Description of the Equity Shares*" on pages 74 and 192 of this Placement Document, respectively.	
Security Codes for the Equity Shares	ISIN	INE818H01020
	BSE Code	532783
	NSE Code	DAAWAT

SUMMARY FINANCIAL INFORMATION

The following summary financial information has been extracted from our Audited Financial Statements as of and for the fiscal years ended March 31, 2015, 2016 and 2017 prepared under Indian GAAP and Unaudited Condensed Financial Statements relating to the six months ended September 30, 2017 and 2016 prepared and presented under Ind-AS 34 and should be read together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, including the notes thereto and the reports thereon, which appear in the section "Financial Statements".

Ind AS and Indian GAAP differ in certain material respects from US GAAP and IFRS. Neither the information set forth below nor the format in which it is presented should be viewed as comparable to the information prepared in accordance with US GAAP or IFRS or other accounting principles.

The Company adopted Indian Accounting Standards ("IND-AS") effective April 01, 2017 (transition date being April 01, 2016) and accordingly, the financial results for the period ended September 30, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the IND AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

Important Note on Application of Ind-AS and its Impact on the Preparation and Presentation of our Financial Statements

The Ministry of Corporate Affairs notified the Companies (Indian Accounting Standards) Rules, 2015 on February 16, 2015 providing the schedule for implementation of Ind-AS in a phased manner. Pursuant to such regulations, we have adopted Ind-AS with effect from April 1, 2017 with the transition date of April 1, 2016, and our financial statements for any period commencing from or subsequent to April 1, 2017 are required to be prepared in accordance with Ind-AS.

Accordingly, our Audited Financial Statements for fiscal 2015, 2016 and 2017 included in this Placement Document have been prepared in accordance with the Companies Act and Indian GAAP, while the Unaudited Condensed Financial Statements relating to the six months ended September 30, 2017 have been prepared and presented in accordance with Ind-AS 34. Accounting principles under Ind-AS vary in many respects from accounting principles under Indian GAAP, and our Unaudited Condensed Financial Statements prepared and presented in accordance with Ind-AS 34 are therefore not comparable to the Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP.

For the convenience of potential investors, we have also included in this Placement Document information on the "*Summary of Certain Differences among Indian GAAP and Ind-AS*" on page 110, which sets out the qualitative differences between Indian GAAP and Ind-AS that are, or in the future may become, applicable to our financial statements. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences applies, or will apply, to the manner in which our financial statements are prepared and presented under Ind-AS, as applicable or otherwise. In addition, the impact of any of such differences may vary materially from the impact reflected in the Unaudited Condensed Financial Statements included in this Placement Document. The preparation of our financial statements in accordance with Ind-AS requires our management to make judgments, estimates and certain assumptions. The estimates and assumptions used in the preparation of such financial statements in accordance with Ind-AS will be based upon management's evaluation of the relevant facts and circumstances as on the date of the relevant financial statements, and such estimates and underlying assumptions may be reviewed in the future on an on-going basis. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind-AS and how those differences might affect the financial information disclosed in this Placement Document.

Audited Standalone Balance Sheet

All figures in INR million

Particulars	As at March 31,		
	2017	2016	2015
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	266.63	266.63	264.54
Reserves and surplus	3,359.28	3,016.68	2,755.28
	3,625.91	**3,283.31**	**3,019.81**
Non-current liabilities			
Long-term borrowings	55.98	181.13	462.37
Deferred tax liabilities (net)	56.79	21.64	22.35
Other long-term liabilities	0.98	0.99	0.98
Long-term provisions	13.47	8.99	12.07
	127.22	**212.74**	**497.77**
Current liabilities			
Short-term borrowings	8,637.33	8,180.76	8,745.21
Trade payables			
- total outstanding dues of micro, small and medium enterprises	42.59	22.06	43.73
- total outstanding dues of creditors other than micro, small and medium enterprises	561.94	718.69	711.16
Other current liabilities	515.34	696.37	1,014.64
Short-term provisions	165.03	211.78	191.22
	9,922.23	**9,829.66**	**10,705.97**
	13,675.36	**13,325.72**	**14,223.55**
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	1,562.86	1,579.66	1,807.49
- Intangible assets	44.67	10.71	8.60
- Capital work-in-progress	37.55	171.64	98.40
Non-current investments	634.12	620.00	619.57
Long-term loans and advances	237.23	253.77	183.21
Other non-current assets	5.68	0.95	4.05
	2,522.10	**2,636.73**	**2,721.33**
Current assets			
Inventories	6,882.85	6,571.28	6,582.25
Trade receivables	3,253.54	2,665.09	1,916.19
Cash and bank balances	95.72	125.00	68.33
Short-term loans and advances	811.39	1,327.63	2,935.40
Other current assets	109.76	-	0.05
	11,153.26	**10,688.99**	**11,502.21**
	13,675.36	**13,325.72**	**14,223.55**

Audited Standalone Profit and Loss Account

All figures in INR million

Particulars	**For the year ended March 31,**		
	2017	**2016**	**2015**
Income			
Revenue from operations	20,763.68	18,212.01	18,216.41
Other income	239.61	254.91	343.41
Prior period expenses/(income)	-	-	0.01
Total revenue	**21,003.29**	**18,466.92**	**18,559.83**
Expenses	-	-	-
Cost of materials consumed	13,911.64	11,445.18	11,778.89
Purchase of stock-in-trade	3,561.87	2,203.30	2,779.20
Changes in inventories of finished goods and stock-in-trade	(685.26)	209.76	175.42
Employee benefits expense	500.36	414.26	397.04
Finance costs	1,004.13	907.47	898.01
Depreciation and amortisation expense	229.27	263.60	285.16
Other expenses	1,987.57	2,556.13	1,819.28
Total expenses	20,509.59	17,999.69	18,133.00
Profit before prior period items and tax	493.70	467.23	426.83
Prior period expenses/(income)	16.71	(1.12)	-
Profit before tax	**476.99**	**468.35**	**426.83**
Tax expense	-	-	-
Current year	-	-	-
Current tax	149.78	157.47	142.41
Deferred tax	16.50	(0.71)	(22.14)
Earlier year	-	-	-
Current tax	9.33	7.76	-
Profit for the year	**301.38**	**303.83**	**306.55**
Earnings per equity share in INR			
Basic	1.13	1.15	1.16
Diluted	1.13	1.14	1.15

Audited Standalone Cash Flow Statement

All figures in INR million

Particulars	**For the year ended March 31,**		
	2017	**2016**	**2015**
Cash flow from operating activities:			
Profit before tax	**476.99**	**468.35**	**426.83**
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense	229.27	263.60	285.16
Profit on sale of fixed assets	(1.21)	(23.58)	(5.78)
Unrealised foreign exchange (gain)/loss	(29.40)	24.04	18.66
Provision for impairment of investment	-	-	8.00
Amounts written off	-	20.74	-
Provision for doubtful debts	-	-	7.98
Share of profit of partnership firm	-	(0.05)	(0.19)
Interest from partnership firm	-	(0.24)	(0.45)
Interest expense	963.60	882.76	874.75
Interest income	(3.10)	(2.20)	(1.34)
Liabilities written back	(20.10)	(25.93)	(30.08)
Dividends income from non trade investments	(0.01)	(0.02)	(0.01)
Operating profit before operating assets and liabilities	**1,616.04**	**1,607.47**	**1,583.53**
Changes in operating assets and liabilities			
Decrease in trade payables	(138.66)	(14.80)	(172.17)
Decrease in provisions and other liabilities	(40.34)	(162.95)	395.79
Increase in trade receivables	(624.43)	(789.83)	595.52
(Increase)/Decrease in inventories	(311.58)	10.97	136.61
Decrease in loans and advances and other current assets	489.12	1,601.52	(2,379.81)
Cash generated from operations	**990.17**	**2,252.38**	**159.46**
Income taxes paid (net of refunds)	(114.93)	(192.39)	(163.21)
Net cash generated from operating activities	**875.23**	**2,059.99**	**(3.75)**
Cash flow from investing activities			
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(121.71)	(205.08)	(338.74)
Proceeds from sale of fixed assets	11.81	116.22	10.83
Purchase of non-current investments	(14.12)	(0.13)	(27.72)
Interest received	3.10	2.25	4.99
Investment in fixed deposits and unpaid dividend account	(35.77)	(38.07)	(5.27)
Withdrawal in fixed deposits and unpaid dividend account	27.82	15.31	-
Dividends received from non trade investments	0.01	0.02	0.01
Net cash used in investing activities	**(128.87)**	**(109.49)**	**(355.89)**
Cash flow from financing activities			
Proceeds from issue of equity shares	-	7.96	5.62
Proceeds from long-term borrowings	112.48	2.30	279.14
Repayment of long-term borrowings	(352.69)	(415.62)	(353.25)
Proceeds from/(Repayment) from short term borrowings (net)	469.73	(567.65)	1,322.23
Interest paid	(965.28)	(883.21)	(877.03)
Dividends paid on equity shares	(39.99)	(52.91)	(59.19)
Capital subsidy received	5.00	-	-
Tax on equity dividend paid	(8.14)	(10.58)	(10.06)
Net cash used in financing activities	**(778.89)**	**(1,919.70)**	**307.47**
Net (decrease)/increase in cash and cash equivalents	**(32.52)**	**30.80**	**(52.17)**
Cash and cash equivalents at the beginning of the year	87.99	57.18	109.35
Cash and cash equivalents at the end of the year	**55.46**	**87.99**	**57.18**
Components of cash and cash equivalents			
Cash on hand	2.42	5.04	2.23
Balances with banks			
- on current account	53.05	82.94	54.95
Total cash and cash equivalents	**55.46**	**87.99**	**57.18**

Audited Consolidated Balance Sheet

All figures in INR million

Particulars	As at March 31,		
	2017	**2016**	**2015**
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	266.63	266.63	264.54
Reserves and surplus	6,295.71	5,101.06	4,362.69
	6,562.34	**5,367.69**	**4,627.23**
Minority interest	451.54	342.85	344.53
Non-current liabilities			
Long-term borrowings	643.73	375.68	888.45
Other long-term liabilities	0.98	0.99	0.98
Long-term provisions	25.86	13.64	13.37
	670.57	390.31	902.80
Current liabilities			
Short-term borrowings	15,130.40	15,202.66	15,498.40
Trade payables			
total outstanding dues of micro enterprises and small enterprises	52.88	43.88	64.33
total outstanding dues of creditors other than micro enterprises and small enterprises	2,131.03	1,450.52	935.27
Other current liabilities	1,541.02	1,309.73	1,747.52
Short-term provisions	687.11	535.71	333.12
	19,542.45	**18,542.49**	**18,578.64**
	27,226.90	**24,643.34**	**24,453.20**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	2,690.40	2,829.92	2,950.26
Intangible assets	1,015.10	782.25	753.63
Capital work-in-progress	395.04	244.28	146.52
Non-current investments	52.75	64.20	69.35
Deferred tax assets (net)	84.45	72.78	11.99
Long-term loans and advances	1,657.00	1,676.27	286.96
Other non-current assets	16.47	3.76	27.11
	5,911.22	**5,673.46**	**4,245.81**
Current assets			
Inventories	14,482.85	12,995.79	13,622.16
Trade receivables	4,629.15	3,757.33	3,179.22
Cash and bank balances	412.22	323.22	212.05
Short-term loans and advances	1,646.00	1,889.22	3,188.38
Other Current Assets	145.46	4.32	5.58
	21,315.69	**18,969.88**	**20,207.39**
	27,226.90	**24,643.34**	**24,453.20**

Audited Consolidated Profit and Loss Account

All figures in INR million

Particulars	For the year ended March 31,		
	2017	2016	2015
Income			
Revenue from operations	32,865.46	29,734.23	27,345.82
Other income	355.64	62.03	452.01
Total Revenue	**33,221.10**	**29,796.26**	**27,797.82**
Expenses			
Cost of material consumed	17,746.70	14,558.32	14,423.92
Purchases of stock-in-trade	8,437.36	6,205.44	6,527.37
Changes in inventories of finished goods and stock-in-trade	(2,132.17)	284.43	(328.89)
Employee benefits expense	1,169.95	897.75	742.19
Finance costs	1,545.50	1,478.02	1,511.49
Depreciation and amortisation expense	541.57	515.19	465.74
Other expenses	3,965.30	4,222.19	3,343.03
	31,274.21	**28,161.34**	**26,684.85**
	-	-	-
Profit before prior period items, exceptional items and tax	1,946.89	1,634.92	1,112.98
Prior Period Items	(16.03)	0.56	(0.81)
Exceptional items	-	(440.00)	-
Profit before tax	**1,930.86**	**1,195.48**	**1,112.17**
	-	-	-
Tax expense	-	-	-
Current tax	685.51	468.18	365.16
Tax earlier years	9.37	7.76	7.01
Minimum alternative tax utilised	13.11	22.72	(3.01)
Deferred tax (credit)	(64.05)	(27.93)	(21.15)
Profit after tax	**1,286.92**	**724.75**	**764.16**
Share of (profit)/ loss transferred to minority	(104.78)	1.68	(39.29)
Share of loss of associates	7.86	5.34	-
Profit after tax and minority interest and loss of associates	**1,174.28**	**721.09**	**724.87**
Earnings per equity share in INR			
Basic	4.40	2.72	27.46
Diluted	4.39	2.71	27.23

Audited Consolidated Cash Flow Statement

All figures in INR million

Particulars	For the year ended March 31,		
	2017	2016	2015
Cash flow from operating activities:			
Profit before prior period items, exceptional items and tax	**1,946.89**	**1,634.92**	**1,112.17**
Non-cash adjustment to reconcile profit before tax to net cash flows	-	-	-
Depreciation and amortisation expense	541.57	515.19	465.74
Loss /(Profit) on sale of fixed assets	0.83	(7.43)	(5.74)
Share based payments	-	0.04	2.90
Unrealised foreign exchange loss / (gain)	(31.82)	16.98	29.00
Provision for doubtful debts	2.04	16.42	-
Liabilities written back	(20.79)	(26.06)	(32.82)
Amounts written off	0.45	10.50	17.62
Loss due to fire	-	440.00	-
Interest expense	1,440.56	1,403.97	1,453.45
Interest income	(7.08)	(6.37)	(5.92)
Prior period items	(16.03)	0.56	-
Dividend income	(0.01)	(0.02)	(0.01)
Operating profit before operating assets and liabilities	**3,856.62**	**3,998.71**	**3,036.39**
Changes in operating assets and liabilities:	-	-	-
Increase in trade payables	825.40	532.47	(479.04)
Increase/ (Decrease) in provisions and other liabilities	331.54	(270.41)	520.74
Increase in trade receivables	(942.18)	(636.27)	82.52
(Increase)/ Decrease in inventories	(1,573.64)	624.85	(101.17)
Increase/ (Decrease) in loans and advances and other assets	132.50	(939.55)	(2,474.07)
Cash generated from operations	2,630.24	3,309.80	585.36
Income tax paid (net of refunds)	(439.13)	(338.28)	(495.45)
Net cash generated from operating activities	**2,191.11**	**2,971.52**	**89.91**
Cash flow from investing activities	-	-	-
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(867.39)	(536.77)	(552.72)
Proceeds from sale of fixed assets	17.98	7.43	5.74
Proceeds / (Investment) in non current investments	3.59	(0.19)	(18.12)
Investment in fixed deposits and unpaid dividend account	(77.09)	(32.11)	(23.05)
Withdrawl in fixed deposits and unpaid dividend account	27.82	15.31	-
Subsidy received	5.00	2.50	-
Interest received	7.68	7.61	8.56
Dividends received from other investments	0.01	0.02	0.01
Net cash used in investing activities	**(882.42)**	**(536.22)**	**(579.57)**
Cash flow from financing activities	-	-	-
Proceeds from issue of equity shares	-	7.97	5.62
Proceeds from long- term borrowings	691.73	20.49	129.01
Repayment of long-term borrowings	(458.20)	(661.55)	(534.29)
Repayments of short term borrowings (net)	(3.08)	(288.53)	2,245.58
Interest paid	(1,442.68)	(1,406.21)	(1,458.07)
Dividends paid on equity shares	(40.00)	(52.91)	(59.19)
Tax on equity dividend paid	(8.14)	(10.58)	(10.06)
Proceeds from issue of share capital to minority	-	37.89	2.66
Net cash used in from financing activities	**(1,260.36)**	**(2,353.44)**	**321.26**
Net increase in cash and cash equivalents	**48.34**	**81.87**	**(168.40)**
Effect of exchange difference on cash and cash equivalents held in foreign currency	(8.60)	(0.01)	2.64
Cash and cash equivalents at the beginning of the year	**261.19**	**179.33**	**345.09**
Cash and cash equivalents at the end of the year	**300.92**	**261.19**	**179.33**
Components of cash and cash equivalents	-	-	-
Cash on hand	**54.53**	**11.16**	**8.67**
With banks - on current account	246.39	250.03	161.67
With banks - on deposit account	-	-	9.00
Total cash and cash equivalents	**300.92**	**261.19**	**179.33**

Standalone Unaudited Financial Results for The Half Year Ended September 30, 2017

All figures in INR million

Particulars	For the six months ended September 30, 2017 Unaudited
Income	
Revenue from operations	9,801.98
Other income	31.14
Total income	9,833.12
Expenses	-
Cost of materials consumed	7,003.89
Purchases of stock-in-trade	1,694.76
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(924.03)
Employee benefit expense	248.80
Finance costs	420.98
Depreciation and amortisation expense	86.92
Other expenses	1,010.58
Total Expenses	9,541.90
Total profit before exceptional items and tax	291.22
Exceptional items	-
Total profit before share of profit of associates and joint ventures	291.22
Share of profit / (loss) of associates and joint ventures accounted for using equity method	-
Total profit before tax	291.22
Tax expense	-
Current tax	138.94
Deferred tax	(39.57)
Total tax expenses	99.36
Total profit for period	191.86
Other comprehensive income net of taxes	-
(i) Items that will be reclassified to profit and loss	-
(ii) Income tax relating to items that will be reclassified to profit and loss	-
Total Comprehensive Income for the period	191.86
Total profit or loss, attributable to	-
Profit attributable to owners of parent	191.86
Total profit attributable to non-controlling interests	-
Total Comprehensive income for the period attributable to	-
Comprehensive income for the period attributable to owners of parent	191.86
Total comprehensive income for the period attributable to owners of parent non-controlling interests	-
Details of equity share capital	-
Paid-up equity share capital	266.75
Face value of equity share capital	1.00
Earnings per share (INR)	
Basic earnings per share	0.72
Diluted earnings per share	0.72

Consolidated Unaudited Financial Results for The Half Year Ended September 30, 2017

All figures in INR million

Particulars	**For the six months ended September 30, 2017 Unaudited**
Income	
Revenue from operations	16,150.27
Other income	110.45
Total income	16,260.71
Expenses	-
Cost of materials consumed	8,759.58
Purchases of stock-in-trade	3,971.89
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,454.39)
Employee benefit expense	622.98
Finance costs	714.59
Depreciation and amortisation expense	210.93
Other expenses	2,309.46
Total Expenses	15,135.04
Total profit before exceptional items and tax	1,125.67
Exceptional items	-
Total profit before share of profit of associates and joint ventures	1,125.67
Share of profit / (loss) of associates and joint ventures accounted for using equity method	(10.90)
Total profit before tax	1,114.77
Tax expense	-
Current tax	445.24
Deferred tax	(43.39)
Total tax expenses	401.84
Total profit for period	712.93
Other comprehensive income net of taxes	-
(i) Items that will be reclassified to profit and loss	(0.82)
(ii) Income tax relating to items that will be reclassified to profit and loss	-
Total Comprehensive Income for the period	712.11
Total profit or loss, attributable to	-
Profit attributable to owners of parent	665.35
Total profit attributable to non-controlling interests	47.58
Total Comprehensive income for the period attributable to	-
Comprehensive income for the period attributable to owners of parent	664.53
Total comprehensive income for the period attributable to owners of parent non-controlling interests	47.58
Details of equity share capital	-
Paid-up equity share capital	266.75
Face value of equity share capital	1.00
Earnings per share (INR)	
Basic earnings per share	2.67
Diluted earnings per share	2.67

Standalone Unaudited Statement of Liabilities and Assets as on September 30, 2017

All figures in INR million

Particulars	**Amount**
ASSETS	
Non-current assets	
a) Property, Plant and Equipment	1,538.29
b) Capital work in progress	224.25
c) Investment Property	-
d) Goodwill	-
e) Other Intangibles assets	35.25
f) Financial Assets	-
i) Investments	659.99
ii) Loans	32.55
iii) Other financial asset	4.82
g) Deferred tax asset	-
h) Non current tax asset	196.60
i) Other non current assets	0.22
	2,691.97
Current assets	
a) Inventories	6,024.52
b) Financial Assets	-
i) Trade receivables	3,423.53
ii) Cash and cash equivalents	68.34
iii) Other bank balance	57.89
iv) Loans	36.66
iv) Other financial asset	21.19
c) Other current assets	602.76
	10,234.88
	12,926.85
EQUITY AND LIABILITIES	
Equity	
a) Equity Share Capital	266.75
b) Other Equity	-
i) Retained Earnings	2,769.56
ii) Other Reserves	739.06
c) Minority Interest	-
	3,775.37
Non-current liabilities	
a) Financial Liabilities	
i) Borrowings	3.04
ii) Other Financial Liabilities	0.98
b) Long-term provisions	16.75
c) Other non-current liabilities	15.71
d) Deferred tax liabilities	18.37
	54.85
Current liabilities	
a) Financial Liabilities	
i) Borrowings	7,277.79
ii) Trade payables	1,004.14
iii) Other financial liabilities	463.40
b) Other current liabilities	207.42
c) Short term provisions	3.01
d) Current tax liabilities	140.87
	9,096.63
	12,926.85

Consolidated Unaudited Statement of Liabilities and Assets as on September 30, 2017

All figures in INR million

Particulars	Amount
ASSETS	
Non-current assets	
a) Property, Plant and Equipment	2,784.64
b) Capital work in progress	1,132.54
c) Investment Property	31.92
d) Goodwill	237.56
e) Other Intangibles assets	740.40
f) Financial Assets	
i) Investments	102.31
ii) Loans	67.15
iii) Other financial asset	1,349.25
g) Deferred tax asset	167.92
h) Non current tax asset	230.74
i) Other non current assets	27.54
	6,871.95
Current assets	
a) Inventories	12,976.69
b) Financial Assets	
i) Trade receivables	4,931.43
ii) Cash and cash equivalents	478.40
iii) Other bank balance	117.31
iv) Loans	103.02
iv) Other financial asset	110.43
c) Other current assets	1,393.76
	20,111.03
	26,982.98
EQUITY AND LIABILITIES	
Equity	
a) Equity Share Capital	266.75
b) Other Equity	
i) Retained Earnings	5,863.29
ii) Other Reserves	1,112.83
c) Minority Interest	499.12
	7,741.99
Non-current liabilities	
a) Financial Liabilities	
i) Borrowings	920.94
ii) Other Financial Liabilities	1.67
b) Long-term provisions	32.59
c) Other non-current liabilities	25.27
d) Deferred tax liabilities	18.37
	998.84
Current liabilities	
a) Financial Liabilities	
i) Borrowings	13,417.44
ii) Trade payables	2,336.81
iii) Other financial liabilities	1,487.00
b) Other current liabilities	368.43
c) Short term provisions	5.26
d) Current tax liabilities	627.20
	18,242.16
	26,982.98

RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Placement Document, including the risks and uncertainties described below and the sections "Business" and "Management's Discussion and Analysis on Financial Condition and Results of Operations" beginning on pages 136 and 75 respectively, before making an investment in the Equity Shares. The risks described in this section are those that we consider to be the most significant to the offering of the Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer materially, the trading price of the Equity Shares could decline, and all or part of your investment may be lost. The risks set out in this Placement Document may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other implication of any of the risks mentioned herein.

This Placement Document also contains forward-looking statements that involve risks and uncertainties. Our results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the risks involved.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to LT Foods Limited on a standalone basis, while any reference to "we", "us", "our Group" or "our" refers to LT Foods Limited, on a consolidated basis.

Under applicable regulations, we were required to prepare standalone and consolidated financial statements in accordance with Ind AS for the six months ended September 30, 2017. Our historical audited standalone and consolidated financial statements for Fiscal 2015, 2016 and 2017 were prepared in accordance with Indian GAAP.

In this Placement Document, we have therefore included the Indian GAAP Audited Financial Statements for Fiscal 2015, 2016, and 2017, and the Ind AS Unaudited Financial Statements for the six months ended September 30, 2017. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" and "Financial Information".

RISKS RELATING TO OUR BUSINESS

1. ***Our business and growth plans are substantially dependent upon the availability, quality, quantity and cost of basmati paddy. Any inability to timely procure sufficient good quality basmati paddy at reasonable costs may have an adverse impact on our growth plans, business, results of operations and financial condition.***

The basmati rice processing industry is an agro-based industry and its main raw material is basmati paddy. We rely on procurement agents for our supply of basmati paddy, which we eventually process into basmati rice. The availability, quality, quantity and cost of basmati paddy are subject to numerous risks, including the unavailability of sufficient rainfall/ water, untimely and excess rainfall, insect and pest manifestation, inadequate irrigational facilities, change in soil quality, unfavorable climatic conditions, change in crop patterns and other market factors, all of which are beyond our control. Farmers that currently grow basmati paddy may shift to planting other crops for a variety of reasons, including prices of basmati rice being less attractive, increase in the costs of basmati paddy cultivation and introduction of remunerative prices for other competing crops, which could result in a decrease in basmati paddy production. Our ability to procure adequate quantities of good quality basmati paddy is also dependent on crop conditions. For example, crop yields of basmati paddy could decrease due to inadequate or delayed monsoons or heavy rains and high velocity winds.

Further, we cannot assure you that we will procure the required quantities of basmati paddy commensurate with our requirements. Absence of long-term procurement arrangements may expose us to risks such as inadequate supply of raw materials, or at prices that are not competitive or anticipated by us, not supplying raw materials in a timely manner, and selling raw materials to other buyers, some of whom may be our competitors. Although we typically purchase most of our paddy requirements during the harvesting season as the best quality of paddy is available during such period, off-season purchases from stockists of aged rice are made to supplement the needs of customers, or where we believe that prices will decline. In the event that we are unable to procure sufficient basmati paddy or aged rice, we would not be able to achieve full capacity utilization of our current processing facilities, resulting in operational inefficiencies which could have a material adverse effect on our business and financial condition.

Our business depends on our ability to procure sufficient good quality basmati paddy at commercially viable prices, and we cannot assure you that we will be able to procure all of our basmati paddy or aged rice requirements in the future, or that we will be able to pass any increases in the procurement price of basmati paddy on to our customers and our inability to do so could adversely affect our growth plans, business, results of operations and financial condition.

2. ***We have prepared and presented our Ind AS Unaudited Financial Statements for and as of the six months ended September 30, 2017 under Ind AS in accordance with applicable regulatory requirements in India. Our Ind AS Unaudited Financial Statements are not comparable to our Indian GAAP Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP.***

We have historically prepared our financial statements under Indian GAAP. Public companies in India, including us, are required to prepare annual and interim financial statements under Ind AS in accordance with the roadmap announced on January 2, 2015 by the Ministry of Corporate Affairs, Government of India (the MCA). We have adopted Ind AS with effect from April 1, 2017 with the transition date of April 1, 2016. Our Audited Financial Statements for Fiscal 2015, 2016 and 2017 included in this Placement Document have been prepared in accordance with Indian GAAP, while the Ind AS Unaudited Financial Statements as of and for the six months ended September 30, 2017, have been prepared in accordance with Ind AS. Accounting principles under Ind AS vary in many respects from accounting principles under Indian GAAP, and our Ind AS Unaudited Financial Statements under Ind AS are therefore not comparable to the Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP. We have, in this Placement Document, included the Unaudited Ind AS Financial Statements of the Company for the six months ended September 30, 2017, presented in compliance with SEBI Listing Regulations, as submitted to the Indian stock exchanges.

Our Ind AS Unaudited Financial Statements for the six months ended September 30, 2017 were reviewed by Walker Chandiok & Co. LLP. However, as stated in the review report dated November 14, 2017 on the Ind AS Unaudited Financial Statements, Walker Chandiok & Co. LLP has not reviewed the corresponding Ind AS financial results and financial information for the six months ended September 30, 2016, which have been compiled by the management of the Company after making necessary adjustments to give a true and fair view of such results in accordance with Ind AS and such information shall be subject to any adjustments from an audit. The Ind AS financial results and financial information for the six months ended September 30, 2016 have therefore not been subjected to an audit or review, and there can be no assurance that such financial information will not have been materially different if subjected to an audit or review. Accordingly, potential investors should not place any reliance on any such Ind AS financial results and financial information for the six months ended September 30, 2016 included in this Placement Document.

The Ind AS Unaudited Financial Statements also includes a statement of reconciliation between the results of operations for the quarter ended September 30, 2016 prepared under Ind AS compared to our historical results of operations for the quarter ended September 30, 2016 prepared under Indian GAAP. There can be no assurance that the impact of Ind AS on our future financial statements will not be more significant or that they will be comparable to the information provided in such Ind AS reconciliation information.

We have not yet completed a full financial year following our transition to Ind AS, and accordingly our Ind AS financial statements have thus far not been subjected to an audit by our statutory auditors. The audited financial statements for Fiscal 2018 will be the first set of audited Ind AS financial statements prepared by us and will also include the corresponding Ind AS financial statements for Fiscal 2017. The Ind AS financial statements for Fiscal 2017 will not be comparable to the Indian GAAP financial statements for Fiscal 2017 included herein, and there can be no assurance that the audited Ind AS financial statements for Fiscal 2018 will be comparable in all respects to the reviewed Ind AS Unaudited Financial Statements included herein, as we take into account financial year end accounting adjustments and subject such year-end financial statements to audit procedures. The preparation of our financial statements in accordance with Ind AS, in future will require our management to make judgments, estimates and certain assumptions. The estimates and assumptions used in the preparation of such financial statements in accordance with Ind AS will be based upon management's evaluation of the relevant facts and circumstances as on the date of the relevant financial statements, and such estimates and underlying assumptions may be reviewed in the future on an ongoing basis. In our transition to Ind AS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. There can be no assurance that our adoption of Ind AS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt Ind AS could adversely affect our business, financial condition and results of operations.

Furthermore, we have included in this Placement Document "*Summary of Certain Differences among Indian GAAP and Ind AS*" on page 110, which sets out the qualitative differences between Indian GAAP and Ind AS that are, or in the future may become, applicable to our financial statements. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences applies, or will apply, to the manner in which our financial statements are prepared and presented under Ind AS or otherwise. There is not yet a significant body of established practice on which to draw informed judgments regarding its implementation and application. Additionally, Ind AS differs in certain respects from IFRS and U.S. GAAP and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS and U.S. GAAP. Accordingly, the degree to which the financial information included in this Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Potential investors should consult their own professional advisors for an understanding of the differences between Ind AS with IFRS and U.S. GAAP and how those differences might affect the financial information disclosed in this Placement Document. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity in future will not appear materially worse under Ind AS than under Indian GAAP.

3. ***We rely on procurement agents to procure sufficient basmati paddy of the desired quality for our processing requirements. Any failure on the part of such agents to procure, in a timely manner, the desired quality and quantity of basmati paddy, may adversely affect our operations.***

Pursuant to legislations enacted by state governments, we cannot procure products directly from farmers, and may do so only through licensed agents and therefore, we depend on licensed third-party procurement representatives and agents, for procurement of basmati paddy. These agents are authorized to purchase basmati paddy in the organized agricultural produce markets, or *mandis*. As of September 30, 2017, our procurement network included 210 procurement agents, across 200 *mandis*, in addition to our internal procurement personnel. We have adopted standard operating procedures for our procurement agents, including training, quality specifications and monitoring performance, but have no direct control over the basmati paddy purchases. Our senior management team, including our directors interface regularly with the procurement team enabling quick decision-making in the buying process. Prior to the harvesting season, our procurement team conducts surveys to ascertain the total estimated crop-area under basmati paddy cultivation and the quality and availability of paddy. Our procurement teams undertake pre-harvest surveys before procurement season to assess the quality and availability of paddy. Our procurement team also regularly liaises with procurement agents to monitor performance, communicate operating procedures and expected results over basmati paddy purchase. If our procurement agents fail to deliver the required quantity or quality of basmati paddy at the desired price, in a timely manner, or at all, our business and results of operations could be adversely affected.

We typically enter into non-binding oral agreements with such procurement agents for the procurement process, which is based on good faith and we have managed to build such network and relationship over the years by making timely payments and procuring basmati paddy in large quantities. Our inability to enforce these oral arrangements on substantially the same terms as agreed, or at all, could adversely affect our business and results of operations. While we regularly monitor the performance of the agents and accordingly replace the non-performing agents, in the absence of definitive agreements, we cannot assure you that they will continue to be associated with us in the future, on reasonable terms, or at all.

4. ***A significant portion of our income is derived from our export of basmati rice, which may be dependent on the policies passed by the governments of the countries where we export and any unfavorable change in such policies may adversely affect our business.***

We primarily sell a variety of basmati head grain rice to countries in North America, certain European countries and the Middle East. In Fiscal 2015, 2016 and 2017, our income outside India amounted to ₹ 12,827.34 million, ₹ 18,876.37 million and ₹ 17,972.85 million, which accounted for 46.15%, 63.35% and 54.10% of our total income in such periods, respectively. In addition, our top ten export customers accounted for 15.55%, 20.10% and 13.53% of our total income in Fiscal 2015, 2016 and 2017, respectively. If there is an economic slowdown or other factors that affect the economic health of our key exporting countries, our export customers may reduce or postpone their requirements significantly, which may in turn lower the demand for our products and have a material adverse effect on our revenues and profitability. We are also subject to various policies of the territories where our customers are located, such as in the European Union, we are subject to policies relating to the quality, characteristics and variety of the basmati rice exported to such countries. Although our dedicated quality assurance department carries out quality checks at various stages from the procurement of raw material to production of the finished goods, and we generally conduct several sample checks on the basmati rice exported to such countries, there can be no assurance that our customers sample checks on the rice clear their quality standards, or that we may comply with the policies imposed by these countries including the European Union. Further, our exports are also exposed to certain political, economic, environmental and other related risks inherent to exporting products, including exposure to potentially unfavourable changes in tax or other laws, or a reduction in import subsidies, partial or total expropriation, and the risks of war, terrorism and other civil disturbances in our export markets.

As part of our growth strategy, we intend to increase our exports and distribution network in the coming years in several other countries and regions. In addition, we also intend to increase our exports to the countries we currently export basmati rice. Any change in government policies and regulations including any ban imposed on a particular variety of rice by the respective governments, or any duties, pre-conditions or ban imposed by countries to which our products are exported might have an adverse impact on our exports. The loss of any significant export rice market because of these events or conditions could have a material adverse effect on our business, results of operations and financial condition.

5. ***We have incurred significant indebtedness, and an inability to comply with repayment and other covenants in our financing agreements could adversely affect our business and financial condition.***

We have incurred significant indebtedness of ₹ 14,836.72 million as of September 30, 2017. As of March 31, 2017, our debt to equity ratio was 2.46, while as of September 30, 2017, it was 2.05.

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings, which contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including altering our capital structure, further issuance of any shares, effecting any scheme of amalgamation or reconstitution, restructuring or changing the management, or creating any charge or lien on our assets or sale of any hypothecated assets. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. Further, as of September 30, 2017, outstanding indebtedness amounting to ₹ 14,836.72 million was on floating rate of interest. Any fluctuations in the interest rates may directly impact the interest costs of such loans and could adversely affect our financial condition. Our ability to make payments on and refinance our indebtedness will depend on our ability to generate cash from our future operations. We may not be able to generate enough cash flow from operations or obtain enough capital to service our debt. In addition, lenders under our credit facility could foreclose on and sell our assets if we default under our credit facilities. As of September 30, 2017, we have certain outstanding loans aggregating to ₹ 14,836.72 million which may be recalled by our respective lenders at any time. In the event any of our lenders recall such outstanding loans, we may face adverse liquidity problems and our financial condition could be adversely affected.

Any failure to comply with the conditions and covenants in our financing agreements that is not waived by our lenders or guarantors or otherwise cured could lead to a termination of our credit facilities, acceleration of all amounts due under such facilities or trigger cross-default provisions under certain of our other financing agreements, any of which could adversely affect our financial condition and our ability to conduct and implement our business plans.

6. ***We are exposed to foreign currency exchange rate fluctuations and exchange control risks, which may adversely affect our results of operations.***

Our operating expenses are denominated substantially in Indian Rupees, however, 54.10% of our total income for Fiscal 2017 was denominated in other currencies, including the U.S. Dollar, U.A.E. Dirham, and Euros. In addition, we also purchase certain of our equipment in foreign currency. A significant fluctuation in the Indian Rupee and U.S. Dollar and other foreign currency exchange rates could therefore have a significant impact on our results of operations. Although we enter into forward foreign exchange contracts to hedge against our foreign exchange rate risks in connection with our export sales, a weakening U.S. Dollar would decrease the relative value of our income denominated in or tied to the U.S. Dollar against our Indian Rupee denominated costs, thus decreasing our profitability. The exchange rates between the Indian Rupee and these currencies, primarily the U.S. Dollar, has fluctuated in the past and any appreciation or depreciation of the Indian Rupee against these currencies can impact our profitability and results of operations.

7. We may not be able to adequately protect or continue to use our intellectual property. In addition, the use of our anchor brand "Daawat" or similar trade names by third parties could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

We currently sell basmati rice in India through a network of distributors, who further distribute our basmati rice to retail outlets. We have primarily sold our branded products under in-house brand labels such as “Daawat”, “Royal”, “Heritage”, “EcoLife” and “Rozana”. We have applied to the trademarks registry to register certain of our trademarks and these applications are currently pending approval. In addition, we are subject to certain trademark infringement claims with respect to the brands “Heritage”, “Royal” and “Sona”. The registration of a trademark is a time-consuming process and there can be no assurance that any such registration will be granted to us. If we fail to register the appropriate trademarks, or our efforts to protect relevant intellectual property prove to be inadequate, the value attached to these brand names could deteriorate, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Further, use of similar marks by other companies, entities and organizations may create confusion in the minds of our customers, dealers, distributors and suppliers and affect our reputation, which may have an adverse effect on our business and results of operations. In particular, the use of “Daawat” or similar trade names by third parties may result in confusion among customers and loss of business to such third parties. In addition, any adverse experience or negative publicity attracted by such third parties could potentially adversely affect our reputation and brand and business prospects.

For more information, see “*Legal Proceedings*” on page 221.

8. We or our customers or counterparties may engage in transactions in or with countries or persons that may have in the past been or may currently be subject to U.S. and other sanctions.

U.S. law generally prohibits or restricts U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries or territories and with certain persons or businesses that have been specially designated by the U.S. Department of Treasury’s Office of Foreign Assets Control (“OFAC”) or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions.

We or our customers or counterparties may engage in transactions in or with countries or persons that may have in the past been or may currently be subject to certain OFAC-administered and other sanctions, such as Iran and Iraq. There can be no assurance that our future business will be free of risk under sanctions implemented against any sanctioned jurisdictions or persons or that we will be able to conform our business transactions to the expectations and requirements of authorities of any government that does not have jurisdiction over the business but nevertheless asserts the right to impose sanctions on an extraterritorial basis. Further, investors in the Equity Shares could incur reputational or other risks as a result of our or our customers’ or counterparties’ dealings in or with countries or with persons that are the subject of U.S. or other applicable economic or similar sanctions. In addition, because many sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in our business activities being deemed to have violated sanctions, or being sanctionable.

9. We do no enter into long-term arrangements with our distributors and we cannot assure you that we will be able to sell the quantities we have historically supplied, which could have an adverse impact on our sales, business growth and prospects, results of operation and financial condition.

We presently do not have any long-term or exclusive arrangements with any of our distributors and we cannot assure you that we will be able to sell the quantities we have historically supplied such distributors or that they will not place orders with our competitors. As we rely on historical trends and other indicators to purchase the required quantities of basmati paddy during the harvesting season, we run the risk of purchasing more basmati paddy than we can sell to our customers, which could materially affect our results of operations. In addition, our distributors could change their business practices or seek to modify the contractual terms which we have previously entered into with them, including in relation to their payment terms. In the event our distributors experience any delays in placing orders with us, do not effectively market our products, or if they prefer to market the products of our competitors instead, it could have a material adverse effect on our business growth and prospects, financial condition and results of operations. Our distributors are also responsible for collecting payments from retailers and consumers on behalf of our Company after deducting their respective commissions. Any failure or delay in collecting outstanding payments or misappropriation of dues by our distributors could have a material adverse effect on our liquidity and results of operations.

Our inability to maintain our existing distribution network, could have a material adverse effect on our sales, business growth and prospects, results of operation and financial condition.

10. ***Our inability to meet the consistent quality requirements of our customers, or adapt to changes in, the preferences of our customers could adversely affect our business and results of operations.***

We must consistently satisfy the quality requirements of our customers in the domestic and international markets. We are also required to continuously invest in new technology and processes so that, as the market for basmati rice continues to grow, we will continue to adapt our product to anticipate the preferences of our customers. If we are unable to provide the quality desired by, or adapt our product to anticipate the preferences of, our customers, our growth and business may be adversely affected. Our business also faces significant risk if customer preference shifts away from basmati rice. In Fiscal 2015, 2016 and 2017, the sale of basmati rice accounted for 84.97%, 82.26% and 77.36% of our total revenue from operations, respectively. Our revenues and profitability are also dependent upon the demand for basmati rice in the Indian and international markets. Any change in preferences or consumption patterns of basmati rice or any reduction in demand for basmati rice processed by us could materially and adversely affect our business, results of operation and financial condition.

In addition, we also depend significantly on the effectiveness of our quality control systems and standard operating procedures adopted at our processing facilities. Although, the paddy procured is sample checked at various stages, including at the time of paddy procurement, once the paddy arrives at our processing facilities, during unloading, storage, prior to dispatch of paddy for processing and during processing, there can be no assurance that the verification of the sample quality checks conducted by us will be accurate at all times and certain inferior quality basmati paddy may go undetected, which may affect our results of operations and financial condition. In addition, we rely on our procurement agents for procurement of basmati paddy and are dependent on their assessment of the quality and price of the basmati paddy. If these agents fail to assess the correct quality of basmati paddy or its price our business and results of operations could be adversely affected.

In addition, some of the countries to which our basmati rice is exported may require us to comply with certain additional quality standards and specifications, which may be upgraded or changed from time to time. In addition, as we conduct sample checks on the quality of the batch of rice we export, we cannot guarantee that all the basmati rice will comply with the quality requirements of the customers or the countries we export and any deficiency in the quality of the basmati rice detected in the sample checks conducted by our customers permits the customer to return the entire batch exported to it. If we are unable to comply with the standards set by such governments, our products may not be allowed to be imported in such countries, which could have a material adverse effect on our business, results of operations and financial condition.

11. ***Our processing facilities are primarily situated in one geographical area, which exposes us to any adverse developments affecting that area. Any decrease in the performance of our operations in this area could have an adverse impact on our revenue and results of operations.***

Basmati paddy can be grown only in certain parts of India and Pakistan under certain soil and climatic conditions. Most of our processing facilities are located close to the basmati paddy growing regions of northern India. Out of our five processing and milling facilities in India, four processing facilities are located in the adjacent States of Punjab and Haryana, which together contributed 71.66%, 85.22% and 78.04% of our de-husking capacities in Fiscal 2015, 2016 and 2017, respectively. Any materially adverse social, political or economic development, natural calamities, civil disruptions, or changes in the policies of the state or local governments in this region could adversely affect our processing activities and facilities, result in modification of our business strategy, or require us to incur significant capital expenditure, which will in turn have a material adverse effect on our business, financial condition and results of operations.

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

Our inventory primarily consists of basmati paddy and rice. We typically store the basmati paddy on plinths in open as well as in covered warehouses and silos, and basmati rice is stored only in covered warehouses and silos. The property on which our warehouses are situated are either owned by us or leased. In the event the basmati paddy is not appropriately stored, handled and processed it may affect the quality of the basmati paddy and basmati rice. Further we also run the risk of our basmati paddy and basmati rice being affected by insects, pests, rodent attacks and spoilage due to improper warehousing. The storage insects and pests may also attack the stored paddy and rice, if it is not well fumigated at all times. Further, uncertain rains may have an adverse effect on the quality and value of paddy stored on open plinths. In addition, the occurrence of any negligence, oversight or leakages in the storage process may affect the quality and value of our paddy and rice adversely affecting the yield and product quality leading to lower realizations.

13. Any reduction in or termination of tax incentives we enjoy may affect our business, results of operations and financial condition.

We benefit from certain tax regulations and incentives that accord favourable treatment to certain of our facilities, including tax deductions from profits of our integrated businesses for a period of 10 years at some of our facilities. For further information on our tax incentives, see "*Statement of Tax Benefits*" on page 195. Any newly introduced or revised policies in relation to the tax, duties or other such levies issued by relevant tax authorities, such as the implementation of the goods and services tax by the GoI with effect from July 1, 2017, may deprive us of our existing benefits which may adversely affect our results of operations and cash flows. We cannot predict the current or future initiatives of the governments and relevant authorities and there can be no assurance that we will continue to enjoy tax incentives. Moreover, any government policies restricting the allotment of land in areas where we intend to establish facilities could adversely affect our plans to expand our manufacturing facilities. We may not be able to comply with the obligations and stipulations that would allow us to avail ourselves of such benefits or concessions, and consequently, we may lose such benefits and concessions. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business results of operations and financial condition.

14. Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.

In addition to growing organically, we rely upon strategic acquisitions to provide us with access to additional geographies, facilities and new products and markets. We have, previously, acquired the brands "Royal", "817 Elephant" and "Rozana" from various entities.

We have also entered into strategic joint ventures with Future Consumer Limited and Kameda Seika for the expansion of our product portfolio and to benefit from the industry experience and customer relationships of such joint venture partners. We have a shareholding of 50.00% in our joint venture with Future Consumer Limited, and a shareholding of 51.00% in our joint venture with Kameda Seika. Our business is therefore also dependent on developing and maintaining a continuing relationship with our current or potential strategic joint venture partners. These strategic acquisitions may require that our management develop expertise in new areas, manage new business relationships and attract new customer segments. We may also undertake additional strategic acquisitions in the future, to augment our product portfolio and processing capabilities.

We may experience disputes in relation to such acquisitions. Such strategic acquisitions, and any disputes we may experience, may require significant attention from our management, and the diversion of our management's attention and resources could have an adverse effect on our ability to manage our business. In particular, our joint venture with Kameida Seika imposes certain non-compete obligations which could affect future prospects. Under the terms of our joint venture agreement with Kameida Seika, neither we nor Kameda may directly or indirectly engage in the manufacturing or sale of packaged snacks during the term of the joint venture agreement and for a period of three years from the date its termination, without the prior consent of the other party.

We may also experience difficulties in integrating acquisitions into our existing business and operations. Our failure to derive anticipated synergies could affect our business, financial condition and results of operations. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses and technologies, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees, suppliers or customers, any of which could significantly disrupt our ability to manage our business and adversely affect our financial condition and results of operations.

15. Failure in maintaining the requisite standard for storage of paddy and rice could have a negative effect on our business.

As part of our operations, we are required to maintain the requisite standard for storage of paddy and rice that we use in our processing activities. We achieve this through various means, including by ensuring that our storage facilities adhere to specific storage requirements as required under our supply and distribution arrangements and in accordance with regulatory requirements. However, if we fail to maintain the prescribed or requisite standards at our storage facilities for reasons within or beyond our control, we may be unable to maintain the quality of our raw materials, and therefore may be unable to deliver on thequality requirements of our products, which could have an adverse effect on our business, growth prospects and our financial results.

In addition, obtaining insurance coverage with respect to losses incurred in connection with perishable products such as paddy and rice may be prohibitively expensive, such that the cost of insurance can often be greater than the cost of the underlying products. There can be no assurance that we will be able to obtain adequate insurance coverage or any insurance coverage to mitigate any risks associated with losses related to storage of perishable products including our paddy and rice. There can also be no assurance that any claim made under applicable insurance policies obtained by us will be satisfied, either in whole or in part, or in a timely manner. For further information on insurance claims made by us that are subject to legal proceedings, see "Risk Factors - Our Company is involved in various legal proceedings both as plaintiffs and defendants in which they may not prevail and which could have an adverse impact on them."

16. The loss or shutdown/ breakdown of operations at our processing and storage facilities may have a material adverse effect on our business, financial condition and results of operations. In addition, our inability to continue to obtain equipment and ancillary services from our key suppliers could affect our business and results of operations.

Our rice processing and storage facilities are subject to various operating risks, such as the breakdown or failure of equipment, power supply, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes and lock-outs, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. For instance, a fire occurred at one of the facilities of our subsidiary Daawat Foods Limited in June 2014, which resulted in loss of stock of raw material, including paddy, bardana, consumables and other items, and for which our insurance claims have not yet been satisfied. For further information, see "*Legal Proceedings*" on page 221. Further, our results of operations are also dependent on the successful operation of our processing facilities. Long periods of business disruption could result in a loss of customers. Although we take precautions to minimize the risk of any significant operational problems at our processing facilities, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our processing facilities, including due to any of the factors mentioned above.

Additionally, we depend on our key suppliers, vendors and other partners to provide the necessary equipment and services that we will need for our continuing operations. We cannot assure you that we will be able to continue to obtain equipment on commercially acceptable terms, or at all, or that our vendors will continue to enter into or honour the contracts for their services. Our inability to continue to obtain equipment and enter into contracts with our vendors in a timely manner, or at all, could adversely affect our business and results of operations.

17. We have recently entered into the business of manufacturing and distributing regional rices and certain rice adjacent products including "sauté sauces" which is a relatively new business for our Company.

We commenced our business of manufacturing and distributing regional rices and certain rice adjacent products including "sauté sauces" recently. While our entry into these product segment was driven by the need to diversify our business to address evolving consumer preferences, our new products may not meet the desired success, as our competitors are established brands and may find it easier to identify and meet evolving consumer trends in such product segments. We may also find it more difficult to hire, train and retain qualified employees compared to our competitors in this segment. As a result, it may be more expensive for us to produce and/ or distribute these products and it may take longer to reach expected sales and profit levels than anticipated, which could affect the viability of these operations or our overall profitability.

Entering into a new business can be risky and expensive, and we cannot assure you that our new products will gain market acceptance or meet the particular tastes or requirements of consumers. Our success in marketing this line of business depends on our ability to adapt to a rapidly changing marketing and media environment, including our increasing reliance on direct promotional initiatives. The impact of our marketing initiatives may not be as effective as we anticipate. If we do not successfully establish our reputation and brand image in this line of business, our product sales, financial condition and results of operations could be materially and adversely affected.

18. Changing climate conditions and weather patterns may expose us to further losses.

Many scientists indicate that the world's overall climate is getting warmer and at times unpredictable. Climate change, to the extent it produces rising temperatures and changes in weather patterns, could affect the frequency and/or severity of adverse or extreme weather events, the affordability, availability and adequacy of our raw materials including paddy and processed rice, and consequently our costs of operations. If there is a change in weather patterns, an increase in catastrophic weather events or if there is an increase in the unpredictability of weather conditions, we may be subject to inadequate supply of our raw materials, or supply at prices that are not competitive or anticipated by us. This could adversely affect our volume of business and, consequently, our results of operations and cash flows.

19. We face risks related to our organic foods business carried out by our subsidiary Nature Bio-Foods Limited.

We carry out processing of our organic range of products through our subsidiary Nature Bio-Foods Limited. As of September 30, 2017, we processed various products under this segment, including basmati rice, spices, pulses and soya. In Fiscal 2015, 2016 and 2017, revenue from our organic segment represented 6.34%%, 7.53% and 7.24%, respectively, of our total revenue for the respective periods. From Fiscal 2015 to Fiscal 2017, revenues generated by this segment increased at a CAGR of 10.90% from ₹ 1,763.76 million to ₹ 2,405.67 million.

It typically takes three years of cultivation through organic methods to produce pure organic harvest that fit for consumption and distribution as an organic product. We have entered into contract farming arrangements with farmers to enable cultivation of such organic fields and subsequent harvest of organic produce, and significantly rely on them for the growth of our organic business. As of September 30, 2017, we had over 116,000 hectares of land located across 15 states dedicated for growing organic paddy, managed by over 80,000 farmers with whom we have formal arrangements. We cannot assure you that such farmers will renew these arrangements on terms acceptable to us or at all. In the event these farmers prefer to enter into arrangements with our competitors instead, it could have a material adverse effect on our business growth and prospects, financial condition and results of operations.

20. We are dependent on third party transportation providers for the supply of raw materials and delivery of our products.

Our success depends on the smooth supply and transportation of the various raw materials required for our facilities and of our products from our facilities to our customers, or intermediate delivery points such as ports and railway stations, both of which are subject to various uncertainties and risks. We use third party transportation providers for the supply of most of our raw materials and delivery of our products to domestic customers. We are also dependent on such third party freight and transportation providers for our export operations. Transportation strikes have had in the past, and could again have in the future, an adverse effect on supplies and deliveries to and from our customers and suppliers. In addition, raw materials and products maybe lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of raw materials and products which may also affect our business and results of operation negatively. A failure to maintain a continuous supply of raw materials or to deliver our products to our customers in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations. Any recompense received from insurers or third party transportation providers may be insufficient to cover the cost of any delays and will not repair damage to our relationships with our affected customers. We may also be affected by an increase in fuel costs, as it will have a corresponding impact on freight charges levied by our third party transportation providers. This could require us to expend considerable resources in addressing our distribution requirements, including by way of absorbing these excess freight charges to maintain our selling price, which could adversely affect our results of operations, or passing these charges on to our customers, which could adversely affect demand for our products.

21. Reduction in output due to pest attack and disease of the crop may impact our operations and profitability.

We procure basmati paddy primarily from the states of Haryana, Punjab and Madhya Pradesh. We are dependent upon the production of the basmati paddy from these states, which might be affected by disease to the crop mainly caused by fungi, bacteria and viruses. Some of the diseases affecting the crops include sheath blight which is caused due to growth of fungus as result of humidity in the air, similarly leaf blight is a bacterial disease affecting the crops. The other reasons for the loss of crop are due to larvae and other insect infestation and rodent attack. Any loss of crop due to pest attack or disease may affect the production of the crops in the respective state which may in turn impact our procurement of basmati paddy for our mills and consequently our business and profits.

22. Fluctuations in the market price of basmati rice may adversely affect our financial condition and results of operations.

The basmati rice industry is cyclical and is dependent on the harvesting of basmati paddy, which occurs only once a year during the months of September to January. However, the basmati paddy purchased is processed throughout the year. Following procurement, there is a long period before the basmati rice is ready for sale. This is a unique feature of the basmati rice processing industry, where the quality of basmati rice being processed improves with age. Our average holding period for basmati paddy was 11 months. During this period, the price of basmati rice may fluctuate. For example, the average price of basmati rice we sold at ₹ 59,008 per MT in Fiscal 2017 from ₹ 59,891 per MT in Fiscal 2016. We rely on historic prices of basmati rice in determining the price and quantity of basmati paddy for purchase and the costs of storage, production and transportation of basmati paddy and basmati rice and other factors as well including carry forward stock production and expected demand. As such, if the price of basmati rice declines between the time we purchase basmati paddy and sell basmati rice, we may not be able to recover our investment in the basmati paddy and processing operations, which could adversely affect our financial condition and results of operations. Further, any change in consumption patterns of basmati rice or any reduction in demand for basmati rice processed by us could also adversely affect our operations and profitability.

23. Our Company does not have certain records and filings made with the Registrar of Companies in relation to certain allotments of its equity shares

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Our Company does not have certain filings made with the Registrar of Companies, including in relation to, increase in share capital and return of allotments of Equity Shares of our Company. While we believe we have filed such records we do not have documentary evidence to support our claims.

We cannot assure you that our Company would be able to trace such documents in future. In the event, we are unable to trace or provide such documents to any regulatory authority, there may be penalties imposed or regulatory actions against us by such authorities. Any penalty or regulatory actions against our Company may adversely impact our reputation, cash flows and results of operations.

24. Our Company is involved in various legal proceedings both as plaintiffs and defendants in which they may not prevail and which could have an adverse impact on them.

Our Company, Directors, Promoters and Subsidiaries are party to various legal proceedings incidental to their business and operations. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Such legal proceedings could divert management time and attention, and consume financial resources in their defense or prosecution. These proceedings if decided against our Company, Directors, Promoters and Subsidiaries could have a material adverse impact on the senior management, reputation and business of our Company.

Daawat Foods Limited, one of our Subsidiaries, has filed a suit against The Oriental Insurance Company Limited and others, for declaration and recovery along with interest under The Code of Civil Procedure, 1908 and The Insurance Act, 1938, before the Commercial Division of the Court of District Judge, Raisen, District Raisen, Madhya Pradesh, with respect to a fire which broke out at our subsidiary's site on June 7, 2014.

Decisions in such proceedings adverse to our interests may affect our reputation and standing and may have a material adverse effect on our business, results of operations and financial condition. For further information, see section titled "*Legal Proceedings*" on page 221.

Further, please note that the Directorate of Enforcement, Ministry of Finance, Government of India, issued a notice dated November 6, 2017 to our Company under Section 37 of Foreign Exchange Management Act, 1999 read with Section 133(6) of the Income Tax Act, 1961 stating that our Company has failed to furnish documentary evidence showing export of goods against advances received by us through our authorized bank. Our Company submitted its response to the Directorate on November 20, 2017, furnishing the required documents as a record for the outstanding advances and also provided information as to transactions that are in process of being regularized by our authorized bank. We have not received any further communication from the Directorate in this regard.

25. Our business is working capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow funds to meet our working capital requirements, it may materially and adversely affect our business and results and operations.

Our business requires significant amount of working capital primarily due to the fact that a significant amount of time passes between when we purchase basmati paddy, which typically during the harvesting season between September and January, and sell finished basmati rice. In Fiscal 2017 our average combined holding period for raw materials was between nine to 11 months. As a result of the high inventory turnover days, we are required to maintain sufficient stock at all times, of basmati paddy in order to meet production requirements, thus increasing our storage and working capital requirements. Consequently, there could be situations where the total funds available may not be sufficient to fulfil our commitments, and hence we may need to incur additional indebtedness in the future, or utilize internal accruals to satisfy our working capital needs. As of September 30, 2017, we have availed of ₹ 13,417.44 million working capital facilities, primarily to fund our working capital requirements. As we pursue our growth plan, we expect that we will have to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures in the future. If we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations.

26. We sell our products in highly competitive markets. Our inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

We sell our products in highly competitive markets and increasing consolidation and a more organized basmati rice market are expected to significantly increase competition in the basmati rice industry in India, thereby reducing our market share and earnings. As a result, to remain competitive, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. If we fail to do so, other producers may be able to sell their products at lower prices, which would have an adverse effect on our market share and results of operations. The principal factors for attracting customers are product quality, competitive pricing and commission paid to distributors of products. Some of our competitors may have greater industry experience and substantial financial, technical and other resources, which may enable them to provide greater commission, better relationships to distributors and charge lower price as compared to our products. Our competitors may also have greater resources than us and/ or they may benefit from government-sponsored programs that subsidize their production costs or provide them with marketing or other advantages. Growing competition could subject us to pricing pressures, or result in a decline in our market share, which could require us to reduce the prices of our products in order to retain or attract customers. Our inability to effectively manage such competitive pressures and manage our costs efficiently, it could have a material adverse effect on our operating margins, business growth and prospects, financial condition and results of operations.

27. We may not be able to acquire any assets from proceeds from this Issue.

We intend to use the net proceeds of the Issue for repayment of our non-current and current borrowings and for general corporate purposes. We intend to finalize the details of specific business purpose for which the proceeds from the Issue will be finalized after completion of the Issue. Further, these intended use of proceeds are based on our past experience and internal management estimates and depend upon variety of internal and external factors which are relevant to our operations and the business environment that we operate in.

Further, as proceeds of the Issue will be utilized primarily for repayment of our debt obligations, we may not be able to utilize the proceeds from the Issue towards acquisition of assets, or for the business purposes identified by us, which may impact our business operations and financial performance.

28. Our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.

Our principal types of coverage include industrial all-risk policy for our facilities, fire and special perils policy for our warehouses and silos. Further, we also maintain group personal accidental policy, group term-life insurance and group medi-claim insurance policies for our employees from reputed insurance companies and have also obtained directors and officers liability insurance, and commercial general liability insurance which includes both product and public liability insurance. While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be covered entirely, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Business – Insurance*" on page 150.

29. We have currently obtained on lease some of our storage facilities. If these leases are terminated or not renewed on terms acceptable to us, it could have a material adverse effect on our business, financial condition and results of operations.

We have currently obtained on lease some of our storage facilities. There can be no assurance that we could not have obtained such lease on more favourable terms, had we obtained lease from non-related parties.

We typically enter into term lease agreements with an option to renew such term. We may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, we may be required to re-negotiate rent or other terms and conditions of such agreements during their currency. We may also be required to vacate the premises at short notice period prescribed in the lease agreements, and we may not be able to obtain alternate location, in a short span of time. Occurrence of any of the above events may have a material adverse effect on our business, results of operations and financial condition. Further, any adverse impact on the ownership rights of our landlords may impede our effective future operations of our processing and warehousing facilities and our registered and corporate offices. For further information, see "*Our Business—Properties*" on page 151.

30. Our failure to obtain, maintain and renew regulatory approvals or permits required for our business may adversely affect our business and results of operations.

We require certain approvals, licenses, registrations and permissions for our current operations, some of which we are in the process of obtaining and some of which may have expired. While we believe we will be able to obtain, maintain and renew such approvals or permits as required, there can be no assurance that we can do so in the timeframes anticipated by us, or at all. If we fail to obtain, maintain or renew any of these approvals or permits in a timely manner or at all, our operations and expansion plans may be interrupted, which could adversely affect our growth strategy, business and results of operations. Furthermore, our approvals and permits are subject to numerous conditions, some of which are onerous and require us to make substantial expenditures. For example, investments in environmental monitoring, pollution control equipment and emissions management. If we fail to comply or a regulator alleges that we have not complied with these conditions, our business and results of operations could be adversely affected.

31. We conduct processing, sales and distribution operations on a global basis and are subject to risks associated with doing business internationally.

We have processing facilities in India and Europe, and three packaging facilities in the United States and had distribution operations globally in Fiscal 2017. We also have a product development centre in the United States. There are a number of risks in doing business globally, including political and economic uncertainty, social unrest, sudden changes in laws and regulations, changes in trade relationships between countries, shortages of trained labour and the uncertainties associated with entering into joint ventures or similar arrangements in foreign countries. For instance, we have recently commenced operations at a processing facility in Rotterdam, Europe, and any significant disruptions in the operations of this facility, political unrest in the region, environmental issues, tariffs or changes in social, political and economic conditions or in laws, regulations and policies governing foreign trade could materially and adversely affect our business, financial condition and results of operations.

These risks may impact our ability to expand our operations in different regions and otherwise achieve our objectives relating to our foreign operations, including utilizing these locations as suppliers to other markets. In addition, compliance with multiple and potentially conflicting foreign laws and regulations, import and export limitations and exchange controls is burdensome and expensive. Our foreign operations also subject us to the risks of international terrorism and hostilities and to foreign currency risks, including exchange rate fluctuations and limits on the repatriation of funds.

32. Our revenues are subject to a significant number of tax regimes and changes in the legislation governing the rules implementing them or the regulator enforcing them in any one of these countries could negatively and adversely affect our results of operations.

Taxes and other levies imposed by the GoI or State governments in India that affect our industry historically include import duties on raw materials, central GST, state GST and integrated GST and excise duty on certain products, income tax, and other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

We also have processing facilities in India and Europe, and three packaging facilities in the United States. Consequently, we are subject to a number of different tax authorities and regimes. The revenues recorded and income earned in these various jurisdictions are taxed on differing bases. The final determination of our tax liabilities involves the interpretation of local tax laws, tax treaties and related authorities in each jurisdiction as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. These tax liabilities and tax regimes also involve the assessment of transfer pricing arrangements among our Company, subsidiaries and joint ventures in different tax jurisdictions, and although we enter into arms-length transactions with respect to the supply of products and raw materials among our Company, subsidiaries and joint ventures, there can be no assurance that regulatory and tax authorities in the various jurisdictions that we operate in will not disagree with our assessment of such transactions. Changes in the operating environment, including changes in tax law and currency/ repatriation controls, including on a retroactive basis, could impact the determination of our tax liabilities for any given tax year.

Foreign income tax returns of foreign subsidiaries, unconsolidated affiliates and related entities are routinely examined by foreign tax authorities. These tax examinations may result in assessments of additional taxes or penalties or both.

33. Information relating to the installed capacity and storage capacity of our facilities included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed capacity and storage capacity of our facilities included in this Placement Document is based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity. The storage capacities have been calculated based on actual capacity and the storage area, and on the basis of agreements with other agencies. Further, installed milling and sorting capacities, sorting and grading capacities, and packaging capacities, have been calculated based on assumptions including that the lines are operational for 20 hours a day, 365 days a year, with a 65% yield of paddy to rice. In addition, installed sorting and grading capacities have been calculated based on finished goods. Actual production and storage levels and rates may differ significantly from the installed capacity information of our facilities or historical installed capacity information of our facilities. Undue reliance should therefore not be placed on our historical installed capacity information for our existing facilities included in this Placement Document.

34. The GoI may impose export duties or other export restrictions related to our business, which could adversely affect our business and financial condition.

The GoI has in the past and may in the future impose export duties or other export restrictions that could adversely affect our business and financial condition. We cannot assure you that the GoI will not impose duties or other export restrictions on us in the future. Although the basmati rice industry in India is not highly regulated, the GoI partially regulated the export of basmati rice through the minimum support price ("MSP") for basmati rice. Further, any export duties, adverse changes in export policy, or other export restrictions related to our business could adversely affect our business and financial condition.

35. If we fail to comply with environmental laws and regulations or face environmental litigation, our results of operation may be adversely affected.

Our operations generate dust, husk ash and effluents and we are accordingly subject to various national and state environmental laws and regulations, which govern the level of emissions in air and water. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management.

We are also required to obtain clearances and authorizations from government authorities for the collection, treatment, storage and disposal of certain wastes. If the regulations to which we are subject to change, we cannot assure you that we will at all times be in compliance with these regulatory requirements. Any violation of these regulations may result in fines, criminal sanctions and revocation of operating permits or shutdown of our facilities. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and our liabilities arising from the release of effluents will not adversely affect our business, results of operations or financial condition.

36. The success of our business is substantially dependent on the services of our Promoters and certain key management personnel, the loss of whom could adversely affect our business.

Our Promoters along with our senior management team, they have been responsible for the growth of our business. Along with other key members of our management team, our promoters are closely involved in the overall strategy, direction and management of our business. Mr. Vijay Kumar Arora, our Managing Director, has been instrumental in developing our international operations, and developing our business globally. Mr. Ashwani Kumar Arora, our CEO and Managing Director has been responsible for driving overall business including operations, sales and distribution and brand building initiatives. Mr. Surinder Kumar Arora, our Managing Director, has been responsible for managing our operational efficiencies and overseeing operations at our manufacturing facilities. We also depend in large part on our other senior management and key personnel for our continued success. Some of these individuals have significant experience in the rice and other export-oriented industries and possess skills and understanding of the way in which businesses within our industry operate. The loss of any of these individuals could adversely affect our business.

37. Our Promoters will continue to retain majority shareholding in us after the Issue, which will allow them to exercise significant influence over us and potentially create conflicts of interest.

As on September 30, 2017, our Promoters and members of the Promoter Group held approximately 67.159% of the share capital of our Company, for details of their shareholding see "*Principal Shareholders and Other Information*" on page 165 of this Placement Document.. Accordingly, our Promoters will continue to exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of these stockholders. The interests of the Promoters as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that the Promoters will act to resolve any conflicts of interest in our favor.

38. Inability to meet the quality norms prescribed by the GoI could result in the sales of our products being banned or suspended or becoming subject to significant compliance costs, which could have a material adverse effect on our business growth and prospects, results of operations and financial condition.

The quality of the products being manufactured by us is open to independent verification by agencies of the Government of India (the "GoI"), state governments, or various other regulatory authorities. Regulatory agencies under the The Food Safety and Standards Act, 2006, such as the food inspectors, may carry out surprise sample checks on our product. The GoI could issue us with show cause notices if the samples are not in conformity with the quality norms prescribed by the GoI. Failure on our part to adhere to the quality norms prescribed by the Government agencies could lead to recall of those batches and/or the products in the relevant state, or our Company may be liable to pay a penalty which may extend up to ₹ 500,000. Any such order passed by the governmental agencies could generate adverse publicity about our Company and our products, which could have a material adverse effect on our business growth and prospects, financial condition and results of operations. For further information, see "*Regulations and Policies*" on page 152.

39. Any failure or disruption of our information technology systems could adversely impact our business and operations.

Our business is dependent upon increasingly complex and interdependent information technology systems, including internet-based systems, to support business processes as well as internal and external communications. For instance, we have implemented a SAP system, to handle purchase of goods, services, inventory, supply chain management, invoicing, accounting, payments, collections, reconciliation, taxation, regulatory compliance, human resources management and other business functions. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We have experienced certain minor disruptions to our information technology systems in the past and we cannot assure you that we will not encounter disruptions in the future. Any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons.

40. We have had negative cash flows in recent periods. An inability to generate and sustain positive cash flows in the future may adversely affect our business, results of operation and financial condition.

The cash flow from our investing activities was negative for Fiscal 2015, 2016 and 2017. In Fiscal 2015, 2016 and 2017, our net cash used in investing activities was ₹ 579.57 million, ₹ 536.22 million and ₹ 882.42 million, respectively, for the same periods. We cannot assure you that we would be able to generate and/or maintain positive cash flows from various activities of our Company in the future. If we are unable to generate adequate cash from our operations, our financial condition and profitability could be adversely affected.

The following table sets forth our negative cash flows for the periods indicated:

Particulars	**Fiscal**		
	2015	**2016**	**2017**
	(₹ million)		
Net cash from /(used in) investing activities	(579.57)	(536.22)	(882.42)

41. Some of our Group Entities have incurred losses in the preceding fiscal year. We cannot assure you that these companies or any of our other Group Entities will not incur losses in the future, or that there will not be an adverse effect on our reputation or business as a result of such losses.

Some of our Group Entities have incurred losses during the precedent fiscal years, as set out below:

Group Entity	**2017**
	(₹ million)
Sona Global Ltd. UAE	(1.46)
Expo Services Private Limited	(1.03)
SDC Foods India Limited	(0.89)
Fresco Fruits & Nuts Private Limited	(1.69)
LT Agri Services Private Limited	(0.01)
Raghuvesh Power Projects Limited	(0.41)
Genoa Rice Mills Private Limited	(6.18)
Share of loss of associates	

Group Entity	2017
	(₹ million)
Raghuvesh Agri Foods Private Limited Raghuvesh Warehousing Private Limited Raghuvesh Infrastructure Private Limited	(7.86)

There is no assurance that these companies or any other ventures promoted by our Promoters will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses.

42. We have entered into certain related party transactions. Any related party transactions that are not on an arm's length basis or that may lead to conflicts of interest may adversely affect our business, results of operation and financial condition.

We have entered into related party transactions with our Promoters, and some of our Group entities in Fiscal 2015, 2016 and 2017. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further, it is likely that we may continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our Promoter or Group entities erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected.

43. We may be subject to unionization, work stoppages or increased labour costs, which could adversely affect our business and results of operations.

Our industry is labour intensive. The success of our operations depends on availability of labour and maintaining a good relationship with our workforce. There can be no assurance that we will not experience labour unrest in the future, which may delay or disrupt our operations. If such delays or disruptions occur or continue for a prolonged period of time, our result of operations and financial condition could be adversely affected.

Our success also depends on our ability to attract, hire, train and retain skilled procurement agents who are experienced in procuring basmati paddy. We also depend on third parties for contract labourers. Although we do not engage these contract labourers directly, it is possible under Indian law that we may be held responsible for wage payments to these labourers if their contractors default on payment. Furthermore, we may be required to absorb a portion of such contract labourers as our employees subject to applicable Indian laws. Any non-payment by contractors or such order from a court or any other regulatory authority may adversely affect our business and results of our operations.

44. Two of our Group Entities are engaged in business activities similar to ours, which may result in a conflict of interest with our Company.

Two of our Group Entities, Daawat Foods Limited and Raghunath Agro Industries Private Limited, have objects that engage in business activities similar to those undertaken by us, which could be a potential source of conflict of interest with our Company. Any conflict of interest with any related parties could have a material adverse effect on our business growth and prospects, financial condition and results of operations, and the resolution of such conflict may divert the attention and resources of our management.

45. We have certain contingent liabilities that could adversely affect our financial condition.

Our contingent liabilities were ₹ 649.56 million, as of March 31, 2017. These comprised the following:

Particulars	As of March 31, 2017
	(₹ million)
Contingent liabilities	
Income tax demands	283.82
Guarantees given by the Group	222.91

Particulars	As of March 31, 2017
	(₹ million)
FCI demand for differential price/ freight/ taxes	33.90
Claims against the Group	3.53
Duty saved against EPCG licenses	105.40
Total	**649.56**

We cannot assure you that any or all of these contingent liabilities and commitments will not become direct liabilities. In the event any or all of these contingent liabilities and commitments become direct liabilities, it may have an adverse effect on our business, financial conditions and results of operations.

46. ***If the Company is classified as a passive foreign investment company ("PFIC") for U.S. Federal income tax purposes, U.S. investors may incur adverse tax consequences.***

Under U.S. Federal income tax laws, U.S. investors are subject to special tax rules if they invest in passive foreign investment companies, or PFICs. While the Company does not believe that it is, or will become in the foreseeable future, a PFIC since the applicable PFIC rules are complex and, to a certain extent, unclear, there is a risk that the Company is or may become a PFIC in the future. If it is or does qualify as being a PFIC, U.S. investors generally will not be subject to the regular U.S. federal income tax rules applicable to dividends and capital gains, but will be subject to complex PFIC rules that could result in additional taxation upon certain distributions by the Company and/ or disposition of Equity Shares.

47. ***We may not be able to utilize the proceeds from this Issue in the manner set out in this Placement Document in a timely manner or at all.***

We intend to use the net proceeds of the Issue inter alia for repayment of our non-current and current borrowings and for general corporate purposes. We intend to finalize the details of specific business purpose for which the proceeds from the Issue will be finalized after completion of the Issue. Further, these intended use of proceeds are based on our past experience and internal management estimates and depend upon variety of internal and external factors which are relevant to our operations and the business environment that we operate in.

Further, we may need to vary our intended use of Issue proceeds due to factors or circumstances beyond our control including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost overruns or delays. If we are not able to utilize the proceeds from the Issue in the manner stipulated by us for the business purposes identified by us, it may adversely affect our business and results of operations.

48. ***Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements and capital expenditures.***

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements and our capital expenditure. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any financing arrangements. We have a board-approved dividend distribution policy to govern our dividend pay-out. We may not generate sufficient income to cover our operating expenses and therefore may be unable to pay dividends to our shareholders. Further, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. For further information on dividends paid by our Company in the past, see "*Dividends*" on page 74.

RISKS RELATING TO INDIA

49. ***Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business***.

Our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The business of our Company, and the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, financial sector reforms including significantly relaxing restrictions on the private sector. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment. Other matters affecting investment in the Equity Shares could change as well. A significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular, if any new restrictions on the private sector are introduced or if existing restrictions are increased.

50. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

51. A slowdown in economic growth in India could cause our business to suffer.

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy.

The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

52. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

53. The Indian tax regime is currently undergoing substantial changes which could adversely affect the Company's business and the trading price of the Equity Shares.

The goods and service tax ("GST") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments. Due to the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST.

As regards the General Anti-Avoidance Rules ("GAAR"), the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

54. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under FEMA Regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's or GoI's prior approval is required. Additionally, shareholders who seek to convert Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

55. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

56. The currency demonetisation measures imposed by the Government of India adversely affected the Indian economy and similar unanticipated measures may adversely affect our business our business operations, financial condition, results of operations and financial condition.

On November 8, 2016, the Indian government announced phasing out of large-denomination currency notes (₹ 500 and ₹ 1,000, representing 86% of the total currency in circulation) as legal tender. They were immediately replaced with new ₹ 500 and ₹ 2,000 currency notes. This measure was undertaken to curb corruption, tax evasion, and counterfeiting. The withdrawal from circulation started immediately and ended on December 30, 2016. Unexpected demonetization weighed on growth in the third quarter of fiscal 2017. India's growth is forecast to increase to 7.2% in fiscal 2017 and accelerate to 7.7% by the end of the forecast horizon—slightly below previous projections. This outlook mainly reflects a more protracted recovery in private investment than previously envisaged. *(Source: World Bank Group. 2017. Global Economic Prospects, June 2017 A Fragile Recovery. Washington, DC: World Bank. Available at http://www.worldbank.org/en/publication/global-economic-prospects).* These and other similar unanticipated measures may adversely affect our business our business operations, financial condition, results of operations and financial condition.

57. Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction. Also see, "*Enforcement of Civil Liabilities*" on page 16.

58. Any downgrade of India's debt rating by an independent agency may adversely affect our ability to raise financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business, financial condition and the price of our Equity Shares.

59. If the rate of price inflation in India increases, our business and results of operations may be adversely affected.

Our business and the basmati rice industry in general is affected by many changing economic conditions beyond our control, including inflation. In the recent past, due to the global economic downturn, India has experienced fluctuating wholesale price inflation, as compared to historical levels. Year-on-year inflation in India in terms of Wholesale Price Index was 3.6% for the month of October 2017 as compared to 2.6% for the month of September 2017. *(Department of Economic Affairs, Ministry of Finance, Government of India - Monthly Economic Report – October 2017)* Continued high inflation in India could cause a rise in the price of raw materials and wages, or any other expenses that we incur. If this trend continues, we may be unable to accurately estimate or control our costs of production and this could have an adverse effect on our business and results of operations.

60. An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could adversely affect our business.

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern, such as swine influenza, could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business, financial condition, results of operations and the price of our Equity Shares. We cannot assure you that a future outbreak of an infectious disease among humans or animals or any other serious public health concerns will not have a material adverse effect on our business, financial condition, results of operations and the price of our Equity Shares.

61. If more stringent labour laws or other industry standards in India become applicable to us, our profitability may be adversely affected.

We are subject to a number of stringent labour laws and restrictive contractual covenants related to levels of employment. India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment. If this policy is adopted, our ability to hire employees of our choice may be affected due to restrictions on our pool of potential employees. Our employees may also in the future form unions. If labour laws become more stringent or are more strictly enforced or if our employees unionize, it may become difficult for us to maintain flexible human resource policies, discharge employees or downsize, any of which could have an adverse effect on our business, results of operations, financial condition and cash flows.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

62. The Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue.

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLM. This price will be determined on the basis of applicable law and may not be indicative of the market price for the Equity Shares after the Issue. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Issue Price. We cannot assure you that you will be able to resell your Equity Shares at or above the Issue Price.

63. The Equity Shares are subject to transfer restrictions.

The Equity Shares are being offered in transactions not required to be registered under the Securities Act. Therefore, the Equity Shares may be transferred or resold only in a transaction registered under or exempted from the registration requirements of the Securities Act and in compliance with any other applicable securities laws. Pursuant to the SEBI Regulations, for a period of 12 months from the date of the issue of the Equity Shares in the Issue, QIBs subscribing Equity Shares in the Issue may only sell their Equity Shares on BSE or NSE and may not enter into any off-market trading in respect of these Equity Shares. There is no assurance that the restriction will not have an impact on the price of the Equity Shares.

64. Any future issuance of Equity Shares or convertible instruments could dilute the holdings of investors in the Company and could adversely affect the market price of the Equity Shares.

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future issuance of the Equity Shares or convertible instruments could dilute the holdings of investors in the Company and could adversely affect the market price of the Equity Shares. In addition, any future issuances of Equity Shares or any sale by any significant shareholder, or a perception in the market that such issuance or sale may occur, could adversely affect the trading price of the Equity Shares. Such securities may also be issued at price below the then current trading price of the shares.

65. There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the BSE and the NSE in a timely manner, or at all, and any trading closure at the Stock Exchanges may adversely affect the trading price of the Equity Shares.

In accordance with Indian regulations and practice, permission for listing and trading of the Equity Shares issued pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict an investor's ability to dispose of the Equity Shares. The Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of listed Indian entities, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

66. Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the SEBI ICDR Regulations, applicants in this Issue are not permitted to withdraw their Bids at any stage after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with its depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the Issue Closing Date and the date of Allotment. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Issue or cause the trading price of the Equity Shares to decline on listing.

MARKET PRICE INFORMATION

As at the date of this Placement Document, 266,744,780 Equity Shares are issued and outstanding.

On December 15, 2017 the closing price of the Equity Shares on BSE and NSE was ₹ 80.05 and ₹ 79.85 per Equity Share, respectively. Since the Equity Shares are actively traded on the Stock Exchanges, the market price and other information for each of BSE and NSE has been provided separately.

1. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded for the Financial Years ended March 31, 2017, March 31, 2016 and March 31, 2015:

Data for BSE

Financial Year	High (₹)	Date Of High	Number Of Equity Shares Traded On The Date Of High	Total Volume Of The Equity Shares Traded On The Date Of High (₹ mm)	Low (₹)	Date Of Low	Number Of Equity Shares Traded On The Date Of Low	Total Volume Of The Equity Shares Traded On The Date Of Low (₹ Mn)	Average Price For The Year (₹)
2015	13.81	12-09-14	351,560	4.88	9.08	01-04-2014	154,530	1.39	11.49
2016	29.63	24-11-15	969,730	29.32	10.80	01-04-2015	71,720	0.76	19.61
2017[3]	66.05	31-03-17	746,803	49.30	21.94	08-06-2016	10,590	0.23	31.77

Source: www.bseindia.com

Data for NSE

Financial Year	High (₹)	Date Of High	Number Of Equity Shares Traded On The Date Of High	Total Volume Of The Equity Shares Traded On The Date Of High (₹ mm)	Low (₹)	Date Of Low	Number Of Equity Shares Traded On The Date Of Low	Total Volume Of The Equity Shares Traded On The Date Of Low (₹ Mn)	Average Price For The Year (₹)
2015	13.78	12-09-2014	859,330	11.90	9.13	01-04-2014	132,260	1.20	11.51
2016	29.54	24-11-2015	3,021,910	91.42	10.84	01-04-2015	266,890	2.86	19.62
2017[3]	65.80	31-03-2017	4,322,048	286.22	22.09	07-06-2016	128,310	2.84	31.79

Source: www.nseindia.com

Notes:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. The face value of Equity Shares was split from INR 10 per share to INR 1 per share with effect from February 7, 2017, accordingly, the share price and the volume of shares have been adjusted for the reduction in face value.

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months:

Data for BSE

Month	High (₹)	Date Of High	Number Of Equity Shares Traded On The Date Of High	Total Volume Of The Equity Shares Traded On The Date Of High (₹ mm)	Low (₹)	Date Of Low	Number Of Equity Shares Traded On The Date Of Low	Total Volume Of The Equity Shares Traded On The Date Of Low (₹ Mn)	Average Price For The Month (₹)
Jun-17	73.60	09-06-2017	448,167	32.81	64.35	23-06-2017	87,619	5.69	69.56
Jul-17	71.10	19-07-2017	194,158	13.92	66.70	06-07-2017	88,661	5.96	68.51

Month	High (₹)	Date Of High	Number Of Equity Shares Traded On The Date Of High	Total Volume Of The Equity Shares Traded On The Date Of High (₹ mm)	Low (₹)	Date Of Low	Number Of Equity Shares Traded On The Date Of Low	Total Volume Of The Equity Shares Traded On The Date Of Low (₹ Mn)	Average Price For The Month (₹)
Aug-17	69.90	01-08-2017	45,601	3.19	58.05	11-08-2017	133,786	7.91	64.64
Sept-17	69.75	14-09-2017	386,991	26.93	61.90	25-09-2017	165,471	10.25	65.73
Oct-17	68.45	31-Oct-17	127,079	8.63	62.80	03-Oct-17	59,098	3.75	65.79
Nov-17	74.35	06-11-17	306,531	22.78	68.75	01-11-17	259,463	17.96	71.00

Source: www.bseindia.com

Data for NSE

Month	High (₹)	Date Of High	Number Of Equity Shares Traded On The Date Of High	Total Volume Of The Equity Shares Traded On The Date Of High (₹ mm)	Low (₹)	Date Of Low	Number Of Equity Shares Traded On The Date Of Low	Total Volume Of The Equity Shares Traded On The Date Of Low (₹ Mn)	Average Price For The Month (₹)
Jun-17	73.65	09-06-2017	2,968,800	217.15	64.30	23-06-2017	412,117	26.70	69.55
Jul-17	71.35	19-07-2017	1,720,359	123.35	66.75	05-07-2017	441,506	29.60	68.56
Aug-17	69.80	01-08-2017	181,523	12.68	57.95	11-08-2017	691,043	40.87	64.59
Sept-17	69.65	14-09-2017	3,188,574	221.67	61.85	27-09-2017	370,674	23.37	65.71
Oct-17	68.30	31-Oct-17	1,042,467	70.90	62.95	03-Oct-17	390,441	24.69	62.95
Nov-17	74.35	06-Nov-17	1,600,371	118.64	68.80	01-Nov-17	1,845,231	127.71	71.02

Source: www.nseindia.com

Notes for both the tables:
1. High, low and average prices are based on the daily closing prices.
2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.
3. The face value of Equity Shares was split from INR 10 per share to INR 1 per share with effect from February 7, 2017, accordingly, the share price and the volume of shares have been adjusted for the reduction in face value.

3. The following table set forth the details of the number of Equity Shares traded and the turnover during the last six months and the Financial Years ended March 31, 2017, 2016 and 2015 on the Stock Exchanges:

Period	BSE		NSE	
	Number Of Equity Shares Traded (In Mn)	Turnover (In ₹ Mn)	Number Of Equity Shares Traded (In Mn)	Turnover (In ₹ Mn)
Fiscal 2017	31.93	1272.50	159.32	6177.49
Fiscal 2016	23.32	484.71	95.81	2030.789
Fiscal 2015	23.76	283.93	89.85	1067.239
Nov-17	4.04	290.89	21.88	1,573.65
Oct-17	2.25	149.23	12.64	837.62
Sept-17	2.30	154.03	14.67	985.54
Aug-17	1.10	70.94	6.36	409.41
Jul-17	2.07	143.93	14.06	980.67
Jun-17	3.02	213.49	16.77	1189.04

Source: www.bseindia.com and www.nseindia.com

4. The following table sets forth the market price on the Stock Exchanges on September 28, 2017, the first working day following the approval of our Board of Directors for the Issue:

Open	High	Low	Close	Number of equity shares traded	Volume (₹ mn)
BSE					
61.95	63.45	61.65	62.20	38,644	2.41
NSE					
61.85	63.50	61.70	62.05	2,47,050	15.38

USE OF PROCEEDS

The total gross proceeds of the Issue will be approximately ₹ 3,993.12 million. After deducting the estimated Issue expenses, the net proceeds of the Issue ("**Net Proceeds**") will be approximately ₹ 3,853.12 million.

Purpose of Issue

Subject to compliance with applicable laws and regulations, our Company intends to use the Net Proceeds inter alia for, repayment of our non-current and current borrowings and for general corporate purposes. As on September 30, 2017 the consolidated Non-Current Borrowings and Current Borrowings of the Company was ₹920.94 million and ₹13,417.44 million respectively.

Subject to the review of our Audit Committee, in accordance with the decision of our Board as required under the SEBI Listing Regulations, our Company's management will have the flexibility in deploying the Net Proceeds. Pending utilization of the Net Proceeds, our Company may invest the funds in interest or dividend bearing instruments and securities, including deposits with banks and investment in mutual funds.

Neither our Promoter nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the objects of the Issue.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as of Fiscal 2017 which has been extracted from its audited consolidated financial statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue and the application thereof. This capitalization table should be read together with the sections titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements".

Particulars (INR million)	**Pre-Issue (as at 31 March 2017) – A**	**Increase / (decrease) due to the Issue – B**	**Amount after considering the Issue (i.e., Post Issue) - A+B**
Short term borrowings			
- Secured	15,106.07	-	15,106.07
- Unsecured	24.33	-	24.33
Long term borrowings (excluding current maturities)	-	-	-
- Secured	643.73	-	643.73
- Unsecured	-	-	-
Current maturities of long term borrowings	341.49	-	341.49
Total debts – a	**16,115.63**	-	**16,115.63**
Shareholders' funds			
Share capital	266.63	53.10	319.73
Securities premium	686.82	3,940.02	4,626.84
Reserves and surplus (excluding Securities Premium)	5,608.89	-	5,608.89
Total funds excluding debt funds – b	**6,562.34**	3,993.12	**10,555.46**
Total capitalization a+b	**22,677.97**	**3,993.12**	**26,671.09**

Notes:

1. *Shareholder's fund represents the sum of share capital, securities premium and reserve and surplus (excluding security premium).*
2. *Total debt represents the sum of short-term borrowings, long-term borrowings and current maturities of long term borrowings*

CAPITAL STRUCTURE

The Issue has been authorised and approved by the Board of Directors on October 3, 2017 and by the shareholders of our Company by way of resolution passed by postal ballot dated November 11, 2017. The Equity Share capital of our Company as at the date of this Placement Document is set forth below:

(In ₹)

		Aggregate value at face value
A	**AUTHORISED SHARE CAPITAL**	
	360,000,000 equity shares of ₹1 par value.	360,000,000
B	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**	
	266,744,780 equity shares of ₹1 par value	266,744,780
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT[(1)]**	
	Up to 53,100,000 Equity Shares aggregating up to ₹ 3,993.12 million	53,100,000
D	**PAID-UP CAPITAL AFTER THE ISSUE[(1)]**	
	319,844,780 Equity Shares of ₹ 1 each fully paid up	319,844,780
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as on September 30, 2017)	687,130,000
	After the Issue[(1)]	4,627,150,000

[(1)]*To be determined upon finalization of the Issue Price.*

Equity share capital history of our Company

The following table sets forth details of allotments of Equity Shares made by our Company since its incorporation:

Date of allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face value (In ₹)	Issue price per Equity Share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
October 4, 1990	20	20	100	100	Subscription to MoA[(1)*]	Cash
August 4, 1992	3,111	3,131	100	100	Further issue[(2)*]	Cash
October 20, 1992	27,250	30,381	100	100	Further issue[(3)*]	Cash
December 19, 1992	15,400	45,781	100	100	Further issue[(4)*]	Cash
Pursuant to a resolution passed by our shareholders on October 23, 1993, our Company sub-divided its equity shares from face value of ₹ 100 each to face value of ₹ 10 each. Therefore, the cumulative number of equity shares pursuant to subdivision was 457,810 of face value of ₹ 10 each.*						
March 31, 1994	412,029	869,839	10	-	Bonus issue in the Ratio 9:10[(5)*]	-
March 31, 1994	222,050	1,091,889	10	10	Further issue[(6)*]	Cash
June 30, 1994	727,926	1,819,815	10	-	Bonus issue in the Ratio 2:3[(7)*]	-

Date of allotment	No. of Equity Shares allotted	Cumulative No. of Equity Shares	Face value (In ₹)	Issue price per Equity Share (In ₹)	Reason for allotment	Consideration (Cash/other than cash)
October 31, 1994	474,735	2,294,550	10	17	Rights issue(8)*	Cash
June 9, 1999	4,600,000	6,894,550	10	-	**	Other than Cash
July 8, 2005	340,000	7,234,550	10	20	Conversion of ESOP(9)	Cash
May 4, 2006	7,234,550	14,469,100	10	-	Bonus issue in the ratio of 1:1(10)	-
July 22, 2006	714,286	15,183,386	10	70	Pre-IPO placement(11)	Cash
October 26, 2006	50,000	15,233,386	10	70	Pre-IPO placement(12)	Cash
December 12, 2006	7,036,543	22,269,929	10	56	Allotment(13)	Cash
November 9, 2009	3,848,485	26,118,414	10	66	Preferential allotment(14)	Cash
February 7, 2013	49,981	26,168,395	10	38	Conversion of ESOP(15)	Cash
May 26, 2013	73,419	26,241,814	10	38	Conversion of ESOP(16)	Cash
August 13, 2013	32,853	26,274,667	10	38	Conversion of ESOP(17)	Cash
November 14, 2013	30,942	26,305,609	10	38	Conversion of ESOP(18)	Cash
May 5, 2014	89,409	26,395,018	10	38	Conversion of ESOP(19)	Cash
February 13, 2015	58,564	26,453,582	10	38	Conversion of ESOP(20)	Cash
February 12, 2016	209,605	26,663,187	10	38	Conversion of ESOP(21)	Cash
Pursuant to a resolution passed by our shareholders on February 7, 2017, our Company sub-divided its equity shares from face value of ₹10 each to face value of ₹1 each. Therefore, the cumulative number of equity shares pursuant to subdivision was 266,631,870 of face value of ₹1 each.						
May 25, 2017	112,910	266,744,780	1	3.8	Conversion of ESOP(22)	Cash

(1) *Subscription of 10 equity shares by Mr. Vijay Kumar and 10 equity shares by Mr. Ashwani Kumar Arora.*

(2) *Allotment of 200 equity shares in favour of Mr. Vijay Arora; 310 equity shares in favour of Mr. Ashwani Arora; 210 equity shares in favour of Mr. Gurucharan Das; 311 equity shares in favour of Mr. Dilbagh Rai; 310 equity shares in favour of Mr. Sukhchain Chawla; 210 equity shares in favour of Mr. Ashok Arora; 300 equity shares in favour of Mr. Surinder Kumar; 100 equity shares in favour of Ms. Suderhsna; 100 equity shares in favour of Ms. Anita; 10 equity shares in favour of Mr. Munish Kumar; 300 equity shares in favour of Mr. Varun; 300 equity shares in favour of Mr. Rahul; 100 equity shares in favour of Mr. Suhail; 100 equity shares in favour of M/s R.S Oil & General Mills Private Limited; 100 equity shares in favour of Ms. Poonam Chawla; 50 equity shares in favour of Ms. Meena Rani*

(3) *Allotment of 1,000 equity shares in favour of Mr. Vijay Arora; 1,000 equity shares in favour of Mr. Ashok Arora; 4,500 equity shares in favour of Mr. Surinder Arora; 2,000 equity shares in favour of Mr. Ashwani Arora; 1,500 equity shares in favour of Mr. Dilbagh Rai Chawla; 4,500 equity shares in favour of Mr. Sukhchain Chawla; 3,000 equity shares in favour of Mr. Gurcharan Das; 1,000 equity shares in favour of Mr. Munish Kumar; 1500 equity shares in favour of Ms. Meena Rani; 500 equity shares in favour of Ms. Pravesh Rani; 1,500 equity shares in favour of Raghunath Arora(HUF); 2,250 equity shares in favour of M/s R.S Oil & Gen. Mills Private Limited ; 3,000 equity shares in favour of Ms. Vandana Arora*

(4) *Allotment of 1,000 equity shares in favour of Mr. Vijay Arora; 1,000 equity shares in favour of Mr. Ashok Arora; 2,000 equity shares in favour of Mr. Surinder Arora; 2,000 equity shares in favour of Mr. Ashwani Arora; 2,000 equity shares in favour of Mr. Gurcharan Das; 1,500 equity shares in favour of Mr. Dilbagh Rai; 1,500 equity shares in favour of Mr. Sukhchain Chawla; 700 equity shares in favour of Mr. Varun Arora under guardianship of Mr. Vijay Arora; 700 equity shares in favour of Mr. Rahul Arora under guardianship of Mr. Ashok Arora; 100 equity shares in favour of Mr. Suhel Arora under guardianship of Mr. Ashok Arora; 550 equity shares in favour of Ms. Poonam Chawla; 1450 equity shares in favour of Ms. Meena Rani;and 900 equity shares in favour of M/s Lal Chand & Sons - H.U.F*

(5) *Bonus Issue in the ratio 9:10*

(6) *Allotment of 50 equity shares in favour of Mr. Vijay Arora; 10,500 equity shares in favour of Mr. Aroor Singh; 14,500 equity shares in favour of Mr. Sher Singh; 10,500 equity shares in favour of Mr. Kuldeep Singh; 9,500 equity shares in favour of Mr. Mohinder Singh; 10,500 equity shares in favour of Mr. Kirpl Singh; 9,500 equity shares in favour of Mr. Lakhbir Singh; 8,500 equity shares in favour of Mr. Amar Singh; 25,500 equity shares in favour of M/s Task Capital Services Private Limited; 10,500 equity shares in favour of Mr. Kultar Singh; 1,800 equity shares in favour of Mr. Chote Ram; 1,800 equity shares in favour of Mr. Suresh Kumar; 1,800 equity shares in favour of Mr. Ramesh Chand; 1,800 equity shares in favour of Mr. Pasa Ram; 1,800 equity shares in favour of Mr. Ishwar Chand; 1,500 equity shares in favour of Ms. Suhagwanti; 1,500 equity shares in favour of Ms. Sunita; 1,500 equity shares in favour of Ms. Sharda Rani; 1,500 equity shares in favour of Mr. Gajinder Kumar; 1,500 equity shares in favour of Ms. Kiran; 1,500 equity shares in favour of Mr. Naresh Kumar; 1,500 equity shares in favour of Ashwani Kumar; 1,500 equity shares in favour of Mr. Rakesh Kumar; 1,500 equity shares in favour of Ms. Shahsi Malhotra; 1,500 equity shares in favour of Mr. Sohan Lal; 1,000 equity shares in favour of Mr. Pankaj Dhawan; 1,500 equity shares in favour of Mr. Satyawati; 1,500 equity shares in favour of Mr. Jagdish; 1,500 equity shares in favour of Mr. Jaspal; 1,500 equity shares in favour of Ms. Neelam; 1,500*

equity shares in favour of Ms. Veena Rani; 1,500 equity shares in favour of Mr. Roshan Lal; 1,500 equity shares in favour of Ms. Santosh Rani; 1,500 equity shares in favour of Ms. Anita; 1,500 equity shares in favour of Ms. Sheela Rani; 1,500 equity shares in favour of Ms. Santosh Rani; 15,000 equity shares in favour of Mr. Ram Prakash Sharma; 5,000 equity shares in favour of Mr. V.K Kapoor; 15,000 equity shares in favour of Mr. Shashi Kapoor; 5,500 equity shares in favour of Mr. Sewa Ram; 10,000 equity shares in favour of Mr. Habans Lal; 4,500 equity shares in favour of Mr. Dayal Singh; 2,500 equity shares in favour of Mr. Balwantrai; 5,000 equity shares in favour of Mr. Shaib Singh; 6,000 equity shares in favour of Mr. Harbans Singh; 4,000 equity shares in favour of Mr. Suresh Kumar

(7) *Bonus Issue in the ratio 2:3*

(8) *Rights Issue of 474,735 Equity Shares at a premium of ₹ 7 per Equity Share.*

(9) *Allotment pursuant to conversion of ESOP to 340,000 equity shares in favour of Mr. Murli Dhr Vanjani*

(10) *Bonus Issue in the ratio 1:1*

(11) *Pre-IPO Placement of 714,286 Equity shares in favour of M/s Bennett, Coleman & Company Limited*

(12) *Pre-IPO Placement of 50,000 Equity shares in favour of M/s Deramann Limited*

(13) *Public Issue of 7,036,543Equity Shares*

(14) *Preferential allotment of 3,835,015 Equity shares in favour of M/s Indian Agribusiness Fund Limited; 13,470 Equity shares in favour of M/s Real Trust*

(15) *Allotment pursuant to conversion of ESOP of 11580 equity shares in favour Mr. Som Nath Chopra; 11310 equity shares in favour of Mr. Vikram Patil; 21543 equity shares in favour of Mr. Vivek Chandra; 2121 equity shares in favour of Mr. Sunil Kumar; 1629 equity shares in favour of Mr. Sachin Gupta; 1798 equity shares in favour of Mr. Arvind Yadav*

(16) *Allotment pursuant to conversion of ESOP of 1629 equity shares in favour of Mr. Sachin Gupta; 2121 equity shares in favour of Mr. Sunil Kumar; 2900 equity shares in favour of Mr. Vineet Aggarwal; 4346 equity shares in favour of Mr. Rakesh Sharma; 9088 equity shares in favour of Ms. Monica Jaggia; 11580 equity shares in favour of Mr. Som Chopra; 1798 equity shares in favour of Mr. Arvind Kumar Yadav; 2746 equity shares in favour of Ms. Anu Sharma; 4832 equity shares in favour of Ms. Anubha Bajaj; 8143 equity shares in favour of Mr. Dipol Dhole; 24236 equity shares in favour of Mr. Vijay Malik*

(17) *Allotment pursuant to conversion of ESOP of 11310 equity shares in favour of Mr. Vikram Patil; 21543 equity shares in favour of Mr. Vijay Malik*

(18) *Allotment pursuant to conversion of ESOP of 2366 equity shares in favour of Mr. Sanjeev Uppal; 1560 equity shares in favour of Mr. Manoj Chugh; 3512 equity shares in favour of Mr. Krishan Pal Sharma; 1947 equity shares in favour of Mr. Ramesh Dhara; 952 equity shares in favour of Mr. Rohit Markanday; 3394 equity shares in favour of Mr. Manoj Chopra; 2826 equity shares in favour of Mr. Vishal Yagnick; 4242 equity shares in favour of Mr. Namit Mehra; 8143 equity shares in favour of Mr. Dipol Dhole; 2000 equity shares in favour of Mr. Joginder Singh Bedi*

(19) *Allotment pursuant to conversion of ESOP of 11310 equity shares in favour of Mr. Vikram Patil; 2416 equity shares in favour of Ms. Anubha Baja; 1697 equity shares in favour of Mr. Manoj Kumar Chopra; 2499 equity shares in favour of Mr. Sanjay Dhawan; 2121 equity shares in favour of Mr. Namit Mehra; 12118 equity shares in favour of Mr. Vijay Malik; 1956 equity shares in favour of Mr. Rajesh Kumar Jaswal; 1374 equity shares in favour of Ms. Anu Sharma; 780 equity shares in favour of Mr. Manoj Chugh; 974 equity shares in favour of Mr. Ramesh Dhara; 21543 equity shares in favour of Mr. Vivek Chandra; 8143 equity shares in favour of Mr. Dipol Dhole; 5914 equity shares in favour of Mr. Mrinal Mathur; 2121 equity shares in favour of Mr. Sunil Kumar; 1450 equity shares in favour of Mr. Vineet Aggarwal; 1413 equity shares in favour of Mr. Vishal Yagnick; 11580 equity shares in favour of Mr. Som Nath Chopra*

(20) *Allotment pursuant to conversion of ESOP of 2173 equity shares in favour of Mr. Rakesh Sharma; 18380 equity shares in favour of Mr. Kamal Poplai; 3819 equity shares in favour of Ms. Dimple Punj; 3192 equity shares in favour of Mr. Sunil Sachdeva; 31000 equity shares in favour of Mr. Shakti Kumar Salhotra*

(21) *Allotment pursuant to conversion of ESOP of 1695 equity shares in favour of Mr. Manoj Kumar Chopra; 2366 equity shares in favour of Mr. Sanjeev Uppal; 1955 equity shares in favour of Mr. Rajesh Kumar Jaswal; 780 equity shares in favour of Mr. Manoj Chugh; 18378 equity shares in favour of Mr. Kamal Poplai; 3241 equity shares in favour of Mr. Gurpreet Ishar; 2171 equity shares in favour of Mr. Rakesh Sharma; 4309 equity shares in favour of Ms. Anita Kapoor 3512 equity shares in favour of Mr. Krishan Pal Sharma 11311 equity shares in favour of Mr. Vikram Patil; 1412 equity shares in favour of Mr. Vishal Yagnik; 2122 equity shares in favour of Mr. Namit Mehra; 5040 equity shares in favour of Mr. Subhash Batria; 3599 equity shares in favour of Mr. Arvind Yadav; 1063 equity shares in favour of Mr. Sunil Kumar Sachdeva; 3930 equity shares in favour of Mr. Sarvesh Chawla; 17472 equity shares in favour of Mr. S.K Salhotra; 833 equity shares in favour of Mr. Sanjay Dhawan; 2416 equity shares in favour of Ms. Anubha Bajaj; 9089 equity shares in favour of Ms. Monica Jaggia; 1271 equity shares in favour of Ms. Dimple Punj; 973 equity shares in favour of Mr. Ramesh Dhara; 12118 equity shares in favour of Mr. Vijay Malik; 3259 equity shares in favour of Mr. Sachin Gupta; 1449 equity shares in favour of Mr. Vineet Aggarwal; 7263 equity shares in favour of Mr. Jitender Saxena; 4009 equity shares in favour of Mr. Ravi Ranjan Jaiswal; 3938 equity shares in favour of Mr. Deepak Bansal; 1374 equity shares in favour of Ms. Anu Sharma; 21544 Mr. Vivek Chandra; 33870 equity shares in favour of Mr. Mukesh Aggarwal; 11578 equity shares in favour of Mr. Som Nath Chopra; 2121 equity shares in favour of Mr. Sunil Kumar; 8144 equity shares in favour of Mr. Dipol Dhole*

(22) *Allotment pursuant to conversion of ESOP to 112910 Equity shares in favour of Mr. Mukesh Aggarwal*

* *Our Company does not have copies of secretarial records evidencing these allotments, for further details, please refer section "Risk Factors – Our Company does not have certain records and filings made with the Registrar of Companies in relation to certain allotments of its equity shares" on page 54 of this Placement Document.*

4.6 million Equity Shares were issued to the partners of the erstwhile Lal Chand Tirath Ram Rice Mill for consideration of ₹ 46 million, the net worth of the partnership firm which was taken over by L.T. Overseas Limited as going concern.**

DIVIDENDS

The declaration and payment of dividends by our Company will be recommended by our Board and approved by our shareholders at their discretion, subject to the provisions of the Articles and the Companies Act. The recommendation, declaration and payment of dividends will depend on a number of factors, including but not limited to our Company's profits, capital requirements and overall financial condition. The Board may also from time to time pay interim dividends. The table below sets out the details of the dividends declared by our Company on its Equity Shares during the last three financial years:

Fiscal Year	Face value per share (In ₹)	Dividend Per Equity Share (In ₹)	Total amount of dividend (₹ in million)
2017	1	0.15	40.01
2016	10	1.50	40.00
2015	10	2.00	52.91

Dividends are generally declared and paid in the financial year following the financial year to which they relate to. Under Indian law, a company pays dividends upon a recommendation by its board of directors and upon approval by a majority of the shareholders at the AGM of shareholders held within six months of the end of each financial year. The shareholders have the right to decrease but not to increase the dividend amount recommended by the board of directors.

Future dividends will depend on our revenues, cash flows, financial condition (including capital position) of, and other factors. Accordingly, we cannot provide any assurance that the target payout ratio will be realised. Further, the amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Placement Document may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Placement Document. For further information, see "Forward-Looking Statements" on page 14.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to LT Foods Limited on a standalone basis, while any reference to "we", "us" or "our" refers to LT Foods Limited on a consolidated basis.

Our Company's fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year.

Under applicable regulations, we were required to prepare standalone and consolidated financial statements in accordance with Ind AS for the six months ended September 30, 2017. Our historical audited standalone and consolidated financial statements for Fiscal 2015, 2016 and 2017 were prepared in accordance with Indian GAAP. In this Placement Document, we have therefore included the Indian GAAP Audited Financial Statements for Fiscal 2015, 2016, and 2017, and the Ind AS Unaudited Financial Statements for the six months ended September 30, 2017. The Indian GAAP Audited Financial Statements for Fiscal 2015, 2016 and 2017 and the Ind AS Unaudited Financial Statements are therefore not comparable. Unless otherwise specified, all financial information relating to Fiscal 2015, 2016 and 2017 is derived from our Indian GAAP Audited Financial Statements, while all financial information relating to the six months ended September 30, 2017 is derived from our Ind AS Unaudited Financial Statements.

Accounting policies and principles under Ind-AS differ in certain material respects from Indian GAAP. In addition, Indian GAAP and Ind-AS also differ in certain material respects from U.S. GAAP and IFRS. For certain qualitative information on the differences between Indian GAAP and Ind AS, see "Summary of Certain Differences among Indian GAAP and Ind-AS" on page 110. We have in this Placement Document presented certain information certain information on reconciliation between Indian GAAP and Ind AS. Investors are advised to avail independent financial and accounting advice to analyse the impact of the application of Ind AS to the preparation and presentation of our financial statements. We cannot assure you that we have completed a comprehensive analysis of the effect of Ind AS on our future financial information or that the application of Ind AS will not result in a materially adverse effect on our future financial information.

OVERVIEW

We are an emerging global food company with a longstanding presence in basmati rice products in India. In addition, our product portfolio has expanded to include organic foods and convenience rice based products. As of September 30, 2017, we operated through our 11 subsidiaries in India, nine subsidiaries outside India, two joint ventures, and three associates. We have a considerable presence in the United States and have grown to be one of the leading manufacturers of basmati rice from India. Our business primarily involves processing basmati paddy and aged rice and marketing branded, unbranded and private label basmati rice and their product-variants in India and in various international markets. In Fiscal 2015, 2016 and 2017, our total income was ₹ 27,797.82 million, ₹ 29,796.26 million and ₹ 33,221.10 million, respectively, and our profit after tax was ₹ 764.16 million, ₹ 724.75 million and ₹ 1,286.92 million, respectively. In Fiscal 2015, 2016 and 2017, we had income outside India of ₹ 12,827.34 million, ₹ 18,876.37 million and ₹ 17,972.85 million, respectively, which accounted for 46.15%, 63.35%, and 54.10%, respectively, of our total income in these periods.

We believe we are one of the few Indian companies with fully integrated operations with a presence across the basmati rice value chain, with operations that include procurement, storage, processing, marketing and sales. We sell our products internationally under various key brands, including "Daawat", "Royal", "Devaaya" and "EcoLife".

Basmati is a premium long-grain rice variety with a fine texture and retains a strong aroma in both raw and cooked forms. It is one of the most expensive varieties of rice in the world. Basmati paddy is grown only in certain areas of India and Pakistan as its unique aroma, flavour and texture are attributed to the soil and climate of the region. (*Source: ICRA Report*) Our product portfolio includes brown and white grain rice. In addition, we also produce and sell organic basmati rice, organic pulses, spices, nuts, organic soya and regional rice, and other products such as cooking oil and sauces.

We procure basmati paddy primarily from the basmati producing States in northern India, through our extensive and entrenched procurement network consisting of procurement agents and farmers' agents. As of September 30, 2017, we had arrangements with 210 procurement agents, across 200 agricultural produce markets known as "*mandis*" established by the various State Governments.

As of September 30, 2017, we operated five processing and packaging facilities in India, with an aggregate rice milling and sorting capacity of 86.90 MT per hour, aggregate rice sorting and grading capacity of 72.00 MT per hour and aggregate rice packaging capacity of 86.30 MT per hour. In addition, as of September 30, 2017, we operated three packaging facilities in the United States, and a processing and packaging facility in Rotterdam, Europe. Our processing facilities have received various accreditations including ISO 17025, ISO 9001 and ISO 14001 certifications, and have received quality management system certifications including SA 8000 and BSCI. We have extensive storage capacities at silos operated by us that protect the grains to ensure quality control throughout our processing activities. We also have silos for semi-processed rice that ensure timely delivery of the product to our customers. As of September 30, 2017, our aggregate storage capacity (including open and covered warehousing facilities) for paddy and rice was 637,900 MT.

Our products cater to various consumer segments at different price points in the branded basmati rice market. We also supply rice to other branded basmati rice companies in international markets and record such sales as a "private label" sale. We believe we have developed a strong relationship with our customers resulting in long-term associations and sustained business from them. We have also established a strong sales and distribution network in all our international markets and in India, which has enabled us to cater and service the consumer demand.

RECENT DEVELOPMENTS

Announcement of Ind AS Unaudited Financial Statements

Pursuant to a meeting of our Board of Directors on November 14, 2017, we have adopted and filed with the Stock Exchanges, the Ind AS Unaudited Financial Statements in accordance with the provisions of Regulation 33 of the SEBI Listing Regulations. For further information, see "Financial Statements – Ind AS Unaudited Financial Statements".

PRESENTATION OF FINANCIAL INFORMATION

Transition from Indian GAAP to Ind AS Financial Statements

Our historical financial statements were prepared under Indian GAAP, and as required under applicable regulations in India, we have adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 with a transition date of April 1, 2016. Our Audited Financial Statements for Fiscal 2015, 2016 and 2017 included in this Placement Document have been prepared in accordance with the Companies Act, 2013, and Indian GAAP, while the Ind AS Unaudited Financial Statements have been prepared and presented in accordance with Ind AS 34. Accounting principles under Ind AS vary in many respects from accounting principles under Indian GAAP, and our Ind AS Unaudited Financial Statements prepared and presented in accordance with Ind AS 34 are therefore not comparable to the Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP. The Ind AS Unaudited Financial Statements also includes a statement of reconciliation between the results of operations for the quarter ended September 30, 2016 prepared under Ind AS as compared to our historical results of operations for the quarter ended September 30, 2016 prepared under Indian GAAP.

Our Ind AS Unaudited Financial Statements for the six months ended September 30, 2017 were reviewed by Walker Chandiok & Co. LLP. However, as stated in the review report dated November 14, 2017 on the Ind AS Unaudited Financial Statements, Walker Chandiok & Co. LLP has not reviewed the corresponding Ind AS financial results and financial information for the six months ended September 30, 2016, which have been compiled by the management of the Company after making necessary adjustments to give a true and fair view of such results in accordance with Ind AS and such information shall be subject to any adjustments from an audit. The Ind AS financial results and financial information for the six months ended September 30, 2016 have therefore not been subjected to an audit or review, and there can be no assurance that such financial information will not have been materially different if subjected to an audit or review. Accordingly, potential investors should not place any reliance on any such Ind AS financial results and financial information for the six months ended September 30, 2016 included in this Placement Document.

We have not yet completed a full financial year following our transition to Ind AS, and accordingly our Ind AS financial statements have thus far not been subjected to an audit by our statutory auditors. The audited financial statements for Fiscal 2018 will be the first set of audited Ind AS financial statements prepared by us and will also include the corresponding Ind AS financial statements for Fiscal 2017. The Ind AS financial statements for Fiscal 2017 will not be comparable to the Indian GAAP financial statements for Fiscal 2017 included herein, and there can be no assurance that the audited Ind AS financial statements for Fiscal 2018 will be comparable in all respects to the reviewed Ind AS Unaudited Financial Statements included herein, as we take into account financial year end accounting adjustments and subject such year-end financial statements to audit procedures. We have included in this Placement Document certain qualitative information on the differences between Indian GAAP and Ind AS in the section "*Summary of Certain Differences among Indian GAAP and Ind-AS*" on page 110. Such comparative statement has been included for illustrative purposes only and does not imply that all such differences apply, or will apply, to the manner in which our financial statements are prepared and presented under Ind AS, as applicable or otherwise. In addition, the impact of any such differences may vary materially from the impact reflected in the Ind AS Unaudited Financial Statements herein and any other Ind AS financial statements prepared by us in the future, including the audited Ind AS financial statements for Fiscal 2018. The preparation of our financial statements in accordance with Ind AS requires our management to make judgments, estimates and certain assumptions. The estimates and assumptions used in the preparation of such financial statements in accordance with Ind AS will be based upon management's evaluation of the relevant facts and circumstances as on the date of the relevant financial statements, and such estimates and underlying assumptions may be reviewed in the future on an on-going basis. Potential investors should consult their own professional advisors for an understanding of the differences between Indian GAAP and Ind AS and how those differences might affect the financial information disclosed in this Placement Document.

See "*Risk Factors - We have prepared and presented our Ind AS Unaudited Financial Statements for and as of the six months ended September 30, 2017 under Ind AS in accordance with applicable regulatory requirements in India. Our Ind AS Unaudited Financial Statements are not comparable to our Indian GAAP Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP.*" on page 46.

PRINCIPAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Export sales and relationship with significant customers

Our results of operations are significantly dependent on our sales outside India. In Fiscal 2015, 2016 and 2017, revenues from outside India accounted for 46.15%, 63.35% and 54.10% of our total income in such periods. Our export sales are dependent upon the general economic condition of the countries where we export basmati rice. In addition, our export sales are also dependent upon the policies of the governments of the importing countries and any changes to the policies of these countries relating to the exports from India, or the quality, characteristics and variety of the basmati rice exported by us to such countries could impact our revenues from exports. Our business could also be impacted by any regulatory development or change in the GoI's policies on export including export duties and other forms of export restrictions.

Although our products are sold to a large number of customers across various markets, our top ten export customers accounted for 15.55%, 20.10% and 13.53% of our total income in Fiscal 2015, 2016 and 2017, respectively, while our largest export customer accounted for 6.35%, 9.15% and 3.27%, respectively, of our total income in such periods. Significant reliance on these and other major customers may result in certain pricing pressures. Any loss or significant decrease in business from one or more of our significant customers would have an adverse effect on our sales. In addition, the income from these customers may vary from year to year.

Foreign exchange fluctuations

Exchange rate fluctuations can have a significant impact on our revenue from export sales.

The U.S. Dollar is the most important trading currency for our products. A majority of our expenses and a significant proportion of our revenues are denominated in Indian Rupees. Our financial performance is therefore impacted by any significant appreciation or depreciation of the Indian Rupee against the U.S. Dollar. Certain of our expenses, particularly with respect to distribution of processed rice for sale under our "Royal" brand of products in the United States, are incurred predominately in U.S. Dollars. In periods of depreciation of the Indian Rupee against the U.S. Dollar, our U.S. Dollar denominated exports may have a positive impact on our revenue from operations. In periods of appreciation of the Indian Rupee against the U.S. Dollar, there may be an adverse impact on our business if the relative increase in our processing and other operating costs in India cannot be passed on to our international customers because of the competitive market or otherwise. Certain of our transactions act as a natural hedge as a portion of assets, income, liabilities and expenses are denominated in currencies other than our operating currency. For the remaining exposure to foreign exchange risk, we adopt a policy of selective hedging based on the risk perception of our management.

Procurement, cost and demand for basmati rice

A significant portion of our total income is derived from the sale of basmati rice. Basmati rice is a premium variety of rice.

We rely on farmers for most of our supply of basmati paddy, which we process into basmati rice. We do not typically enter into long-term supply contracts with such farmers and there can be no assurance that we will receive the required quantities of basmati paddy commensurate with our requirements. Our business depends on our ability to procure sufficient good quality basmati paddy at commercially viable prices, and we cannot assure you that we will be able to procure all of our basmati paddy requirements in the future, or that we will be able to pass any increases in the procurement price of basmati paddy on to our customers.

In addition, without committed demand for basmati rice, we run the risk of acquiring and processing more basmati paddy than we can sell basmati rice, which leaves us vulnerable to the vagaries of market demand, including downturns, and could adversely affect our business and results of operations. A significant amount of time passes between when we purchase basmati paddy and sell finished basmati rice. During this period of ageing, the price of basmati rice may fluctuate. For example, in Fiscal 2015, 2016 and 2017, the average price of basmati rice we sold was ₹ 74,521 per MT, ₹ 59,891 per MT and ₹ 59,008 per MT, respectively. As such, if the price of basmati rice falls during the time it is held for ageing, we may not be able to recover our investment in the basmati paddy and processing operations, which could adversely affect our financial condition. Further, any negative change in customer preferences for basmati rice that would result in reduced demand for basmati rice could also adversely affect our business and results of operations. Any prolonged decrease in basmati rice prices could adversely affect our business and results of operations.

Working capital requirements

We require significant working capital for our business operations, particularly to maintain and operate our processing facilities. We also require significant amounts of capital to market and distribute our products, develop new products and enhance existing products. As of March 31, 2017, we had outstanding indebtedness (excluding interest accrued but not due on borrowings) of ₹ 16,115.63 million, part of which are subject to floating interest rates. Any fluctuations in interest rates may directly impact the interest costs of such working capital facilities and, in particular, any increase in interest rates could adversely affect our results of operations. Our existing level of indebtedness and non-fund based facilities may also restrict our ability to obtain additional financing for capital expenditures, expansions or general corporate purposes and may cause us to be particularly vulnerable during any general economic downturn.

Our cost of borrowing will also be affected by the credit ratings issued to our debt instruments. Based on our financial performance in Fiscal 2017, CRISIL upgraded our long-term ratings from CRISIL BBB+ (STABLE) to CRISIL BBB+ (POSITIVE), and reaffirmed our short-term ratings of CRISIL A2. Any change to credit ratings of our debt instruments also affects the terms of our borrowings.

Cost of raw material

Our business and our operating margins is significantly dependent on the price of raw materials used in our production process. Our primary raw materials are basmati paddy and aged basmati rice, which is semi-processed basmati rice where the husk has been removed but not further processed. Procurement of basmati paddy is a critical function of our business. Cost of materials consumed constitutes the largest component of our expenses and represented 78.55%, 75.46% and 77.55% of our total expenditure in Fiscal 2015, 2016 and 2017, respectively. As of September 30, 2017, our procurement network included 210 procurement agents, who work for us on a commission basis, with commission rates of approximately of 1.00% of the sale price. We typically complete the procurement process a few months before we receive purchase orders from our customers, forcing us to rely on historical trends, other market indicators and management estimates to predict demand. The procurement costs also include basic cost of material, brokerage, handling and transport and local taxes/levies before the material reaches the factory premises. Any increase in the price of raw materials could significantly affect our business and results of operations to the extent we are unable to increase our selling prices to cover the increased costs.

General economic conditions in India and globally

Our results of operations may be materially affected by conditions in the global capital markets and the economy generally in India and elsewhere around the world. The basmati rice market is affected by changes in government policies, including trade policies, economic conditions, demographic trends, employment and income levels and interest rates, among other factors. Any reduction in consumer spending or disposable income or adverse economic conditions or perception thereof, may affect us adversely. Accordingly, our performance and the growth of our business are necessarily dependent on the state of the overall Indian economy and any downturn in the economy could adversely affect our business, results of operations and financial condition.

Weak economic conditions in our target markets, or a reduction in consumer spending could adversely impact our business and results of operations in a number of ways, including negative changes in customer preferences for basmati rice, increased costs associated with developing our branded products, increased costs and decreased availability of potential sources of financing and increased exposure to material losses from our investments. Furthermore, as a result of the current tightening of credit in financial markets, our customers, distributors and suppliers may experience serious cash flow problems and as a result, may modify, delay or cancel plans to purchase our products. All of these factors may significantly affect our business and results of operations.

SIGNIFICANT ACCOUNTING POLICIES UNDER IND AS

Our Ind AS Unaudited Financial Statements have been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, and recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, and SEBI Circulars.

We prepared the opening Ind AS balance sheet as at April 1, 2016 using the exemption and exceptions provided under Ind AS 101, First time adoption of Indian Accounting Standards.

The Ind AS Unaudited Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Property, plant and equipment and intangible assets have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.

Basis of Consolidation

Subsidiaries: Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial results of subsidiaries are included in the consolidated financial results from the date on which control commences until the date on which control ceases.

Non-controlling interests: Non-controlling interests are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control: When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

Equity accounted investees: The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

Transactions eliminated on consolidation: Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

Use of Estimates

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

Current versus Non-Current Classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: (i) Expected to be realised or intended to be sold or consumed in normal operating cycle; (ii) Held primarily for the purpose of trading; (iii) Expected to be realised within twelve months after the reporting period; or (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when: (i) It is expected to be settled in normal operating cycle; (ii) It is held primarily for the purpose of trading; (iii) It is due to be settled within twelve months after the reporting period; or (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Inventories:

Inventories are valued as follows

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

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

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

Property, Plant and Equipment

Recognition and initial measurement. Under the previous GAAP (Indian GAAP), property plant and equipment were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward these carrying value of PPE under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of fixed assets that are not yet ready for their intended use at the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent measurement (depreciation and useful lives). Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 or the management estimate of the useful life of the asset, as described below. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Based on internal assessment and independent technical evaluation carried out by external valuer, the management has re-estimated the useful life of Silos included in Plant and Machinery from 15 years to 40 years with effect from 1 April 2016. The management believes that the useful life represents the period over which the assets are expected to be used. The useful life of this asset is different from the useful life as prescribed under part C of schedule II of the Companies Act, 2013.

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

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

Assets description	**Useful life in years**
Buildings	15 to 39 and ½ years
Plant and machinery	4 to 10 years
Furniture, fixtures and office equipment	4 to 10 years
Vehicles	4 to 10 years

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

Intangible Assets

Recognition and initial measurement. Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward the carrying value of intangible assets under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Subsequent measurement. Subsequently the intangible assets are amortized over the useful life as estimated by the management.

Goodwill is not amortized and is tested annually for impairment.

Intangible assets	**Useful life in years**
Brands/ Trademarks	7 to 20 years
Customer relationships	7 to 15 years
Non-compete agreement	5 to 10 years
Intellectual property	7 years
Computer software	3 years

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

Impairment of Non-Financial Assets

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

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

Impairment losses of continuing operations are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Functional and presentation currency. The financial results are presented in Indian Rupees (INR), which is also the Parent Company's functional currency. Each entity within the group assesses its functional currency separately.

Foreign Currencies

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

Subsequent measurement. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

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

The assets and liabilities of foreign entities within the group including goodwill and fair value adjustments arising on acquisition having functional currency other than the reporting currency of the Group, are translated into the reporting currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2016, in respect of all foreign operations to be nil at the date of transition. From 1 April 2016 onwards, such exchange differences are recognized in OCI and accumulated in equity (as exchange differences on translating the financial results of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial results on a recurring basis, group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

For the purpose of fair value disclosures, group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures for valuation methods, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments

Revenue Recognition

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

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

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

Rental income. Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term unless the escalation rate does not matches up in line with the increase in the inflation rate.

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

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

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

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

Service concession arrangements. Revenue related to construction or upgrade services provided under a service concession arrangement is recognized based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognizing revenue on construction contacts. Operation or service revenue is recognized in the period in which the services are provided by the Group.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

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

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

Financial Instruments. Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities is described below.

Financial Assets

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

Financial assets at amortized cost – a financial instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

Financial assets at fair value

- **Investments in equity instruments –** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

  If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

  Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L.

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

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

De-recognition of financial assets. A financial asset is primarily de-recognized when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial Liabilities

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

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

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

De-recognition of financial liabilities. A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

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

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

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

Retirement and other Employee Benefits

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

Defined benefit plans. The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

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

Other Employee Benefits

Compensated absences. Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognized on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

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

Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Leases

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

For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a Lessee

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

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

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

Group as a Lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Government Grants and Subsidies

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

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments.

Cash and Cash Equivalents

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

Cash Dividend Distribution to Equity Holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

SIGNIFICANT ACCOUNTING POLICIES UNDER INDIAN GAAP

Principles of Consolidation

The financial statements of our Company, together with our subsidiaries, associates and joint ventures (hereinafter collectively referred to as the "Group") are consolidated to form consolidated financial statements (the "Consolidated Financial Statements").

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

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

Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures". Intra group balances, intra-group transactions and unrealized profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

Minority interest in (profit) / loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the parent.

The excess/deficit of cost to the 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 recognized in the financial statements as goodwill/capital reserve. The 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 Company for its separate financial statements.

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.

Revenue Recognition

Revenue is recognized 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 recognized 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: Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term.

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

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

Dividend: Income from dividend is recognized when the right to dividend has been established.

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 amortization and impairment losses (if any) and it is recognized 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.

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.

Depreciation and Amortization

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

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

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

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

Assets Description	Useful life in years
Buildings	15 to 39.5 years
Plant and machinery	4 to 10 years
Furniture, fixtures and office equipment	4 to 10 years
Vehicles	4 to 10 years

Investments

Investments that are readily realizable 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.

Inventories

Inventories are valued as follows:

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

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 recognized 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 recognized in the statement of profit and loss of the period in which the exchange rates change, based on the difference between:

- 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

- the same foreign currency amount translated at the latter of the date of the inception of the contract and the last reporting date, as the case may be.

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

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

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

The Company classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations". The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average quarterly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the "Foreign currency translation reserve". On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

Employee benefits

Provident fund: The Group companies in India make contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. Contribution paid / payable is recognized 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 recognized 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 recognized 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 recognized 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 recognized 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 the statement of profit and loss with a corresponding credit to 'share option reserve'. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates and any impact of the change is recorded in the year in which change occurs. Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as securities premium reserve.

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

Borrowing Costs

Borrowing costs directly attributable to acquisition or construction of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use are capitalized. Borrowing cost which are not relatable to qualifying assets are recognized as an expense in the period in which they are incurred.

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 recognized 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 realized. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognized only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum alternate tax ("MAT") payable under the provisions of the Income tax Act, 1961 is recognized 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:

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

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.

Leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term.

CHANGES IN ACCOUNTING POLICIES RESULTING FROM TRANSITION TO IND AS AND RECONCILIATION WITH INDIAN GAAP

Our historical financial statements were prepared under Indian GAAP, and as required under applicable regulations in India, we have adopted Indian Accounting Standards (Ind AS) with effect from April 1, 2017 with a transition date of April 1, 2016. Our Indian GAAP Audited Financial Statements for Fiscal 2015, 2016 and 2017 included in this Placement Document have been prepared in accordance with the Companies Act, 2013, and Indian GAAP, while the Ind AS Unaudited Financial Statements relating to the six months ended September 30, 2017 have been prepared and presented in accordance with Ind AS 34. Accounting principles under Ind AS vary in many respects from accounting principles under Indian GAAP, and our Ind AS Unaudited Financial Statements prepared and presented in accordance with Ind AS 34 are therefore not comparable to the Indian GAAP Audited Financial Statements or any of our other historical financial statements prepared under Indian GAAP. The Ind AS Unaudited Financial Statements also includes a statement of reconciliation between the results of operations for the quarter ended September 30, 2016 prepared under Ind AS as compared to our historical results of operations for the quarter ended September 30, 2016 prepared under Indian GAAP. For further information, see "*Financial Statements – Ind AS Unaudited Financial Statements – Reconciliation of profit between Ind AS and Indian GAAP for the quarter ended September 30, 2016*" on page 232.

SIX MONTHS ENDED SEPTEMBER 30, 2017 (UNDER IND AS)

Results of Operations

The following table sets forth certain information relating to our results of operations for the six months ended September 30, 2017:

Particulars	**Six Months ended September 30, 2017**	
	Amount	**Percentage of Total Income**
	(₹ million)	**(%)**
	(Ind AS, Unaudited)	
Revenue		
Revenue from Operations	16,150.27	99.32%
Other income	110.45	0.68%
Total Income	16,260.72	100.00%
Expenses		
Cost of material consumed	8,759.58	53.87%
Purchase of stock in trade	3,971.89	24.43%
Changes in inventories of finished goods, stock in trade and work-in-progress	(1,454.39)	(8.94)%
Employee benefits expense	622.99	3.83%
Finance costs	714.59	4.39%
Depreciation and amortisation expense	210.93	1.30%
Other expenses	2,309.46	14.20%
Total Expenses	15,135.05	93.08%
Profit before tax	1,125.67	6.92%
Exceptional items	-	-
Share of profit of associates	(10.90)	(0.07)%
Profit before tax	1,114.77	6.86%
Tax expense		
Current tax	445.24	2.74%
Deferred tax	(43.39)	(0.27)%
Profit after tax	712.92	4.38%
Other Comprehensive Income		
Items that will be reclassified to profit or loss	(0.82)	(0.01)%
Income tax relating to items that will be reclassified to profit or loss	-	0.00%
Total comprehensive income for the period	712.10	4.38%
Total profit or loss attributable to		
Profit attributable to owners of parent	665.35	4.09%
Total profits attributable to non-controlling interests	47.58	0.29%
Total comprehensive income for the period attributable to		
Comprehensive income for the period attributable to owners of parent	664.53	4.09%
Total comprehensive income for the period attributable to owners of parent non-controlling interests	47.58	0.29%

Revenue

Revenue from Operations

Our revenue from operations is primarily generated from sale of products. It comprises sale of rice and other items. Rice includes basmati, non-basmati and regional rice. It also includes rice processed under our organic foods vertical. Other products include sauces, pulses and other value-added staples we process, in addition to rice. Revenue from operations also includes other operating revenue including revenue for services provided in connection with leasing of our silos and processing charges relating to certain contract manufacturing activities we undertake for third parties.

The following table sets forth certain information relating to our revenue from operations for the six months ended September 30, 2017:

	Six Months ended September 30, 2017	
	Revenue from Operations	**Percentage of Total Income**
	(₹ million)	**(%)**
	(Ind AS, Unaudited)	
Sale of Products		
Rice	14,728.13	90.57%
Others	1,322.81	8.14%
Others Operating Revenue		
Services Charges	40.98	0.25%
Processing Charges	58.35	0.36%
Revenue From Operations	**16,150.27**	**99.32%**

Our revenue from operations was ₹ 16,150.27 million in the six months ended September 30, 2017. Revenue from sale of products represented 98.71% of our total income in the six months ended September 30, 2017.

The following table sets forth certain information on our total income attributable to our key markets, in the six months ended September 30, 2017:

Geography	**Six Months ended September 30, 2017**	
	Total Income	**Percentage of Total Income**
	(₹ million)	**(%)**
	(Ind AS, Unaudited)	
India	5,751.59	35.37%
North America	5,061.51	31.13%
Europe	2,298.47	14.14%
Rest of the World	3,149.15	19.37%
Total Income	16,260.71	100.00%

Other Income

Other income primarily comprises any profit on exchange fluctuation, dividend income from non-trade investments, rental income and miscellaneous income. Other income was ₹ 110.45 million in the six months ended September 30, 2017.

Expenses

Total expenses comprise cost of materials consumed, depreciation and amortization expense, finance costs, employee benefits expenses, purchase of stock in trade, and other expenses. Total expenses were ₹ 15,135.04 million in the six months ended September 30, 2017.

Cost of Material Consumed

Cost of material consumed comprises cost of paddy, rice, packing material and bardana that are consumed for the processing of our products for sale. Cost of material consumed was ₹ 8,759.58 million in the six months ended September 30, 2017.

Purchases of Stock in Trade

Purchases of stock-in-trade comprises traded rice, organic products and direct cost related to bringing rice to the facility. Purchase of stock-in-trade was ₹ 3,971.89 million in the six months September 30, 2017.

Employee Benefit Expenses

Employee benefit expenses comprise salaries, wages and bonus, contribution to provident fund and staff welfare expenses. Employee benefit expenses were ₹ 622.99 million in the six months ended September 30, 2017.

Finance Costs

Finance costs primarily represents the interest paid on our long-term and short-term borrowings. Finance costs were ₹ 714.59 million in the six months ended September 30, 2017.

Depreciation and Amortization Expense

Depreciation and amortization expenses were ₹ 210.93 million in the six months ended September 30, 2017.

Other Expenses

Other expenses primarily comprise commission to selling agents, advertisement and marketing expenses, warehouse rent, insurance expenses, business development expenses, and repair and maintenance expenses. Other expenses were ₹ 2,309.46 million in the six months ended September 30, 2017.

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 886.73 million in the six months ended September 30, 2017.

Tax Expenses

Tax expense include current tax expense and deferred tax expenses. Deferred tax has been computed on adjustments made due to changes in tax rates and MAT credit entitlements.

Current tax expenses was ₹ 445.24 million in the six months ended September 30, 2017, while deferred tax credit was ₹ 43.39 million in the six months ended September 30, 2017.

Profit after Tax

For the reasons discussed above, and following adjustments for tax expense and share of associates, we recorded a profit after tax of ₹ 712.93 million for the six months ended September 30, 2017.

FISCAL 2017 COMPARED TO FISCAL 2016 (UNDER INDIAN GAAP)

Results of Operations

The following table sets forth certain information with respect to our results of operations for Fiscal 2016 and 2017:

Particulars	**Fiscal 2016**		**Fiscal 2017**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(₹ million, except earnings per share)	**(%)**	**(₹ million, except earnings per share)**	**(%)**
	(Indian GAAP)			
Revenue				
Revenue from operations	29,734.23	99.79%	32,865.46	98.93%
Other income	62.03	0.21%	355.64	1.07%
Total Income	**29,796.26**	**100.00%**	**33,221.10**	**100.00%**
Expenses				

Particulars	Fiscal 2016		Fiscal 2017	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹ million, except earnings per share)	(%)	(₹ million, except earnings per share)	(%)
	(Indian GAAP)			
Cost of material consumed	14,558.32	48.86%	17,746.70	53.42%
Purchase of stock in trade	6,205.44	20.83%	8,437.36	25.40%
Changes in inventories of finished goods, stock in trade and work-in-progress	284.43	0.95%	(2,132.17)	(6.42)%
Employee benefit expenses	897.75	3.01%	1,169.95	3.52%
Finance costs	1,478.02	4.96%	1,545.50	4.65%
Depreciation and amortization expense	515.19	1.73%	541.57	1.63%
Other expenses	4,222.19	14.17%	3,965.30	11.94%
Total Expenses	**28,161.34**	**94.51%**	**31,274.21**	**94.14%**
Profit Before Tax	**1,634.92**	**5.49%**	**1,946.89**	**5.86%**
Prior period (expenses)/ income	0.56	0.00%	(16.03)	(0.05)%
Exceptional Items	(440.00)	(1.48)%	-	-
Profit Before Tax	**1,195.48**	**4.01%**	**1,930.86**	**5.81%**
Tax Expenses				
– Current tax	468.18	1.57%	685.51	2.06%
– Tax earlier years	7.76	0.03%	9.37	0.03%
– Minimum alternative tax utilized	22.72	0.08%	13.11	0.04%
– Deferred tax	(27.93)	(0.09)%	(64.05)	(0.19)%
Profit after tax	**724.75**	**2.43%**	**1,286.92**	**3.87%**
Share of (profit)/ loss transferred to minority	1.68	0.01%	(104.78)	(0.32)%
Share of associate	5.34	0.02%	7.86	0.02%
Profit After Tax	**721.09**	**2.42%**	**1,174.28**	**3.53%**
Earnings per equity share in Rupees (face value ₹ 1 each)				
- Basic	2.72	0.00%	4.40	0.01%
- Diluted	2.71	0.00%	4.39	0.01%

Revenue

Revenue from Operations

The following table sets forth certain information relating to our revenue from operations in Fiscal 2016 and Fiscal 2017:

	Fiscal 2016		Fiscal 2017	
	Revenue from Operations	Percentage of Total Income	Revenue from Operations	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
	(Indian GAAP)			
Sale of products				
Rice	28,563.61	95.86%	31,300.45	94.22%
Other Items	909.52	3.05%	1,373.14	4.13%
Other Operating Revenue				
Service Charges	62.02	0.21%	65.02	0.20%
Processing Charges	199.08	0.67%	126.84	0.38%
Revenue from Operations	29,734.23	99.79%	32,865.46	98.93%

Our revenue from operations increased by 10.53% from ₹ 29,734.23 million in Fiscal 2016 to ₹ 32,865.46 million in Fiscal 2017 primarily due to a total increase in rice sales in the Indian market which increased by ₹ 4,328.38 million.

Revenue from sale of products represented 98.92% and 98.35% of our total income in Fiscal 2016 and Fiscal 2017, respectively. In Fiscal 2016 and Fiscal 2017, sale of rice represented 95.86% and 94.22%, respectively, of our total income in such periods.

Revenue from sale of rice (includes basmati, international trade and organic rice) increased by 9.58% from ₹ 28,563.61 million in Fiscal 2016 to ₹ 31,300.45 million Fiscal 2017, primarily due to an increase in branded sales in India by 29.75% from ₹ 6,244.75 million in Fiscal 2016 to ₹ 8,102.78 million in Fiscal 2017. Further, there was an increase of ₹ 1,014.37 million in international branded sales.

A substantial portion of our revenue is generated from export of our products to certain key markets, including North America. The increase in sale of rice in Fiscal 2017 was also driven by an increase in sales in the United States. Sales in the United States increased by 8.25 % from ₹ 8,680.95 million in Fiscal 2016 to ₹ 9,396.89 million in Fiscal 2017.

The following table sets forth certain information on our total income attributable to our key markets in the periods indicated:

Geography	Fiscal 2016		Fiscal 2017	
	Total Income	Percentage of Total Income	Total Income	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
	(Indian GAAP)			
India	10,919.89	36.65%	15,248.25	45.90%
North America	8,680.95	29.13%	9,396.89	28.29%
Rest of the World	10,195.42	34.22%	8,575.96	25.81%
Total Income	**29,796.26**	**100.00%**	**33,221.10**	**100.00%**

Increase in sale of products was partly offset by a decrease in other operating revenue which decreased by 26.51% from ₹ 261.10 million in Fiscal 2016 to ₹ 191.87 million in Fiscal 2017.

Other Income

Other income increased significantly by 473.34% from ₹ 62.03 million in Fiscal 2016 to ₹ 355.64 million in Fiscal 2017, primarily due to the impact of foreign exchange fluctuation amounting to ₹ 228.53 million in Fiscal 2017.

Expenses

Total expenses, including depreciation and amortization expenses and finance costs, increased by 11.05% from ₹28,161.34 million in Fiscal 2016 to ₹ 31,274.21 million in Fiscal 2017, primarily due to increase in cost of material consumed and employee benefit expenses.

Cost of Material Consumed

Cost of raw material consumed increased by 21.90% from ₹ 14,558.32 million in Fiscal 2016 to ₹ 17,746.70 million in Fiscal 2017, primarily due to increase in sales. As a percentage of our total income, cost of material consumed was 53.42% in Fiscal 2017 compared to 48.86% in Fiscal 2016.

The following table sets forth certain information relating to our cost of material consumed presented as a percentage of total income:

Raw Material Consumed	Fiscal 2016		Fiscal 2017	
	Amount	Percentage of Total Income	Amount	Percentage of Total Income
	(₹million)	(%)	(₹million)	(%)
Paddy	9,263.54	31.09%	9,928.46	29.89%
Bardana	81.81	0.27%	26.52	0.08%
Packing Material	731.76	2.46%	933.69	2.81%
Rice (including broken and unpolished rice)	4,480.43	15.04%	6,660.06	20.05%
Others	0.78	0.00%	197.97	0.60%
Total	**14,558.32**	**48.86%**	**17,746.70**	**53.42%**

The cost of rice consumed (including broken and unpolished rice) increased by 48.65% from ₹ 4,480.43 million in Fiscal 2016 to ₹ 6,660.06 million in Fiscal 2017 due to an increase in consumption of unpolished basmati rice being processed in our factory.

Cost of paddy consumed also increased by 7.18% from ₹ 9,263.54 million in Fiscal 2016 to ₹ 9,928.46 million in Fiscal 2017, reflecting the growth in our basmati rice business.

In Fiscal 2017, cost of packing materials also increased by 27.60% from ₹ 731.76 million in Fiscal 2016 to ₹ 933.69 million in Fiscal 2017.

The cost of other raw material consumed, which primarily includes grains and staples increased, from ₹ 0.78 million in Fiscal 2016 to ₹ 197.97 million in Fiscal 2017, primarily due to greater amount of processing that was carried out at our factory.

Purchase of Stock in Trade

Purchase of traded goods increased by 35.97% from ₹ 6,205.44 million in Fiscal 2016 to ₹ 8,437.36 million in Fiscal 2017, primarily due to an increase in rice traded. Rice traded increased by 23.53% from ₹ 5,636.35 million in Fiscal 2016 to ₹ 6,962.37 million due to increase in purchase of rice traded which was driven by an increase in sale of non-basmati products, which resulted in greater procurement and consumption.

Employee Benefit Expenses

Employee benefits expenses increased significantly by 30.32% from ₹ 897.75 million in Fiscal 2016 to ₹ 1,169.95 million in Fiscal 2017, primarily due to an increase in salaries, wages and bonus expenses which increased by 31.10% from ₹ 795.54 million in Fiscal 2016 to ₹ 1,042.98 million in Fiscal 2017. The increase was a result of the growing employee base engaged in our expanding organic foods business and our branded business in India. Further, there was also an increase in the number of employees engaged in our operations in the United States.

Finance Costs

Finance costs increased by 4.57% from ₹ 1,478.02 million in Fiscal 2016 to ₹ 1,545.50 million in Fiscal 2017. The increase in finance costs was primarily on account of increase in our overall borrowings.

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 5.12% from ₹ 515.19 million in Fiscal 2016 to ₹ 541.57 million in Fiscal 2017, due to increase in gross block from ₹ 6,757.48 million in Fiscal 2016 to ₹ 7,360.08 million in Fiscal 2017.

Other Expenses

Other expenses decreased by 6.08% from ₹ 4,222.19 million in Fiscal 2016 to ₹ 3,965.30 million in Fiscal 2017. The decrease in other expenses was primarily due to decrease in commission paid to selling agents which decreased by 78.02% from ₹ 399.09 million in Fiscal 2016 to ₹ 87.72 million in Fiscal 2017. There was also a decrease in power and fuel expenses, factory insurance, and exchange fluctuations. Power and fuel charges decreased by 8.62% from ₹ 332.20 million in Fiscal 2016 to ₹ 303.58 million in Fiscal 2017. We had nil loss on exchange fluctuation in Fiscal 2017 compared to a loss of ₹ 74.54 million in Fiscal 2016.

Profit before Tax

For the reasons discussed above, profit before tax (as adjusted for exceptional and prior period) increased by 61.51% from ₹ 1,195.48 million in Fiscal 2016 to ₹ 1,930.86 million in Fiscal 2017.

Tax Expense

Current tax expenses increased by 46.42% from ₹ 468.18 million in Fiscal 2016 to ₹ 685.51 million in Fiscal 2017, while deferred tax credit increased by 129.32% from ₹ 27.93 million in Fiscal 2016 to ₹ 64.05 million in

Fiscal 2017. Further, tax for earlier years increased by 20.75% from ₹ 7.76 million in Fiscal 2016 to ₹ 9.37 million in Fiscal 2017. Minimum Alternative Tax utilised decreased by 42.29% from ₹ 22.72 million in Fiscal 2016 to ₹ 13.11 million in Fiscal 2017.

Profit after Tax

For the various reasons discussed above, and following adjustments for tax expense and before share of associates, we recorded a significant increase in profit for the year by 77.57% from ₹ 724.75 million in Fiscal 2016 to ₹ 1,286.92 million in Fiscal 2017.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 4,033.95 million in Fiscal 2017 compared to EBITDA of ₹ 3,628.13 million in Fiscal 2016, increased by 11.19% while EBITDA margin (EBITDA as a percentage of our revenue from operations in the relevant fiscal period) was 12.14% in Fiscal 2017 compared to 12.18% in Fiscal 2016. However, ex- trading EBITDA margin was 15.2% in Fiscal 2017 compared to 14.9% in Fiscal 2016.

FISCAL 2016 COMPARED TO FISCAL 2015 (UNDER INDIAN GAAP)

Results of Operations

The following table sets forth certain information with respect to our results of operations for the periods indicated:

Particulars	Fiscal 2015		Fiscal 2016	
	Amount	Percentage Total Revenue	Amount	Percentage Total Revenue
	(₹ million, except earnings per share)	(%)	(₹ million, except earnings per share)	(%)
	(Indian GAAP)			
Revenue				
Revenue from operations	27,345.82	98.37%	29,734.23	99.79%
Other income	452.01	1.63%	62.03	0.21%
Total Income	**27,797.83**	**100.00%**	**29,796.26**	**100.00%**
Expenses				
Cost of material consumed	14,423.92	51.89%	14,558.32	48.86%
Purchase of stock in trade	6,527.37	23.48%	6,205.44	20.83%
Changes in inventories of finished goods, stock in trade and work-in-progress	(328.89)	(1.18)%	284.43	0.95%
Employee benefit expenses	742.19	2.67%	897.75	3.01%
Finance costs	1,511.49	5.44%	1,478.02	4.96%
Depreciation and amortization expense	465.74	1.68%	515.19	1.73%
Other expenses	3,343.03	12.03%	4,222.19	14.17%
Prior Period Items	0.81	0.00%	(0.56)	0.00%
Total Expenses	**26,685.66**	**96.00%**	**28,160.78**	**94.51%**
Profit Before Exceptional Items and Tax	**1,112.17**	**4.00%**	**1,635.48**	**5.49%**
Exceptional Item – Loss due to fire	0	0.00%	440	1.48%
Profit Before Tax	**1,112.17**	**4.00%**	**1,195.48**	**4.01%**
Tax Expenses				
Current year				
- Income tax current year	365.16	1.31%	489.20	1.64%
- Deferred tax	(21.15)	(0.08)%	(27.93)	(0.09)%
Earlier year				
- Current tax	7.01	0.03%	7.76	0.03%
- Minimum alternative tax	(3.01)	(0.01)%	1.70	0.01%
Profit after tax	**764.17**	**2.75%**	**724.75**	**2.43%**
Share of (profit)/ loss transferred to minority	(39.29)	(0.14)%	1.68	0.01%

Particulars	Fiscal 2015		Fiscal 2016	
	Amount	Percentage Total Revenue	Amount	Percentage Total Revenue
	(₹ million, except earnings per share)	(%)	(₹ million, except earnings per share)	(%)
	(Indian GAAP)			
Share of loss of associates	0	0	(5.34)	(0.02)%
Profit after tax and minority interest and loss of associates	**724.88**	**2.61%**	**721.09**	**2.42%**
Earnings per equity share in Rupees (face value ₹ 1 each)				
- Basic	2.75	0.00%	2.72	0.00%
- Diluted	2.72	0.00%	2.71	0.00%

Revenue

Revenue from Operations

The following table sets forth certain information relating to our revenue from operations in Fiscal 2015 and Fiscal 2016:

Particulars	Fiscal 2015		Fiscal 2016	
	Revenue from Operations	Percentage of Total Income	Revenue from Operations	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
	(Ind AS, Unaudited)			
Sale of products				
Rice	26,270.74	94.51%	28,563.61	95.86%
Other Items	897.17	3.23%	909.52	3.05%
Other Operating Revenue				
Revenue from services	177.91	0.64%	261.10	0.88%
Revenue from operations	**27,345.82**	**98.37%**	**29,734.23**	**99.79%**

Our revenue from operations increased by 8.73% from ₹ 27,345.82 million in Fiscal 2015 to ₹ 29,734.23 million in Fiscal 2016 primarily due to an increase in sale of products, which increased by 8.49% from ₹ 27,167.91 million in Fiscal 2015 to ₹ 29,473.13 million in Fiscal 2016. Revenue from sale of products represented 97.73% and 98.91% of our total income in Fiscal 2015 and Fiscal 2016, respectively.

In Fiscal 2015 and Fiscal 2016, sale of rice represented 94.51% and 95.86% respectively, of our revenue from operations.

Revenue from sale of rice increased by 8.73% from ₹ 26,270.74 million in Fiscal 2015 to ₹ 28,563.61 million in Fiscal 2016, primarily due to an increase in overall sales during Fiscal 2016. Our sale of rice in terms of volume increased by 29.13% from 316,940 MT in Fiscal 2015 to 409,254 MT in Fiscal 2016.

The following table sets forth certain information on revenue from operations attributable to our key markets, for the periods indicated:

Geography	Fiscal 2015		Fiscal 2016	
	Total Income	Percentage of Total Income	Total Income	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)
	(Indian GAAP)			
India	14,970.48	53.85%	10,919.89	36.65%
North America	8,444.33	30.38%	8,680.95	29.13%
Rest of the World	4,383.01	15.77%	10,195.42	34.22%
Total	**27,797.82**	**100.00%**	**29,796.26**	**100.00%**

There was an increase in sale of other items by 1.38% from ₹ 897.17 million in Fiscal 2015 to ₹ 909.52 million in Fiscal 2016.

Revenue from services also increased by 46.76% from ₹ 177.91 million in Fiscal 2015 to ₹ 261.10 million in Fiscal 2016.

Other Income

Other income decreased by 86.28% from ₹ 452.01 million in Fiscal 2015 to ₹ 62.03 million, primarily due to the impact of foreign exchange fluctuation amounting to ₹ 283.59 million in Fiscal 2015.

Expenses

Total expenses, including depreciation and amortization expenses and finance costs, increased by 5.53% from ₹ 26,685.66 million in Fiscal 2015 to ₹ 28,161.34 million in Fiscal 2016 primarily due to increase in employee benefit and other expenses.

Cost of Material Consumed

Cost of raw material consumed increased marginally by 0.93% from ₹ 14,423.92 million in Fiscal 2015 to ₹ 14,558.32 million in Fiscal 2016, primarily due to an increase in rice and packing material consumed amounting to ₹ 5,238.09 million in Fiscal 2016 compared to ₹ 3,993.78 million in Fiscal 2015.

The following table sets forth certain information relating to our cost of materials consumed presented as a percentage of total income:

Raw Material Consumed	**Fiscal 2015**		**Fiscal 2016**	
	Amount	**Percentage of Total Income**	**Amount**	**Percentage of Total Income**
	(₹million)	**(%)**	**(₹million)**	**(%)**
Paddy	12,147.38	43.70%	9,215.93	30.93%
Bardana	80.55	0.29%	103.52	0.35%
Packing Material	638.47	2.30%	757.67	2.54%
Rice (including broken and unpolished rice)	3,355.31	12.07%	4,480.43	15.04%
Others	1.36	0.00%	0.78	0.00%
Less : Loss due to fire	(1,799.14)	(6.47)%	-	-
Total	**14,423.93**	**51.89%**	**14,558.33**	**48.86%**

The cost of rice consumed (including broken and unpolished rice) increased by 33.53% from ₹ 3,355.31 million in Fiscal 2015 to ₹ 4,480.43 million in Fiscal 2016 due to an increase in consumption of unpolished rice sourced from third parties, compared to the processing of basmati rice which we carry out on paddy procured.

Cost of paddy consumed decreased by 24.13% from ₹ 12,147.38 million in Fiscal 2015 to ₹ 9,215.93 million in Fiscal 2016 due to higher price of paddy in opening stock. This was on account of higher procurement cost of paddy during Fiscal 2014.

In Fiscal 2015 and 2016, cost of packing material increased by 18.67% from ₹ 638.47 million in Fiscal 2015 to ₹ 757.67 million in Fiscal 2016.

Purchase of Stock in Trade

Purchase of traded goods decreased by 4.93% from ₹ 6,527.37 million in Fiscal 2015 to ₹ 6,205.44 million in Fiscal 2016, primarily due to a decrease in rice traded. Purchase of rice traded decreased by 5.78% from ₹ 5,982.36 million in Fiscal 2015 to ₹ 5,636.35 million in Fiscal 2016 due to decrease in sale of non-basmati products. There was also a significant decrease in soyabean traded by 92.03% from ₹ 218.19 million in Fiscal 2015 to ₹ 17.39 million in Fiscal 2016.

Employee Benefit Expenses

Employee benefit expenses increased by 20.96% from ₹ 742.19 million in Fiscal 2015 to ₹ 897.75 million in Fiscal 2016, primarily due to an increase in salaries, wages and bonus expenses which increased by 22.70% from ₹ 648.34 million in Fiscal 2015 to ₹ 795.54 million in Fiscal 2016. The increase was a result of an expanding employee base engaged in our India branded operations, organic foods business that is being scaled up, and additional employees engaged in the United States.

Finance Costs

Finance costs decreased by 2.21% from ₹ 1,511.49 million in Fiscal 2015 to ₹ 1,478.02 million in Fiscal 2016. The decrease in finance costs was primarily on account of lower borrowings in Fiscal 2016

Depreciation and Amortization Expense

Depreciation and amortization expense increased by 10.62% from ₹ 465.74 million in Fiscal 2015 to ₹ 515.19 million in Fiscal 2016, primarily on account of company changing the depreciation policy. The company has revised the useful life of fixed assets to comply with the life as mentioned under schedule 11 of the Companies Act 2013.

Other Expenses

Other expenses increased by 26.30% from ₹ 3,343.03 million in Fiscal 2015 to ₹ 4,222.19 million in Fiscal 2016. The increase in other expenses was primarily due to an increase in commission paid to selling agents which increased by 444.09% from ₹ 73.35 million in Fiscal 2015 to ₹ 399.09 million in Fiscal 2016. There was also an increase in warehouse rent by 78.43% from ₹ 56.83 million in Fiscal 2015 to ₹ 101.40 million in Fiscal 2016. Power and fuel charges also increased by 16.25% from ₹ 285.76 million in Fiscal 2015 to ₹ 332.20 million in Fiscal 2016. Advertisement expenses also increased by 27.33% from ₹416.79 million in Fiscal 2015 to ₹ 530.68 million in Fiscal 2016, as part of our brand building exercise. Miscellaneous expenses also increased by 21.89% from ₹ 418.45 million in Fiscal 2015 to ₹ 510.03 million in Fiscal 2016.

Profit before Tax

For the reasons discussed above, profit before exceptional items and tax (as adjusted for exceptional items) increased by 47.05% from ₹ 1,112.17 million in Fiscal 2015 to ₹ 1,635.48 million in Fiscal 2016. Exceptional items comprised loss due to fire that occurred in Daawat Foods Limited on June 7, 2014, which resulted in loss of stock of raw material, including paddy, bardana, consumables and other items, amounting to ₹ 1,799.14 million. Accordingly, profit before tax and as adjusted for exceptional items marginally increased by 7.49% from ₹ 1,112.17 million in Fiscal 2015 to ₹ 1,195.48 million in Fiscal 2016. For further information on the impact of the fire on our financial statements, see Note 36 of the Indian GAAP Audited Consolidated Financial Statements for Fiscal 2015 and Fiscal 2016 in "*Financial Statements*" on page 232. Also see "*Risk Factors – The loss or shutdown/ breakdown of operations at our processing and storage facilities may have a material adverse effect on our business, financial condition and results of operations. In addition, our inability to continue to obtain equipment and ancillary services from our key suppliers could affect our business and results of operations.*" on page 52.

Tax Expense

Current tax expenses increased by 33.97% from ₹ 365.16 million in Fiscal 2015 to ₹ 489.20 million in Fiscal 2016, while deferred tax expenses decreased by 32.06% from ₹ (21.15) million in Fiscal 2015 to ₹ (27.93) million in Fiscal 2016. Tax for earlier years increased by 10.70% from ₹ 7.01 million in Fiscal 2015 to ₹ 7.76 million in Fiscal 2016. Minimum alternative tax utilised increased by 156.48% from ₹ (3.01) million in Fiscal 2015 to ₹ 1.70 million in Fiscal 2016.

Profit after Tax

For the various reasons discussed above, and following adjustments for tax expense and share of associates, we recorded a marginal decrease in profit for the year by 0.52% from ₹ 724.87 million in Fiscal 2015 to ₹ 721.09 million in Fiscal 2016.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA was ₹ 3,628.13 million in Fiscal 2016 compared to EBITDA of ₹ 3,089.40 million in Fiscal 2015, while EBITDA margin (EBITDA as a percentage of our revenue from operations in the relevant fiscal period) was 12.20% in Fiscal 2016 compared to 11.30% in Fiscal 2015.

LIQUIDITY AND CAPITAL RESOURCES

Historically, our primary liquidity requirements have been to finance our working capital requirements. Our business requires a substantial amount of working capital primarily due to the fact that there is a substantial gap between the time we purchase basmati paddy and sell basmati rice to our customers.

Cash Flows

The following table sets forth certain information relating to our cash flows in Fiscal 2015, 2016 and 2017:

	Fiscal 2015	**Fiscal 2016**	**Fiscal 2017**
	(Indian GAAP)		
	(₹ million)		
Net cash flow from operating activities	89.91	2,971.52	2,172.19
Net cash flow from/(used in) in investing activities	(579.57)	(536.22)	(882.42)
Net cash flow from/(used) in financing activities	321.26	(2,353.44)	(1,241.44)
Net increase/(decrease) in cash and cash equivalents	**(168.40)**	**81.86**	**48.33**
Effects of exchange difference on cash and cash equivalents held in foreign currency	**2.64**	**(0.01)**	**(8.60)**
Cash and cash equivalents at the beginning of the year	345.09	179.33	261.19
Cash and cash equivalents at the end of the year	**179.33**	**261.19**	**300.92**

Operating Activities

Fiscal 2017

In Fiscal 2017, net cash from operating activities was ₹ 2,172.19 million and the operating profit before operating assets and liabilities was ₹ 3,856.62 million. The main adjustments were an increase in inventories of ₹ 1,573.64 million, increase in trade receivables of ₹ 942.18 million, and payment of income tax amounting to ₹ 439.13 million. This was partly offset by an increase in trade payables of ₹ 806.48 million.

Fiscal 2016

In Fiscal 2016, net cash from operating activities was ₹ 2,971.52 million and the operating profit before operating assets and liabilities was ₹ 3,998.71 million. The main adjustments were a decrease in loans and advances and other assets of ₹ 939.55 million, an increase in trade receivables amounting to ₹ 636.27 million, and payment of income tax amounting to ₹ 338.28 million. This was partly offset by an increase in trade payables of ₹ 532.47 million, and a decrease in inventories of ₹ 624.85 million.

Fiscal 2015

In Fiscal 2015, net cash from operating activities was ₹ 89.91 million and the operating profit before operating assets and liabilities was ₹ 3,036.39 million. The main adjustments were increase in loans, advances and other assets amounting to ₹ 2,474.07 million, increase in inventories of ₹ 101.17 million and decrease in trade payables of ₹ 479.04 million. Income tax paid amounted to ₹ 495.45 million.

Investing Activities

Fiscal 2017

Net cash used in investing activities was ₹ 882.42 million in Fiscal 2017, primarily on account of purchase of fixed assets including intangible assets, capital work in progress and capital advances of ₹ 867.39 million, and investment in fixed deposits and unpaid dividend account of ₹ 77.09 million.

Fiscal 2016

Net cash used in investing activities was ₹ 536.22 million in Fiscal 2016, primarily on account of purchase of fixed assets including intangible assets, capital work in progress and capital advances of ₹ 536.77 million, and investment in fixed deposits and unpaid dividend account of ₹ 32.11 million.

Fiscal 2015

Net cash used in investing activities was ₹ 579.57 million in Fiscal 2015, primarily on account of purchase of fixed assets including intangible assets, capital work in progress and capital advances of ₹ 552.72 million, and investment in fixed deposits and unpaid dividend account of ₹ 23.05 million.

Financing Activities

Fiscal 2017

Net cash used in financing activities in Fiscal 2017 was ₹ 1,241.44 million which primarily consisted of interest paid amounting to ₹ 1,442.68 million, repayment of long-term borrowings of ₹ 458.20 million and dividends paid on equity shares of ₹ 40.00 million. This amount was partly offset by proceeds from long-term borrowings amounting to ₹ 691.73 million.

Fiscal 2016

Net cash used in financing activities in Fiscal 2016 was ₹ 2,353.44 million which primarily consisted of interest paid amounting to ₹ 1,406.21 million, repayment of long-term borrowings of ₹ 661.55 million and repayment of short-term borrowings of ₹ 288.52 million. This was partly offset by proceeds from issue of share capital to minority amounting to ₹ 37.89 million and proceeds from long-term borrowings amounting to ₹ 20.49 million.

Fiscal 2015

Net cash from financing activities in Fiscal 2015 was ₹ 321.26 million which primarily consisted of proceeds of short-term borrowings amounting to ₹ 2,245.58 million. This was partly offset by interest paid amounting to ₹ 1,458.07 million and repayment of long-term borrowings amounting to ₹ 534.29 million.

Indebtedness

As of March 31, 2017, we had long term borrowings of ₹ 643.73 million and short term borrowings of ₹ 15,130.40 million. The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2017, and our repayment obligations in the periods indicated:

Particulars	As of March 31, 2017				
	Payment due by period				
	Total	Not later than 1 year	1-3 years	3 -5 years	More than 5 years
	(₹ million)				
Long term borrowings					
Secured	985.22	341.49	455.45	56.78	131.5
Unsecured	-	-	-	-	-
Total long term borrowings	**985.22**	**341.49**	**455.45**	**56.78**	**131.5**
Short Term Borrowings					
Secured	15,106.07	15,106.07	-	-	-
Unsecured	24.33	24.33	-	-	-
Total Short Term Borrowings	**15,130.40**	**15,130.40**	**-**	**-**	**-**

As of March 31, 2017, our total borrowings (excluding interest accrued but not due on borrowings) was ₹ 16,115.63 million, representing a debt to equity ratio of 2.46. For further information on our indebtedness, see "Financial Statements – Note 5 – Long-Term Borrowings" and "Financial Statements – Note 8 – Short-Term Borrowings".

As of September 30, 2017, our total borrowings was ₹ 14,836.72 million, representing a net debt to equity ratio of 2.05. For further information on our indebtedness, see "Risk Factors - Our substantial indebtedness and the conditions imposed by our financing and other agreements could adversely affect our ability to conduct our business and operations."

Contingent Liabilities and Commitments

As of March 31, 2017, our contingent liabilities were as follows:

Particulars	As of March 31, 2017
	(₹ million)
Contingent liabilities	
Income tax demands	283.82
Guarantees given by the Group	222.91
FCI demand for differential price/ freight/ taxes	33.90
Claims against the Group	3.53
Duty saved against EPCG licenses	105.40
Total	**649.56**
Commitments	
Estimated amount of contracts remaining to be executed on capital account (net of advances)	22.76

For further information on our contingent liabilities, see "Financial Statements – Note 28 – Contingent Liabilities (to the extent not provided for)".

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2017, aggregated by type of contractual obligation:

Particulars	As of March 31, 2017				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
	(₹ million)				
Obligations under capital leases	22.76	22.76	-	-	-
Capital commitments	-	-	-	-	-
Non-cancellable operating lease obligations	-	-	-	-	-
Purchase obligations	-	-	-	-	-
Other long-term liabilities	-	-	-	-	-
Total Contractual Obligations	22.76	22.76	-	-	-

Capital Expenditure

In Fiscal 2015, 2016 and 2017, our capital expenditure were ₹ 552.72 million, ₹ 536.77 million and ₹ 867.39 million, respectively.

INTEREST COVERAGE RATIO

The following tables set forth our interest coverage ratio, as of the dates indicated:

March 31, 2015	March 31, 2016	March 31, 2017
(Indian GAAP)		
1.77	1.85	2.34

September 30, 2017
(Ind AS)
2.69

RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business including issue of compulsorily convertible preference shares, rent/ lease charges paid, loans given/repaid, trade advances taken/repaid and expenses paid / received, etc. For further information relating to our related party transactions, see "Financial Statements".

AUDITORS QUALIFICATION AND MATTERS OF EMPHASIS

There are no qualifications highlighted by the auditors in their reports to our financial statements for Fiscal 2015, 2016 and 2017, and in their report to the Ind AS Unaudited Financial Statements. The auditors have however highlighted the following matters of emphasis in their audit reports relating to the Audited Indian GAAP Financial Statements for Fiscal 2015, 2016 and 2017, and in the Ind AS Unaudited Financial Statements as of and for the six months ended September 30, 2017. For further information, see "*Financial Statements*" on page 232.

Six Months ended September 30, 2017

Note 7 in the Unaudited Ind AS Consolidated Financial Results for the six months ended September 30, 2017 which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments with respect to its assessment of recovery of the insurance claim in the books of the subsidiary, Daawat Foods Limited (DFL). On June 7, 2014, a major fire occurred in DFL, resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 1,799.14 million. DFL has filed an insurance claim with the insurance company amounting to ₹ 1,897.10 million and had recognized insurance claim to the extent of net books value of ₹ 1,781.05 million in the books of account. The insurance company has repudiated the insurance claim by its order dated February 4, 2016. On the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by our management, as matter of prudence a loss of ₹ 440.00 million had been recorded, against the claim amount recoverable from the insurance company. DFL has filed a civil suit against the repudiation of the insurance claim and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim. The auditors had invited attention to the aforementioned issue as emphasis of matter in their audit report for year ended March 31, 2017 and quarter ended June 30, 2017 respectively.

Fiscal 2017

Note 35 in the Audited Indian GAAP Consolidated financial Statements for the Fiscal 2017 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 our Company's subsidiary, DFL resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 1,799.14 million. DFL has filed an insurance claim with the insurance company amounting to ₹ 1,897.10 million and had recognized insurance claim to the extent of net books value of ₹ 17,79.58 million (net of salvage value of goods of ₹ 22.49 million) in the books of account. The insurance company has repudiated the insurance claim by its order dated February 4, 2016. On the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by our management, as matter of prudence a loss of ₹ 440.00 million had been recorded, against the claim amount recoverable from the insurance company. DFL has filed a civil suit against the repudiation of the insurance claim and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim. The auditors had invited attention to the aforementioned issue as an emphasis of matter as an exceptional item in the consolidated financial statements.

Fiscal 2016

Note 36 in the Audited Indian GAAP Consolidated Financial Statements for Fiscal 2016 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 Company's subsidiary, DFL resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 1,799.14 million. DFL has filed an insurance claim with the insurance company amounting to ₹ 1,897.10 million and had recognized insurance claim to the extent of net books value of ₹ 17,79.58 million (net of salvage value of goods of ₹ 22.49 million) in the books of account. The insurance company has repudiated the insurance claim by its order dated February 4, 2016. DFL 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 as matter of prudence a loss of ₹ 440.00 million had been against the claim amount recoverable from the insurance company in the previous year, which has been disclosed as exceptional item in the consolidated financial statements.

Fiscal 2015

Note 36 in the Audited Indian GAAP Consolidated financial Statements for the Fiscal 2015 describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments with respect to recognition of insurance claim against loss of inventory by fire in respect of the Company's subsidiary, DFL. On June 7, 2014, a major fire occurred in one of the subsidiary company, DFL, resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 1,799.14 million. DFL has filed an insurance claim with the insurance company amounting to ₹ 1,897.10 million and had recognized insurance claim to the extent of net books value of ₹ 1799.14 million in the books of account. Receivables have subsequently been reduced by an amount of ₹ 22.49 million realised on sale of salvaged goods. The insurance company is in the process of completing its assessment and is yet to conclude on this matter. Basis opinion from an independent legal lawyer and other developments, the Company is confident of successful recovery of the said claim amount and therefore, no adjustment to the carrying values of amount recoverable is considered necessary in the financial statement.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

Interest rates for borrowings have been volatile in India in recent periods. Our operations are funded to an extent by debt, and increases in interest expense may have an adverse effect on our results of operations and financial condition. Our current debt facilities carry interest at variable rates as well as fixed rates. Although we engage in interest rate hedging transactions or exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Inflation Risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. The annual rate of inflation was at 1.88% (provisional) for the month of July 2017 (over July 2016) as compared to 0.90% (provisional) for June 2017 and 0.63% during the corresponding month of the previous year. *(Source: Index Numbers of Wholesale Price in India, Review for the month of July 2017, by Government of India, Ministry of Commerce and Industry)* Any increase in our employee benefit payments or expected salary or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under customer contracts, primarily a failure to make required payments on amounts due to us, leading to a financial loss.

Liquidity Risk

Adequate and timely cash availability for our projects under implementation and our operations is the liquidity risk associated with our operations.

Market Risk

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, commodity prices, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, foreign currency payables and debt.

Foreign Exchange Rate Risk

Changes in currency exchange rates influence our results of operations. A significant portion of our revenues, particularly relating to our export sales, is denominated in currencies other than Indian Rupees, most significantly the U.S. Dollar. Similarly, a significant portion of our expenses, including cost of any imported equipment or machinery, freight costs and other operating expenses in connection with our capital expenditure, are denominated in currencies other than Indian Rupees. Although we enter into hedging transactions to minimize our currency exchange risks, there can be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other relevant foreign currencies. For further information, see " – *Factors Affecting Results of Operations and Financial Condition – Foreign exchange fluctuations*" on page 77.

Commodity Price Risk

We are subject to market risks related to the volatility in the price of our raw materials like paddy, bardana, unpolished rice. Market forces generally determine prices for our products that we sell both within and outside India. Our financial results can be affected significantly by fluctuations in these prices, which depend on many factors, including the monsoon, global supply and demand, manufacturing costs (including the costs of raw materials), changes in the economy, global production levels, global inventory levels and disruptions in the supply chain.

UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS

Except as described in this Placement Document, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

KNOWN TRENDS OR UNCERTAINTIES

Other than as described in this Placement Document, particularly in the sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45 and 75, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

FUTURE RELATIONSHIP BETWEEN COST AND INCOME

Other than as described elsewhere in the sections "*Risk Factors*", "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45, 136 and 75, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

SEASONALITY OF BUSINESS

We are largely dependent on the agricultural industry for our key raw materials including, paddy and rice. Paddy is a seasonal crop in India, and the availability of paddy as a raw material is therefore seasonal and cyclical in nature. Agricultural industry is largely dependent on various factors including monsoon and weather conditions. Adverse weather conditions and abnormal monsoon may ruin crops, and subsequently increase the prices of our raw materials which can have an adverse effect on our results of operations. For instance, inclement weather, such as heavy monsoons, may delay or disrupt the harvest of paddy for the particular crop period.

Some of our customers may also have businesses which may be seasonal in nature and a downturn in demand for our products by such customers could affect our revenues during such periods.

SIGNIFICANT DEPENDENCE ON A SINGLE OR FEW CUSTOMERS OR SUPPLIERS

Other than as described in this Placement Document, particularly in sections "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 45 and 75, respectively, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

COMPETITIVE CONDITIONS

We operate in a competitive environment. See sections, "*Business*", "*Industry Overview*" and "*Risk Factors*" on pages 136, 128 and 45, respectively.

SIGNIFICANT DEVELOPMENTS AFTER SEPTEMBER 30, 2017 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

Except as disclosed in this section including under "– *Principal Factors Affecting Our Results Of Operations*" and "*Business*" on pages 77 and 136, respectively, to our knowledge no circumstances have arisen since September 30, 2017, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SUMMARY OF CERTAIN DIFFERENCES AMONG INDIAN GAAP AND IND-AS

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
1 i)	Corporate Information	The financial results of LT Foods Limited ("Parent Company" or "the Company"), together with its subsidiaries, associates and joint ventures (hereinafter collectively referred to as the "Group") are consolidated to form consolidated financial results (the "Consolidated Financial results"). LT Foods Limited is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. LT Foods Limited is primarily in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. LT Foods Limited operations include procurement, storage, processing, packaging and distribution. LT Foods Limited is also engaged in research and development to add value to rice and rice food products. The Group's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavored rice in the ready to cook segment.	-Newly Added-
1 ii)	Basis of Preparation	The consolidated financial results of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, and recognition and measurement principles laid down in Ind AS 34, Interim Financial Reporting, and SEBI Circulars CIR/IMD/DF1/9/2015 dated 27 November 2015 and CIR/IMD/DF1/69/2016 dated 10 August 2016. The Group had prepared the Opening Ind AS balance sheet as at 1 April 2016 using the exemption and exceptions provided under Ind AS 101, First time adoption of Indian Accounting Standards. The exemptions availed by the Group are presented with the respective accounting policies. The financial results have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount: • Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments), • Property, plant and equipment and intangible assets have been carried at deemed cost on the date of transition using the optional exemption allowed under Ind AS 101.	-Newly Added- 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
1 iii)	Basis of Consolidation	**Subsidiaries** Subsidiaries are entities controlled by the Group.	The financial statements of LT Foods Limited ("Parent Company" or the "Company"), together with its subsidiaries,

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial results of subsidiaries are included in the consolidated financial results from the date on which control commences until the date on which control ceases. **Non-controlling interests** NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. **Loss of control** When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss. **Equity accounted investees** The Group's interests in equity accounted investees comprise interests in associates and joint ventures. An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases. **Transactions eliminated on consolidation** Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.	associates and joint venture (hereinafter collectively referred to as the "Group") are consolidated to form consolidated financial statements (the "Consolidated Financial Statements"). The consolidated financial statements have been combined on a line-by-line basis by adding the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances/transactions and unrealised profits in full. The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the Parent Company and its share in the post-acquisition increase/ decrease in the reserves of the consolidated entities. An investment in an associate has been accounted for by the equity notified method of consolidation from the date on which it falls within the definition of associate in accordance with Accounting Standard – 23, "Accounting for Investments in Associates in Consolidated Financial Statements". Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures". Intra group balances, intra-group transactions and unrealised profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered. Minority interest in (profit)/ loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the parent. The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
			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.
1 iv) a)	Significant Accounting Policies: Use of Estimates	The preparation of the consolidated financial results in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial results and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial results in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial results.	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.
1 iv) b)	Significant Accounting Policies: Current versus non-current classification	The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is: • Expected to be realised or intended to be sold or consumed in normal operating cycle • Held primarily for the purpose of trading • Expected to be realised within twelve months after the reporting period, or • Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current. A liability is current when: • It is expected to be settled in normal operating cycle • It is held primarily for the purpose of trading • It is due to be settled within twelve months after the reporting period, or • There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12	- Newly Added -

<table>
<tr><th>S. No.</th><th>Poliy Name</th><th>As per Ind-AS (New)</th><th>As per I-GAAP (Old)</th></tr>
<tr><td></td><td></td><td>months for the purpose of current or non-current classification of assets and liabilities.</td><td></td></tr>
<tr><td>1 iv) c)</td><td>Significant Accounting Policies:

Inventories</td><td colspan="2">-No Change-</td></tr>
<tr><td>1 iv) d) & e)</td><td>Significant Accounting Policies:

Property, Plant and Equipment & Intangibles</td><td>a) Property, Plant and Equipment

Recognition and initial measurement

Under the previous GAAP (Indian GAAP), property plant and equipment were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any). Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward these carrying value of PPE under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of fixed assets that are not yet ready for their intended use at the reporting date. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 or the management estimate of the useful life of the asset, as described below. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Based on internal assessment and independent technical evaluation carried out by external valuer, the management has re-estimated the useful life of Silos included in Plant and Machinery from 15 years to 40 years with effect from 1 April 2016. The management believes that the useful life represents the period over which the assets are expected to be used. The useful life of this asset is different from the useful life as prescribed under part C of schedule II of the Companies Act, 2013.</td><td>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.

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

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

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

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

<table><tr><th>Assets description</th><th>Useful life in years</th></tr><tr><td>Buildings</td><td>15 to 39 and ½ years</td></tr><tr><td>Plant and Machinery</td><td>4 to 10 years</td></tr></table></td></tr>
</table>

<table>
<tr><th>S. No.</th><th>Poliy Name</th><th>As per Ind-AS (New)</th><th>As per I-GAAP (Old)</th></tr>
<tr><td></td><td></td><td>
The residual values, useful lives and method of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

<table>
<tr><th>Assets description</th><th>Useful life in years</th></tr>
<tr><td>Buildings</td><td>15 to 39 and ½ years</td></tr>
<tr><td>Plant and Machinery</td><td>4 to 10 years</td></tr>
<tr><td>Furniture, Fixtures and office equipment</td><td>4 to 10 years</td></tr>
<tr><td>Vehicles</td><td>4 to 10 years</td></tr>
</table>
De-recognition

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

b) Intangible Assets

Recognition and initial measurement

Using the deemed cost exemption available as per Ind AS 101, the Group has elected to carry forward the carrying value of intangible assets under Indian GAAP as on 31 March 2016 as book value of such assets under Ind AS as at the transition date i.e. 1 April 2016.

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

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Subsequent measurement
</td><td>
<table>
<tr><td>Furniture, Fixtures and office equipment</td><td>4 to 10 years</td></tr>
<tr><td>Vehicles</td><td>4 to 10 years</td></tr>
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S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		Subsequently the intangible assets are amortized over the useful life as estimated by the management. Goodwill is not amortized and is tested annually for impairment. **Intangible assets** — **Useful life in years** Brands/ Trademarks — 7 to 20 years Customer relationships — 7 to 15 years Non-compete agreement — 5 to 10 years Intellectual property — 7 years Computer software — 3 years *De-recognition* Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.	
1 iv) f)	Significant Accounting Policies: Impairment of non-financial Assets (formerly known as "Impairment of assets")	The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations are recognised in the statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised	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.

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.	
1 iv) g)	Significant Accounting Policies: Functional and Presentation currency (formerly known as "Foreign Currency Transaction")	The financial results are presented in Indian Rupees (INR), which is also the Parent Company's functional currency. Each entity within the group assesses its functional currency separately. **Foreign Currencies** **Transactions and balances** **Initial recognition** Transactions in foreign currencies are initially recorded by the Group at its functional currency spot rates at the date the transaction first qualifies for recognition. **Subsequent measurement** Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). The assets and liabilities of foreign entities within the group including goodwill and fair value adjustments arising on acquisition having functional currency other than the reporting currency of the Group, are translated into the reporting currency of the Group, at the exchange rates at the reporting date. The income and	Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise. Monetary assets and liabilities that are denominated in foreign currency are translated at the exchanged rate prevailing at the date of balance sheet. The resulting difference is also recognized in the statement of profit and loss. The exchange differences arising on forward contracts to hedge foreign currency risk of an underlying asset or liability existing on the date of the contract are recognised in the statement of profit and loss of the period in which the exchange rates change, based on the difference between: i) foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and ii) the same foreign currency amount translated at the latter of the date of the inception of the contract and the last reporting date, as the case may be. Any profit or loss arising on cancellation or renewal of forward foreign exchange contracts is recognised as income or expense for the year upon such cancellation or renewal. Till the year ended March 31, 2016 Forward exchange contracts entered to hedge the foreign currency risk of highly probable

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction. In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2016, in respect of all foreign operations to be nil at the date of transition. From 1 April 2016 onwards, such exchange differences are recognized in OCI and accumulated in equity (as exchange differences on translating the financial results of a foreign operation), except to the extent that the exchange differences are allocated to NCI. When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognized in OCI is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.	forecast transactions and firm commitments are marked to market (MTM) at the balance sheet date if such mark to market results in exchange loss. Such exchange loss is recognised in the profit and loss account immediately. Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in Accounting Standard 1-Disclosure of Accounting Policies. As per Guidance Note on "Accounting for Derivative Contracts" (the 'Guidance Note') applicable effective April 1, 2016, MTM gains on Derivative contracts are also to be adjusted with the opening reserves as at April 1, 2016. The Company classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations". The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average quarterly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the "Foreign currency translation reserve". On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.
1 iv) h)	Significant Accounting Policies: Fair Value Measurement	Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: • In the principal market for the asset or liability, or • In the absence of a principal market, in the most advantageous market for the asset or liability The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability,	- Newly Added -

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial results are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole: Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable For assets and liabilities that are recognized in the financial results on a recurring basis, group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case. For the purpose of fair value disclosures, group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. • Disclosures for valuation methods, significant estimates and assumptions • Quantitative disclosures of fair value measurement hierarchy • Investment in unquoted equity shares • Financial instruments	
1 iv) i)	Significant Accounting Policies: Revenue Recognition	Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at fair value of the consideration received or receivable, after	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:**

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as sales tax, value added tax, etc. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The Group applies the revenue recognition criteria to each separately identifiable component of the sales transaction as set out below: **Sale of goods** Revenue from sale of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is neither continuing managerial involvement with the goods nor effective control over the goods sold, it is probable that economic benefits will flow to the Group, the costs incurred or to be incurred in respect of the transaction can be measured reliably and the amount of revenue can be measured reliably. **Rental income** Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognized in the statement of profit and loss on a straight line basis over the lease term unless the escalation rate does not matches up in line with the increase in the inflation rate. **Service charges** Income from service charges is recognized on accrual basis in accordance with the terms of the contract entered into in respect thereof. **Dividend income** Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend. **Interest Income** Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. For all Financial Assets measured at amortised cost (refer 'k' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or	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:** Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognised in the statement of profit and loss on a straight line basis over the lease term. **Interest:** Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable rate of interest. **Service charges:** Income from service charges is recognised on accrual basis in accordance with the terms of the contract entered into in respect thereof. **Dividend:** Income from dividend is recognised when the right to dividend has been established.

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		discounts if any, etc. **Service concession arrangements** Revenue related to construction or upgrade services provided under a service concession arrangement is recognized based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognizing revenue on construction contacts. Operation or service revenue is recognized in the period in which the services are provided by the Group. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss. **Income from services:** The Group derives its other operating revenue primarily from service charges and processing charges and the revenue from these services are recognized as revenue when the related services are rendered.	
1 iv) j)	Significant Accounting Policies: Borrowing Costs	Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate and other costs like finance charges in respect of the finance leases recognized in accordance with IND AS 17, that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.	Borrowing costs directly attributable to acquisition or construction of qualifying assets, which necessarily take a substantial period of time to get ready for their intended use are capitalised. Borrowing cost which are not relatable to qualifying assets are recognised as an expense in the period in which they are incurred.
1 iv) k)	Significant Accounting Policies: Financial Instruments (formerly	Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and	- New Point Added –

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
	known as “Investments”)	financial liabilities is described below. **Financial assets** **Classification and subsequent measurement** For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition: . **Financial assets at amortised cost –** a financial instrument is measured at amortised cost if both the following conditions are met: . • The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and • Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method. . **Financial assets at fair value** . • **Investments in equity instruments –** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the P&L. • **Mutual funds –** All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).	- New Point Added -

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		• **Derivative assets -** All derivative assets are measured at fair value through profit and loss (FVTPL). **De-recognition of financial assets** A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset. **Financial liabilities** **Subsequent measurement** After initial recognition, the financial liabilities, other than derivative liabilities, are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss. **Derivative liabilities -** All derivative liabilities are measured at fair value through profit and loss (FVTPL). **De-recognition of financial liabilities** A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss. **Offsetting of financial instruments** Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. **Impairment of financial assets** The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial	

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		recognition of the receivables.	
1 iv) l)	Significant Accounting Policies: Retirement and other employee benefits	- No Change-	
1 iv) m)	Significant Accounting Policies: Provisions (formerly known as "Contingent liabilities and provisions")	Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of Profit and Loss net of any reimbursement. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.	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 with in the control of the Group; or b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or c) present obligation, where a reliable estimate cannot be made.
1 iv) n)	Significant Accounting Policies: Earnings per share	The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue. Potential ordinary shares shall be treated as dilutive when, and only when, their conversion to ordinary shares would decrease earnings per share or increase loss per share from continuing operations.	- New Lines Added -
1 iv) o)	Significant Accounting Policies: Leases	The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition. **Group as a Lessee** A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified	Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term.

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss. Contingent rentals are recognised as expenses in the periods in which they are incurred. Lease management fees, legal charges and other initial direct costs are capitalized. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, except in case where lease rentals are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost. **Group as a Lessor** Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.	
1 iv) p)	Significant Accounting Policies: Taxes	**Current income tax** Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.	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

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. **Deferred tax** Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.	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.
1 iv) q)	Significant Accounting Policies:	When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of	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

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
	Government grants and subsidies	consumption of the benefit of the underlying asset i.e. by equal annual instalments	Reserve which can be neither distributed as dividend nor considered as deferred income.
1 iv) r)	Significant Accounting Policies: Share based payments (formerly merged in "Employee benefits")	The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled. Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions). All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium. For transactions between group entities, where the options are granted to employees of any of the group companies, the group company shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent.	The Parent company operates an equity-settled share-based plan for its employees. Where persons are rewarded using share-based payments, the fair values of services rendered by employees are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model at the respective measurement date. In the case of employees, the fair value is measured at the grant date. The fair value excludes the impact of non-market vesting conditions. All share-based remuneration is recognised as an expense in the statement of profit and loss with a corresponding credit to 'share option reserve'. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates and any impact of the change is recorded in the year in which change occurs. Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as securities premium reserve.
1 iv) s)	Significant Accounting Policies: Segment Reporting	Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. **<u>Identification of segments:</u>** In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. **<u>Allocation of common costs:</u>**	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 Group 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 Group as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

S. No.	Poliy Name	As per Ind-AS (New)	As per I-GAAP (Old)
		Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs. **<u>Unallocated items:</u>** Unallocated items include general corporate income and expense items which are not allocated to any business segment. **<u>Segment accounting policies</u>** The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial results of the Group as a whole.	
1 iv) t)	Significant Accounting Policies: Cash and Cash equivalents	- No Change -	
1 iv) u)	Significant Accounting Policies: Cash dividend distribution to equity holders	The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.	- Newly Added -

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from "Indian Basmati Rice Industry" dated September 2017 prepared and issued by ICRA Limited (the "**ICRA Report**") from various publicly available information, data and statistics derived from various government publications and industry sources, including publications of the Reserve Bank of India ("**RBI**") and reports that have been prepared by the World Bank that have the following disclaimer: "This is an adaptation of an original work by The World Bank. Views and opinions expressed in the adaptation are the sole responsibility of the author or authors of the adaptation and are not endorsed by The World Bank." Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.*

INDIAN ECONOMY

The Indian economy with a gross domestic product ("**GDP**") at current prices in Fiscal 2017 is estimated at ₹ 151,840 billion, showing a growth rate of 11.0% over the estimates of GDP for Fiscal 2016 of ₹ 136,820 billion (*Source: Press Note on Provisional Estimates of Annual National Income, 2016-2017 and Quarterly Estimates of Gross Domestic Product for the Fourth Quarter of 2016-2017, Central Statistics Officer, Ministry of Statistics and Programme Implementation, Government of India, May 31, 2017*). The Indian economy in fiscal 2017 was marked by moderate expansion and macroeconomic stability, low inflation, and improvement in current account and fiscal deficits due to negative impacts from the global slowdown and the transient impact of demonetization (*Source: Reserve Bank of India Annual Report 2016 - 2017*). Due to the slowdown in gross capital formation, the GDP growth in fiscal 2017 moderated, however, the Government and private consumption accelerated and held up aggregate demand. (*Source: Reserve Bank of India Annual Report 2016 - 2017*). The GDP at constant (fiscal 2012) prices in the first quarter of fiscal 2018 is estimated at ₹ 31,100 billion, showing a growth rate of 5.7% over the estimates of GDP in the first quarter of fiscal 2017 of ₹ 29,420 billion (*Source: Press Note on Estimates of Gross Domestic Product for the first quarter (April-June) 2017-2018, Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India, August 31, 2017)*. India's GDP growth slowed in fiscal 2016 amid disruptions due to demonetization and uncertainty leading up to the implementation of the Goods and Services Tax ("**GST**") in July 2017. *(Source: World Bank. 2017. "Growth out of the Blue." South Asia Economic Focus (October), Washington, DC: World Bank. Doi: 10.1596/978-1-4648-1213-2. License: Creative Commons Attribution CC BY 3.0 IGO*)

However, the outlook for growth in India in Fiscal 2018 has brightened, with the implementation of major policy reforms which would help to unlock bottlenecks to growth. (*Source: Reserve Bank of India Annual Report 2016 - 2017*). India's economic activity is expected to stabilize and maintain an annual GDP growth at 7% in fiscal 2018. India's growth is projected to increase gradually to 7.4% by Fiscal 2020, reinforced by a recovery in private investment, which is expected to increase due to rise in public capital expenditure and an improvement in the investment scenario partly due to the implementation of GST and the Insolvency and Bankruptcy Code, 2016, and favorable measures to attract foreign direct investment. (*Source: World Bank. 2017. "Growth out of the Blue." South Asia Economic Focus (October), Washington, DC: World Bank. Doi: 10.1596/978-1-4648-1213-2. License: Creative Commons Attribution CC BY 3.0 IGO*)

Consumer price inflation fell sharply in the first quarter of Fiscal 2018, driven down by a collapse in food inflation and a marked moderation in inflation in other components. However, the trajectory reversed in July 2017 and August 2017 as vegetable prices increased and prices of other goods and services compressed. CPI inflation is projected to pick up from 3.4% during August 2017 to 4.2% in the third quarter in fiscal 2018 and 4.6% in the fourth quarter of Fiscal 2018, reflecting the combined effects of unfavorable base effects, the upturn in food prices and the impact of the increase in the house rent allowances as announced by the GoI. Inflation is expected to increase and economic activity is expected to recover, with an improvement in the services sector. The Reserve Bank of India's baseline projections for inflation for the fourth quarter (year-on-year) in Fiscal

2018 and Fiscal 2019 is 4.6% and 4.5%, respectively, and for real gross value added growth is 6.7% and 7.4% in Fiscal 2018 and Fiscal 2019, respectively. (*Source: Reserve Bank of India – Monetary Policy Report, October 2017*)

The Union Budget 2017 announcements and the expectations of accelerated reforms and political stability further reinforced the overall positive business sentiment in India. The Union Budget 2017 reduced fiscal deficit from 3.9% of GDP in fiscal 2015 - 2016 to 3.5% in fiscal 2016 - 2017. Retail inflation measured by year-on-year variation in consumer price index declined by 2.18% in May 2017. (*Source: RBI - Financial Stability Report, June 2017*).

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments.

INDIAN BASMATI RICE INDUSTRY

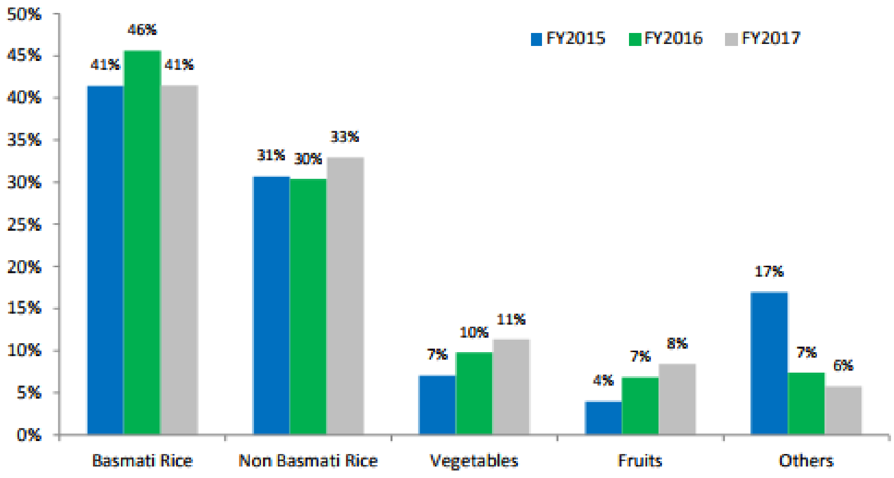
'Basmati' is the most premium variety of rice, with superior product characteristics. Being geographically indexed to the Himalayan sub-ranges, it can only be cultivated in India and Pakistan, which makes them the sole suppliers in the world. It is grown only once a year, in the kharif cropping cycle, sown in May-June and harvested in September-November. In India, the major Basmati rice-producing states are Punjab, Haryana and Uttar Pradesh, which together account for over 95% of the country's total Basmati rice production. The balance is contributed by Jammu & Kashmir and Uttarakhand. While a majority of the non-Basmati rice produced in consumed domestically (around 90%), a majority of the Basmati rice produced is exported (around 75%).

Global trade of Basmati rice, originating only through India and Pakistan, is estimated at around 4.5 million MT. Over the years, India has maintained its supremacy in the global Basmati rice trade, accounting for the majority share, which has increased steadily to around 90% in Fiscal 2017. India's Basmati rice production is estimated to be in the range of 5.8 million to 6.0 million tons, out of which around 4.0 million tons is exported, and the balance is consumed domestically. Increasing demand in the domestic market cushions against volatility in demand in the export market.

While the industry consists of several unorganized/ unlisted players, there are five major organized players in the basmati rice industry in India, namely, KRBL Limited, LT Foods Limited, Kohinoor Foods Limited, Lakshmi Energy & Foods Limited and Chaman Lal Setia Exports Limited. These entities recorded an aggregate net worth of ₹ 33.13 billion in Fiscal 2017, compared to an aggregate net worth of ₹ 27.33 billion in Fiscal 2014. The aggregate profit after tax margin as recorded by these entities in Fiscal 2017 was 4.5%, higher than the profit after tax margin of 4.1% as recorded in Fiscal 2014.

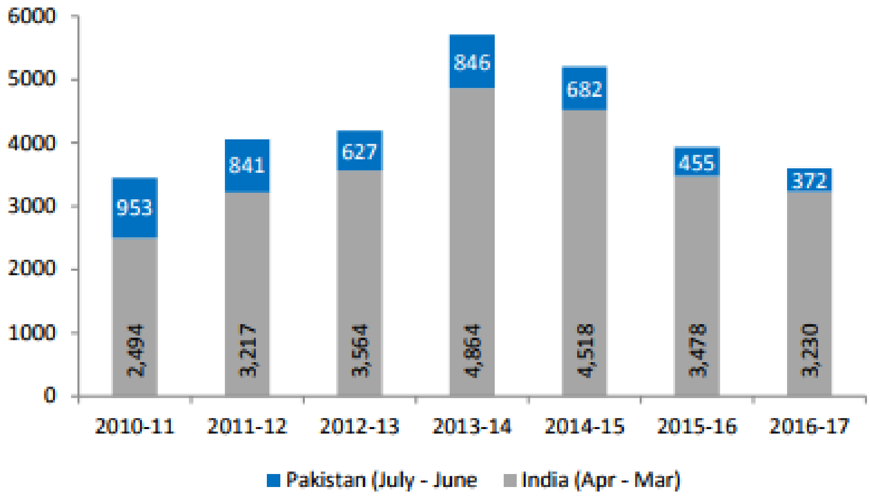
EXPORT OF BASMATI RICE

India is amongst the largest producers of agro-products in the world. The key products exported from India are Basmati and non-Basmati rice, vegetables and fruits. Other agro products include floriculture, seeds, dry fruits and some cereals. India's total agro product exports was ₹ 520.69 billion in Fiscal 2017; however, almost 75% of the same was contributed by the sale of rice (both Basmati and non-Basmati) as reflected below:



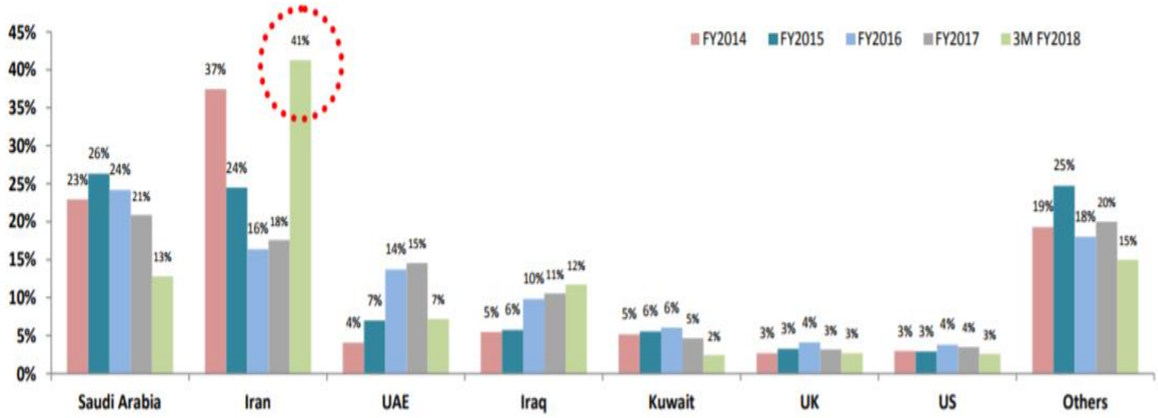
Source: DGFT Data Bank, ICRA research

India and Pakistan are the only two Basmati rice producers/ exporters in the world. Thus there has been a strong focus on Basmati rice exports, which has grown over the years, especially driven by strong demand from the west Asian countries. India has always been a much larger Basmati exporter compared to Pakistan and the gap has only widened further over the years. This has been driven by efforts towards development of suitable varieties (hybrid varieties having better yield and low inputs requirement), adoption of modern technology for rice processing, and liberalization of trade policy and licensing procedures. The situation in Pakistan, to an extent is reverse, with falling yields on account of lower focus on research and crop development/ protection, as well as declining area under cultivation. As a result, Basmati rice exports from Pakistan have declined steadily in recent years.



Source: ICRA Research

A majority of India's Basmati rice is exported to the Middle East followed by the United States and United Kingdom. The following chart represents the key export markets for India's Basmati rice industry:

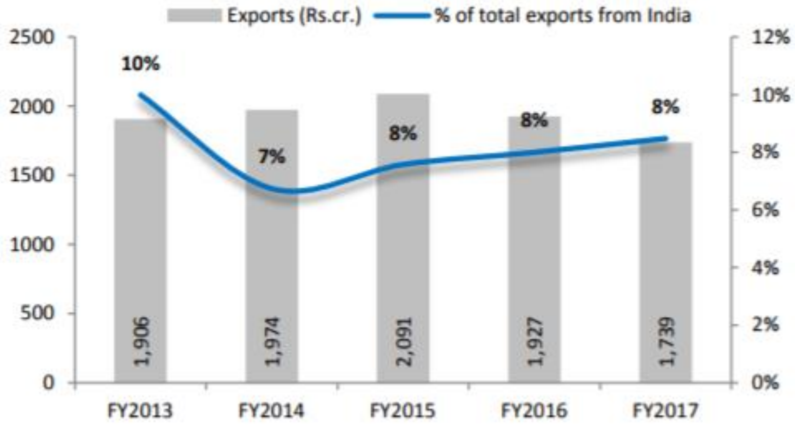


Source: ICRA research, DGFT Data Bank

Countries in the Middle East are the biggest importers of Basmati rice, and also the source of volatility in demand. Demand from Iran, the second largest export destination for India, has been the most volatile. Iran's rice consumption is estimated at around 3 million tons per annum, which is met through their domestic rice production of around 2 million tons per annum and the balance through imports. Basmati rice export volumes to Iran have increased from 0.2 million tons in Fiscal 2009 to 1.4 million tons in Fiscal 2014, before declining to 0.70 million tons in Fiscal 2016. Post the implementation of the rupee payment mechanism through UCO Bank to facilitate trade between India and Iran, Basmati rice exports to Iran surged over Fiscal 2013 and Fiscal 2014 and it emerged as the largest importer (around 37%) of Basmati rice from India. However, since then, Iran has intermittently imposed a ban on Basmati import in order to safeguard the marketability of its local rice crop and also to keep its rice inventory under check. This has resulted in lower Basmati rice imports by Iran in recent years, and increased volatility on account of import bans imposed by Iran from time to time. Iran's trade policies have significantly impacted the demand for Indian Basmati, which in turn has affected the financial health, especially for smaller exporters.

In the first quarter of Fiscal 2018, Iran has been the primary contributor towards growth in industry exports – contributing 41% to the aggregate amount of exports. However, Iran has again discontinued importing Basmati rice from India from August 2017. Resumption of imports by Iran, which is anticipated around the procurement season, would be critical for the overall demand for Basmati rice. Any delay in resuming such import dampen the paddy procurement in the upcoming season as well as subdue the exports outlook for the first and second quarters of Fiscals 2018 and 2019. This is especially material in the light of decline in volume sales from other key market such as Saudi Arabia where export volumes declined from 0.97 million tons in Fiscal 2015 to 0.81 million tons in Fiscal 2017.

The European Union (EU) is a key market for the industry, accounting for around 8% of the total Basmati rice exports from India. The following chart represents the trend of exports to the European Union over the past five Fiscal years:



Source: ICRA research, DGFT Data Bank

Recently the EU has issued new regulations pertaining to chemical residues in Basmati rice imports. The regulations pertain to the residue level of a fungicide named Tricyclazole, which is commonly used by farmers for crop protection. A fungicide is a specific type of pesticide that controls fungal disease by specifically inhibiting or killing the fungus causing the disease. Tricyclazole is a compound produced by Dow Chemicals and consumed by various formulators to manufacture fungicide formulations under various brands. Based on its internal food safety standards and trade policy, EU so far, has allowed a maximum residue limit (MRL) of 1 ppm (parts per million). However, it has recently issued new guidelines as per which, from January 1, 2018, Basmati rice imports with an MRL above 0.01 ppm will not be accepted. The industry participants have requested for the Indian Government's intervention in this matter. Moreover, industry participants are also working closely with the farmers to bring about conformity with these revised regulations. The industry's ability to adhere to these new guidelines and their impact on Basmati rice exports to EU, if any, remains to be seen.

Basmati rice export realizations are driven by two key factors – paddy prices (input cost) and international demand. Fiscal 2017 witnessed the third consecutive year of decline in value of Basmati rice exports from India, despite the volumes holding firm, as realizations remained under pressure. The pressure on Basmati rice prices is driven by lower demand in the global market as well as lower paddy prices over the procurement season of Fiscal 2015 and Fiscal 2016. However, there has been a rebound in the current fiscal with the first quarter witnessing 32% growth in exports – driven both by increase in realizations (25%) and increase in volumes (7%).

In the past, an increasing trend for these two factors pushed up average realizations from ₹ 48,448 per MT in Fiscal 2011 to ₹ 77,988 per MT in Fiscal 2014. However, in the past few years, higher volatility in paddy prices and moderation in demand (primarily due to fluctuating demand from Iran, the largest importer) has exerted continuous pressure on average realizations, which have declined further to ₹ 54,011 per MT in Fiscal 2017. However, in the current fiscal, there has been an improvement in demand in the export market (strong demand from Iran), which, coupled with higher paddy prices during the last procurement season have pushed up export realizations.

DOMESTIC CONSUMPTION

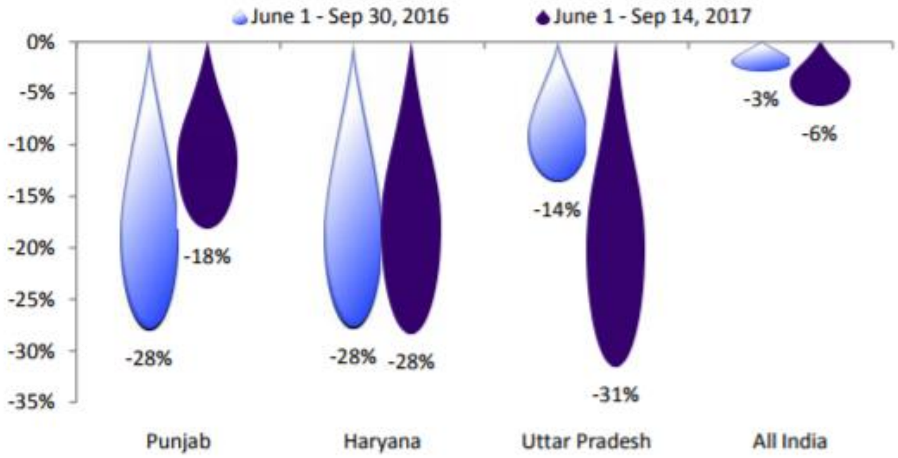
There has been a strong focus on Basmati rice exports, which has grown over the years, especially driven by strong demand from the west Asian countries. However, in recent years, the domestic demand for Basmati rice has also grown on the back of rising disposable incomes and a shift towards premium products. It is fairly challenging to establish brands in the export market, given that a majority of the buyers do bulk purchases and have access to several sellers. However, most established industry participants have made efforts to establish their own brands in the domestic market. This, coupled with the increased penetration of modern retail format stores and greater marketing push by the companies, has aided the growth of basmati rice consumption in the domestic market. India's Basmati rice production is estimated to be in the range of 5.8 million to 6.0 million tons, out of which around 4.0 million tons is exported, and the balance is consumed domestically. Increasing demand in the domestic market cushions against volatility in demand in the export market.

PADDY PROCUREMENT

Various Basmati rice varieties require prolonged sunshine, high humidity and assured water supply. Basmati varieties with superior cooking and eating characteristics can be produced if the crop matures in relatively cooler temperatures. Hence this rice is primarily grown in the North of India. However, production tends to be cyclical, as farmers have the flexibility to switch between basmati and non-basmati cultivation. During any season, increase in prices makes Basmati paddy more remunerative for farmers, thus encouraging higher Basmati paddy cultivation, thereby resulting in an increased supply in the consequent season. This in turn, depresses the price, thereby erasing gains and shifting farmers away from basmati paddy cultivation. Consequently, the reduction in supply pushes up prices.

Basmati paddy prices declined in the procurement season of Fiscal 2015 and Fiscal 2016 on account of the relatively increased production and the subdued demand in the international market. However, Basmati paddy prices increased by 20% to 25% across varieties in the last procurement season (October – December 2016) on the back of relatively lower production as well as some recovery in demand in the international market. The trend continued as Basmati paddy prices continued to rise even beyond the procurement season (February to May 2017) due to improved market sentiments. This was driven by strong demand for Basmati rice from its key importing country – Iran, which imported sizeable quantities of Basmati rice till July 2017. Since then, the price has softened, but the opening price in the oncoming procurement season may suggest the trend.

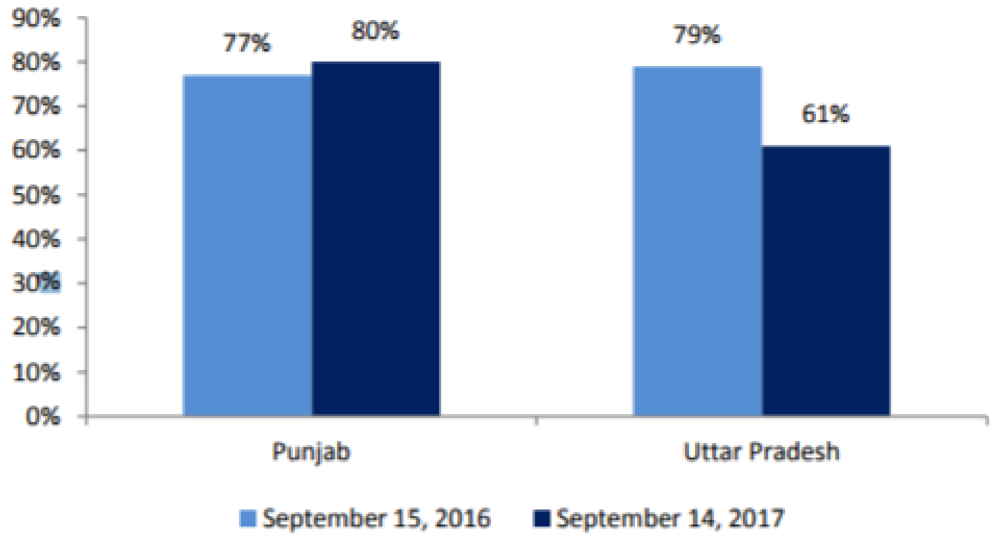
Basmati rice in India is grown in the states of Punjab, Haryana, Uttar Pradesh, Uttarakhand and Madhya Pradesh. However, Punjab, Uttar Pradesh and Haryana account for almost 95% of the total production. As per early estimates, paddy sowing in these states has decreased by 10% to 15% in the current fiscal, primarily due to lower rainfall received in these states as demonstrated below.



Source: India Meteorological Department, Central Water Commission, ICRA Research

Over the period from June 1, 2017 to September 14, 2017, while Punjab received normal rainfall, Uttar Pradesh and Haryana have been experiencing a rain deficit status. Rainfall during the early parts of the monsoon season (when Basmati paddy is sowed) was relatively lower. Haryana does not have water reservoirs as the state does not have any perennial rivers to feed the same over the year, and is dependent on receiving water from neighboring states through canals. In case of Punjab, while the level of water in the reservoir at the end of the monsoon season is slightly higher than the corresponding period in the previous year, it is considerably lower in case of Uttar Pradesh.

The following diagram represents the reservoir levels of the states of Punjab and Uttar Pradesh:



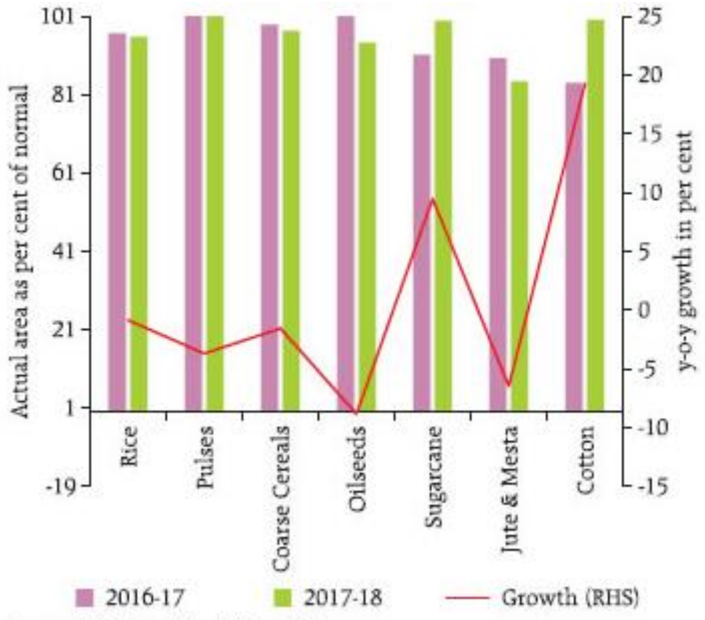
Source: ICRA Research

The monsoon shortfall as well as lower reservoir levels can translate into lower paddy production. Thus the paddy prices are likely to remain firm in the upcoming procurement season, with an increase of up to 5%. While this should support the Basmati rice prices for the first two quarters of Fiscal 2018 and Fiscal 2019, it can adversely impact the profitability of operators in case demand declines, especially from international customers.

As basmati paddy is cultivated only once a year, most industry participants procure a majority of their annual basmati paddy requirement during the procurement season (October to December). While some varieties of Basmati rice are held for 12 months to 36 months for ageing purposes (which fetches higher realizations), hybrid varieties, which are either steamed or parboiled, are not required to be aged. Coupled with volatility witnessed in paddy and Basmati rice prices in recent years, most established industry participants, as against procuring majority of their annual paddy requirement during the procurement season, have now deferred part of their procurement for the remaining months of the year. A number of small to medium-sized millers procure limited amount of paddy during the procurement season and mill it into raw unprocessed rice. However, since these players do not have the financial muscle and adequate market reach, their raw rice is bought by established/ larger industry participants as and when required. As a result, established players are able to partly insulate themselves against price volatility, by passing it on to these small to medium-sized millers to an extent. Over the years, the procurement of milled unprocessed rice as a percentage of total rice milled/ processed has increased for the industry participants.

During Fiscal 2018, although kharif sowing started on a high note, the momentum slowed down in August due to a lull in the south-west monsoon and decline in wholesale prices of major food items across mandis on account of the bumper harvest. In terms of crops, sown area was lower in the case of rice, coarse cereals, oilseeds pulses and jute and mesta, but it was higher in the case of sugarcane and cotton. (*Source: RBI Monetary Policy Report – October 2017, available at www.rbi.org.in*)

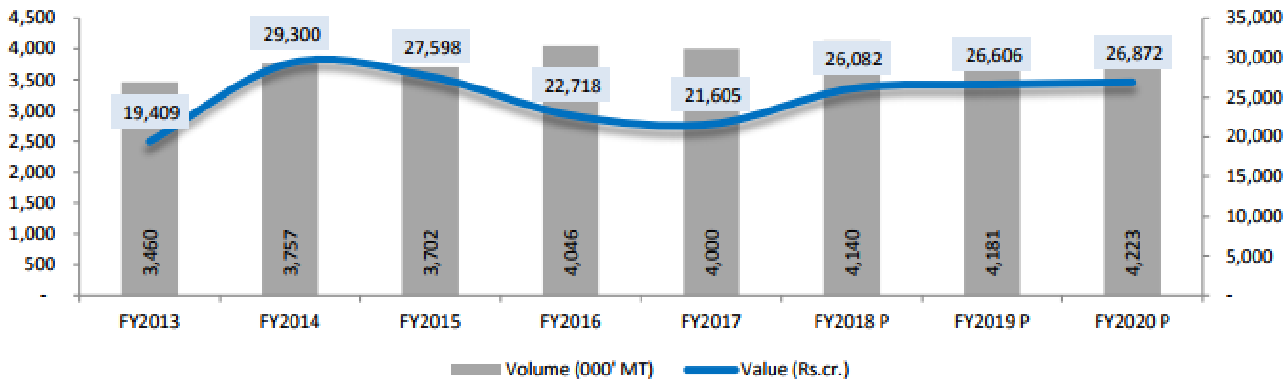
The following chart demonstrates the growth and acreage of key crops grown in Fiscal 2018 as compared to Fiscal 2017.



Source: Ministry of Agriculture, GoI.

INDUSTRY OUTLOOK

India exported 4.0 million MT of Basmati rice worth ₹ 216.05 billion in Fiscal 2017. In line with the trend witnessed in the first quarter of the current fiscal, ICRA research expects the volume sales in Fiscal 2018 to be around 4.1 million MT (higher by 4% over Fiscal 2017). Improved demand in the international market (primarily due to strong buying by Iran), higher paddy prices in the last procurement season and likelihood of paddy prices remaining firm in the upcoming procurement season, are expected to push up the average realizations considerably in Fiscal 2018, as already witnessed in the first quarter of Fiscal 2018. As a result, export value is expected to grow to around ₹ 260.00 billion in Fiscal 2018, a growth of 21% over Fiscal 2017. However, as Iran has largely stopped importing Basmati rice from India from August 2017, resumption of imports by Iran around the procurement season time will be crucial in driving the industry growth in the current fiscal. In case this does not happen, the growth registered in the current fiscal thus far is likely to get moderated.



Source: ICRA Research

The outlook for the Indian Basmati rice industry is stable, supported largely by improvement in demand in the international market in the first quarter of the current fiscal. Also a growing domestic market provides cushion to the industry participants against export market demand volatility. These factors, coupled with firming up of paddy prices in the last procurement season have pushed up the average realizations in the current fiscal. Moreover, given the likelihood of paddy prices opening up firm in the upcoming season and sustenance of improved demand in the export market for the rest of the year, Basmati rice prices are likely to stay firm for the rest of the year.

BUSINESS

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 14 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations — Principal Factors Affecting Our Results Of Operations" on pages 45 and 77, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the 12 months ended March 31 of that year. In this section, unless the context otherwise requires, a reference to "our Company" is a reference to LT Foods Limited on a standalone basis, while any reference to "we", "us", "our Group" or "our" refers to LT Foods Limited on a consolidated basis.

Under applicable regulations, we were required to prepare standalone and consolidated financial statements in accordance with Ind AS for the six months ended September 30, 2017. Our historical audited standalone and consolidated financial statements for Fiscal 2015, 2016 and 2017 were prepared in accordance with Indian GAAP.

In this Placement Document, we have therefore included the Indian GAAP Audited Financial Statements for Fiscal 2015, 2016, and 2017, and the Ind AS Unaudited Financial Statements for the six months ended September 30, 2017. For further information, see "Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information" and "Financial Information".

Overview

We are an emerging global food company with a longstanding presence in basmati rice products in India. In addition, our product portfolio has expanded to include organic foods and convenience rice based products. As of September 30, 2017, we operated through our 11 subsidiaries in India, nine subsidiaries outside India, two joint ventures, and three associates. We have a considerable presence in the United States and have grown to be one of the leading manufacturers of basmati rice from India. Our business primarily involves processing basmati paddy and aged rice and marketing branded, unbranded and private label basmati rice and their product-variants in India and in various international markets. In Fiscal 2015, 2016 and 2017, our total income was ₹ 27,797.82 million, ₹ 29,796.26 million and ₹ 33,221.10 million, respectively, and our profit after tax was ₹ 764.16 million, ₹ 724.75 million and ₹ 1,286.92 million, respectively. In Fiscal 2015, 2016 and 2017, we had income outside India of ₹ 12,827.34 million, ₹ 18,876.37 million and ₹ 17,972.85 million, respectively, which accounted for 46.15%, 63.35%, and 54.10%, respectively, of our total income in these periods.

We believe we are one of the few Indian companies with fully integrated operations with a presence across the basmati rice value chain, with operations that include procurement, storage, processing, marketing and sales. We sell our products internationally under various key brands, including "Daawat", "Royal", "Devaaya" and "EcoLife".

Basmati is a premium long-grain rice variety with a fine texture and retains a strong aroma in both raw and cooked forms. It is one of the most expensive varieties of rice in the world. Basmati paddy is grown only in certain areas of India and Pakistan as its unique aroma, flavour and texture are attributed to the soil and climate of the region. (*Source: ICRA Report*) Our product portfolio includes brown and white grain rice. In addition, we also produce and sell organic basmati rice, organic pulses, spices, nuts, organic soya and regional rice, and other products such as cooking oil and sauces.

We procure basmati paddy primarily from the basmati producing States in northern India, through our extensive and entrenched procurement network consisting of procurement agents and farmers' agents. As of September 30, 2017, we had arrangements with 210 procurement agents, across 200 agricultural produce markets known as "*mandis*" established by the various State Governments.

As of September 30, 2017, we operated five processing and packaging facilities in India, with an aggregate rice milling and sorting capacity of 86.90 MT per hour, aggregate rice sorting and grading capacity of 72.00 MT per hour and aggregate rice packaging capacity of 86.30 MT per hour. In addition, as of September 30, 2017, we operated three packaging facilities in the United States, and a processing and packaging facility in Rotterdam, Europe. Our processing facilities have received various accreditations including ISO 17025, ISO 9001 and ISO 14001 certifications, and have received quality management system certifications including SA 8000 and BSCI. We have extensive storage capacities at silos operated by us that protect the grains to ensure quality control throughout our processing activities. We also have silos for semi-processed rice that ensure timely delivery of the product to our customers. As of September 30, 2017, our aggregate storage capacity (including open and covered warehousing facilities) for paddy and rice was 637,900 MT.

Our products cater to various consumer segments at different price points in the branded basmati rice market. We also supply rice to other branded basmati rice companies in international markets and record such sales as a "private label" sale. We believe we have developed a strong relationship with our customers resulting in long-term associations and sustained business from them. We have also established a strong sales and distribution network in all our international markets and in India, which has enabled us to cater and service the consumer demand.

Our Competitive Strengths

Leading branded specialty rice company

As of September 30, 2017, we had a large number of brands registered under our Group across various jurisdictions. We launched our specialty rice and anchor brand, "Daawat" in India over 30 years ago, which is one of the prominent brands of basmati rice in India. We have since launched the "Daawat" brand in prominent international markets, including the United States, Mauritius, Australia, Middle East and Canada. It is our key brand in the premium basmati rice segment. We also own the "Royal" brand of basmati rice, which we believe is an established brand in the basmati rice segment in the United States. Other products distributed under the "Royal" brand include jasmine rice, arborio rice, wheat flour and couscous. In addition to the premium rice segment, our brands are present across other value added staples such as semolina, wheat flour and refined flour under the "Devaaya" brand, and our chain of organic products under the "EcoLife" brand.

We have carried out significant investments in enhancing our brand over the years through substantial advertising and promotion. We have enhanced our brand recall through media and built the brand's core values strategically by engaging various celebrities including movie actor Amitabh Bachchan and celebrity chef Sanjeev Kapoor for our key brands. We believe that in our business, branded basmati rice commands a premium over the unbranded variety. Our branding differentiates our offerings from other private labels by providing customers with quality assurance, facilitating product recognition and brand recall, which helps in attracting new customers and retaining our existing customer base. Retention of our existing customer base also allows us to maintain margins, as increase in production and distribution costs are factored into the price of our products, supported by our significant brand value.

Strong procurement capabilities and locational advantage

We believe that our extensive network of procurement agents spread across the basmati paddy producing regions of northern and central India enables us to effectively procure quality basmati paddy at competitive prices in a timely manner. As of September 30, 2017, we had entered into arrangements with 210 procurement agents, across 200 *mandis* established by the various State governments. We believe we have developed an effective procurement strategy and mechanism based on our well established relationships with procurement agents as well as the knowledge and experience of our Promoters and senior management regarding basmati paddy production areas, cultivation cycles and practices followed by farmers. Our procurement processes are supported by our strong relationships with farmers, the primary cultivators of our raw material.

Our processing facilities are strategically located in close proximity to the basmati paddy producing regions of northern and central India, including the basmati paddy *mandis* in the States of Haryana, Punjab and Madhya Pradesh. The States of Punjab, Haryana and Uttar Pradesh together account for over 95% of India's total basmati rice production (*Source: ICRA Report*). In particular, our operations are located in basmati rice producing States in India including, Haryana, Punjab and Madhya Pradesh. We believe that these locational advantages enable us to effectively participate in the basmati paddy procurement process across the various *mandis.*

Prior to the procurement season, our procurement team conducts surveys and analyzes estimated paddy supply information to implement an effective procurement strategy that adapts to changing supply patterns. Our procurement network comprises our team of purchasers, middlemen and external agencies that conduct field surveys to assist with the procurement process. To further optimize our procurement process, our senior management closely interact with the procurement team to enable quick decision making. We believe that our large operations, effective procurement mechanism and timely payment to procurement agents have over the years enabled us to establish significant goodwill among the procurement agents. We believe that this goodwill and preferred purchaser status provides us with an access to large quantities of quality basmati paddy at competitive prices.

Integrated operations with technological advancements resulting in operational efficiencies

We believe we are one of the few Indian companies with fully integrated operations with a presence across the basmati rice value chain, with operations that include procurement, storage, processing, marketing and sales. We have been and continue to be among the few rice processors to use silos for storage of paddy and rice. Our processes are fully mechanized. We have invested consistently in technology and process improvements. In order to maintain product quality, we have implemented automatic sorting machines. To further integrate our operations and develop operational efficiencies, we have engaged leading consultants and service providers to undertake various projects to improve our operational efficiencies including business process reengineering, setting-out and implementing growth strategies, and aligning our other operations such as sales and distribution, supply chain management, paddy procurement systems and human resource management, with best industry practices.

Our integrated operations provide us with several competitive advantages, including the ability to purchase large quantities of paddy at competitive prices, and effectively plan, schedule and implement production, storage and dispatch processes. This also enables us to exercise greater control over the quality of our products, and ensure effective inventory and resource management. We believe that our processing technology gives us a competitive edge over most of our competitors.

Wide distribution network supported by strong relationships with export customers

We have a pan-India presence with our extensive sales and distribution network that allows us to target a wide range of consumers and ensure effective penetration of our products and marketing campaigns. As on September 30, 2017, our distribution network included over 750 distributors across 29 States in India. In addition, we directly engage with institutional consumers and modern trade channels including local supermarkets and national and regional retail chains. We also target hotels, restaurants and caterers, and have established longstanding relationships with some of the well-known restaurant chains in India. Our sales and distribution network is strategically spread across regions in India where basmati rice is popular, and has an especially strong outreach in certain markets, where we expect growth to be more significant. We work closely with our distributors to understand customer preferences, to receive feedback on our products and that of our competition, which enables us to formulate an effective strategy for sales, trade marketing and pricing. Our distribution network is also well integrated with our marketing and promotional activities, and helps in strengthening our brand image.

As of September 30, 2017, our international distribution network included quality sensitive markets such as the United States, Canada and United Kingdom. Our tie-ups with various distributors through our subsidiaries established in international markets ensure presence of our products in major markets. We also have significant brand presence across certain key geographies that we have achieved by either strengthening our existing brand value or acquiring established brands in these regions. Our product quality, infrastructure and effective supply chain have enabled us to attract distributors as our partners. Our brands are registered in a large number of jurisdictions. In Fiscal 2017 and in the six months ended September 30, 2017, we derived 54.10% and 64.64% of our total income from outside India, respectively. Our global distribution network includes exclusive as well as non-exclusive distributors. We have entered into arrangements with a large number of distributors in North America, South America and Europe, which enables us to penetrate these markets in an efficient manner.

We were one of the recognized exporters of basmati rice from India in Fiscal 2017. In Fiscal 2017, we exported basmati rice to over 50 countries. In Fiscal 2015, 2016 and 2017, our income outside India was ₹ 12,827.34 million, ₹ 18,876.37 million and ₹ 17,972.85 million, respectively, which accounted for 46.15%, 63.35% and 54.10%, respectively, of our total income in these periods. We believe that our ability to cater to large orders, meet stringent quality requirements specified by customers and ability to timely deliver on orders, have enabled us to develop strong relationships with our customers in key markets, including in the United States, Middle East, South East Asia, and United Kingdom, leading to repeat orders from such customers.

Quality control and operational efficiencies

We have a dedicated quality assurance department that performs several tests across procurement, storage and processing, as well as sales and distribution. Our procurement teams conduct surveys to ascertain the total estimated crop-areas under basmati paddy cultivation, yields per acre and the quality and availability of the raw material - paddy. The paddy is verified against standard crop specifications that are rolled out ahead of the season and pre-checked prior to loading on to the trucks. This is verified at the time of arrival at the facility, thereafter all the paddy is sampled during the unloading process and one composite sample is made per truck for the purpose of testing in the laboratory. Any paddy that does not meet our quality specifications is returned to the relevant procurement agent. Our quality control procedures include both internal processes wherein in-process sampling is undertaken at each stage, as well as external checks, through verification of goods prior to dispatch. We also have quality checks performed by reputed government and non-government agencies as part of regulatory compliance measures. In addition, our customers may engage agencies for the purpose of conducting quality checks at our facilities. We focus on R&D initiatives to improve operations including milling, improvement in yields and parboiling processes to ensure that we consistently match quality requirements.

We have installed sophisticated equipment operated by a trained work force with an in-house laboratory that facilitates greater operational efficiencies. All our manufacturing facilities are equipped with modern rice processing equipment supplied by global equipment suppliers which enables increased production speed and higher operational efficiencies, including lower breakages, production losses as well as more efficient cleaning, de-stoning, sorting and grading processes. Our processing facilities are accredited with the food safety management systems such as IFS, SQF as well as Laboratory Management system ISO 17025:2005, Environment system ISO 14001 and Social Standard SA 8000.

Experienced management team

We benefit from the experience of our Promoters and the senior management team who have extensive knowledge in basmati rice procurement, processing and marketing activities. Our Promoters are actively involved in our operations, and along with our senior management have been instrumental in implementing our growth strategies and expanding our business through various initiatives including broadening our distribution channel, and increasing our product sales within and outside India. Mr. Vijay Kumar Arora, our Managing Director, has considerable experience in the basmati rice export business and has been instrumental in developing our international operations, and developing our business globally. Mr. Ashwani Kumar Arora, our CEO and Managing Director has been responsible for driving overall business including operations, sales and distribution and brand building initiatives. Mr. Surinder Kumar Arora, our Managing Director, has been responsible for managing our operational efficiencies and overseeing operations at our manufacturing facilities in Haryana. Mr. Ashok Kumar Arora, President of our operations in North India has been responsible for growing our operations in the region.

Our Strategies

Diversifying our product portfolio to cater to evolving consumer preferences

We seek to leverage our position as an established branded rice company to grow into an emerging global food company, with new strategic initiatives and product developments. We continue to expand our product portfolio to provide differentiated offerings to cater to the evolving preferences of our consumers. We intend to leverage our extensive experience to enhance our brand, strengthen our infrastructure and further expand our distribution network by entering new product categories and creating new products to meet emerging trends.

There is an increasing awareness of health and wellness products in India as well as globally. In order to address this demand, we have introduced a range of organic products under our "Ecolife" brand in Fiscal 2012, managed by our subsidiary, Nature Bio Foods Limited. We also launched "quick cooking brown rice" and have also expanded our product portfolio to include convenience foods, such as "sauté sauces". These products are focused on the working population, involving minimal cooking and preparation time. We are also in the process of introducing a range of organic "ready to heat" products, with a facility in the United States that was inaugurated in October 2017.

We have also entered into arrangements with consultants and food manufacturers to evaluate emerging market opportunities including for formulation of dietary supplements, development of meat analogues and other dry mixes for use as cooking stock.

We intend to further develop our organic product segment by expanding our product portfolio to include value-added staples grown and processed organically. We propose to add various products to our organic product portfolio including soya meals and ready to heat organic food. We believe this segment generates higher margin and has significant demand and growth potential. We intend to leverage our established distribution network to introduce our new products.

Investment in research and development

We intend to increase our research and development efforts on new product development in order to make our products healthier, nutritious, and more convenient. This would allow us to better serve increasing demand from consumers for efficient cooking, healthier, tastier and higher quality food. Our research and development efforts have resulted in some of our most popular products, such as the 15 minute Daawat Quick-Cooking Brown Rice range, and 'simmer sauces' that can be conveniently mixed with rice for added flavor, and our Authentic Adventure Flavored Rice range distributed under our "Royal" brand, that is the product of our finest rice without preservatives.

As of September 30, 2017, we had two product innovation centers, one in Gurugram, India and one in California, United States, with a team of research personnel. We also consult with culinary testing experts and chefs to support our product innovation initiatives. We are in the process of developing additional products to expand our range of convenience foods and develop our healthy snack segment. Certain products under development include '90 second ready-to-heat' pouched rice and other healthy grains, '5 minute meal-in-a-cup', as well as a combination of white basmati rice and brown rice under the 'Rozana Gold Plus' brand. We have also entered into certain arrangements for the development of baked rice snack products in flavors that cater to the Indian cuisine.

Strengthen our brand presence globally

We currently sell basmati rice in India through a network of distributors, who further distribute our branded basmati rice products to local retail outlets. We are continuously making investments to expand our distribution and retail outlet reach in India as well as globally along with consistent efforts to strengthen the brand recall and usage across geographies through marketing initiatives.

We intend to increase the visibility of our branded basmati rice products in international markets, to particularly target the premium and organic segment of the basmati rice market, which we believe involves higher margins. We continue to leverage our established operations and economies of scale to focus on increasing our international sales of branded basmati rice products. We actively pursue distribution arrangements with established international retail chains to further increase sales of both our branded and unbranded basmati rice products internationally.

We intend to further grow our brands in specific target markets, including the United States, Europe, Middle East and India.

Expand our operations organically and inorganically

We continue to focus on growing our business through organic and inorganic channels to expand our capabilities, product offerings, and geographic reach. We have expanded our business through a number of acquisitions and tie-ups, and have successfully integrated these businesses into our operations. For instance, we have acquired brands such as "Gold Seal Indus Valley", "Rozana" and "817 Elephant" in the past to gain presence in new geographies. We believe that the highly fragmented nature of the industry we operate in will continue to offer consolidation opportunities, and we intend to continue our strategic expansion plans through inorganic growth opportunities in geographies that complement our existing operations. Through strategic tie-ups, we intend to increase our market share, enable access to new customer segments and geographies and diversify into high margin products in collaboration with experienced partners. To this effect, as of September 30, 2017, we have entered into two joint ventures to expand our product portfolio to include manufacture and distribution of regional rice, and development of rice-based snacks. We intend to continue to expand our operations through such strategic arrangements as we believe that our experience, track record and consistent approach of identifying and implementing our inorganic growth strategy will enable us to successfully integrate new business opportunities in the food segment.

In conjunction with our inorganic growth strategies, we intend to set up facilities in key geographies directly as well as through joint ventures, to support our global operations. We recently inaugurated a processing and packaging facility in Rotterdam, for processing and distribution of basmati rice in Europe. We have set up the processing facility as the import duty on processed goods is higher compared to unprocessed goods in Europe. We intend to commence operations at our facility in Houston, United States by Fiscal 2019, which will be equipped to launch our organic "ready to heat" range of products. We also intend to strengthen our presence in South East Asia, the Middle East, North America and Europe.

Our History

Our Company was incorporated on October 16, 1990. We are listed on the BSE and NSE. The following table sets forth significant operational milestones for our business:

Calendar Year	Details
1990	Incorporation of our Company as LT Overseas Private Limited
1993	Our Company was converted into a public company
1999	Our Company acquired the business of Lal Chand Tirath Ram Rice Mill as a going concern along with its goodwill and brands.
2002	Obtained quality certifications including ISO 9001:2000
2006	Our Company was listed on the BSE and NSE
2007	Acquired Kusha Inc. along with the "Royal" brand in the United States
2009	• Changed our name from LT Overseas Limited to LT Foods Limited; • Our Company and subsidiary Daawat Foods Limited received funding from the private equity entity of RaboBank
2016	• Entered into a joint venture agreement with Future Consumer Limited; • Entered into a joint venture agreement with Kameda Seika Limited

Subsidiaries and Joint Ventures

Our Company has 11 subsidiaries in India, nine subsidiaries outside India, two joint ventures, and three associates.

Pursuant to an agreement entered into on December 6, 2016, we set up our strategic joint venture Genoa Rice Mills Private Limited ("Genoa") with Future Consumer Limited ("Future"), to undertake the business of manufacturing, marketing, sales, sourcing and distribution of regional south Indian rice. Genoa has recently commenced operations at a manufacturing facility in Karnataka, India, which has been leased to it by Future.

We own a 50.00% shareholding in Genoa and our Company and Future have equal number of representatives on the board of directors, Future shall have the right to nominate the chairman of the board. According to the terms of our joint venture agreement, we are responsible for the sale of 60% of the products manufactured by Genoa through outlets in the Indian and export market. We are also responsible for the day to day activities and procurement strategy of Genoa, while Future is required to develop new rice brands and provide Genoa with customer insights for sale of products in retail markets. Matters such as dissolution or reorganization of the joint venture and decisions with respect to certain matters including declaration of dividends, creation of any security interest over Genoa's intellectual property, making of any loans other than in the ordinary course of business, require the affirmative vote of each joint venture partner. The joint venture agreement does not preclude the Future Group and our Group from conducting business in any food product, which does not form part of the business of Genoa.

Pursuant to an agreement dated November 24, 2016, we set up our other strategic joint venture Daawat Kameda (India) Private Limited ("Daawat-Kameda") with Kameda Seika Limited ("Kameda"), a Japanese entity, for developing the packaged snacks business in India with a focus on manufacturing, marketing and distribution of rice-based snacks. Daawat-Kameda is in the process of developing a facility in Haryana, on land leased by our Company to Daawat-Kameda, and as of September 30, 2017, the facility was not operational.

While we own 51.00% shareholding in Daawat Kameda, we have an equal number of representatives on the board of directors. Further, while Kameda has the right to nominate the chairman of the board, our Company has the right to nominate the managing director who shall be the legal representative of Daawat-Kameda in relation to its operations. Under the terms of the joint venture agreement, the Daawat-Kameda is required to sell its products to our Company at a net price for further distribution through our network. Further, according to the terms of the joint venture agreement, neither we nor Kameda may directly or indirectly engage in the manufacturing or sale of packaged snacks during the term of the joint venture agreement and for a period of three years from the date its termination, without the prior consent of the other party.

Our Products

Our products can broadly be divided into the following six categories: (i) basmati rice; (ii) value added staples; (iii) organic products; (iv) regional rice; (v) rice based snacks; and (vi) other products. In Fiscal 2017, basmati rice, value added staples, organic products and other products represented 77.36%, 1.60%, 7.24% and 5.31% of our total revenue from operations, respectively. We recently commenced production of regional rice, and are yet to commence commercial operations of our rice based snacks. The following table sets out certain information on our product categories and certain of our key brands:

Product Category	Product	Brand	Entity
Basmati Rice	Premium rice, health segment	Daawat, Royal, Indus Valley, 817 elephant, Rozana	LT Foods Limited
Value Added Staples	Wheat flour, semolina, chickpea flour and flattened rice	Devaaya, Daawat	LT Foods Limited
Organic Products	Basmati rice, spices, pulses	EcoLife	Nature Bio-Foods Limited
Regional Rice	Sona Masoori	Daawat and Royal	Joint Venture with Future Consumer Limited
Rice Based Snacks	Rice based snacks	Kari Kari	Joint Venture with Kameda Seika
Other Products	Cooking oil, sauté sauces, non-basmati rice, by-products	Grapeola, Daawat Sauté Sauces	LT Foods Limited

Basmati Rice

We are primarily engaged in the business of processing and marketing branded and non-branded basmati rice in the domestic and international market, which contributed 77.36% of our total revenue from operations in Fiscal 2017. Our rice products are categorized under “premium”, “health”, “value” and “HORECA” segments, depending on the type of grain, production process followed and the respective brands under which such products are distributed. The following table sets forth the key brands for distribution of our products:

Segment	Product and Brand
Premium Segment	Daawat Super Basmati Rice
	Daawat Traditional Basmati Rice
	Daawat Select Basmati Rice
	Daawat Biryani Basmati Rice
	Daawat International Basmati Rice
	Daawat Pulav Basmati Rice
	Royal Basmati Rice
	Indus Valley Extra Long Basmati Rice
	817 Elephant Basmati Rice Organic Range – “EcoLife”
Health Segment	Daawat Quick Cooking Brown Rice
	Royal Brown Basmati Rice Daawat Rozana Gold Plus
HORECA	Daawat Chef Secretz
Value (value, mid-price)	Rozana range of products

Premium Segment

The length of the grain, aroma and flavor determine the quality of the grain and accordingly, its premium product segment. Grains in our premium segment typically have a distinct aroma, length and texture. These specialty grains command higher price and higher margins. The sale of our premium segment products has grown significantly over the years. In Fiscal 2015, 2016 and 2017, sales of premium segment basmati rice represented 10.19%, 9.47% and 9.78%, respectively, of total sales of rice in such periods. In Fiscal 2015, 2016 and 2017, sales of premium segment basmati rice was 25,145 MT, 23,477 MT and 25,083 MT, respectively.

Health Segment

Unpolished or brown rice is considered to have more fiber and be more nutritious in nature and is accordingly categorized under the health segment. We introduced our range of brown rice including 'Daawat Quick Cooking Brown Rice', 'Royal Quick Cooking Brown Rice' and 'Rozana Gold Plus', in order to meet the demand for healthy grains.

HORECA

Hotels, restaurants and caterers ("HORECA") typically prefer a distinct variety of products suitable for their cooking volumes and commercial consumption. These basmati rice products have a distinctive texture. We have therefore introduced a product segment to specifically address the requirement of commercial consumers. We have introduced these products under the brand 'Daawat Chef Secretz'.

Value

Basmati rice with grains shorter than those in the premium segment, and that is polished, comprise this segment and is primarily marketed under our "Rozana" range of products.

Value Added Staples

Our value added staples comprise other grains, pulses and cereal based products such as wheat flour, semolina, refined flour, chickpea flour and flattened rice, and are primarily distributed under our "Devaaya" brand of products with a proposition of responsible sourcing. Sale of value-added staples represented 1.60% of our total revenue from operations in Fiscal 2017.

Organic Segment

We commenced our organic foods business in 1997 through a division within our Company but subsequently incorporated a subsidiary to manage these operations separately. Nature Bio-Foods Limited was incorporated in 2005 with the objective of building our organic foods business. We have, over the years, developed an integrated supply chain involving organic farming for the crops in demand, value addition of the farm produce through processing, and distribution of the processed products in international markets. Products under this segment include basmati rice and other rice, spices, pulses, soyabean, nuts and oilseeds. Key products under the organic rice segment include basmati variants such as brown, white, quick cooking brown, parboiled rice and value added products like rice flour.

The organic products segment has been one of our fastest growing segments. In Fiscal 2015, 2016 and 2017, sales from our organic segment represented 6.34%, 7.53% and 7.24%, respectively, of our revenue from operations in such periods. Between Fiscal 2015 and Fiscal 2017, sales of organic products increased at a CAGR of 10.90% from ₹ 1,763.76 million to ₹ 2,405.67 million.

Regional Rice

We have recently commenced our regional rice processing operations through Genoa, our joint venture with the Future Group. Products processed under this segment include sona masoori rice.

Rice Based Snacks

We are in the process of commencing our rice based snacks business through Daawat-Kameda, our joint venture with Kameda Seika.

Other Products

Our other products primarily include cooking oils, and certain "rice adjacent" items such as "sauté sauces". Our cooking oil is distributed under the brand "Grapeola" and is a preservative and cholesterol free grape oil. We have introduced our sauté sauces under the "Daawat" brand recently, in August 2016, which are available in a variety of flavours.

Our Operations

We have an integrated business model and our operations include procurement, storage, drying, de-husking, polishing, color sorting, grading, inspecting, maturing (pre and post processing) packaging, branding, sales and distribution.

Raw Materials and Procurement

Basmati Rice

The primary raw material for our rice processing business is paddy. Proper timing of procurement is critical to the success of our business. Since the basmati paddy crop is grown once a year, we are required to complete most of our annual procurement during the period between September and January. Basmati paddy available during this period is generally of superior quality compared to paddy available during off-season period. We procure a substantial quantity of our paddy requirements during this period.

We currently have large procurement operations in the basmati paddy producing States of northern India and Madhya Pradesh and we procured approximately 356,663 MT of basmati paddy in Fiscal 2017. Pursuant to legislations enacted by State governments, only licensed agents that are authorized to procure paddy from the *mandis*, can procure such paddy directly from the farmers. Our large size and access to working capital on relatively favorable terms enables us to source basmati paddy at competitive prices as the farmers and their agents known as "*kuccha artiyas*", or procurement agents known as "*pucca artiyas*" typically prefer to sell paddy to buyers that make timely payments, and with whom they have established long-standing relationships. We work closely with the *pucca artiyas* or procurement agents for the procurement of paddy and advise them on our quantity and quality requirements pursuant to which they make purchases as per the prevailing market conditions. As of September 30, 2017, we had entered into arrangements with 210 procurement agents, across 200 *mandis* established by the various State governments.

We purchase small quantities of paddy in the off-season to supplement our procurement requirements or to benefit from lower paddy prices. If required, we also purchase aged basmati rice directly from other rice millers, typically after the paddy procurement season is over. In Fiscal 2015, 2016 and 2017, we procured 450,739 MT, 398,288 MT and 356,663 MT, respectively, of basmati paddy.

The procurement agents connect us to the farmers and their agents, and our tie-ups with them are crucial during the procurement season. We typically enter into non-binding oral arrangements with procurement agents for the procurement process, which is based on good faith and we have managed to build such network and relationship over the years by making timely payments and procuring large quantities of basmati paddy. We assist and train the procurement agents who procure paddy for us and ensure that they possess adequate understanding of the quality of basmati paddy that is offered at the *mandis*, as well as of the quality of paddy we require. The performance of the procurement agent is monitored on a daily basis through constant feedback on the quality of the paddy and the commercial aspects of purchases made by them. If any procurement agent fails to meet our required standards, we may issue warning letters or temporarily suspend our purchases from such non-performing procurement agents.

We aim to make timely payments to the farmers through the farmer's agents and pay them within the period stipulated by the respective *mandis* for the purchase of paddy. This has helped strengthen our relationships with the paddy farmers and their agents, and the procurement agents and we believe we have obtained the status of a "preferred buyer", which gives us the ability to procure large quantities of quality basmati paddy at competitive prices.

Organic Rice and other Agri-Products

For our organic produce requirements, we have entered into contract farming arrangements with farmers to encourage them to grow organic products. All the farmers of this project are small holding farmers and are focused on organic and sustainable farming. All these farmers are able to meet the farm yard manure requirements internally, maintain the soil fertility organically and follow crop rotation to maintain soil fertility. It typically takes three years of cultivation through organic methods to convert conventional land to organic land for harvest of organic products.

As of September 30, 2017, we had entered into arrangements with respect to over 116,000 hectares of land located across 15 States dedicated for growing organic products, managed by over 80,000 farmers.

Drying, Ageing and Storage

Drying of Basmati Paddy. As basmati paddy contains moisture, it is first dried for storage and further use. Removal of moisture may be carried out through various types of dryers. Generally, hot air is passed through the paddy in an automated column dryer to reduce the moisture level to 12%, which is optimum for milling and storage. Paddy having moisture level below 15% can be stored in cap storage without drying.

Ageing of Paddy. Basmati paddy must be aged to enhance cooking characteristics. The ageing process of our basmati paddy ranges between nine months to 24 months. Ageing changes the physical and chemical properties of the grain and enhances cooking qualities of basmati rice including texture and flavour.

Storage of Basmati Paddy and Rice. We typically store the basmati paddy in silos. As of September 30, 2017, we had an aggregate storage capacity of approximately 637,900 MT for paddy and rice, including covered storage capacity of 371,020 MT and open storage capacity of 266,880 MT. Proper storage is critical to our business as we are required to purchase a significant portion of our requirements in basmati paddy procurement season during the months of September and March and the ageing of the basmati paddy is essential to enhance the cooking qualities of the basmati rice. Proper storage also ensures protection against insects, pests, rodent attacks and spoilage.

The following table provides certain information relating to our storage capacity for paddy and rice in our facilities, as of September 30, 2017:

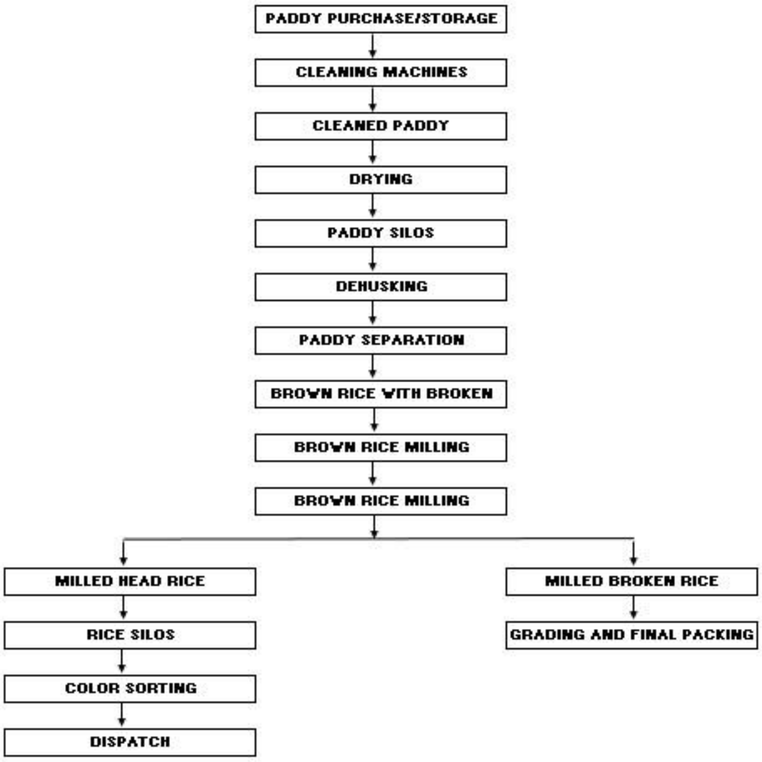
Storage Location	Owned/Leased	Storage Capacity (MT)[1]	
		Covered Storage	Open Storage
Sonepat I (Bahalgarh)	Partly owned, partly leased	130,120	102,300
Sonepat II (Kamaspur)	Partly owned, partly leased	16,500	22,280
Mandideep	Partly owned, partly leased	177,000	51,700
Bhikhiwind	Partly owned, partly leased	20,000	34,000
Varpal	Owned	27,400	56,600
Total	**-**	**371,020**	**266,880**

[1] As certified by Sanjeev Agarwal, Chartered Engineer, CSV Techno Solutions LLP by certificate dated December 15, 2017.

The information relating to the aggregate storage capacity of our facilities as of September 30, 2017 included above and elsewhere in this Placement Document are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity. The storage capacities have been calculated based on actual capacity and the storage area, and on the basis of agreements with other agencies. Actual storage levels may therefore vary significantly from the installed capacity information of our facilities included in this Placement Document and undue reliance should not be placed on such information. See "Risk Factors – Information relating to the installed capacity and storage capacity of our facilities included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary."

Processing and Manufacturing Process

The paddy procured is initially passed through cleaning and drying processes are carried out in order to clean and monitor the moisture levels of the paddy before storage. This is followed by the milling process, which ranges from de-husking and de-stoning till grading. The graded products are then packaged at our packaging units. A flowchart of the processes are set out below:



Parboiling Process

Pre-cleaning. The original process of parboiling starts with the cleaning of raw and harvested paddy. This is a multi-step process where foreign particles such as soil, straws, stones, mud lumps and other particles are removed from the paddy. High performance pre-cleaners are used to get the cleaned paddy.

Storage bin. After cleaning, the paddy goes to the paddy storage bin as a buffer stock for further processing such as steaming and water soaking. The parboiling process needs to draw the paddy at a higher rate and in larger quantities, which is possible only through storing in the storage bin.

Parboiling. It is a hydrothermal treatment of paddy. Parboiled rice is partially boiled. Parboiling is the process of pre-cooking of rice within the husk. Paddy is first steamed and hydrated, then again steamed and finally dried.

Steaming. This is the process where saturated steam is injected into the paddy. Steam is used to gelatinize the starch within the rice grain and is preferred to any other method of heating paddy. This process enables the paddy to gain moisture subsequently during soaking to dissolve the starch on the grain into the inner core of grain.

Paddy drying. Paddy contains significant moisture depending upon the type of paddy and the total soaking time. Removal of this moisture is carried out by passing hot air through the falling paddy in column dryers very gently. Slowly the paddy loses its moisture content. Paddy feed rates and hot air temperatures are adjusted as per atmospheric conditions in reference to the required moisture level.

Dried paddy storage silos (tempering silos). After achieving the desired moisture in dryers paddy circulates without hot air for approximately an hour before the paddy is unloaded in storage warehouses. These silos act as tempering bins and stabilize the grain temperature and moisture.

Paddy Milling Process:

Cleaning. The process of paddy milling starts with the secondary cleaning of paddy after drying to avoid any residual dust or impurities, which is essential to improve the performance of the machines, its accuracy and to reduce the risk of undue wear tear.

Husking/ Hulling, or Shelling. The outer layer of the basmati paddy is removed by machines called de-huskers. The basmati paddy is rubbed against rubber rollers rotating in opposite directions at different speeds. In the process the husk is removed and the resulting rice is called brown rice. A small portion remains un-husked and gets separated through the paddy separator, which is recycled once again for husking.

Husk separation. After husking, the husk is separated from the husked rice grain and conveyed to husk yard.

Paddy separation. The un-husked grains of paddy get separated through vibratory trays, which are sent back for the husking process and brown rice is passed to the whitening machines.

Abrasive polisher (whiteners). This consists of rotor abrasive wheels and an outer jacket of screens/ sieves chamber positioned vertically. The brown rice is then polished in abrasive polishers, to remove the bran layer. There are three or four abrasive whiteners (of increasing intensity) through which the rice passes. In this process, the brown rice is rubbed against abrasive stones that remove the bran layer making the rice white. This process is repeated a few times.

Color Sorting. The mix of whole grain and broken basmati rice is then color sorted. The optical color sorting machine is an electronic machine with fast speed cameras, which detects and removes all light and dark impurities and the sorted white rice is then sent to the next stage.

Grading. During the various stages of processing, some grains of basmati rice are broken, so that the basmati rice after polishing/ sorting is a mix of broken and whole grain basmati rice. The mixture of head grain and broken basmati rice has to be graded based on size. The grading is done by a number of long cylinders, which have slots of various sizes for grading. The various sizes of basmati rice are sorted and packed in different bags.

Packaging

Product packaging is crucial to our business. We pack different kinds of rice products in food grade poly packs of different weights. We have a dust free, fully closed hygienic facility with automated machines to pack 1 kg, 2 kg, 5 kg or 10 kg packs which are used for our retail operations and 25 kg packs used primarily for our wholesale and re-seller consumers. The consumer packs are further put into secondary packs, either cartons or larger poly bags for delivery to the final destinations either in India or internationally. Our packaging material is sourced from different suppliers in India.

Processing and Packaging Facilities

As of September 30, 2017, we operated five processing and packaging facilities in India, with an aggregate rice milling and sorting capacity of 86.90 MT per hour, aggregate rice sorting and grading capacity of 72.00 MT per hour and aggregate rice packaging capacity of 86.30 MT per hour. In addition, as of September 30, 2017, we had three owned packaging facilities in the United States, in California, Houston and New Jersey, and one processing and packaging facility in Rotterdam, Europe. The following table sets forth certain information relating to our rice production capacity in our facilities as of September 30, 2017:

Facility Location	Owned and Operated	Brand	Milling and Sorting Capacity (1)	Sorting and Grading Capacity(1)	Packaging Capacity(1)
			MT per hour		
India					
Sonepat I (Bahalgarh)	Owned	Daawat, Royal, Heritage, Chef Secretz, Gold Seal Indus Valley, 817 Elephant	33.00	25.00	35.00
Sonepat II (Kamaspur)	Owned and operated	EcoLife	5.00	5.00	4.00
Mandideep	Partly owned and partly leased	Royal, Devaaya	29.90	23.00	28.30
Bhikhiwind	Partly owned and partly leased	Daawat, Heritage, Devaaya	7.00	7.00	7.00
Varpal	Owned and operated	Daawat, Heritage, Devaaya	12.00	12.00	12.00

Facility Location	Owned and Operated	Brand	Milling and Sorting Capacity [(1)]	Sorting and Grading Capacity[(1)]	Packaging Capacity[(1)]
			MT per hour		
Total	**-**	**-**	**86.90**	**72.00**	**86.30**

[(1)] As certified by Sanjeev Agarwal, Chartered Engineer, CSV Techno Solutions LLP by certificate dated December 15, 2017.

The information relating to the aggregate installed capacity of our facilities as of September 30, 2017 included above and elsewhere in this Placement Document are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity. Installed milling and sorting capacities, sorting and grading capacities, and packaging capacities have been calculated based on various assumptions including that the lines are operational for 20 hours a day, 365 days a year, with a 65% yield of paddy to rice. In addition, installed sorting and grading capacities have been calculated based on finished goods. Actual production levels may therefore vary significantly from the installed capacity information of our facilities included in this Placement Document and undue reliance should not be placed on such information. See "Risk Factors – Information relating to the installed capacity and storage capacity of our facilities included in this Placement Document are based on various assumptions and estimates and future production and capacity may vary."

Location	Owned and Operated	Brand
Houston, United States	Leased and operated	Royal
New Jersey, United States	Leased and operated	Royal
California, United States	Leased and operated	Royal
Rotterdam, Europe	Leased and operated	Daawat
Total	-	-

Our processing facilities are accredited with the food safety management systems such as IFS, SQF as well as Laboratory Management system ISO 17025:2005, Environment system ISO 14001 and Social Standard SA 8000. Our processing facilities use modern technology that help us in the production of quality products with lower breakages, negligible losses and better sorting and grading processes. We use processing equipment developed by established and leading companies including color sorting equipment by a renowned Japanese manufacturer, cleaning and drying machinery by a German enterprise.

Quality Control

We have a dedicated quality assurance department that ensures that our products are tested at each stage of the process, this starts from the procurement, arrival, storage, in-process inspection during processing, finished goods inspection prior to dispatch and detailed after sales follow-up with customers on product experience. We run a robust customer care and servicing cell that ensures that our customers' queries and complaints are addressed promptly and adequately. Our procurement teams go through several mechanisms to keep our buying agents informed of our requirements ahead of the procurement season, through surveys conducted to understand the health of the crop along with information on yields per acre and the quality of the raw material. All raw material is procured either through open auction programs or through our controlled sustainable crop cultivation program, and is verified against standard crop specifications that are rolled out ahead of the season and pre-checked prior to loading on to the trucks. This verification process is carried out once the crops arrive at the facility, after which all the paddy is sampled during the unloading process and one composite sample is made per truck for the purpose of testing in the laboratory. Any paddy that does not meet our quality specifications is returned to the relevant procurement agent at their cost. Our quality control procedures include both internal processes wherein in-process sampling happens at each stage, and external checks, through verification of goods carried out prior to distribution. We also have quality checks performed by several reputed government and non-government agencies that as part of statutory compliance. In addition, our customers may also engage third party surveying agencies for the purpose of conducting quality checks at our facilities. We constantly carry out R&D activities to improve operations which involves milling, improvement in yields and parboiling processes in order to ensure that we consistently match quality requirements each time we deliver our products to a customer.

We have installed sophisticated equipment operated by a trained work force with an in-house laboratory that facilitates greater operational efficiencies. All our manufacturing facilities are equipped with modern rice processing equipment supplied by global equipment suppliers which enables increased production speed and higher operational efficiencies, including lower breakages, production losses as well as more efficient cleaning, de-stoning, sorting and grading processes. Our processing facilities are accredited with the food safety management systems such as IFS, SQF as well as Laboratory Management system ISO 17025:2005, Environment system ISO 14001 and Social Standard SA 8000.

Distribution and Marketing

As of September 30, 2017, we sold our products through our extensive global distribution network, which is primarily driven by our subsidiaries and sales officers that have been established and engaged in key jurisdictions. A significant portion of our revenue is generated from sale of our products to North America and Europe where we primarily supply Basmati rice under the "Daawat" and "Royal" brands and organic products under the "EcoLife" brand. We also export our products to markets in the Middle East. The following table sets forth our sales of products from the different markets in which we operate and as a percentage of total sales of products in the periods indicated:

Region	Fiscal 2015		Fiscal 2016		Fiscal 2017	
	Total Income	Percentage of Total Income	Total Income	Percentage of Total Income	Total Income	Percentage of Total Income
	(₹ million)	(%)	(₹ million)	(%)	(₹ million)	(%)
India	14,970.48	53.85%	10,919.89	36.65%	15,248.25	45.90%
North America	8,444.33	30.38%	8,680.95	29.13%	9,396.89	28.29%
Rest of the World	4,383.01	15.77%	10,195.42	34.22%	8,575.96	25.81%
Total	**27,797.82**	**100.00%**	**29,796.26**	**100.00%**	**33,221.10**	**100.00%**

We distribute our branded products to institutional consumers, distributors and directly to modern retail chains. We distribute our unbranded products to other rice millers in India and Europe. In Fiscal 2017, 27.86% of our total sales were made under the unbranded segment. The following table sets forth certain information relating to the quantities, amounts and percentage of our total branded and unbranded basmati rice sold for the periods indicated:

Particulars	Fiscal								
	2015			2016			2017		
	Quantity	Amount	% of Total Sales Value	Quantity	Amount	% of Total Sales Value	Quantity	Amount	% of Total Sales Value
	(MT)	(₹ million)	(%)	(MT)	(₹ million)	(%)	(MT)	(₹ million)	(%)
Branded	221,544	17,779.89	75.28%	241,954	15,666.90	63.92%	296,619	18,539.32	72.14%
Unbranded	95,396	5,838.96	24.72%	167,300	8,843.81	36.08%	138,923	7,161.09	27.86%
Total	**316,940**	**23,618.84**	**100.00%**	**409,254**	**24,510.71**	**100.00%**	**435,542**	**25,700.41**	**100.00%**

Distribution in India

In India, our products are primarily sold by distributors to retail outlets and modern retain chains. We also directly supply to certain modern retail chains.Though the market is organized, it is fragmented into numerous traders and various intermediaries. For our distribution in India, we have primarily sold our products under existing brand names including Daawat, Rozana, EcoLife and Heritage.

Our institutional customers primarily comprise hotels and restaurant chains and catering houses. For retail distribution, we had also entered into arrangements with over 800 distributors for distribution across India as of September 30, 2017. We also supply products on a purchase order basis to modern retail chains in India.

Distribution outside India

We rely on our distributors for sales outside India. We believe we have developed strong relationships with various customers in our key export markets including the East Asia, Middle East, North America and Europe, leading to repeat orders from such customers.

We market our products across platforms and media including through television and radio commercials, hoardings across major town, and conscious brand building exercises across social media. We have also entered into engagements with Amitabh Bachchan as our brand ambassador, and Chef Sanjeev Kapoor for promoting our products internationally. In addition, we participate in trade shows and farmers' markets to increase our presence across jurisdictions.

Environment

Our operations generate dust, husk ash and effluents. We are therefore subject to various environmental laws and regulations which govern, among other matters, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For further information, see "*Regulations and Policies*" on page 152.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. Our manufacturing facilities have received quality certifications, confirmed through annual audits by independent consultants. Further, all our facilities are ISO certified. We have complied, and will continue to comply, with all applicable environmental and associated laws, rules and regulations. We have obtained, or are in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our business.

Competition

We face competition from other large basmati rice companies including KRBL Limited, Kohinoor Foods Limited, Lakshmi Energy & Foods Limited and various smaller unorganized processors. As basmati rice is a product that is protected by geographic indications internationally, we face limited competition on a global scale. However, we face competition from a few basmati rice companies in Pakistan which contributes approximately 10% of the world's basmati rice (*Source: ICRA Report*). In addition, certain types of fragrant rice grown in Thailand and Vietnam may appear to be an appropriate substitute for basmati rice, and may therefore indirectly compete with our basmati rice products.

Insurance

For our operations, we have obtained industrial all-risk policy for our facilities, fire and special perils policy for our warehouses and silos. Further, we also maintain group personal accidental policy, group term-life insurance and group medi-claim insurance policies for our employees from reputed insurance companies. We also maintain money and burglary insurance and commercial vehicle insurance. We have also obtained directors and officers liability insurance, and commercial general liability insurance which includes both product and public liability insurance. Also see, "*Risk Factors – Our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations*" on page 56. We have taken certain personal accident, marine cargo including transit policies and vehicle insurance policies covering certain employees, consignments of rice and vehicles, covering damage liability within India and globally.

Corporate Social Responsibility ("CSR")

We seek to integrate our business values and operations in an ethical and transparent manner to improve our fulfilment of social responsibilities and environmental and economic practices in an attempt to create a positive impact on the society. We have formulated a CSR policy that is governed by our CSR committee. In Fiscal 2017, our CSR activities covered education, rural development, women empowerment with a focus on the sustainable development of all sections of the society. We have in particularly helped the community members of Nandlalpura village by adopting the village in Madhya Pradesh and providing them with facilities for well-developed and sustainable living, including providing necessary infrastructure towards sanitation. In addition, we undertake sustainable practices in our operations. For instance, we have tied-up and financed the personal needs of our farmers as part of this sustainability initiative.

Information Technology

We continuously seek to evolve and upgrade our technology. We have introduced technological advancements from the procurement stage till quality checks and packaging. We have also engaged technology service providers to develop tools for our operations in order to increase our operational efficiencies. In addition, we have systems to manage back office matters and facilitate increased connectivity and functionality in order to keep pace with our expanded operations. It also provides various advanced features and solution including enhanced support to the warehouse and freight management and central invoicing and taxation.

Intellectual Property

As of September 30, 2017, we had various trademarks registered under our Group across over 50 countries. We have over 80 registered trademarks in India, including "Daawat", "Royal", "EcoLife" and "Devaaya". We have also filed applications for registration of certain other trademarks that are under various stages of review.

Employees

As of September 30, 2017, our Company had 945 full-time employees. We also use contract laborers for loading and unloading of basmati paddy and basmati rice at our processing and storage facilities. We also have a large number of sales representatives who are managed by our distributors. Our employees are not unionised into any labour or workers' unions. We believe that our relations with our employees are good. We have not experienced any major work stoppages due to labour disputes or cessation of work in the last five years. We place significant emphasis on training our personnel and increasing their skill levels, and fostering ongoing employee engagement in our Company. We organize in-house training for our employees through skill building programs and professional development programs at all levels and across all functions. We also have reward and recognition programs to incentivize our existing employee base and attract quality professionals, in addition to our employee stock option plans.

Properties

Our registered office is situated at Unit No. 134, First Floor, Rectangle - 1, Saket District Centre New Delhi – 110017 and is held by our Company on a leasehold basis. Our corporate office is situated at 4th Floor MVL I Park Sector-15, Gurgaon, Haryana Gurgaon 122001, and is held by our Company on a freehold basis. As of September 30, 2017, we operated five manufacturing facilities, two at Sonepat, two in Amritsar, and one in Bhopal. Some of the land for these manufacturing facilities is held by our Company on freehold basis and some are held on leasehold basis.

REGULATION AND POLICIES

The following description is a summary of the important laws, regulations and policies that are applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Under the provisions of various Central Government and State Government statutes and legislations, our Company is required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.

Key regulations applicable to our Company

1. ***The Punjab Scheduled Roads and Controlled Area's Restriction of Unregulated Development Act, 1963***

   This statute regulates development activities to avoid haphazard and sub-standard development along certain roads and in certain area's listed in the schedule to the legislation. In order to construct any building in the scheduled areas, an application must be filed to the Director of Town and Country Planning in Haryana. Construction can only take place once permission from the abovementioned authority is obtained. Similarly, any change in land use can only be performed, once a license has been obtained from the above authority.

2. ***The Punjab Agricultural Produce Markets Act, 1961***

   This legislation seeks to protect agricultural producers from middlemen and profiteers, and regulates the sale and purchase of agricultural produce including rice. The provisions of this statute requires that anyone intending to sell, purchase, store or process such agricultural produce must apply for a license from the Market Committee of that particular market area.

3. ***The Export (Quality Control and Inspection) Act, 1963***

   This legislation read with the Export of Basmati Rice (Quality Control and Inspection) Rules 2003 insures that products that are exported from India, including basmati rice met certain threshold standards. An exporter intending to export a consignment of Basmati rice shall register the contract with Agricultural and Processed Food Products Export Development Authority and shall give an intimation in writing to the agency furnishing therein details of the quantity, the grade and the destination along with specific requirement of the importer of importing country including contractual specifications, if any.

4. ***The Factories Act, 1948***

   The Factories Act, 1948 is a social legislation and it provides for the health, safety, welfare, working hours, leave and other benefits for workers employed in factories. It was enacted primarily with the object of protecting workers from industrial and occupational hazards. Under this statute, an approval must be granted prior to the setting up of the factory and a license must be granted post the setting up of the same, by the Chief Inspector of Factories.

5. ***The Indian Boilers Act, 1923***

   The Indian Boilers Act, 1923 and the rules made thereunder are meant to regulate and ensure proper design, manufacture, operation and maintenance of boilers, in order to prevent safety hazards. This legislation requires that any boiler in use, in India, must be certified or registered, and that no boiler may function without the same.

6. ***The Petroleum Act, 1934***

This statute divides petroleum into three classes, A, B and C based upon the flash point of the same, and regulates the import, storage, transport, production, refining and blending of petroleum based upon the same. For the import, transport and storage of petroleum, a license is required, and the provisions in the license as well as the rules made under the Petroleum Act, 1934 must be complied with.

7. *Foreign Trade (Development and Regulation) Act, 1992*

This statute seeks to increase foreign trade by regulating the imports and exports into and from India. This legislation read with the Indian Foreign Trade Policy 2004 provides that no person can make any imports or exports, except under the Importer-Exporter Code Number granted by the Director General of Foreign Trade, or by any officer authorized by him.

8. *Legal Metrology Act, 2009 (the "Legal Metrology Act")*

The Legal Metrology Act came into effect on January 14, 2010 and has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act provides that for prescribed specifications for all weights and measures used by an entity to be based on metric system only. Such weights and measures are required to be verified and re-verified periodically before usage. Under the provisions of the Legal Metrology Act, pre-packaged commodities are required to bear statutory declarations and entities are required to obtain a registration of the instruments used before import of any weight or measure. Approval of model is required before manufacture or import of any weight or measure. Without a license under the Legal Metrology Act, weights or measures may not be manufactured, sold or repaired.

9. *Legal Metrology (Packaged Commodities) Rules, 2011 (the "Packaged Commodities Rules")*

The Packaged Commodities Rules was framed under Section 52(2) (j) and (q) of the Legal Metrology Act and lays down specific provisions applicable to packages intended for retail sale, whole sale and for export and import. A "pre-packaged commodity" means a commodity which without the purchaser being present is placed in a package of a pre-determined quantity. The key provisions of the Packaged Commodities Rules are:

- It is illegal to manufacture, pack, sell, import, distribute, deliver, offer, expose or possess for sale any pre-packaged commodity unless the package is in such standard quantities or number and bears thereon such declarations and particulars as prescribed;

- All pre-packaged commodities must conform to the declarations provided thereon as per the requirement of Section 18(1) of the Legal Metrology Act; and

- No pre-packaged commodity shall be packed with error in net quantity beyond the limit prescribed in the first schedule of the Packaged Commodity Rules.

10. *Goods and Services Tax replacing the erstwhile Service Tax and VAT Acts*

Before July 1, 2017, Chapter V of the Finance Act 1994 (as amended), and Chapter V-A of the Finance Act 2003 required that where provision of certain listed services, whole taxable services exceeds Rs. 4 (Four) Lakhs a service tax with respect to the same had to be paid. Every person who was liable to pay service tax had to register himself for the same, by applying to the Superintendent of Central Excise.

Similarly, before July 1, 2017, Value Added Tax, or VAT, was a consumption tax which was applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each State that had introduced VAT had its own VAT Act, under which, persons who were liable to pay VAT had to register themselves and obtain a registration number from the Excise Tax Officer of that respective State.

Post July 1, 2017, VAT, Service Tax and other related tax laws have been substituted by the Goods and Services Tax (GST) which has a dual model, where taxation is administered by both the Union and State Governments. Transactions made within a single state are levied with Central GST (CGST) by the Central

Government and State GST (SGST) by the State governments. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government.

11. The Water (Prevention and Control of Pollution) Act, 1974

This legislation seeks to prevent and control the level of water pollution and sets up a board to monitor the same. This statute provides that prior permission from the relevant State Pollution Control Board is required for the setting up of any industry, which is likely to discharge effluents.

12. The Air (Prevention and Control of Pollution) Act, 1981

This statute seeks to prevent and abate the level of air pollution and grants certain powers to the State Pollution Control Board to ensure the same. Under the provisions of this legislation, every facility has to obtain a consent order from the relevant State Pollution Control Board in order to carry on its industrial operations.

13. The Environment (Protection) Act, 1986

The Environment (Protection) Act, 1986 and the Rules made thereunder provides for ambient standards in respect of noise for different categories of areas (residential, commercial, and industrial) and silence zones have been notified. Noise limits have been prescribed for automobiles, domestic appliances and construction equipment at the manufacturing stage. The Noise Pollution Rules 2000 (as amended in 2002) provides that the owner of any diesel generator set with upto 1000 KVA requires an acoustic chamber and must have a conformance certificate.

14. The Contract Labour (Regulation and Abolition) Act, 1970

The Contract Labour (Regulation and Abolition) Act, 1970 seeks to regulate the working conditions of the contract labour and to provide for its abolition in certain cases. This Act provides that any employer seeking to employ contract labour must register his establishment to the appropriate authority, which is the Joint Labour Commissioner of that particular state. The Employee’s State Insurance Act, 1948 The Employees State Insurance Act, 1948 is applicable to all factories and to such establishments as the Central Government may notify, unless a specific exemption has been granted. The employers in such factories and establishments are required to pay contributions to the Employees State Insurance Corporation, in respect of each employee at the rate prescribed by the Central Government. Companies which are controlled by the Government are exempt from the aforesaid requirement if the employees are receiving benefits which are similar or superior to the benefits prescribed under the Employees State Insurance Act, 1948.

15. Employee’s Provident Funds and Miscellaneous Provisions Act, 1952

Under the Employee’s Provident Funds and Miscellaneous Provisions Act, 1952, an establishment employing more than 20 persons, either directly or indirectly, in any capacity whatsoever, is either required to constitute its own provident fund or subscribe to the statutory employee’s provident fund. The employer of such establishment is required to make a monthly contribution to the provident fund equivalent to the amount of the employee’s contribution to the provident fund, subject to a minimum contribution of 10% of the basic wages, dearness allowance and retaining allowance, if any payable to each of the employee’s.

16. Payment of Gratuity Act, 1972

An employee, who after having completed at least 5 continuous years of service in an employee, resigns, retires, or is disabled due to an accident or disease, is eligible to receive gratuity up to a maximum of Rs. 350,000. To meet this liability, employers of all establishments to which the legislation applies are liable to contribute towards gratuity. The Income Tax Act, 1961 The Income Tax Act provides that any company deducting tax must apply to the assessing officer for the allotment of a tax deduction account number. Furthermore, the Act requires every tax payer to apply to the assessing officer for a personal account number

17. The Agricultural Produce (Grading and Marking) Act, 1937

The Central Government provides certain grade designations for certain articles. These grade designations indicate the quality of the article. These articles, which include rice, must be marked, according to the appropriate grading. The Central Government authorizes an officer to grade the article and mark it accordingly.

Other Regulations

In addition to the above, our Company is required to comply with the provisions of the Companies Act, FEMA, Competition Act, labour laws, various tax related legislations and other applicable statutes for its day-to-day operations.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

Our Board presently consists of eight directors and as per the Articles of Association, our Company shall have not more than 15 Directors unless otherwise altered by our Company in a general meeting.

Pursuant to the provisions of the Companies Act, 2013, at least two-thirds of the total number of Directors, excluding the Independent Directors, are liable to retire by rotation, with one-third of such number retiring at each AGM. A retiring Director is eligible for re-election. Further, an independent Director may be appointed for a maximum of two consecutive terms of up to five consecutive years each. Any reappointment of independent Directors shall, *inter alia*, be on the basis of the performance evaluation report and approved by the shareholders by way of special resolution.

The following table sets forth details regarding our Board of Directors as of the date of this Placement Document:

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
1.	**Mr. Vijay Kumar Arora** **Address**: Raghuvesh Villa No. 8, Kachnar Marg, DLF City Phase-I, Gurgaon -122 002, Haryana **Occupation**: Business **DIN**: 00012203 **Term**: September 29, 2014 till September 28, 2019 **Nationality**: Indian	59	Managing Director
2.	**Mr. Surinder Kumar Arora** **Address**: Plot No. 11, North Avenue Road, West Punjabi Bagh, New Delhi – 110 026 **Occupation**: Business **DIN**: 01574728 **Term**: June 22, 2015 till June 21, 2020 **Nationality**: Indian	54	Managing Director
3.	**Mr. Ashwani Kumar Arora** **Address**: Raghuvesh Villa, A-25/9, DLF City Phase- I, Gurgaon – 122 002, Haryana **Occupation**: Business **DIN**: 01574773 **Term**: June 22, 2015 till June 21, 2020 **Nationality**: Indian	52	Managing Director and CFO
4.	**Mr. Rajesh Kumar Srivastava** **Address**: S-376, Ground Floor, Panchshila Park, New Delhi – 110 017 **Occupation:** Professional	60	Nominee Director

Sr. No.	Name, Address, Occupation, DIN, Term and Nationality	Age	Designation
	DIN: 00302223 **Term**: Non-retiring **Nationality**: Indian		
5.	**Mr. Gokul Patnaik** **Address**: T-9, 1st Floor, Green Park Extention, Hauz Khas, New Delhi – 110 016 **Occupation**: Professional **DIN**: 00027915 **Term**: September 21, 2016 till September 20, 2021 **Nationality**: Indian	71	Independent Director
6.	**Mr. Pramod Bhagat** **Address**: 1/18 Bhagat Pura, Sonepat – 131 001, Haryana **Occupation**: Professional **DIN**: 00198092 **Term**: September 9, 2014 till conclusion of the 29th AGM of the Company **Nationality**: Indian	66	Independent Director
7.	**Ms. Radha Singh** **Address**: CII - 32, Tilak Lane, New Delhi – 110 001 **Occupation**: Professional **DIN**: 02227854 **Term**: September 9, 2014 till conclusion of the 29th AGM of the Company **Nationality**: Indian	70	Independent Director
8.	**Mr. Suparas Bhandari** **Address**: A-63, 2nd Floor, Gulmohar Park, Delhi – 110 049 **Occupation**: Professional **DIN**: 00159637 **Term**: September 21, 2016 till September 20, 2021 **Nationality**: Indian	71	Independent Director

Biographies of the Directors

Mr. Vijay Kumar Arora is the Managing Director of our Company. He has been associated with our Company since October 16, 1990. He has a bachelor's degree in science from Meerut University. He has approximately 27 years of experience.

Mr. Surinder Kumar Arora is the Managing Director of our Company. He has been associated with our Company since October 16, 1990. He has approximately 27 years of experience.

Mr. Ashwani Kumar Arora is the Managing Director and CFO of our Company. He has been associated with our Company since October 16, 1990. He has a bachelor's degree in commerce from Guru Nanak Dev University. He has approximately 27 years of experience.

Mr. Rajesh Kumar Srivastava is the Nominee Director of our Company. He has been associated with our Company since November 9, 2009. He has a bachelor's degree in law from the University of Lucknow, and master's degree in arts from the University of Lucknow. He has approximately 38 years of experience. Prior to joining our Company, he was Chairman and CEO of Agro Food Advisory Company India Private Limited, Managing Director of Rabo India Finance Private Limited, Associate Vice President of Credit Capital Venture Fund (India) Limited.

Mr. Gokul Patnaik is the Independent Director of our Company. He has been associated with our Company since March 29, 2017. He has approximately 19 years of experience. Prior to joining our Company, he was a member of the Indian Administrative Service and has been associated with Agricultural and Processed Food Products Export Development Authority, working group on Agricultural Extension in Agriculture & Allied Sector constituted by the Planning Commission, Government of India for the XII Plan, and Food Safety and Standards Authority of India.

Mr. Pramod Bhagat is the Independent Director of our Company. He has been associated with our Company since February 17, 2006. He has a degree in law from Dayanand Anglo-Vedic College. He has approximately 43 years of experience. Prior to joining our Company, he was practicing law.

Ms. Radha Singh is the Independent Director of our Company. She has been associated with our Company since January 29, 2010. She has a Master's degree in Public Administration from Harvard University, USA. Prior to joining our Company, she was a member of the Indian Administrative Service.

Mr. Suparas Bhandari is the Independent Director of our Company. He has been associated with our Company since February 17, 2006. He has a bachelor's degree in science and a bachelor's degree in law from the University of Jodhpur. He has approximately 14 years of experience. Prior to joining our Company, he was the Chairman cum Managing Director of Agriculture Insurance Company of India Limited and General Manager at Oriental Insurance Company Limited.

Relationship with other Directors

Other than Mr. Vijay Kumar Arora, Mr. Surinder Kumar Arora and Mr. Ashwani Kumar Arora, none of the Directors are related to each other.

Borrowing powers of our Board

Pursuant to the shareholders' resolutions dated September 21, 2016, the borrowing powers of the Company were increased up to ₹11,000 million

Interest of the Directors

All Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending the meetings of our Board and the committees of our Board. Our Executive Directors are interested to the extent of remuneration payable to them by our Company. Further, our Directors may also be interested in our Company to the extent of reimbursement of expenses payable to them.

None of the Directors have any interest in any property acquired by our Company within two years from the date of this Placement Document or proposed to be acquired by our Company.

No sum has been paid or agreed to be paid to our Directors or to firms or companies in which they may be members, in cash or shares or otherwise by any person either to induce him/her to become, or to qualify him/her as, a Director, or otherwise for services rendered by him/her or by such firm or company, in connection with the promotion or formation of our Company.

Except as stated in "*Financial Statements*" on page 232 of this Placement Document and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in the business of our Company.

No loans have been availed by our Directors or the Key Management Personnel from our Company except the salary advances given to Mr. Sanjeev Uppal amounting to ₹ 350,000, and given to Mr. Dipol Dhole amounting to ₹ 500,000.

Except as stated in "*Financial Statements*" on page 232 of this Placement Document, none of the beneficiaries of loans, advances and sundry debtors are related to our Directors.

Shareholding of Directors

The following table sets forth the equity shareholding of the Directors in our Company as of the date of this Placement Document:

Name	Number of Equity Shares	Percent of total number of outstanding Equity Shares (in %)
Mr. Vijay Kumar Arora	21,286,920	7.98
Mr. Surinder Kumar Arora	21,286,920	7.98
Mr. Ashwani Kumar Arora	21,286,920	7.98
Mr. Rajesh Kumar Srivastava	-	-
Mr. Gokul Patnaik	-	-
Mr. Pramod Bhagat	-	-
Ms. Radha Singh	-	-
Mr. Suparas Bhandari	-	-

Terms of appointment of the Executive Director

Mr. Vijay Kumar Arora

The gross salary of Mr. Vijay Kumar Arora, amounting to ₹ 1,250,000 per month paid by our Company, includes payment of house rent allowance / rent-free residential accommodation, perquisites and various other allowances. Further, he is entitled to a commission calculated at the rate of 2% of the net profit of the Company, as may be determined by the Board subject to applicable law.

Mr. Surinder Kumar Arora

Mr. Surinder Kumar Arora recives remuneration from Daawat Foods Limited, one of our Subsidiaries, with effect from October 1, 2017. The gross salary of Mr. Surinder Kumar Arora from Daawat Foods Limited, amounting to ₹ 1,250,000 per month, includes payment of house rent allowance / rent-free residential accommodation, perquisites and various other allowances. Further, he is entitled to a commission calculated at the rate of 2% of the net profit of Daawat Foods Limited, as may be determined by its board of directors, subject to applicable law.

Mr. Ashwani Kumar Arora

The gross salary of Mr. Ashwani Kumar Arora, amounting to ₹ 1,250,000 per month paid by our Company, includes payment of house rent allowance / rent-free residential accommodation, perquisites and various other allowances. Further, he is entitled to a commission calculated at the rate of 2% of the net profit of the Company, as may be determined by the Board subject to applicable law.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in six months period ended September 30, 2017 and the Financial Years 2017, 2016, 2015 is as follows:

1. **Remuneration to Executive Directors:**

(*in ₹ million*)

Name	April 2017 – September 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Mr. Vijay Kumar Arora	7.03	14.10	11.98	12.03
Mr. Surinder Kumar Arora	5.83	11.67	7.78	7.83
Mr. Ashwani Kumar Arora	Nil	Nil	Nil	Nil

2. **Remuneration to Non-Executive Directors:**

(*in ₹ million*)

Name	April 2017 – September 30, 2017	Fiscal 2017	Fiscal 2016	Fiscal 2015
Mr. Rajesh Kumar Srivastava	0.00	0.01	0.13	0.23
Mr. Gokul Patnaik	0.22	0.27	Nil	Nil
Mr. Pramod Bhagat	0.29	0.56	0.42	0.15
Ms. Radha Singh	0.31	0.60	0.46	0.16
Mr. Suparas Bhandari	0.17	0.27	Nil	Nil

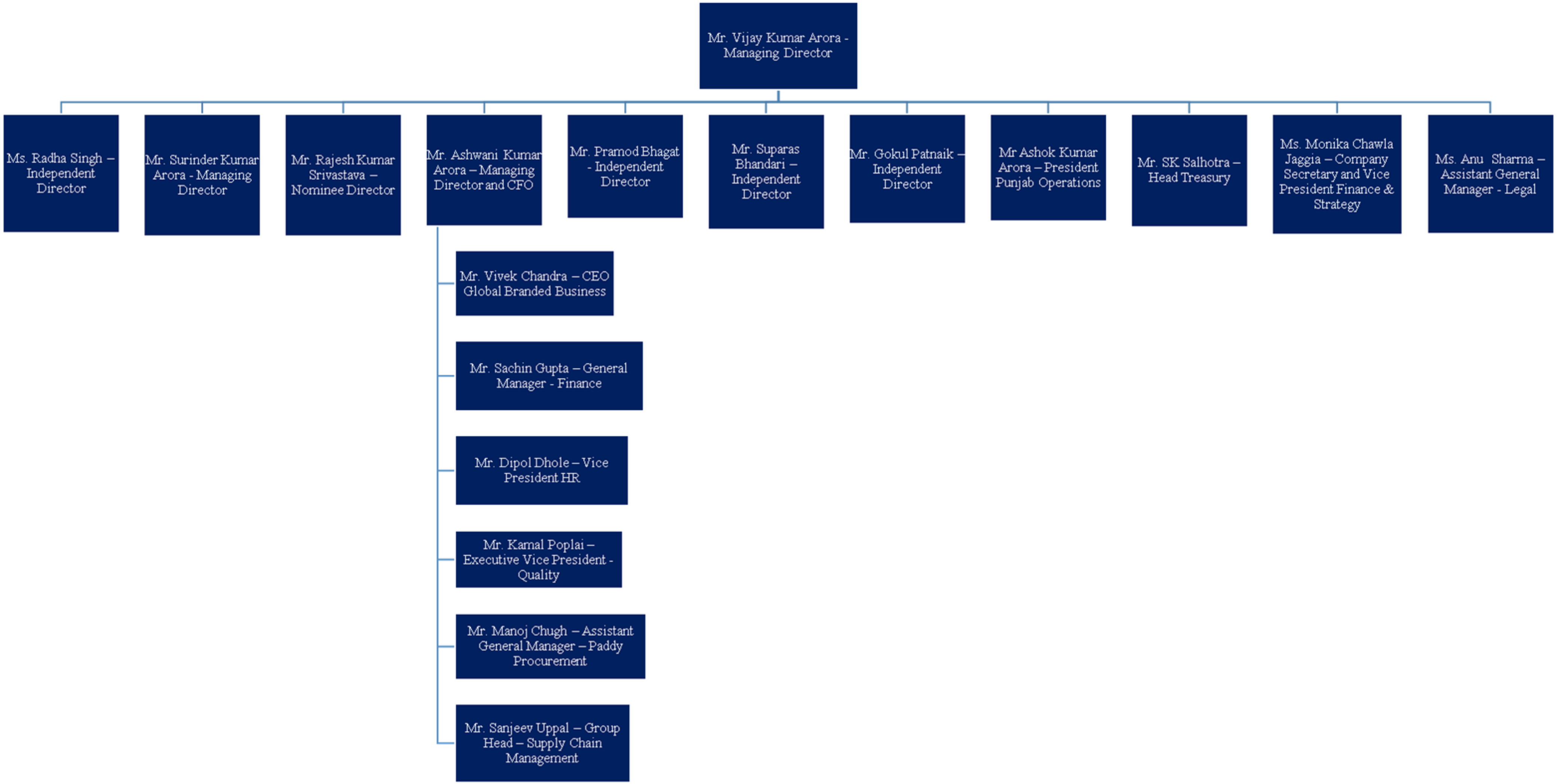
Further, our Company has pursuant to a resolution dated May 27, 2016 fixed the sitting fees payable to our independent Directors in the following manner:

(a) ₹ 60,000 per meeting for attending the meetings of our Board;

(b) ₹ 35,000 per meeting for attending the meetings of the Audit Committee; and

(c) ₹ 20,000 per meeting for attending the meetings of the other committees of our Board.

Management organization structure



Key Managerial Personnel

The following table sets forth details regarding our key managerial personnel as of the date of this Placement Document:

Sr. No.	Name	Age (years)	Designation
1.	Mr. Ashwani Kumar Arora	52	Managing Director and CFO
2.	Mr. Ashok Kumar Arora	58	President Punjab Operations
3.	Ms. Monika Chawla Jaggia	39	Company Secretary and Vice President (Finance & Strategy)
4.	Ms. Anu Sharma	36	Assistant General Manager – Legal
5.	Mr. Dipol Dhole	55	Vice President (HR)
6.	Mr. Kamal Poplai	55	Executive Vice President (Quality)
7.	Mr. Manoj Chugh	43	Assistant General Manager Paddy Procurement
8.	Mr. Sanjeev Uppal	38	Group Head – Supply Chain Management
9.	Mr. Vivek Chandra	60	Chief Executive Officer (Global Branded Business)
10.	Mr. S. K. Salhotra	63	Treasury Head
11.	Mr. Sachin Gupta	39	General Manager (Finance)

Biographies of the Key Managerial Personnel

For details of Mr. Ashwani Kumar Arora see, "*Board of Directors and Senior Management – Biographies of our Directors*" on page 157 of this Placement Document.

Mr. Ashok Kumar Arora is the President (Punjab Operations) of our Company. He has been associated with our Company since October 16, 1990. He has a bachelor's degree in arts from Guru Nanak Dev University. He has approximately 27 years of experience.

Ms. Monika Chawla Jaggia is the Company Secretary and Vice President (Finance & Strategy) of our Company. She has been associated with our Company since January 28, 1998. She has a master's degree in business administration from the Institutre of Chartered Financial Analysts of India University, Tripura. She is an associate member of the Institute of Company Secretaries of India. She has approximately 19 years of experience.

Ms. Anu Sharma is the Assistant General Manager – Legal of our Company. She has been associated with our Company since July 1, 2003. She has a master's degree in business administration from the Institutre of Chartered Financial Analysts of India University, Tripura, a bachelor's degree in law from the Barkatullah University and a bachelor's degree in commerce from the University of Delhi. She is an associate member of the Institute of Company Secretaries of India. She has approximately 14 years of experience.

Mr. Dipol Dhole is the Vice President (HR) of our Company. He has been associated with our Company since September 24, 2007. He has a bachelor's degree in Science from Lucknow University. He has approximately 10 years of experience.

Mr. Kamal Poplai is the Executive Vice President (Quality) of our Company. He has been associated with our Company since July 1, 2007. He has a diplomas in marketing and sales management, public relations from Bharatiya Vidya Bhavan and a post graduate diploma in business management from the Institute of Management Technology. He has approximately 10 years of experience.

Mr. Manoj Chugh is the Assistant General Manager Paddy Procurement of our Company. He has been associated with our Company since July 1, 1995. He has a bachelor's degree in commerce from Maharshi Dayanand University, Rohtak. He has approximately 22 years of experience.

Mr. Sanjeev Uppal is the Group Head – Supply Chain Management of our Company. He has been associated with our Company since November 1, 2002. He has a bachelor's degree in technology (agricultural engineering) from Punjab Agricultural University. He has approximately 15 years of experience.

Mr.Vivek Chandra is the Chief Executive Officer (Global Branded Business) of our Company. He has been associated with our Company since November 23, 2010. He has approximately 7 years of experience.

Mr. S.K Salhotra is the Treasury Head of our Company. He has been associated with our Company since October 7, 1998. He has a bachelor's degree in commerce from the University of Delhi and a diploma in business finance from the Institute of Chartered Financial Analysts of India. He has approximately 40 years of experience. Further, he is a chartered accountant and an associate of the Indian Institute of Bankers.

Mr. Sachin Gupta is the General Manager (Finance) of our Company. He has been associated with our Company since November 14, 2002. He is a chartered accountant. He has approximately 15 years of experience.

Shareholding of Key Managerial Personnel

The following table sets forth the shareholding of our key managerial personnel as of the date of this Placement Document:

Name	Number of Equity Shares	Percent of total number of outstanding Equity Shares (in %)
Mr. Ashwani Kumar Arora	21,286,920	7.98
Mr Ashok Kumar Arora	21,286,920	7.98
Ms. Monika Chawla Jaggia	191,770*	0.07
Ms. Anu Sharma	27,480	0.01
Mr. Dipol Dhole	30,560	0.01
Mr. Kamal Poplai	242,520	0.09
Mr. Manoj Chugh	33,021	0.01
Mr. Sanjeev Uppal	19,660	0.00
Mr. Vivek Chandra	700,710	0.26
Mr. S. K. Salhotra	225,020	0.08
Mr. Sachin Gupta	64,280	0.02

* 18,480 Equity Shares are held in a pool account

Interest of Key Managerial Personnel

Except as disclosed above in relation to our Executive Directors, the Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration, allowances perquisites or benefits to which they are entitled to as per their terms of appointment and the reimbursement of expenses incurred by them during the ordinary course of business.

Corporate governance

Our Board of Directors presently consists of eight Directors. In compliance with the requirements of the SEBI Listing Regulations, our Board of Directors comprises five independent Directors. Our Company is in compliance with the corporate governance requirements under Chapter IV of the SEBI Listing Regulations.

Committees of our Board of Directors

Our Board of Directors has constituted committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations.

The following table sets forth the members of our committees as of the date of this Placement Document:

Committee	Members
Audit Committee	Mr. Pramod Bhagat (Chairman), Ms. Radha Singh, Mr. Rajesh Kumar Srivastava and Mr. Gokul Patnaik
Nomination and Remuneration Committee	Ms. Radha Singh (Chairperson), Mr. Pramod Bhagat and Mr. Rajesh Kumar Srivastava
Stakeholders' Relationship Committee	Mr. Pramod Bhagat (Chairman), Ms. Radha Singh, Mr. Rajesh Kumar Srivastava and Mr. Suparas Bhandari
Corporate Social Responsibility Committee	Ms. Radha Singh (Chairperson), Mr. Vijay Kumar Arora, Mr. Rajesh Kumar Srivastava and Mr. Gokul Patnaik
Governance Committee	Mr. Vijay Kumar Arora (Chairman), Mr. Ashwani Kumar Arora and Mr. Rajesh Kumar Srivastava
Management Committee	Mr. Vijay Kumar Arora (Chairman), Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora

Other confirmations

None of our promoters, Directors or Key Managerial Personnel have any financial or other material interest in the Issue.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three Fiscal Years immediately preceding the date of this Placement Document, as per the requirements under Companies Act, 2013 and Accounting Standard 18 issued by the Institute of Chartered Accountants in India, see "*Financial Statements*" on page 232 of this Placement Document.

Employee Stock Option Schemes

Our ESOP Plan has been prepared in accordance with the SEBI ESOP Regulations, Companies Act, 2013, and the rules framed thereunder.

Policy on Disclosures and Internal Procedure for prevention of Insider Trading

Regulation 9(1) of the Insider Trading Regulations, 2015 applies to us and our employees and requires us to implement a code of internal procedures and conduct for the prevention of insider trading. Our Company is in compliance with the same and has implemented an insider policy for employees. Ms. Monika Chawla Jaggia acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

PRINCIPAL SHAREHOLDERS AND OTHER INFORMATION

The following table sets forth the shareholding pattern of the Company as on September 30, 2017:

Sr. No.	Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized Form	Total Shareholding as a % of total no. of Equity Shares		Equity Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a % of Total no. of Equity Shares
(A)	**Shareholding of Promoter**							
(1)	**Indian**							
a	Individual/Hindu Undivided Family	14	84,299,940	84,299,940	31.603	31.603	0	0.000
b	**Any Others (Specify)**							
	Directors Relatives	3	63,860,760	63,860,760	23.941	23.941	0	0.000
	Group Companies	1	30,984,130	30,984,130	11.615	11.615	16,004,130	51.653
	Sub Total	**18**	**179,144,830**	**179,144,830**	**67.159**	**67.159**	**16,004,130**	**8.934**
(2)	**Foreign**							
	-	-	-	-	-		-	-
	Total shareholding of Promoter (A)	**18**	**179,144,830**	**179,144,830**	**67.159**	**67.159**	**16,004,130**	**8.934**
(B)	**Public Shareholding**							
(1)	**Institutions**							
	Mutual Funds/UTI							
	Alternative Investment Funds							
	Foreign Portfolio Investors	17	6,653,752	6,653,752	2.494	2.494	NA	NA
	Financial Institutions/Banks	3	3,386,725	3,386,725	1.270	1.270	NA	NA
	Foreign Venture Capital Investors							
	Provident Funds/Pension Funds							
	Sub Total	**20**	**10,040,477**	**10,040,477**	**3.764**	**3.764**	**NA**	**NA**
(2)	**Central Government/State Government/President of India**							
(2)	**Non-Institutions**							
	Domestic Bodies Corporate	316	4,100,426	4,100,426	1.537	1.537	NA	NA
	NBFCs registered with RBI							
	Individuals							
	Individual share capital up to ₹0.2 million	37,326	32,160,585	31,028,144	12.058	12.058	NA	NA
	Individual share capital in excess of ₹0.2 million	22	16,653,202	16,653,202	6.243	6.243	NA	NA
	Any Others (Specify)							
	Clearing Members	315	1,302,339	1,302,339	0.488	0.488	NA	NA
	Trusts	2	2,500	2,500	0.001	0.001	NA	NA
	Limited Liability Partnership							
	Overseas Corporate Bodies	2	18,660,597	18,160,597	6.996	6.996	NA	NA
	Foreign Corporate Bodies							
	Foreign Nationals							
	Employees	35	3,087,425	3,087,425	1.157	1.157	NA	NA
	NRI	428	1,540,789	1,540,789	0.578	0.578	NA	NA
	Unclaimed Suspense Account	1	51,610	51,610	0.019	0.019	NA	NA
	Sub Total	**38,447**	**77,559,473**	**75,927,032**	**29.077**	**29.077**	**NA**	**NA**
	Total Public shareholding (B)	**38,467**	**87,599,950**	**85,967,509**	**32.841**	**32.841**	**NA**	**NA**
	Total (A)+(B)	**38,485**	**266,744,780**	**265,112,339**	**100.000**	**100.000**	**16,004,130**	**5.999**

Sr. No.	Category of Shareholder	No. of Shareholders	Total No. of Equity Shares	Total No. of Equity Shares held in Dematerialized Form	Total Shareholding as a % of total no. of Equity Shares		Equity Shares pledged or otherwise encumbered	
					As a % of (A+B)	As a % of (A+B+C)	Number of Equity Shares	As a % of Total no. of Equity Shares
(C)	**Non-Promoter - Non Public Shareholding**							
	Custodian/DR Holder							
	Employee Benefit Trust							
	Total Non-Promoter - Non Public Shareholding (C)							

The following table sets forth the shareholding of the Promoters as at September 30, 2017:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Total Shareholding as a % of total No. of Equity Shares
1.	Mr. Gurucharan Dass Arora	633,340	0.237
2.	Ms. Vandana Arora	8,371,500	3.139
3.	Ms. Sakshi Arora	8,371,500	3.139
4.	Mr. Gurucharan Dass Arora	21,286,920	7.980
5.	Mr. Munish Kumar Arora	643,660	0.241
6.	Ms. Anita Arora	7,611,500	2.854
7.	Ms. Vaneet Arora	160,000	0.060
8.	Ms. Ranju Arora	7,738,160	2.901
9.	Mr. Ashok Kumar Arora	21,286,920	7.980
10.	Mr. Parvesh Rani	6,800,000	2.549
11.	Mr. Aditya Arora	633,340	0.237
12.	Mr. Abhinav Arora	633,340	0.237
13.	Mr. Gursajan Arora	126,660	0.048
14.	Mr. Ritesh Arora	3,100	0.001
15.	Mr. Vijay Kumar Arora	21,286,920	7.980
16.	Mr. Ashwani Kumar Arora	21,286,920	7.980
17.	Mr. Surinder Kumar Arora	21,286,920	7.980
18.	Raghuvesh Holdings Private Limited	30,984,130	11.6156
	Total	**179,144,830**	**67.159**

The following table sets forth the shareholding of persons belonging to the category “Public” and holding more than 1.00% of the total number of Equity Shares as at September 30, 2017:

Sr. No.	Name of the Shareholder	No. of Equity Shares	Total Shareholding as a % of total No. of Equity Shares
1.	India Agri Business Fund Ltd	18,160,597	6.808
2.	Alliancebernstein India Growth Investor (Mauritius) Limited	5,353,254	2.007
3.	Punjab National Bank	3,003,640	1.126
4.	Ms. Dolly Khanna	2,907,256	1.090
	Total	**29,424,747**	**11.031**

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the application, payment, Allocation and Allotment of the Equity Shares to be issued pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below, and investors are presumed to have apprised themselves of any changes from our Company or the Book Running Lead Manager. Prospective investors are advised to inform themselves of any restrictions or limitations that may be applicable to them. Investors that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares. Please see sections "Selling Restrictions" and "Transfer Restrictions" on pages 179 *and* 186 *of this Placement Document, respectively.*

Qualified Institutions Placement

The Issue is being made to Eligible QIBs in reliance upon Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, by way of a QIP. Under Chapter VIII of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company may issue equity shares to Eligible QIBs provided that certain conditions are met by our company. Certain of these conditions are set out below:

a) the shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must specify:(i) that the allotment of securities is proposed to be made pursuant to the QIP and (ii) the relevant date, as defined in the SEBI ICDR Regulations;
b) equity shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its shareholders for convening the meeting to pass the above-mentioned special resolution;
c) the aggregate of the proposed issue and all previous qualified institutions placements made by the issuer in the same financial year does not exceed five times the net worth (as defined in the SEBI ICDR Regulations) of the issuer as per the audited balance sheet of the previous financial year;
d) the issuer shall be in compliance with the minimum public shareholding requirements set out in the SCRR;
e) the issuer shall have completed allotments with respect to any offer or invitation made by the issuer has not withdrawn or abandoned any invitation or offer previously made by the issuer;
f) the issuer shall offer to each Allottee at least such number of the securities in the issue which would aggregate to ₹ 20,000 calculated at the face value of the securities;
g) the explanatory statement to the notice to the shareholders for convening the general meeting must disclose the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;
h) the offer must be made through a private placement offer letter and an application form serially numbered and addressed specifically to the Eligible QIB to whom the offer is made and is sent within 30 days of recording the names of such Eligible QIBs;
i) the offer must not be to more than 200 persons in a financial year. However, an offer to QIBs will not be subject to this limit of 200 persons. Prior to circulating the private placement offer letter, the issuer must prepare and record a list of Eligible QIBs to whom the offer will be made. The offer must be made only to such persons whose names are recorded by the issuer prior to the invitation to subscribe;
j) the offering of securities by issue of public advertisements or utilization of any media, marketing or distribution channels or agents to inform the public about the issue is prohibited.

At least 10% of the Equity Shares issued to Eligible QIBs must be allotted to Mutual Funds, provided that, if this portion, or any part thereof to be Allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw their Bids after the Bid/Issue Closing Date

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the issuer's equity shares of the same class quoted on the stock exchange during the two weeks preceding the relevant date. However, a discount of up to 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. The Floor Price per Equity Share is ₹ 79.13.

The "relevant date" in case of allotment of equity shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the equity shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

Securities must be allotted within 12 months from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the Bidders.

The Equity Shares issued pursuant to the QIP must be issued on the basis of the Preliminary Placement Document and this Placement Document that shall contain all material information including the information specified in Schedule XVIII of the SEBI ICDR Regulations and the requirements prescribed under Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select investors through serially numbered copies and are required to be placed on the websites of the concerned Stock Exchanges and of our Company, with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors.

The minimum number of allotters for each QIP shall not be less than:

a) two, where the issue size is less than or equal to ₹ 2,500 million; and
b) five, where the issue size is greater than ₹ 2,500 million.

No single allottee shall be allotted more than 50% of the issue size or less than ₹ 20,000 of face value of Equity Shares. Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single allottee. For details of what constitutes "same group" or "common control", please see sections "*Issue Procedure-Application Process-Application Form*" on page 172 of this Placement Document.

Our Company has applied for and received the in-principle approval of the Stock Exchanges under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges. Our Company has furnished a copy of this Placement Document and filed the same with the Stock Exchanges.

Our Company shall also make the requisite filings with the RoC and SEBI within the stipulated period as required under the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Issue has been authorised and approved by the Board of Directors on October 3, 2017 and by the shareholders of our Company by way of their special resolution passed by postal ballot dated November 11, 2017.

Securities allotted to Eligible QIBs pursuant to the Issue shall not be sold for a period of one year from the date of allotment except on the floor of a recognised stock exchange in India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons who are qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act) pursuant to Section 4(a)(2) or another available exemption from registration under the U.S. Securities Act, and (b) outside the United States in offshore transactions in reliance on Regulation S or pursuant to another exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 179 and 186, respectively.

Issue Procedure

Our Company and the Book Running Lead Manager shall circulate serially numbered copies of this Placement

Document and the serially numbered Application Form, either in electronic or physical form to the Eligible QIBs and the Application Form will be specifically addressed to such Eligible QIBs. In terms of Section 42(7) of the Companies Act, 2013, our Company shall maintain complete records of Eligible QIBs to whom the Preliminary Placement Document and the serially numbered Application Form have been dispatched. Our Company will make the requisite filings with RoC and SEBI within the time period, as required under the Companies Act, 2013.

The list of QIBs to whom this Placement Document and Application Form is to delivered, shall be determined by the Book RunningLead Manager in consultation with our Company, at its sole discretion. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form is addressed to a particular Eligible QIB, no invitation to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

Bidders shall submit Bids for, and our Company shall issue and Allot to each Allottee, at least such number of Equity Shares in the Issue which would aggregate to ₹ 20,000, calculated at the face value of the Equity Shares.

Eligible QIBs may submit an Application Form, including any revisions thereof, during the Bidding Period to the Book RunningLead Manager.

Eligible QIBs will be, *inter alia*, required to indicate the following in the Application Form:

a) full official name of the Eligible QIB to whom Equity Shares are to be Allotted;
b) number of Equity Shares Bid for;
c) price at which they are agreeable to subscribe for the Equity Shares, provided that Eligible QIBs may also indicate that they are agreeable to submit a Bid at "Cut-off Price", which shall be any price as may be determined by our Company in consultation with the Book RunningLead Manager sat or above the Floor Price or the Floor Price net of such discount, as approved in accordance with SEBI ICDR Regulations; The Floor Price for the Issue is ₹ 79.13;
d) details of the depository account to which the Equity Shares should be credited;
e) a representation that it is either (i) outside the United States acquiring the Equity Shares in an offshore transaction under Regulation S, or (ii) a "qualified institutional buyer" as defined in Rule 144A, and it has agreed to certain other representations set forth in the Application Form;
f) it has agreed to certain other representations set forth in the Application Form; and
g) SEBI registration number, if applicable.

Once a duly completed Application Form is submitted by an Eligible QIB, such Application Form constitutes an irrevocable offer and cannot be withdrawn after the Bid/Issue Closing Date. The Bid/Issue Closing Date shall be notified to the Stock Exchanges and Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

Upon receipt of the Application Form, after the Bid/Issue Closing Date, our Company shall determine the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue in consultation with the Book Running Lead Manager. Upon determination of the final terms of the Equity Shares, the Book RunningLead Manager will send the serially numbered CAN along with this Placement Document to Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB. The CAN shall contain details such as the number of Equity Shares Allocated to the Eligible QIB and payment instructions including the details of the amounts payable by the Eligible QIB for Allotment of the Equity Shares in its name and the Pay-In Date as applicable to the respective Eligible QIB. **Please note that the Allocation will be at the absolute discretion of our Company and will be based on the recommendation of the Book Running Lead Manager.**

Pursuant to receiving a CAN, each Eligible QIB shall be required to make the payment of the entire application monies for the Equity Shares indicated in the CAN at the Issue Price, only through electronic transfer to the

Escrow Account by the Pay-In Date as specified in the CAN sent to the respective Eligible QIBs. No payment shall be made by Eligible QIBs in cash. Please note that any payment of application money for the Equity Shares shall be made from the bank accounts of the relevant Eligible QIBs applying for the Equity Shares and our Company shall keep a record of the bank account from where such payment for subscriptions have been received. Monies payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the application. Pending Allotment, all monies received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Please see the section "*Issue Procedure - Bank Account for Payment of Application Money*" on page 175 of this Placement Document.

Upon receipt of the application monies from the Eligible QIBs, our Company shall Allot Equity Shares as per the details in the CANs sent to the Eligible QIBs.

After passing the resolution for Allotment and prior to crediting the Equity Shares into the depository participant accounts of the successful Bidders, our Company shall apply to the Stock Exchanges for listing approvals. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the Eligible QIBs.

After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the Depository Participant accounts of the respective Allottees.

Our Company will then apply for the final trading approvals from the Stock Exchanges.

The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Eligible QIBs shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

Upon receipt of intimation of final trading and listing approval from each of the Stock Exchanges, our Company shall inform the Allottees of the receipt of such approval. Our Company and the Book Running Lead Manager shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Final listing and trading approvals granted by the Stock Exchanges are also placed on their respective websites. Eligible QIBs are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

Eligible QIBs

Only eligible QIBs as defined in Regulation 2(1)(zd) and Chapter VIII of the SEBI ICDR Regulations, and not otherwise excluded under Regulation 86 of the SEBI ICDR Regulations or other applicable regulations, can invest in the Issue.

Currently, under Regulation 2(1)(zd) and Chapter VIII of the SEBI ICDR Regulations, a QIB means:

1. a public financial institution as defined in Section 4A of the Companies Act, 1956 (Section 2(72) of the Companies Act, 2013);

2. a scheduled commercial bank;

3. a mutual fund registered with the SEBI;

4. Eligible FPIs;

5. a multilateral and bilateral development financial institution;

6. venture capital funds and AIFs registered with the SEBI;

7. a foreign venture capital investor registered with the SEBI;

8. a state industrial development corporation;

9. an insurance company registered with Insurance Regulatory and Development Authority of India;

10. a pension fund with minimum corpus of ₹ 250 million;

11. National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and

12. an insurance fund set up and managed by the army, navy or air force of the Union of India; and

13. insurance funds set up and managed by the Department of Posts, India; and

14. a provident fund with minimum corpus of ₹ 250 million.

Eligible FPIs are permitted to participate in the Issue through the Portfolio Investment Scheme and the Foreign Portfolio Investment Scheme, respectively, subject to compliance with all applicable laws and such that the shareholding of the FPIs does not exceed specified limits as prescribed under applicable laws in this regard. Note that FVCIs, foreign multilateral and bilateral development financial institutions and any other non-resident investors are not permitted to participate in the Issue.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. No single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) can hold 10% or more of our post Issue paid-up capital.

Currently, as of September 30, 2017, the aggregate FPI holding is 2.49% of our total paid-up capital.

In terms of the SEBI FPI Regulations, the Equity Shares issued to a single Eligible FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) shall be below 10% of the post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Regulations, the total holding of each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board followed by a special resolution passed by the shareholders.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Pursuant to Regulation 86(1)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being, or any person related to, the promoters. Eligible QIBs which have all or any of the following rights shall be deemed to be persons related to the promoters:

a) rights under a shareholders' agreement or voting agreement entered into with the promoter or persons related to the promoters;
b) veto rights; or
c) a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any equity shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoters.

Our Company and the Book RunningLead Manager are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not directly or indirectly result in triggering an open offer under the Takeover Regulations.

A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. If no Mutual Fund is agreeable to take up the minimum portion as specified above, such minimum portion or part thereof may be Allotted to other Eligible QIBs.

Note: *Affiliates or associates of the Book Running Lead Manager who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

Application Process

Application Form

Eligible QIBs shall only use the serially numbered Application Forms (which are addressed to them) supplied by the Book Running Lead Manager in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB will be deemed to have made the following representations and warranties and the representations, warranties and agreements made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 4, 179 and 186 of this Placement Document, respectively:

1. it is a QIB in terms of Regulation 2(1)(zd)of the SEBI ICDR Regulations and is not excluded under Regulation 86 of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. it is not a promoter and is not a person related to the promoter, either directly or indirectly and its Application Form does not directly or indirectly represent the promoter or promoter group or persons related to the "promoter" as defined in the SEBI ICDR Regulations;

3. it has no rights under a shareholders' agreement or voting agreement with the promoter or persons related to the promoter, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender which shall not be deemed to be a person related to the "promoter" as defined in the SEBI ICDR Regulations;

4. it confirms that:

    i. If it is within the United States, it is a U.S. QIB who is, or are acquiring the Equity Shares for its own account or for the account of an institutional investor who also meets the requirement of a U.S. QIB, for investment purposes only and not with a view to, or for resale in connection with, the distribution (within the meaning of any United States securities laws) thereof, in whole or in part and are not our affiliate or a person acting on behalf of such an affiliate; and

    ii. if it is outside the United States, it is purchasing the Equity Shares in an offshore transaction in reliance on Regulation S under the U.S. Securities Act, and is not our affiliate or a person acting on behalf of such an affiliate;

5. It acknowledges that has no right to withdraw its Bid after the Bid/Issue Closing Date;

6. if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the Stock Exchanges;

7. it is eligible to Bid and hold Equity Shares so Allotted and its holding, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. its Bid would not directly or indirectly result in triggering an open offer under the Takeover Regulations;

9. to the best of its knowledge and belief together with other Eligible QIBs in the Issue that belongs to the same group or are under same control, the Allotment to it shall not exceed 50% of the Issue. For the purposes of this statement:

(a) The expression “belongs to the same group” shall derive meaning from the concept of “companies under the same group” as provided in sub-section (11) of Section 372 of the Companies Act, 1956;

(b) “Control” shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the Takeover Regulations.

10. it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges.

ELIGIBLE QIBS MUST PROVIDE THEIR DEPOSITORY ACCOUNT DETAILS, PAN, THEIR DEPOSITORY PARTICIPANT’S NAME, E-MAIL ID, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, THE ELIGIBLE QIB SUBMITTING A BID, ALONG WITH THE BID CUM APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BOOK RUNNING LEAD MANAGER TO EVIDENCE THEIR STATUS AS AN “ELIGIBLE QIB” AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE BOOK RUNNING LEAD MANAGER, ESCROW BANK(S) OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER CLOSURE OF THE ISSUE, THE ELIGIBLE QIB SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE PLACEMENT, WILL HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details given above.

The submission of an Application Form by an Eligible QIB shall be deemed a valid, binding and irrevocable offer for the Eligible QIB to pay the entire Issue Price for the Equity Shares (as indicated by the CAN) and becomes a binding contract on the Eligible QIB upon issuance of the CAN by our Company in favour of the Eligible QIB.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Eligible QIB and the number of Equity Shares applied for. The Application Form shall be submitted to the Book Running Lead Manager either through electronic form or through physical delivery at the following address:

Name of the Book Running Lead Manager	Address	Contact Person	Email	Phone (Telephone and Fax)
Motilal Oswal Investment Advisors Limited	Motilal Oswal Tower Rahimtullah Sayani Road Opposite Parel ST Depot Prabhadevi, Mumbai- 400 025	Mr. Subodh Mallya	bigb@motilaloswal.com	Tel: +91 22 3980 4380 Fax: +91 22 3980 4315

The Book RunningLead Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form.

Permanent Account Number or PAN

Each Eligible QIB should mention its PAN allotted under the IT Act in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected. Eligible QIBs should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

Pricing and Allocation

Build up of the Book

Eligible QIBs shall submit their Bids (including the revision of bids) within the Bidding Period to the Book Running Lead Manager and such Bids cannot be withdrawn after the Bid/Issue Closing Date. The book shall be maintained by the Book Running Lead Manager.

Price Discovery and Allocation

Our Company, in consultation with the Book Running Lead Manager, shall determine the Issue Price, which shall be at or above the Floor Price. Our Company may offer a discount of not more than 5% to the Floor Price in terms of Regulation 85(1) of the SEBI ICDR Regulations.

After finalisation of the Issue Price, our Company shall update the Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Method of Allocation

Our Company shall determine the Allocation in consultation with the Book Running Lead Manager on a discretionary basis and in compliance with Chapter VIII of the SEBI ICDR Regulations.

Application Forms received from the Eligible QIBs at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Eligible QIBs will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBS. ELIGIBLE QIBS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AT OR ABOVE THE ISSUE PRICE. NEITHER OUR COMPANY NOR THE BOOK RUNNING LEAD MANAGER ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

All Application Forms duly completed along with payment and a copy of the PAN card or PAN allotment letter shall be submitted to the Book Running Lead Manager as per the details provided in the respective CAN.

CAN

Based on the Application Forms received, our Company, in consultation with the Book Running Lead Manager, in their sole and absolute discretion, decide the Eligible QIBs to whom the serially numbered CAN shall be sent, pursuant to which the details of the Equity Shares Allocated to them and the details of the amounts payable for Allotment of such Equity Shares in their respective names shall be notified to such Eligible QIBs. Additionally, a CAN will include details of the relevant Escrow Account into which such payments would need to be made, address where the application money needs to be sent, Pay-In Date as well as the probable designated date, being the date of credit of the Equity Shares to the respective Eligible QIB’s account.

Eligible QIBs would also be sent a serially numbered Placement Document either in electronic form or by physical delivery along with the serially numbered CAN.

The dispatch of the serially numbered Placement Document and the serially numbered CAN to Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIB to furnish all details that may be required by the Book Running Lead Manager and to pay the entire Issue Price for all the Equity Shares Allocated to such Eligible QIB.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.

Bank Account for Payment of Application Money

Our Company has opened the "LT Foods QIP - Escrow Account" with the Escrow Agent in terms of the arrangement among us, the Book Running Lead Manager and the Escrow Agent. Eligible QIB will be required to deposit the entire amount payable for the Equity Shares Allocated to it by the Pay-In Date as mentioned in the respective CAN.

If the payment is not made favouring the "LT Foods QIP - Escrow Account" within the time stipulated in the CAN, the Application Form and the CAN of the Eligible QIB are liable to be cancelled.

Our Company undertakes to utilise the amount deposited in "LT Foods QIP - Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of application money if we have not been able to Allot Equity Shares in the Issue.

In case of cancellations or default by the Eligible QIBs, our Company and the Book Running Lead Manager have the right to reallocate the Equity Shares at the Issue Price among existing or new Eligible QIBs at our sole and absolute discretion.

Payment Instructions

The payment of application money shall be made by the Eligible QIBs in the name of "LT Foods QIP - Escrow Account " as per the payment instructions provided in the CAN.

Payments are to be made only through electronic fund transfer.

Note*: Payments other than through electronic transfer funds including through cheque are liable to be rejected at the sole discretion of the Book Running Lead Manager.*

Designated Date and Allotment of Equity Shares

The Equity Shares will not be Allotted unless Eligible QIBs pay the Issue Price to the "LT Foods QIP - Escrow Account" as stated above.

In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Our Company, at its sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, our Company will apply for final trading and listing approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

In relation to Eligible QIBs who have been Allotted more than 5% of the Equity Shares in the Issue, our Company shall disclose the name and the number of the Equity Shares Allotted to such Eligible QIB to the Stock Exchanges and the Stock Exchanges will make the same available on their website. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

The Escrow Agent shall release the monies lying to the credit of the Escrow Account to our Company after Allotment of Equity Shares to Eligible QIBs and receipt of the required the listing and trading approvals from the Stock Exchanges.

In the event that our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of application money, our Company shall repay the application money within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at the rate of 12% per annum from expiry of the sixtieth day. The application money to be refunded by our Company shall be refunded to the same bank account from which application money was remitted by the Eligible QIBs.

Other Instructions

Right to Reject Applications

Our Company, in consultation with the Book Running Lead Manager, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company and the Book Running Lead Manager in relation to the rejection of Bids shall be final and binding.

Equity Shares in Dematerialised form with NSDL or CDSL

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful Eligible QIB will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Eligible QIB.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all Eligible QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the Book Running Lead Manager will not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Eligible QIBs.

PLACEMENT

Placement Agreement

The Book Running Lead Manager has entered into a placement agreement with our Company ("**Placement Agreement**") dated December 18, 2017, pursuant to which the Book Running Lead Manager, has agreed to manage the Issue and act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis, to Eligible QIBs, pursuant to Chapter VIII of the SEBI ICDR Regulations and the Companies Act, 2013, read with rules thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company and the Book Running Lead Manager, and it is subject to termination in accordance with the terms contained therein.

The Preliminary Placement Document has not been, and will not be, registered as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs. Our Company shall make the requisite filings with the RoC and the SEBI within the stipulated period as required under the Companies Act and the Companies (Prospectus and Allotment of Securities) Rules, 2014.

Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchange. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

Relationship with the Book Running Lead Manager

In connection with the Issue, the Book Running Lead Manager or their respective affiliates may, for their own accounts, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Book Running Lead Manager may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Book Running Lead Manager may purchase the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. Please see the section titled "***Offshore Derivative Instruments***". From time to time, the Book Running Lead Manager, and its and associates have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, banking, trading services for our Company, its Subsidiaries, group companies, affiliates and the shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Manager and its affiliates and associates.

Lock-up

The Company has agreed with the Book Running Lead Manager that it will not for a period of 90 days from the date of the Placement Agreement without the prior written consent of the Book Running Lead Manager, directly or indirectly, (a) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of or lend or agree to transfer or dispose of or create an Encumbrance over, any Equity Shares, or any interest therein or file any registration statement under the U.S. Securities Act with respect to any of the foregoing or (b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any interest therein, including but not limited to any securities convertible into or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (a) or (b) is to be settled by the delivery of such securities, in cash or otherwise), or (c) deposit such securities of the Company with any other depositary in connection with a depositary receipt facility or (d) publicly announce any intention to enter into any transaction falling within (a) to (c) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of a sale, issue or offer or deposit of such Equity Shares of the Company in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided however that the Preferential Issue to SWS is permitted and is not restricted by the lock-up above.

Our Company acknowledges that each Promoter has undertaken that it will not for a period of 90 days from the date of Allotment, without the prior written consent of the Book Running Lead Manager, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. The Promoter lock-up undertaking shall be substantially in the form of as mentioned in the Placement Agreement and shall be delivered to the Book Running Lead Manager on or prior to the date of this Placement Agreement and shall be in full force and effect on the Closing Date.

Further, in accordance with Regulation 88 of the SEBI ICDR Regulations, our Company shall not make a subsequent QIP until expiry of six months from the date of this Issue.

SELLING RESTRICTIONS

The distribution of this Placement Document or any offering material and the offering, sale or delivery of the Equity Shares is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

General

No action has been taken or will be taken that would permit an offering of the Equity Shares to occur in any jurisdiction, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required, except India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the offering of the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable laws, including the SEBI ICDR Regulations. Each subscriber of the Equity Shares offered by this Placement Document will be deemed to have made the representations, agreements and acknowledgements as described under "*Notice to Investors*" "*Representations by Investors*", "*Selling Restrictions*" and "*Transfer Restrictions*" on pages 1, 4,179 and 186 of this Placement Document, respectively.

Australia

This Placement Document and the offer of Equity Shares are only made available in Australia to persons to whom a disclosure document is not required to be given under Chapter 6D of the Australian Corporations Act 2001 (the "**Australian Corporations Act**") and has not been and will not be lodged or registered with the Australian Securities & Investments Commission or any other regulatory body or agency in Australia. This Placement Document is not a prospectus, product disclosure statement or any other form of formal "disclosure document" for the purposes of the Australian Corporations Act and is not required to, and does not, contain all the information which would be required in a disclosure document under the Australian Corporations Act. (i) The offer of the Equity Shares under this Placement Document is only made to persons to whom it is lawful to offer the Equity Shares without a disclosure document such as a professional investor or sophisticated investor for the purposes of Chapter 6D of the Australian Corporations Act; (ii) this Placement Document is made available in Australia to persons as set forth in clause (i) above; and (iii) by accepting this offer, the offeree represents that the offeree is such a person as set forth in clause (ii) above and agrees not to sell or offer for sale within Australia any Equity Shares sold to the offeree within 12 months after their transfer to the offeree under this Placement Document.

Belgium

The Equity Shares may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of June 16, 2006 on public offerings of investment W-28 instruments and the admission of investment instruments to trading on regulated markets (the "**Prospectus Law**"), save in those circumstances set out in Article 3 §2 of the Prospectus Law.

This offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and this Placement Document or any other offering material relating to the Equity Shares has not been and will not be approved by, the Belgian Banking, Finance and Insurance Commission ("**Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen**").

Accordingly, this offering may not be advertised and the Book Running Lead Manager has represented, warranted and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Equity Shares, and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

1. qualified investors, as defined in Article 10 of the Prospectus Law;

2. investors required to invest a minimum of €50,000 (per investor and per transaction); and
3. in any other circumstances set out in Article 3 §2 of the Prospectus Law.

This Placement Document has been issued only for the personal use of the above qualified investors and exclusively for the purpose of this offering. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

Denmark

The Equity Shares have not been offered or sold and will not be offered, sold or delivered directly or indirectly in Denmark by way of a public offering, unless in compliance with the Danish Securities Trading Act, Consolidation Act No. 843 of September 7, 2005, as amended from time to time, and any orders issued thereunder.

Dubai International Financial Centre / United Arab Emirates

The Equity Shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the Dubai International Financial Centre) other than in compliance with the laws of the United Arab Emirates (and the Dubai International Financial Centre) governing the issue, offering and sale of securities. Further, this Placement Document does not constitute a public offer of securities in the United Arab Emirates (including the Dubai International Financial Centre) and is not intended to be a public offer. This Placement Document has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the Dubai Financial Services Authority.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**United Arab Emirates**"), the Book Running Lead Manager has severally and not jointly, or jointly and severally, represented and warranted that it has not made and will not make an offer to the public of any Equity Shares which are the subject of the issue of Equity Shares contemplated by this Placement Document in that Relevant Member State, except that the Equity Shares may be offered to the public in that Member State at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

1. to any legal entity which is a qualified investor, as defined in the Prospectus Directive (as defined below);
2. to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive or supplement a prospectus pursuant to Article 16 at the Prospectus Directive), subject to obtaining the prior consent of the Book Running Lead Manager nominated by the Company for any such offer; or
3. at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of the Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Manager of a prospectus or the initial purchaser of a prospectus pursuant to Article 3 of the Prospectus Directive and each person who initially acquires any Equity Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed with the Book Running Lead Manager and the Company that it is a qualified investor within the meaning of the law of the Relevant Member State implementing Article 2(1)I of the Prospectus Directive or any measure implementing the Prospectus Directive in any Relevant Member State.

For the purposes of this provision, the expression "an offer to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any securities to be offered so as to enable an investor to decide to purchase any securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2003/71/EC), and includes any relevant implementing measure in the Relevant Member State.

France

This Placement Document has not been prepared in the context of a public offering of financial securities in France within the meaning of Article L. 411-1 of the French Code *monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des Marchés Financiers* (the "AMF") and, therefore, has not been approved by, registered or filed with the AMF and does not require a prospectus to be submitted for approval to the AMF. Consequently, the Book Running Lead Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Equity Shares to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Placement Document or any other offering material relating to the Equity Shares and such offers, sales and distributions have been and will be made in France only to (i) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers)* and/or (ii) to qualified investors (*investisseurs qualifiés)* acting on their own account, as defined in, and in accordance with, Articles L.411-2, D.411-1, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the French Code monétaire et financier. No re-transfer, directly or indirectly, of the Equity Shares in France, other than in compliance with applicable laws and regulations and in particular those relating to a public offering (which are, in particular, embodied in articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 and seq. of the French Code *monétaire et financier)* shall be made.

Germany

This Placement Document has not been prepared in accordance with the requirements for a sales prospectus under the German Securities Prospectus Act (*Wertpapierprospektgesetz),* the German Sales Prospectus Act (*Verkaufsprospektgesetz),* or the German Investment Act (*Investmentgesetz).* Neither the German Federal Financial Services Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin)* nor any other German authority has been notified of the intention to distribute the Equity Shares in Germany. The Equity Shares may therefore not be distributed in the Federal Republic of Germany by way of public offering, public advertising or in a similar manner. The Equity Shares are being offered and sold in Germany only to (i) qualified investors in the meaning of Section 3, paragraph 2 no. 1, in connection with Section 2, no. 6, of the German Securities Prospectus Act, or (ii) a limited number of individualised, unqualified investors that are being preselected and specifically addressed. This Placement Document is strictly for use of the person who has received it. It may not be forwarded to other persons or published in Germany.

Hong Kong

This Placement Document has not been approved by the Securities and Futures Commission in Hong Kong and, accordingly, (i) the Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under that SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) (the "**CWUMPO**") of Hong Kong or which do not constitute an offer to the public within the meaning of the CWUMPO; and (ii) the Book Running Lead Manager has not issued or had in its possession for the purposes of the issue of Equity Shares whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Ireland

The Equity Shares may be publicly offered and sold in Ireland only in accordance with the European Communities (Transferable Securities and Stock Exchange) Regulations 1992, if applicable, the Investment Intermediaries Act 1995, as amended, the Companies Acts 1963 to 2003 and all other applicable Irish laws and regulations. This Placement Document does not constitute an offer to the public in Ireland by virtue of the fact that it shall only be made to persons in Ireland whose ordinary business is to buy or sell shares or debentures (whether as principal or agent) and, accordingly, has not been registered with the Registrar for Companies in Ireland. By accepting delivery of this Placement Document, the addressee in Ireland warrants that it is a person whose ordinary business, whether as principal or agent, is to buy and sell shares and debentures. This Placement Document does not and shall not be deemed to constitute an invitation to individuals (*i.e.,* natural persons) in Ireland to purchase Equity Shares. There will be no offering to the public in Ireland of the Equity Shares and this Placement Document does not constitute a prospectus within the meaning of the Irish Companies Acts 1963 to 2003.

Italy

The offering of the Equity Shares has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, each Lead Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Equity Shares or any copy of this Placement Document or any other offer document in the Republic of Italy ("**Italy**") except:

1. to qualified investors (*investitori qualificati),* pursuant to Article 100 of Legislative Decree no. 58 of February 24, 1998 (the "Consolidated Financial Services Act" and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of May 14, 1999 (the "**CONSOB Regulation**"), all as amended; or

2. in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the CONSOB Regulation;

3. moreover, and subject to the foregoing, any offer, sale or delivery of the Equity Shares or distribution of copies of this Placement Document or any other document relating to the Equity Shares in Italy under (1) or (2) above must be:

   (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of September 1, 1993 (the "Banking Act"), CONSOB Regulation No. 16190 of October 29, 2007, all as amended;
   (b) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
   (c) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Any investor purchasing the Equity Shares in the Issue is solely responsible for ensuring that any offer or resale of the Equity Shares it purchased in the Issue occurs in compliance with applicable laws and regulations. This Placement Document and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948, as amended; the "**FIEA**") The Book Running Lead Manager has represented and agreed that they will not offer or sell any Equity Shares, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Kuwait

The issue of Equity Shares has not been approved by the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry, nor has the Company received authorization or licensing from the Kuwait Central Bank or the Kuwait Ministry of Commerce and Industry to market or sell the Equity Shares within Kuwait. Therefore, no services relating to the offering, including the receipt of applications and/or the allotment of Equity Shares, may be rendered within Kuwait by the Company or persons representing the Company.

Luxembourg

The Equity Shares offered in this Placement Document may not be offered, sold or delivered to the public within the Grand Duchy of Luxembourg. This document is only intended for institutional investors. It is personal to each offeree and does not constitute an offer to any other person or to the public generally in Luxembourg to subscribe for or otherwise acquire the Equity Shares. Distribution of this Placement Document to any person other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorized and any disclosure of any of its contents, without prior written consent of the Company, is prohibited.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Equity Shares has been or will be registered with the Securities Commission of Malaysia pursuant to the Securities Commission Act, 1993 as the offer for purchase of, or invitation to purchase the Equity Shares is meant to qualify as an "excluded offer or excluded invitation" within the meaning of Section 38 of the Securities Commission Act, 1993. Each Lead Manager has severally represented, warranted or agreed that the Equity Shares will not be offered, sold, transferred or otherwise disposed, directly or indirectly, nor any document or other material in connection therewith distributed, in Malaysia, other than to persons falling within any one of the categories or person specified in Schedule 2 and/or Schedule 3 of the Securities Commission Act, 1993 who are also persons to whom any offer or invitation to purchase or sell would be an excluded offer or invitation within the meaning of Section 38 of the Securities Commission Act, 1993.

Norway

This Placement Document has not been approved by or registered with any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act 1997. Accordingly, neither this Placement Document nor any other offering material relating to the Equity Shares constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act 1997 and is only made to qualified professional investors pursuant to the Norwegian Regulation of December 9, 2005 regarding exemption from the obligation to publish a prospectus or otherwise only in circumstances where an exemption from the obligation to publish a prospectus under the Norwegian Securities Trading Act 1997 is available.

Qatar

This document does not, and is not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (i) neither this Placement Document nor the Equity Shares have been registered, considered, authorized or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (ii) neither the Company nor persons representing the Company are authorized or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (iii) this Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (iv) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This document shall not form the basis of, or be relied on in connection with, any contract in Qatar. Neither the Company nor persons representing the Company are, by distributing this document, advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires

Equity Shares pursuant to the Issue should note that the offer of Equity Shares is an offer to "Sophisticated Investors" (as defined in Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated October 4, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated August 18, 2008 (the "**KSA Regulations**")) for the purposes of Article 9 of the KSA Regulations. Each Lead Manager has represented, warranted and agreed that the offer of the Equity Shares will only be directed at Sophisticated Investors.

The offer of Equity Shares shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Equity Shares as a Sophisticated Investor may not offer or sell those Equity Shares to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (i) the Equity Shares are offered or sold to a Sophisticated Investor; (ii) the price to be paid for the Equity Shares in any one transaction is equal to or exceeds Saudi Arabian Riyal 1 million or an equivalent amount; or (iii) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Singapore

This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Placement This Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"). Accordingly, the Equity Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Placement

Each of the following relevant persons specified in Section 275 of the SFA who has subscribed for or purchased shares, namely a person who is:

1. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
2. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for six months after that corporation or that trust has acquired the shares under Section 275 of the SFA except:

(a) to an institutional investor under Section 274 of the SFA or to a relevant person or to any person pursuant to Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
(b) where no consideration is or will be given for the transfer;
(c) where the transfer is by operation of law;
(d) pursuant to Section 276(7) of the SFA; or
(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulation 2005 of Singapore.

Spain

This Placement Document has not been registered with the Spanish Securities Market National Commission (*Comision Nacional del Mercado de Valores).* The Equity Shares may not be listed, offered or sold in Spain except in accordance with the requirements of the Spanish Security Market Act (*Ley 24/1988, de 28 de julio, del Mercado de Valores),* as amended, and as supplemented by Royal Decree 1310/2005 *(Real Decreto Ley 24/1988, de 28 de Julio, del Mercado de Valores, en materia de admission a negociación de valores en mercados secundarios oficilaes, de ofertas públicas or subscripción y del folleto exigible a tales efectos),* (the "Royal Decree 1310/2005"), and any other applicable provisions. The Equity Shares may not be listed, sold, offered or distributed to persons in Spain except in compliance with the above-mentioned provisions and, particularly, pursuant to Sections 26 to 38 to 41 of Royal Decree 1320/2005, as amended.

Switzerland

The Equity Shares may be offered in Switzerland on the basis of a private placement, not as a public offering. The Equity Shares will neither be listed on the six Swiss Exchange nor are they subject to Swiss law. This Placement Document does not constitute a prospectus within the meaning of Art. 1156 of the Swiss Federal Code of Obligations or Arts. 32 *et seq.* of the Listing Rules of the six Swiss Exchange, and does not comply with the Directive for Equity Shares of Foreign Borrowers of the Swiss Bankers Association. We will not apply for a listing of the Equity Shares on any Swiss stock exchange or other Swiss regulated market and this Placement Document may not comply with the information required under the relevant listing rules. The Equity Shares have not and will not be registered with the Swiss Federal Banking Commission or any other Swiss authority for any purpose, whatsoever.

The Netherlands

The Equity Shares are not and may not be offered in the Netherlands other than to persons or entities who or which are qualified investors as defined in Section 1:1 Dutch Financial Supervision Act (*Wet op het financieel toezicht)* (which incorporates the term "qualified investors" as used in the Prospectus Directive).

United Kingdom

The Book Running Lead Manager has represented, warranted and undertaken that:

1. it has only communicated or caused to be communicated and will only communicate or cause to be communicated in the United Kingdom any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**") received by it in connection with the issue or sale of any Equity Shares in circumstances in which section 21(1) of FSMA does not apply to the Company; and

2. it has complied and will comply with all applicable provisions of FSMA with respect to anything done by it in relation to the Equity Shares in, from or otherwise involving the United Kingdom.

United States of America

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws. The Equity Shares are being offered and sold only (1) in the United States to persons who are U.S. QIBs, and (2) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of each jurisdiction where such offers and sales occur. Each purchaser of the Equity Shares offered by this Placement Document will be deemed to have made the representations, agreements and acknowledgements as described under "***Transfer Restrictions***" in this Placement Document.

TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VIII of the SEBI ICDR Regulations, Successful Bidders are not permitted to sell the Equity Shares Allotted pursuant to the Issue for a period of one year from the date of Allotment, except on the Stock Exchanges. Additionally, purchasers are deemed to have represented, agreed and acknowledged as below with respect to purchase and sale of Equity Shares.

U.S. Offer Purchaser Representations and Transfer Restrictions

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. If you purchase the Equity Shares offered in the United States in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, by accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of any Equity Shares, you will be deemed to have represented and agreed to us and the Book Running Lead Manager as follows:

- You (A) are a "qualified institutional buyer" (as defined in Rule 144A), (B) are aware that the sale of the Equity Shares to you is being made in reliance on Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act and (C) are acquiring such Equity Shares for its own account or for the account of a "qualified institutional buyer";

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance on Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any "directed selling efforts" as defined in Regulation S, with respect to the Equity Shares. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any directed selling efforts;

- The Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Equity Shares;

- You will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither the Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to you with respect to the Company, the Offer, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Offer or the Equity Shares, other than (in the case of the Company only) the information contained in this Placement Document, as it may be supplemented; and

- You are a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in similar jurisdictions. You and any accounts for you are subscribing to the Equity Shares for (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to the Company or the Book Running Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. You acknowledge that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. You are seeking to subscribe to the Equity Shares in this Issue for your own investment and not with a view to distribution.

- You will notify any transferee to whom you subsequently offer, sell, pledge or otherwise transfer and the executing broker and any other agent involved in any resale of the Equity Shares of the foregoing restrictions applicable to the Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- You acknowledge that if at any time its representations cease to be true, you agree to resell the Equity Shares at the Company's request.

- You have been provided access to this Placement Document which you have read in its entirety.

- You acknowledge and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgements, representations or agreements are no longer accurate you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgements, representations and agreements on behalf of each such account.

- Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions will not be recognized by us.

Global Offer Purchaser Representations and Transfer Restrictions

By accepting delivery of this Placement Document, submitting a bid to purchase Equity Shares and/or accepting delivery of my Equity Shares, you will be deemed to have represented and agreed as follows:

- You will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Placement Document) which may be applicable in your jurisdiction and you have obtained or will obtain any consent, approval or authorization required for you to purchase and accept delivery of Equity Shares, and you acknowledge and agree that none of us or the Book Running Lead Manager and their respective affiliates shall have any responsibility in this regard;

- You certify that you are, or at the time the Equity Shares are purchased will be, (a) the beneficial owner of the Equity Shares, you are located outside the United States of America (within the meaning of Regulation S), and you have not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States; or (b) you are a broker-dealer acting on behalf of a customer and you customer has confirmed to you that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States;

- You understand and agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering within the meaning of the U.S. Securities Act, have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be reoffered, resold, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, as applicable, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 under the U.S. Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction;

- You agree (or if you are a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer agrees) that neither you, nor any of your affiliates, nor any person acting on your behalf, will make any "directed selling efforts" as defined in Regulation S. You acknowledge and agree that you are not purchasing any Equity Shares as a result of any directed selling efforts.

- You will base your investment decision on a copy of this Placement Document. You acknowledge that neither the Company nor any of its affiliates nor any other person (including the Book Running Lead Manager) or any of its affiliates has made or will make any representations, express or implied, to you with respect to the Company, the Offer, the Equity Shares or the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Offer or the Equity Shares, other than (in the case of the Company) the information contained in this Placement Document, as may be supplemented.

- You acknowledge and agree (or if you're a broker-dealer acting on behalf of a customer, your customer has confirmed to you that such customer acknowledges and agrees) that we, the Book Running Lead Manager, your affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agree that, if any of such acknowledgments, representations or agreements are no longer accurate, you will promptly notify us; and if you are acquiring any of the Equity Shares as a fiduciary or agent for one or more accounts, you represent that you have sole investment discretion with respect to each such account and that you have full power to make, and do make, the foregoing acknowledgments, representations and agreements on behalf of each such account.

Any offer, resale, pledge or other transfer of the Equity Shares made other than in compliance with the above-stated restrictions, will not be recognized by us.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Book Running Lead Manager or any of its affiliates or advisors.

The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012 ("**SCR (SECC) Rules**"), which regulate *sinter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Rules along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, delisting of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The listing of securities on a recognized Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013, the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI and the SEBI Listing Regulations. The SCRA empowers the governing body of each recognized stock exchange to, amongst other things, suspend trading of, or withdraw admission to dealings in, a listed security for breach of or non-compliance with any conditions or breach of a company's obligations under the SEBI Listing Regulations or for any reason, subject to our company receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule decisions by the governing body of the stock exchanges and withdraw recognition of a recognized stock exchange.

All listed companies are required to ensure a minimum public shareholding of 25%. Further, where the public shareholding in a listed company falls below 25% at any time, such company is required to bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall. Consequently, a listed company may be delisted from the stock exchanges for not complying with the above-mentioned requirement. Our Company is in compliance with this minimum public shareholding requirement.

Delisting

SEBI has notified the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 in relation to the voluntary and compulsory delisting of equity shares from the stock exchanges which were significantly modified in 2015. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Disclosures under the Companies Act, 2013 and the SEBI Listing Regulations

Public limited companies are required under the Companies Act and the SEBI Listing Regulations to prepare, file with the registrar of companies and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance under the Companies Act, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the S&P CNX NIFTY of the NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise bands of up to 20% movements either up or down. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, the BSE was incorporated as a company under the Companies Act, 1956.

NSE

The NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. The NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI and other applicable laws. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Takeover Regulations

Disclosure and mandatory open offer obligations for listed Indian companies are governed by the Takeover Regulations which provide specific regulations in relation to substantial acquisitions of shares and control. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the Takeover Regulations will apply to any acquisition of our company's shares/voting rights/control. The Takeover Regulations prescribes certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. Since our Company is an Indian company, the provisions of the Takeover Regulations apply to our Company.

Insider Trading Regulations

The SEBI Insider Trading Regulations, 2015 have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information.

The SEBI Insider Trading Regulations, 2015 also provide disclosure obligations for promoters, employees and directors, with respect to their shareholding in our company, and the changes therein. The definition of "insider" includes any person who is a connected person or in possession of, or having access to, unpublished price sensitive information.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

DESCRIPTION OF THE EQUITY SHARES

The following is information relating to the Equity Shares including a brief summary of the Memorandum and Articles of Association and the Companies Act. Prospective investors are urged to read the Memorandum and Articles of Association carefully, and consult with their advisers, as the Memorandum and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorised share capital of our Company is ₹360,000,000 comprising of 360,000,000 Equity Shares of ₹1 each and. Prior to the Issue, the issued, subscribed and paid-up share capital of our Company is ₹266,744,780, comprising ₹266,744,780 Equity Shares of ₹1 each. For further details please see section "*Capital Structure*" on page 71 of this Placement Document.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of the shareholders at the AGM held each Fiscal. Under the Companies Act, 2013, unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare a dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any Fiscal except out of the profits of our company for that year, calculated in accordance with the provisions of the Companies Act or out of the profits of our company for any previous Fiscal(s) arrived at as laid down by the Companies Act.

Further, as per the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of its paid up share capital and free reserves as per the latest audited balance sheet; (c) the amount so drawn shall be first utilized to set off the losses incurred in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves after such withdrawal shall not fall below 15% of its paid up share capital as per the latest audited balance sheet of our company.

In terms of Section 124 of the Companies Act 2013, our Company shall credit such unclaimed dividends to the unpaid dividend account of our Company, and any money transferred to the unclaimed dividend account of our Company which remains unpaid and unclaimed for a period of seven years from the date they became due for payment, shall be transferred by our Company to the 'Investor Education and Protection Fund', established by the GoI, in accordance with Section 125 of the Companies Act 2013.

Capitalization of Profits

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act 2013 permits the board of directors of a company to issue fully paid up bonus shares to its members out of (a) the free reserves of our company, (b) the securities premium account, or (c) the capital redemption reserve account. However, a company may capitalize its profits or reserves for issue of fully paid up bonus shares, provided: (a) its authorized by articles, (b) it has been, on the recommendation of the board of directors, approved by the shareholders in a general meeting, (c) it has not defaulted in payment of interest or principal in respect of fixed deposits or debt securities issued by it, (d) it has not defaulted on payment of statutory dues, (e) there are no partly paid shares. The issue of bonus shares once declared cannot be withdrawn.

These bonus shares must be distributed to shareholders in proportion to the number of ordinary shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets, and no bonus shares shall be issued in lieu of dividend. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, our Company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. According to Section 62(1)(a) of the Companies Act 2013 such new shares shall be offered to existing shareholders in proportion to the amount paid up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer) within which the offer, if not accepted, will be deemed to have been declined. After such date the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the shareholders of our Company. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person.

Under the provisions of Section 62(1)(c) of the Companies Act 2013, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash of for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our Company's shareholders in a general meeting.

The Articles of Association authorise us to increase our authorised capital by issuing new shares consisting of equity and/or preference shares, as our Company may determine in a general meeting.

The Articles of Association provide that our Company, subject to compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force in the general meeting, from time to time, may cancel, consolidate or sub-divide its share capital. The Articles of Association also provide that our Company may issue shares with differential rights as to dividend, the distribution of assets of the Company, winding up and voting or otherwise, subject to the compliance with requirements under the Companies Act and the rules thereto, or any other applicable law in force.

General Meetings of Shareholders

There are two types of general meetings of the shareholders, namely, AGM and EGM. Our Company is required to hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between one AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. Our Board of Directors may convene an EGM when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than one tenth of our Company's issued paid up capital (carrying a right to vote in respect of the relevant matter on the date of receipt of the requisition).

Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the legal representative of a deceased member, auditors of our company and every director of our company, at least 21 clear days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received, in writing or electronic mode, from not less than 95% of the shareholders entitled to vote. Unless, the Articles of Association provide for a larger number, (i) five shareholders present in person, if the number of shareholders as on the date of meeting is not more than 1,000; (ii) 15 shareholders present in person, if the number of shareholders as on the date of the meeting is more than 1,000 but up to 5,000; and (iii) 30 shareholders present in person, if the number of shareholders as on the date of meeting exceeds 5,000, shall constitute a quorum for a general meeting of our Company, whether AGM or EGM. The quorum requirements applicable to shareholder meetings under the Companies Act have to be physically complied with.

A company intending to pass a resolution relating to matters such as, but not limited to, amendment in the objects clause of the Memorandum, the issuing of shares with different voting or dividend rights, a variation of the rights attached to a class of shares or debentures or other securities, buy-back of shares, giving loans or extending guarantees in excess of limits prescribed, is required to obtain the resolution passed by means of a postal ballot instead of transacting the business in our Company's general meeting. A notice to all the shareholders shall be sent along with a draft resolution explaining the reasons therefore and requesting them to send their assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy is in the same proportion as the capital paid up on each share held by such holder bears to our

Company’s total paid up capital. Voting is by a show of hands, unless a poll is ordered by the Chairman of the meeting The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution. A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time of the meeting. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Registration of Transfers and Register of Members

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act. Under the Listing Regulations of the stock exchanges on which our Company’s outstanding Equity Shares are listed, our Company may, upon at least seven working days’ (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

Liquidation Rights

The Articles of Association of our Company provide that if our Company is wound up, and the assets available for distribution among the members as such after payment to the preference shareholders are insufficient to repay the whole of the paid up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. If in the winding up the assets available for distribution among the members after payment to the preference shareholders shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed among the members in proportion to the capital paid up, at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively.

If our Company is wound up, whether voluntarily or otherwise, the liquidators may, with the sanction of a special resolution, divide among the contributories, in specie or kind, any part of the assets of our Company, and may, with the like sanction, vest any part of the assets of our Company in trustees upon such trusts for the benefit of the contributories, or any of them, as the liquidators, with the like sanction, shall think fit.

TAXATION

Statement of Tax Benefits

To,
The Board of Directors
LT Foods Limited
MVL I-Park, 4th Floor,
Sector 15, Gurgaon
Haryana-122001

Proposed qualified institutions placement of equity shares having face value of Re 1 each ("Equity Shares") of LT Foods Limited (the "Company" or "Issuer"), in India and outside India except in United States of America in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI ICDR Regulations") and Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended and in United States of America pursuant to an exemption from registration under the US Securities Act, 1933, as amended (the "Offer" or "Offering").

1. This report is issued in accordance with the terms of our engagement letter dated 20 November 2017.

2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as "the Statement") under the Income-tax Act, 1961 (read with Income Tax Rules, circulars, notifications) as amended by the Finance Act, 2017 (hereinafter referred to as the "Income Tax Regulations") has been prepared by the management of the Company in connection with the proposed Offering, which we have initialed for identification purposes.

Management's Responsibility

3. The preparation of this Statement as of the date of our report which is to be included in the preliminary placement document and the placement document is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 18 December 2017 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities

Auditor's Responsibility

4. Our work has been carried out in accordance with Standards on Auditing, as per the 'Guidance Note on Audit Reports or Certificates for Special Purposes' (Revised 2016) and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our work has not been carried out in accordance with the auditing standards generally accepted in the United States of America ("U.S."), standards of the US Public Company Accounting Oversight Board and accordingly should not be relied upon by any one as if it had been carried out in accordance with those standards or any other standards besides the standards referred to in this report

5. Pursuant to the SEBI ICDR Regulations and the Companies Act 2013 ('Act'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 18 December 2017 to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the SEBI ICDR Regulations in connection with the Offering.

Inherent Limitations

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue

Further, we give no assurance that the Revenue authorities/ Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

Opinion

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of 18 December 2017, to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

Considering the matter referred to in paragraph 5 above, we are unable to express any opinion or provide any assurance as to whether:

(i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
(ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the preliminary placement document, prepared in connection with the Offering to be filed by the Company with the SEBI and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

per **Neeraj Goel**
Partner
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NOTE ON POSSIBLE TAX BENEFITS AVAILABLE TO LT FOODS LIMITED AND ITS SHAREHOLDERS

UNDER THE INCOME TAX ACT, 1961 (the Act)

LT Foods Limited ("the Company") is an Indian Company, subject to tax in India. The Company is taxed on its profits. Profits are computed after allowing all reasonable business expenditure, laid out wholly and exclusively for the purposes of the business, including depreciation.

Considering the activities and business of the Company, the following benefits may be available to them.

A. BENEFITS AVAILABLE TO THE COMPANY – UNDER THE ACT

1. Special Tax Benefits available to the Company

The following special tax benefits are available to the Company after fulfilling conditions as per the respective provisions of the Act

Deduction under Section 80-IB of the Act – Deduction in respect of profits and gains from certain industrial undertakings other than infrastructure development undertakings.

An undertaking deriving profit from the business of processing, preservation and packaging of fruits or vegetables or meat and meat products or poultry or marine or dairy products or *from the integrated business of handling, storage and transportation of food grains*, is entitled for a 100% deduction for first five years beginning from the initial year and thereafter, 30% of the profits and gains derived from the operation of such business for another 5 years under Section 80-IB(11A) of the Act, subject to satisfaction of the prescribed conditions.

The Company has set up a unit in Amritsar, Punjab in AY 2011-12 on which the Company has claimed deduction under section 80IB-(11A) of the Act as mentioned above. While the claim has been challenged by the lower tax authorities, it has been allowed in favour of the Company by the first appellate level. The management believes that claim would be allowed in favour of the Company by the higher tax authorities.

However, as per Section 115JB of the Act, the Company shall be required to pay Minimum Alternate Tax ('MAT') at the rate of 18.5% (plus applicable surcharge and cess) on book profits as computed under the said section, irrespective of the tax benefits available under Section 80-IB(11A) of the Act.

2. General tax benefits available to the Company

2.1. Business Income

- Under Section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates on tangible assets such as building, plant and machinery, furniture and fixtures, etc. and intangible assets defined to include patent, trademark, copyright, know-how, licenses, franchises or any other business or commercial rights of similar nature, if such intangible assets are acquired on or after 01 April 1998.

- Further under section 32(1) (iia) of the Act, the Company can claim additional depreciation of 20% on the actual cost of new plant and machinery acquired and installed during the year subject to satisfaction of the prescribed conditions. The proviso to this section also provides that if an assessee sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 01 April 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new machinery or plant (other than ships and aircraft) for the purposes of the said undertaking or enterprise during the period beginning on the 01 April 2015 and ending before the 01 April 2020 in the said backward area, then, the assesse can claim additional depreciation of 35% on actual cost under this clause.

- In terms of provision of Section 72 of the Act, Business losses, if any for an assessment year can be carried forward and set off against business profits for eight subsequent assessment years. Further, as per the provisions of Section 32(2) of the Act, unabsorbed depreciation may be carried forward for indefinite period and can be set off against any source of income in the subsequent years, subject to provisions of Section 72(2) and 73(3) of the Act.

- As per the provisions of Section 80JJAA of the Act, if the gross total income of the Company includes any profits or gains derived from business to whom Section 44AB of the Act applies, then a deduction of 30% of additional wages paid to the new regular workmen employed by the Company can be claimed for three assessment years starting with the year in which the employment is provided subject to the following conditions:

    - The business should not be formed by splitting up, or the reconstruction, of an existing business.

    - However, business can be formed as a result of re-establishment, reconstruction or revival by the assessee of the business in the circumstances and within the period specified in Section 33B of the Act.

    - The business should not be acquired by the assessee by way of transfer from any other person or as a result of any business reorganization.

    - The assessee furnishes along with the return of income the report of the accountant, as defined in the Explanation below sub-section (2) of Section 288 of the Act giving such particulars in the report as may be prescribed.

    - Company fulfils criteria of additional employee cost, additional employees, emoluments as defined in Section 80JJAA of the Act

- **Expenditure on scientific research -** As per the provisions of Section 35(1)(i) of the Act, any revenue expenditure laid out or expended on scientific research related to the business is eligible for 100% deduction.

- Further, as per the provisions of Section 35(1)(ii) of the Act, any sum paid by a company to an approved research association which has as its object to undertake scientific research or to an approved university, college or other institution to be used for scientific research would be eligible for weighted deduction to the extent of 150% of the sum so paid while computing the taxable income. Such deduction is restricted to 100% from FY 2020-21. Also, any sum paid by a company to an approved research association or university or college or other university or college or other institution to be used for research in social science or statistical research shall be eligible for weighted deduction under Section 35(1)(iii) of the Act at 100% of the sum paid.

- Further, as per the provisions of Section 35(1)(iia) of the Act, any sum paid by a company to a notified company having its main object to conduct scientific research and development and fulfils conditions as may be prescribed, shall be eligible for deduction at 100% of such sum paid.

- Section 35(1)(iv) read with Section 35(2) of the Act provides for deduction of 100% of capital expenditure expended on scientific research related to business, except for the cost incurred for acquisition of any land.

- As per the provisions of Section 35(2AB) of the Act, a company engaged in the business of manufacture or production of any article incurring any expenditure on scientific nature (excluding the cost of land and building) on approved in house research and development facility, would be allowed a weighted deduction of 150% of the expenditure so incurred. Deduction under this provision will get restricted to 100% of expenditure incurred from FY 2020-21 onwards. As per the provision of Section 35(2AB) of the Act, once a deduction is allowed under this provision, the same expenditure is not allowed for deduction under any other section of the Act.

- The deduction under Section 35(2AB) of the Act is subject to requisite approvals from the Department of Scientific and Industrial Research and on fulfilment of other conditions, including but not restricted to maintenance of books of accounts, etc.

- **Investment in any backward area** - Under Section 32AD of the Act, if the Company sets up an undertaking or enterprise for manufacture or production of any article or thing, on or after the 1stday of April, 2015 in any backward area notified by the Central Government in this behalf, in the State of Andhra Pradesh or in the State of Bihar or in the State of Telangana or in the State of West Bengal, and acquires and installs any new machinery or plant(other than ships and aircraft) for the purposes of the said undertaking or enterprise during the period beginning on the 1stday of April, 2015 and ending before the 1stday of April, 2020 in the said backward area, then the Company can claim a deduction of 15% of the actual cost of the new asset in the year in which it is installed. Further, purchase of following items is not allowed for deduction under Section 32AD of the Act:

    - any plant or machinery, which before its installation by the assessee, was used either within or outside India by any other person;

    - any plant or machinery installed in any office premises or any residential accommodation, including accommodation in the nature of a guest house;

    - any office appliances including computers or computer software;

    - any vehicle; or

    - any plant or machinery, the whole of the actual cost of which is allowed as deduction (whether by way of depreciation or otherwise) in computing the income chargeable under the head "Profits and gains of business or profession" of any previous year.

- **Section 115BBF of the Act -Concessional rate of tax on royalty income**

    - Section115BBF of the Act has been introduced vide Finance Act 2016, wherein royalty income from patents developed and registered in India are to be taxed at a concessional rate of 10% with effect from 1 April 2017.

    - As per the provisions of Section 115BBF of the Act, where the total income of the eligible assessee includes any income by way of royalty in respect of a patent developed and registered in India, then such

    - Royalty shall be taxable at the rate of 10% (plus applicable surcharge and cess) on the gross amount of royalty. No expenditure or allowance in respect of such royalty income shall be allowed under the Act.

    - As per the provisions of Section 115BBF of the Act, once the tax payer opts for the concessional tax regime, it may not be able to opt out even if the net taxation appears favorable.

- **Section 35CCC of the Act –Expenditure on agricultural extension project**

  Section35CCC of the Act provides that any expenditure incurred by a company on agricultural extension project notified by Board shall be eligible for a weighted deduction to the extent of 150% of such expenditure while computing taxable income in accordance with the guidelines as may be prescribed. Further vide Finance Act 2016, the deduction for the same has been restricted to 100% from FY 2020-21 onwards.

- **Section 35CCD of the Act –Expenditure on skill development project**

  Section 35CCD of the Act provides any expenditure (other than cost of land or building) incurred by a company on any skill development project notified by the Board shall be eligible for a weighted deduction to the extent of 150% of such expenditure while computing taxable income in accordance with the guidelines as may be prescribed. Further vide Finance Act 2016, the deduction under Section 35CCD of the Act has been restricted to 100% from FY 2020-21 onwards.

3. Capital Gains

- Capital assets are to be categorised into short-term capital assets and long-term capital assets, based on the period of holding. As per the provisions of Section 2(42A) of the Act a capital asset will be considered as short term asset, if the period of holding is not more than thirty-six months. As per the provisions of Section 2(29A) of the Act long term capital asset means a capital asset which is not a short term capital asset. However, capital assets being shares of unlisted companies or immovable property being land or building will be considered as long term capital asset if the period of holding exceeds twenty-four months. Further, in case of capital assets being listed securities or units of the Unit Trust of India or units of an equity oriented fund or zero coupon bonds, held by a taxpayer for a period of less than or equal to twelve ('12') months are considered to be short term capital assets and if the period of holding exceeds 12 months, they will be considered as long term capital assets.

- The gains arising on transfer of short term capital assets is termed as Short Term Capital Gain ('STCG') and gains arising on transfer of long term capital assets is termed as Long Term Capital Gain ('LTCG').

- As per the provisions of Section 10(38) of the Act, LTCG arising on transfer of listed shares of a company or units of an equity oriented fund are exempt from tax, subject to the condition that the transaction is chargeable to Securities Transaction Tax ('STT'). However, such LTCG will not be exempt if the transaction of acquisition, of such equity share is entered on or after 1stday of October 2004 and such transaction is not chargeable to STT unless covered by the notification issued by the Central Government.

- However, the LTCG arising on transfer of listed securities shall be taken into account in computing book profit under Section 115JB of the Act.

- As per the provisions of Section 48 of the Act, LTCG arising on transfer of capital assets other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. As per amendment made by Finance Act 2017, the base year for indexation has shifted from 1 April 1981 to 1 April 2001.

- Under Section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at a rate of 20%. However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities or units to the extent not exempt under Section 10(38) of the Act or zero coupon bonds calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at a concessional rate of 10% without allowance of indexation benefit.

- As per the provisions of Section 111A of the Act, STCG arising on transfer of listed equity share of the company or listed units of equity oriented mutual funds, would be taxable at 15%, subject to the condition that the transaction of sale is entered into on a recognized stock exchange in India and STT has been paid on the same. The concessional rate of 15% would also be available to such transaction not being subject to STT if such transaction is undertaken on a recognized stock exchange located in any International Financial Services Centre and the consideration is paid or payable in foreign currency.

- STCG arising from transfer of shares in the Company or units of mutual funds, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

- Section 47 has been amended by the Finance Act 2017 to provide that conversion of preference to equity shares is not taxable transfer.

- The tax rates mentioned above stand increased by surcharge payable @ 7% in case the total income of a domestic company exceeds Rs. 1 Crore but is less than or equal to Rs. 10 Crores and @ 12% in case the total income of the domestic company exceeds Rs. 10 Crores. Further education cess and secondary and higher education cess of 2% and 1% respectively shall also be levied on all categories of taxpayers.

- As per Section 50 of the Act, where a capital asset is forming part of block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:

    - Where the full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value ('WDV') of block of assets and actual cost of the assets acquired during the year, such excess shall be deemed to be 'short term capital gains' and taxed accordingly.

    - Where the block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising as a result of transfer and the WDV of block of assets and the actual cost of the assets acquired during the year, shall be deemed to be short term capital gains and taxed accordingly.

- Further, the CBDT has also clarified that surplus on sale of listed shares will be taxed as under:

    - Where an assessee treats the listed shares as stock in trade, irrespective of holding period, the surplus arising on sale will be considered as business income;

    - Where shares are held for a period more than 12 months immediately preceding date of transfer, and assessee treats the surplus arising on sale as Capital Gains, then Income tax department will also consider the gains as Capital Gains. However, once this stand taken in a particular year, it will be applicable for subsequent years as well;

    - In other cases, taxability will be determined based on past CBDT circulars

- As per the provisions of Section 70 read with Section 74 of the Act, short term capital loss arising during the year is allowed to be set off against short term or long term capital gains of the current year and the balance loss, if any, shall be carried forward and set off against any capital gains arising during the subsequent 8 assessment years.

- Further, as per the provisions of Section 70 read with Section 74 of the Act, any long term capital loss arising during the year is allowed to be set off only against the long term capital gains of the current year and the balance loss, if any, is allowed to be carried forward for 8 subsequent assessment years and set off only against long term capital gains.

4. Exemption of capital gains

- Under Section 54D of the Act and subject to the conditions specified therein, capital gains arising on the compulsory acquisition of land and building forming part of an industrial undertaking, would be exempt from tax if such capital gains is invested within a period of three years for purchase or construction of any other land or building for use in the existing or newly set up industrial undertaking.

- Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets (other than those exempt under Section10(38) of the Act) would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets, being bonds issued by

- National Highway Authority of India ('NHAI') constituted under Section 3 of The National Highway Authority of India Act, 1988;
- Rural Electrification Corporation Limited ('REC'), the company formed and registered under the Companies Act, 1956.
- Any other bond which is redeemable after three years and that maybe notified by the Central Government

- The maximum investment in the specified bonds cannot exceed in aggregate of Rs. 50 lakhs per taxpayer in the year of transfer and in the subsequent financial year.

- Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

- Under Section 54EE of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets in units of a specified fund. The maximum investment in the units of the specified fund cannot exceed Rs 50 lakhs in the year of transfer and in the subsequent financial year. Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Long term specified asset means a unit or units, issued before the 1stday of April 2019 of such fund as maybe notified by the Central Government in this behalf.

- In case the units of the investment funds are transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

4.1. MAT credit

- As per Section 115JAA(1A) of the Act, credit is allowed in respect of tax paid under Section 115JB of the Act for any assessment year commencing on or after April 1, 2006.

- Amount of MAT credit eligible to be carried forward will be the difference between the MAT paid and the tax computed as per the normal provisions of the Act.

- Such MAT credit is allowed to be carried forward and set off against the tax liability under normal provisions of the Act, up to a period of fifteen assessment years immediately succeeding the assessment year in which MAT credit becomes allowable.

- MAT credit can be set off in a year when the tax payable as per the normal provisions of the Act is more than the tax computed under Section 115JB of the Act. However, the set off amount is restricted to the difference between MAT payable and tax computed as per the normal provisions of the Act for the subject year.

4.2. Dividends

- Under Section 10(34) of the Act, any income by way of dividends (both interim and final) received from a domestic company is exempt in the hands of the shareholders, if such dividends are subjected to Dividend Distribution Tax ('DDT') under Section 115-O of the Act.

- No deduction is allowed in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 (‘Rules’), if Assessing Officer (‘AO’) is not satisfied with the correctness of the claim made by the taxpayer.

However, the Company distributing the dividend will be liable to pay DDT at 15% on the grossed up amount of dividend (plus applicable surcharge and cess) on the total amount declared, distributed or paid as dividends.

- For removing the cascading effect of DDT, provisions of sub-section (1A) to Section 115-O of the Act, provides that the domestic company will be allowed to set off the dividend received from its subsidiary company during the financial year, while computing the DDT if:

    - o The dividend is received from its domestic subsidiary and the subsidiary has paid the DDT on such dividend; or

    - o The dividend is received from a foreign subsidiary and the domestic company has paid tax under Section 115BBD of the Act.

- For this purpose, a company shall be subsidiary of another company, if such other company, holds more than 50% in nominal value of the equity share of the company.

- However, the same amount of dividend shall not be taken into account for reduction more than once.

- As per the provisions of 115BBD of the Act, dividend received by an Indian company from a specified foreign company (i.e. in which the nominal value of equity shareholding of Indian company is 26% or more) would be taxable at a concessional rate of 15% on gross basis (plus applicable surcharge and cess)

4.3. Buy Back of shares

- As per the provisions of Section 115QA of the Act, on buy back of shares (not being shares listed on a recognized stock exchange) the Company is liable to pay buy back tax @ 20% (plus applicable surcharge and cess).

- The above income received by the shareholders is exempt in the hands of the shareholders as per provisions of Section 10(34A) of the Act. The same is exempt even for MAT purposes.

- In case of buy back of listed shares undertaken through stock exchange, STT shall be levied and accordingly gains arising shall be exempted under Section 10(38) of the Act if the capital asset qualifies as long term capital asset or taxable at the rate of15% (plus applicable surcharge and cess) if it is a short term capital asset in addition to non-levy of BBT under Section 115QA of the Act.

- However, since the provisions of Section 115QA of the Act do not apply in the case of listed securities, the shareholders are required to pay capital gain tax on gain arising on account of buy back. Further such income will also be liable to tax under the MAT provisions.

4.4. Deductions under Chapter VI-A of the Act

- As per the provisions of Section 80G of the Act, the Company is entitled to claim a deduction of a specified amount in respect of eligible donations, subject to fulfilment of conditions specified in that section.

- Further, under Section 80G of the Act, the Company is also entitled to deduction for contributions made to the Clean Ganga Fund and the Swachh Bharat Kosh set up by the Central Government. However, said deduction is not available in case it represents sum spent by the Company in pursuance of its Corporate Social Responsibility activities. Further, as per the provisions of Section 37(1) of the Act, the Company is not entitled to claim deduction of Corporate Social Responsibility expenses paid during the year.

B. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS UNDER THE ACT

1. Dividends

- Under Section 10(34) of the Act, any income by way of dividends (both interim and final) received from a domestic company is exempt in the hands of the shareholders (except for certain categories of shareholders explained below), if such dividends are subjected to DDT under Section 115-O of the Act.

- Section 115BBDA of the Act provides that, any income by way of dividend in excess of Rs. 10 lakh received from one or more domestic companies during the year shall be chargeable to tax at the rate of 10 percent in the case of all resident persons except domestic company, fund or institution exempt u/s 10(23C) (iv), trust exempt u/s 10(23C)(v), university or other educational institution exempt u/s 10(23C)(vi), hospital or other medical institution exempt u/s 10(23C)(via) and trust or institution registered under section 12A or section 12AA. The taxation of dividend income in excess of Rs 10 lakh shall be on gross basis i.e. no deduction in respect of any expenditure or allowance or set off of loss shall be allowed to the assessee under any provision while computing the dividend.

- No deduction is allowed in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 ('Rules') if AO is not satisfied with the correctness of the claim made by the taxpayer.

2.1 Capital gains

- Capital assets are to be categorised into short-term capital assets and long-term capital assets, based on the period of holding. As per the provisions of Section 2(42A) of the Act the capital asset will be considered as short term asset, if period of holding is not more than thirty-six months. As per the provisions of Section 2(29A) of the Act long term capital asset means a capital asset which is not a short term capital asset.

  However capital assets being shares of unlisted companies or immovable property being land or building will be considered as long term capital asset if the period of holding exceeds twenty-four months. Further, in case of capital assets being listed securities or units of the Unit Trust of India or units of an equity oriented fund or zero coupon bond, held by a taxpayer for a period less than or equal to twelve ('12') months are considered to be short term capital assets and if the period of holding exceeds 12 months, they will be considered as long term capital assets.

- The gains arising on transfer of short term capital assets is termed as STCG and gains arising on transfer of long term capital assets is termed as LTCG.

- As per the provisions of Section 10(38) of the Act, LTCG arising on transfer of listed shares of a company or units of an equity oriented fund are exempt from tax, subject to the condition that the transaction is chargeable to STT. However, such LTCG will not be exempt if the transaction of acquisition, of such equity share is entered on or after 1st day of October 2004 and such transaction is not chargeable to STT unless covered by the notification issued by the Central Government. However, the LTCG arising on transfer of listed securities shall be taken into account in computing book profit under Section 115JB of the Act.

- As per the provisions of Section 48 of the Act, LTCG arising on transfer of capital assets other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration. As per amendment made by Finance Act 2017, the base year for indexation has shifted from 1 April 1981 to 1 April 2001.

- Under Section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at a rate of 20%. However, as per the proviso to Section 112(1) of the Act, if the tax on long-term capital gains resulting from transfer of listed securities or units to the extent not exempt under Section 10(38) of the Act or zero coupon bonds calculated at the rate of 20% (with indexation benefit) exceeds the tax on long-term gains computed at the rate of 10% (without indexation benefit), then such gains are chargeable to tax at a concessional rate of 10% without allowance of indexation benefit.

- As per the provisions of Section 111A of the Act, STCG arising on transfer of listed equity share of the company or listed units of equity oriented mutual funds, would be taxable at 15%, subject to the condition that the transaction of sale is entered into on a recognized stock exchange in India and STT has been paid on the same. The concessional rate of 15% would also be available to such transaction not being subject to STT if such transaction is undertaken on a recognized stock exchange located in any International Financial Services Centre and the consideration is paid or payable in foreign currency.

- Section 47 has been amended by the Finance Act 2017 to provide that conversion of preference to equity shares is not a taxable transfer.

- SCTG arising from transfer of shares in the Company or units of mutual funds, other than those covered by Section 111A of the Act, would be subject to tax at the rate of 30% subject to availability of slab rate benefit for individuals and HUF.

- Further, the CBDT has clarified that surplus on sale of listed shares will be taxed as under:

    - Where an assessee treats the listed shares as stock in trade, irrespective of holding period, the surplus arising on sale will be considered as business income;

    - Where shares are held for a period more than 12 months immediately preceding date of transfer, and assessee treats the surplus arising on sale as Capital Gains, then Income tax department will also consider the gains as Capital Gains. However, once this stand taken in a particular year, it will be applicable for subsequent years as well;

    - In other cases, taxability will be determined based on past CBDT circulars

- The tax rates mentioned above stand increased by surcharge payable @ 7% in case total income of the domestic company exceeds Rs. 1 Crore but is less than or equal to Rs. 10 Crores and @ 12% in case the total income of the domestic company exceeds Rs. 10 Crores. In case of taxpayer being individuals/AOP/HUF, the surcharge at the rate of @ 10% in case income exceeds Rs. 50 lakhs but is less than or equal to Rs. 1 Crore and @ 15% in case the total income exceeds Rs. 1 Crore is applicable. In case of firm, surcharge @12% will be levied incase the total income exceeds Rs. 1 Crore. Further education cess and secondary and higher education cess of 2% and 1% respectively shall also be levied on all categories of taxpayers.

- As per the provisions of Section 70 read with Section 74 of the Act, short term capital loss arising during the year is allowed to be set off against short term or long term capital gains and the balance loss, if any, shall be carried forward and set off against the any capital gains arising during the subsequent 8 assessment years.

- Further, as per the provisions of Section 70 read with Section 74 of the Act, any long term capital loss arising during the year is allowed to be set off only against the long term capital gains and the balance loss, if any, is allowed to be carried forward for 8 subsequent assessment years and set off only against long term capital gains. It is important to note that the long term capital loss arising on sale of listed shares and listed equity oriented mutual fund units, which are subjected to STT, is not be allowed to be set off and carried forward.

2.2 Exemption of capital gains

- Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets (other than those exempt under Section 10(38) of the Act) would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets, being bonds issued by NHAI or REC or any other bonds that is redeemable after three years that may be notified by the Government.

- The maximum investment in the specified bonds cannot exceed aggregate of Rs. 50 lakhs per taxpayer in the year of transfer and in the subsequent financial year.

- Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

- As per the provisions of Section 54F of the Act, in case of individuals or Hindu undivided families, LTCG arising from transfer of long term assets other than a residential house is exempt from tax if the net consideration from such transfer is utilized within a period of one year before or two year after the date of transfer, for purchase of a new residential house property in India or for construction of residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

- Under Section 54EE of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets in units of a specified fund. The maximum investment in the units of the specified fund cannot exceed Rs 50 lakhs in the year of transfer and in the subsequent financial year. Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Long term specified asset means a unit or units, issued before the 1stday of April 2019 of such fund as may be notified by the Central Government in this behalf.

- In case the units of the investment funds are transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

5. Business Income

- Where the equity shares form part of stock-in-trade, any income realized from disposition of the equity shares will be chargeable under the head 'Profits and gains of business or profession' as per the provisions of the Act.

- The nature of the equity shares (i.e. whether held as 'stock-in-trade' or as 'investment') is usually determined inter-alia on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases and sales and the ratio between purchases and sales and the holding. However, this is fact sensitive exercise.

- As per Section 36(1)(xv) of the Act, an amount equal to the STT paid by the assessee in respect of the taxable securities transactions entered into in the course of his business during the previous year will be allowable as deduction, if the income arising from such taxable securities transactions is included under the head 'Profits and gains of business or profession'.

6. Income from other sources

- As per the provisions of Section 56(2)(x) of the Act, where any person receives any property including shares and securities without consideration and its fair market value exceeds Rs. 50,000 or for a consideration which is less than the aggregate fair market value (FMV) of such property by at least Rs. 50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources. The FMV will have to be determined based on Rule 11UA of Income Tax Rules.

- This provision is not applicable where shares are received in any of the following modes, namely
  - From any specified relatives (the term relative has been defined for this purpose of the Act);
  - On the occasion of marriage of the individual;
  - Under a will or by way of inheritance;
  - In contemplation of death of the payer or donor;
  - From any local authority as defined in Explanation to Section 10(20) of the Act;
  - From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C) of the Act;
  - From any trust or institution registered under Section 12A or section 12AA of the Act;
  - By way of transaction not regarded as transfer under Section 47 of the Act viz whether scheme of reorganization or in scheme of demerger or scheme of amalgamation
  - From an individual by a trust created or established solely for the benefit of relative of the individual

C. BENEFITS AVAILABLE TO NON-RESIDENTS (OTHER THAN FOREIGN INSTITUTIONAL INVESTORS) UNDER THE ACT

1. Dividends

- Under Section 10(34) of the Act, any income by way of dividends (both interim and final) received from a domestic company is exempt in the hands of the shareholders, if such dividends are subjected to DDT under Section 115-O of the Act.

- No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

2.1 Capital gains

- Capital assets are to be categorised into short-term capital assets and long-term capital assets, based on the period of holding. As per the provisions of Section 2(42A) of the Act the capital asset will be considered as short term asset, if period of holding is not more than thirty-six months. As per the provisions of Section 2(29A) of the Act long term capital asset means a capital asset which is not a short term capital asset. However capital assets being shares of unlisted companies or immovable property being land or building will be considered as long term capital asset if the period of holding exceeds twenty-four months. Further, in case of capital assets being listed securities or units of the Unit Trust of India or units of an equity oriented fund or zero coupon bond, held by a taxpayer for a period less than or equal to twelve ('12') months are considered to be short term capital assets and if the period of holding exceeds 12 months, they will be considered as long term capital assets.

- The gains arising on transfer of short term capital assets is termed as STCG and gains arising on transfer of long term capital assets is termed as LTCG.

- As per the provisions of Section 10(38) of the Act, LTCG arising on transfer of listed shares of a company or units of an equity oriented fund are exempt from tax, subject to the condition that the transaction is chargeable to STT. However, such LTCG will not be exempt if the transaction of acquisition, of such equity share is entered on or after 1stday of October 2004 and such transaction is not chargeable to STT unless covered by the notification issued by the Central Government.

- However, the LTCG arising on transfer of listed securities shall be taken into account in computing book profit under Section 115JB of the Act.

- Under Section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at a rate of 20% with indexation benefits. The indexation benefits are however not available in case the shares or debentures of an Indian company are acquired in foreign currency. In such a case, the capital gains shall be computed in the manner specified in first proviso to Section 48 of the Act. As per the first proviso of Section 48 of the Act, where the shares are acquired in foreign currency by a non-resident, the capital gains arising on transfer need to be computed by converting the cost of acquisition, expenditure incurred in connection with such transfer and full value of consideration received or accruing as a result of transfer, into the same foreign currency in which the shares were originally purchased. The resultant gains thereafter need to be reconverted into Indian currency. The conversion needs to be at the prescribed rates prevailing on the dates stipulated. If the tax payable on transfer of listed securities or units exceeds 10% of the LTCG before giving effect to first proviso of Section 48 of the Act, the excess tax shall be ignored for the purpose of computing the tax payable by the non-resident.

- Further as per Section 112 of the Act, LTCG arising from transfer of unlisted securities is chargeable to tax at 10% without indexation and foreign exchange fluctuation benefit.

- As per the provisions of Section 111A of the Act, STCG arising on transfer of listed equity share in the company or units of equity oriented mutual funds, would be taxable at 15%, subject to the condition that the transaction of sale is entered into on a recognized stock exchange in India and STT has been paid on the same. The concessional rate of 15% would also be available to such transaction not being subject to STT if such transaction is undertaken on a recognized stock exchange located in any International Financial Services Centre and the consideration is paid or payable in foreign currency.

- STCG arising from transfer of shares in the Company or units of mutual funds, other than those covered by Section 111A of the Act, would be subject to tax under the normal provisions of the Act.

- Section 47 amended by Finance Act 2017 to provide that conversion of preference to equity shares is not a taxable transfer.

- Further, the CBDT has clarified that gains on sale of listed shares will be taxed as under:

  - Where assessee treats the listed shares as stock in trade, irrespective of holding period, the gains on sale will be considered as business income;

  - Where shares held for a period more than 12 months immediately preceding date of transfer, and assessee treats the gains on sale as Capital Gains, then Income tax department will also consider same as Capital Gains. However, once this stand taken in a particular year, it will be applicable for subsequent years as well; and

  - In other cases, taxability will be determined based on past CBDT circulars.

- The tax rates mentioned above stand increased by surcharge payable @ 2% in case of total income of the foreign company exceeds Rs. 1 Crore but is less than or equal to Rs. 10 Crores and @ 5% in case the total income of the foreign company exceeds Rs. 10 Crores. In case of other non-residents being individuals, the tax rates are increased by surcharge of 15% in case total income exceeds Rs. 1 Crore. Further education cess and secondary and higher education cess of 2% and 1% respectively shall be levied on all categories of tax payers.

- As per the provisions of Section 70 read with Section 74 of the Act, short term capital loss arising during the year is allowed to be set off against short term or long term capital gains and the balance loss, if any, shall be carried forward and set off against the any capital gains arising during the subsequent 8 assessment years.

- Further, as per the provisions of Section 70 read with Section 74 of the Act, any long term capital loss arising during the year is allowed to be set off only against the long term capital gains and the balance loss, if any, is allowed to be carried forward for 8 subsequent assessment years and set off only against long term capital gains. It is important to note that the long term capital loss arising on sale of listed shares and listed equity oriented mutual fund units, which are subjected to STT, may not be allowed to be set off and carried forward.

2.2 Exemption of capital gains

- Under Section 54EC of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets, being bonds issued by NHAI or REC or other bond which is redeemable after three years and that maybe notified by the Central Government.

- The maximum investment in the specified bonds cannot exceed in aggregate Rs. 50 lakhs per taxpayer in the year of transfer and in the subsequent financial year.

- Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

- As per the provisions of Section 54F of the Act, in case of individuals or Hindu undivided families, LTCG arising from transfer of long term assets (other than residential house) is exempt from tax if the net consideration from such transfer is utilized within a period of one year before or two year after the date of transfer, for purchase of a new residential house property in India or for construction of residential house in India within three years from the date of transfer and subject to conditions and to the extent specified therein.

- Under Section 54EE of the Act and subject to the conditions specified therein, long-term capital gains arising on the transfer of long term capital assets would be exempt from tax if such capital gain is invested within six months from the date of such transfer in specified assets in units of a specified fund. The maximum investment in the units of the specified fund cannot exceed Rs 50 lakhs in the year of transfer and in the subsequent financial year. Where only a part of the capital gain is so reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Long term specified asset means a unit or units, issued before the 1st day of April 2019 of such fund as maybe notified by the Central Government in this behalf.

- In case the units of the investment funds are transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion.

3 Income from other sources

- As per the provisions of Section 56(2)(x) of the Act, applicable from 1st April 2017 where any person including shares and securities without consideration and its fair market value exceeds Rs. 50,000 or for a consideration which is less than the aggregate fair market value of such property by at least Rs. 50,000, then the difference between fair market value and consideration paid will be taxable as income from other sources.

- This provision is not applicable where shares are received in any of the following modes, namely:

    - From any specified relatives (the term relative has been defined for this purpose of the Act);

    - On the occasion of marriage of the individual;

    - Under a will or by way of inheritance;

    - In contemplation of death of the payer or donor;

    - From any local authority as defined in Explanation to Section 10(20) of the Act;

    - From any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in Section 10(23C) of the Act;

    - From any trust or institution registered under Section 12A or section 12AA of the Act; or

    - By way of transaction not regarded as transfer under Section 47 of the Act viz whether scheme of reorganization or in scheme of demerger or scheme of amalgamation

    - From an individual by a trust created or established solely for the benefit of relative of the individual

4 Taxability as per DTAA

- The tax rates and consequent taxation mentioned above will be subjected to any benefits available under DTAA, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or DTAA, whichever is more beneficial to them.

- Section 90(4) of the Act, inserted by Finance Act, 2012, provides that where the benefit under a DTAA is availed, a certificate from the Government of that country of his being a resident in that country is required to be furnished i.e. TRC.

- Further, the CBDT vide Notification no.57/2013 [F.NO.142/16/2013-TPL]/SO 2331(E), dated 1 August 2013, has prescribed certain information to be filed by way of a declaration in Form 10F along with the TRC in cases where the TRC obtained from the foreign country does not contain all the prescribed particulars.

- Further, CBDT has prescribed rules specifying categories of payments and alternate documents to be furnished by non-resident deductees for being eligible for relaxation from withholding of tax at higher rates in case PAN is not available

    - Said rule shall apply only for Interest, Royalty, Fees for Technical Services, payments on transfer of any capital asset made by a non-resident

    - Alternative documents to be furnished by non-resident are:

        - Name, e-mail id, contact number, Tax Identification Number of the deductee

        - Address in country or specified territory outside India of which the deductee is a resident;

        - A certificate of his being resident in any country or specified territory outside India.

5 Special provisions relating to certain income of Non-resident Indians ('NRI')

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

- In addition to some of the general benefits available to non-resident shareholders, where equity shares of the Company have been subscribed by NRI in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which inter alia entitles them to certain benefits as detailed below:

- In accordance with Section 115E of the Act, income from investment (other than dividend income exempt under Section 10(34)) of the Act or income from long- term capital gains arising on transfer of specified asset i.e. shares of an Indian company which are acquired/purchased/subscribed in convertible foreign exchange shall be taxable at the rate of 10% in the hands of a Non-Resident Indian. However, income from other than specified assets and long term capital gain arising on transfer of other than specified asset shall be taxable at the rate of 20%.

- Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the whole or any part of the net consideration is reinvested in any specified assets within six months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as 'capital gains' subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

- As per the provisions of Section 115G of the Act, NRIs are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

- As per the provision of Section 115H of the Act, where a person who is NRI in any previous year, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified under sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) of the Act for that assessment year and for every subsequent assessment year until there is transfer or conversion of such asset into money. For this provision to apply, NRI is required to file a declaration along with his return of income for the assessment year in which he becomes assessable as resident in India.

- In accordance with Section 115-I of the Act, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

D. BENEFITS AVAILABLE TO A FOREIGN INSTITUTIONAL INVESTOR ("FII") UNDER THE ACT

1. Dividends exempt under Section 10(34) of the Act

- Under Section 10(34) of the Act, any income by way of dividends received from a domestic company is exempt in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

- No deduction is permitted in respect of expenditure incurred in relation to earning of income which is not chargeable to tax e.g. dividends exempt under Section 10(34) of the Act. The expenditure relatable to 'exempt income' needs to be determined in accordance with the provisions specified in Section 14A of the Act read with Rule 8D of the Rules.

2. Long term capital gains exempt under Section 10(38) of the Act

- Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, such LTCG will not be exempt if the transaction of acquisition, of such equity share is entered on or after 1st day of October 2004 and such transaction is not chargeable to STT unless covered by the notification issued by the Central Government.

3. Capital Gains

- As per the provisions of Section 2(14) of the Act, any securities held by FII which have invested in such securities in accordance with the Securities Exchange Board of India ('SEBI') regulations, will be treated as capital asset and accordingly any income from transfer of such capital asset will be chargeable under the head "Capital Gains"

- Under Section 115AD(1)(ii) of the Act, short term capital gains on transfer of equity shares shall be chargeable at 30%. In case where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same, tax is levied at 15%.

- Under Section 115AD(1)(iii) of the Act, long term capital gains arising from the transfer of Equity Shares (in cases not covered under Section 10(38) of the Act) of a Company shall be taxable at 10%. It is to be noted that the benefit of indexation and foreign currency fluctuation are not available to FIIs.

- The tax rates mentioned above stands increased by surcharge payable @ 2% in case of total income of the corporate FII exceeds Rs. 1 Crore but is less than or equal to Rs. 10 Crores and @ 5% in case the total income of the corporate FII exceeds Rs. 10 Crores. In case of non-corporate FIIs the surcharge is levied @ 10% in case income exceeds Rs.50 lakhs but is less than or equal to Rs. 1 Crore and @ 15% in case the total income exceeds Rs.1 Crore.

- Further education cess and secondary and higher education cess of 2% and 1% respectively shall also be levied on all categories of taxpayers.

- Further, capital gains arising to foreign companies (including FIIs who are registered as Companies) have been specifically excluded from the applicability of MAT, subject to conditions.

- Generally, in case of non-residents, tax, (including surcharge and cess) on the capital gains, if any, is withheld at source by the buyer in accordance with the relevant provisions of the Act. However, as per the provisions of Section 196D(2) of the Act, no deduction of tax is required to be made from any income by way of capital gains arising from the transfer of securities (referred to in Section 115AD of the Act) payable to FIIs.

- The benefit of exemption under Section 54EC of the Act mentioned above in case of Company is also available to FIIs.

4. Taxability as per DTAA

- The tax rates and consequent taxation mentioned above will be subjected to any benefits available under DTAA, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of Section 90(2) of the Act, FIIs can opt to be taxed in India as per the provisions of the Act or DTAA, whichever is more beneficial to them.

- Section 90(4) of the Act, inserted by Finance Act, 2012, provides that where the benefit under a DTAA is availed, a certificate from the Government of that country of his being a resident in that country is required to be furnished i.e. TRC.

- Further, the CBDT vide Notification no.57/2013 [F.NO.142/16/2013-TPL]/SO 2331(E), dated 1 August 2013, has prescribed certain information to be filed by way of a declaration in Form 10F along with the TRC in cases where the TRC obtained from the foreign country does not contain all the prescribed particulars.

- Further, CBDT has prescribed rules specifying categories of payments and alternate documents to be furnished by non-resident deductees for being eligible for relaxation from withholding of tax at higher rates in case PAN is not available

    - Said rule shall apply only for Interest, Royalty, Fees for Technical Services, payments on transfer

    - of any capital asset made by a non-resident

    - Alternative documents to be furnished by non-resident are:

    - Name, e-mail id, contact number, Tax Identification Number of the deductee;

    - Address in country or specified territory outside India of which the deductee is a resident;

    - A certificate of his being resident in any country or specified territory outside India

E. BENEFITS AVAILABLE TO MUTUAL FUNDS UNDER THE ACT

- As per the provisions of Section 10(23D) of the Act, any income of Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Fund set up by public sector banks or public financial institutions and Mutual Fund authorised by the Reserve Bank of India is exempt from income-tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

F. BENEFITS AVAILABLE TO VENTURECAPITAL COMPANIES/ FUNDS

- Under Section 10(23FB) of the Act, any income of Venture Capital Companies/Funds (set up to raise funds for investment in 'venture capital undertaking') registered with the Securities and Exchange Board of India is exempt from income tax, subject to conditions specified therein.

G. BENEFITS AVAILABLE TO INVESTMENT FUNDS

- The Finance Act, 2015 has inserted Chapter XII in the Act which provides that Income of unit holder out of investments in the investment fund shall be chargeable to tax in the same manner as if it were the income of person, had the investments made by the fund made directly by the unit holder.

- The said Chapter provides for special taxation regime for Category I and Category II Alternative Investment Funds approved by SEBI referred to as "investment fund" as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head "Profits and gains of business or profession" shall be exempt from income tax.

H. TAX DEDUCTION AT SOURCE

- No income-tax is deductible at source from income by way of capital gains (derived from transfer of shares of a company) under the present provisions of the Act, in case of residents.

- However, as per the provisions of Section 195 of the Act, any income byway of capital gains, payable to non-residents (other than long-term capital gains exempt under Section 10(38) of the Act), may be subject to the provisions of withholding tax, subject to the provisions of the relevant DTAA.

- Accordingly, income-tax may have to be deducted at source in the case of a non-resident at the rate under the domestic tax laws or under the tax treaty, whichever is beneficial to the taxpayer, unless a lower withholding tax certificate is obtained from the tax authorities. However, as mentioned earlier, as per provisions of Section 196D (2) of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Act, payable to Foreign Institutional Investor.

Notes:

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing shares to qualified institutional buyers.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a general description of certain material United States federal income tax consequences to U.S. Holders and Non-U.S. Holders under present law of an investment in the Equity Shares. This summary applies only to investors that hold the Equity Shares as capital assets (generally, property held for investment). This discussion is based on the tax laws of the United States as in effect on the date of this Placement Document; U.S. Treasury regulations in effect as of the date of this Placement Document; judicial and administrative interpretations thereof available on or before such date; and the Convention Between the Government of the United States of America and the Government of the Republic of India for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income (the "US India Treaty"). All of the foregoing authorities are subject to change, which change could apply retroactively and could affect the tax consequences described below.

The following discussion does not address alternative minimum tax considerations or state, local, non-United States or other tax laws, or the tax consequences to any particular investor or to persons in special tax situations such as:

- banks;
- certain financial institutions;
- insurance companies;
- dealers in stocks, securities, currencies or notional principal contracts;
- U.S. expatriates and former long-term residents of the United States;
- regulated investment companies and real estate investment trusts;
- tax-exempt entities, including companies classified as foreign governments for U.S. federal income tax purposes;
- U.S. Holders that have a functional currency other than the U.S. dollar;
- persons holding an Equity Share as part of a straddle, hedging, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the Company's voting stock;
- persons who acquired Equity Shares pursuant to the exercise of any employee share option or otherwise as consideration; or
- persons holding Equity Shares through partnerships or other pass-through entities.

For purposes of this summary, a "**U.S. Holder**" is a beneficial owner of Equity Shares that is for United States federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate whose income is subject to United States federal income taxation regardless of its source; or
- a trust that (1) is subject to the primary supervision of a court within the United States and the control of one or more U.S. persons for all substantial decisions of the trust, or (2) has a valid election in effect under the applicable U.S. Treasury regulations to be treated as a U.S. person.

A "**Non-U.S. Holder**" is a beneficial owner of Equity Shares that is not a U.S. Holder. If you are a partner in a partnership, or other entity taxable as a partnership for United States federal income tax purposes, that holds

Equity Shares, your tax treatment generally will depend on your status and the activities of the partnership. Prospective purchasers of Equity Shares that are partnerships should consult their tax advisors.

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISORS REGARDING THE APPLICATION OF THE UNITED STATES FEDERAL TAX RULES TO THEIR PARTICULAR CIRCUMSTANCES AS WELL AS THE STATE AND LOCAL, FOREIGN AND OTHER TAX CONSEQUENCES TO THEM OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF EQUITY SHARES.

U.S. Holders

Taxation of Distributions on the Equity Shares

Subject to the PFIC rules discussed below, the gross amount of distributions to you with respect to the Equity Shares generally will be included in your gross income in the year received as foreign source ordinary dividend income, but only to the extent that the distribution is paid out of the Company's current or accumulated earnings and profits (as determined under United States federal income tax principles). To the extent that the amount of the distribution exceeds the Company's current and accumulated earnings and profits, it will be treated first as a tax-free return of your tax basis in your Equity Shares, and to the extent the amount of the distribution exceeds your tax basis, the excess will be taxed as capital gain. However, the Company does not intend to calculate its earnings and profits under United States federal income tax principles. Therefore, a U.S. Holder should expect that a distribution will generally be treated as a dividend. The dividends will not be eligible for the dividends-received deduction allowed to corporations in respect of dividends received from other U.S. corporations.

Subject to applicable limitations, with respect to non-corporate U.S. Holders (including individual U.S. Holders), dividends may constitute "qualified dividend income" that is taxed at the lower applicable capital gains rate provided that (1) the Company is not a PFIC (as discussed below) for either the taxable year in which the dividend is paid or the preceding taxable year, (2) such dividend is paid on Equity Shares that have been held by you for at least 61 days during the 121-day period beginning 60 days before the ex-dividend date, and (3) the Company is eligible for the benefits of the US India Treaty. The Company expects to be eligible for the benefits of the US India Treaty. Further, the Company does not believe it was a PFIC for the taxable year ending March 31, 2017 and does not expect to be a PFIC for the current year or any future years. *Non-corporate U.S. Holders are strongly urged to consult their tax advisors regarding the availability of the lower rate for dividends paid with respect to the Equity Shares.*

The amount of any distribution paid by the Company in a currency other than U.S. dollars (a "**foreign currency**") will be equal to the U.S. dollar value of such foreign currency on the date such distribution is received by the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. If the foreign currency so received is converted into U.S. dollars on the date of receipt, a U.S. Holder generally will not recognize foreign currency gain or loss on such conversion. If the foreign currency so received is not converted into U.S. dollars on the date of receipt, a U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Gain or loss, if any, realized on the subsequent sale or other disposition of such foreign currency will generally be U.S. source ordinary income or loss. The amount of any distribution of property other than cash will be the fair market value of such property on the date of distribution.

For foreign tax credit purposes, dividends distributed with respect to the Equity Shares will generally constitute "passive category income". A U.S. Holder will not be able to claim a U.S. foreign tax credit for Indian taxes for which the Company is liable and must pay with respect to distributions on the Equity Shares. *The rules relating to the determination of the U.S. foreign tax credit are complex and U.S. Holders should consult their tax advisors to determine whether and to what extent a credit would be available in their particular circumstances.*

Taxation of a Disposition of Equity Shares

Subject to the PFIC rules discussed below, you generally will recognize capital gain or loss on any sale or other taxable disposition of an Equity Share equal to the difference between the U.S. dollar value of the amount realized for the Equity Share and your tax basis (in U.S. dollars) in the Equity Share. If you are a non-corporate U.S. Holder (including an individual U.S. Holder) who has held the Equity Share for more than one year, capital gain on a disposition of an Equity Share generally will be eligible for reduced U.S. federal income tax rates. The deductibility of capital losses is subject to limitations. Any such gain or loss that you recognize generally will be treated as U.S. source income or loss for foreign tax credit limitation purposes.

Because gains on a disposition of an Equity Share generally will be treated as U.S. source, the use of foreign tax credits relating to any Indian income tax imposed upon gains in respect of Equity Shares may be limited. U.S. Holders should consult their tax advisors regarding the application of Indian taxes to a disposition of an Equity Share and their ability to credit an Indian tax against their United States federal income tax liability.

A U.S. Holder that receives foreign currency from the sale or disposition of the Equity Shares generally will realize an amount equal to the U.S. dollar value of such foreign currency on the date of sale or disposition or, if such U.S. Holder is a cash basis or electing accrual basis taxpayer and the Equity Shares are treated as being traded on an "established securities market" for this purpose, the settlement date. If the Equity Shares are so treated and the foreign currency received is converted into U.S. dollars on the settlement date, a cash basis or electing accrual basis U.S. Holder will not recognize foreign currency gain or loss on the conversion. If the foreign currency received is not converted into U.S. dollars on the settlement date, the U.S. Holder will have a basis in the foreign currency equal to its U.S. dollar value on the settlement date. Gain or loss, if any, realized on the subsequent conversion or other disposition of such foreign currency will generally be U.S. source ordinary income or loss.

Medicare Tax

Certain U.S. Holders who are individuals, estates, or trusts are required to pay a 3.8% Medicare surtax on all or part of that holder's "net investment income" or "undistributed net investment income" in the case of an estate or trust, which includes, among other items, dividends on, and capital gains from the sale or other taxable disposition of, the Equity Shares, subject to certain limitations and exceptions. The 3.8% Medicare surtax is determined in a different manner than the regular U.S. income tax. *Prospective investors should consult their own tax advisors regarding the effect, if any, of this surtax on their ownership and disposition of the Equity Shares.*

Information with Respect to Foreign Financial Assets

Individuals and certain entities who are U.S. Holders that own "specified foreign financial assets", including stock of a non-U.S. corporation not held through a financial institution, with an aggregate value in excess of certain dollar thresholds may be required to file an information report with respect to such assets on IRS Form 8938 with their United States federal income tax returns. Penalties apply for failure to properly complete and file IRS Form 8938. *U.S. Holders are encouraged to consult their tax advisors regarding the application of this reporting requirement to their ownership of the Equity Shares.*

Passive Foreign Investment Company

In general, a non-U.S. corporation is considered to be a passive foreign investment company, or a PFIC, for any taxable year if either:

- at least 75% of its gross income is passive income, or

- at least 50% of its assets (based on an average of the quarterly values of the assets during a taxable year) is attributable to assets that produce or are held for the production of passive income.

Passive income for these purposes generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions. The Company will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25% or more (by value) of the stock.

Although not free from doubt, the Company does not believe it was a PFIC for its taxable year ending March 31, 2017, and does not expect to be a PFIC for the current year or any future years. However, the determination of whether the Company is a PFIC is a factual determination made annually after the end of each taxable year, and there can be no assurance that the Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of the Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Furthermore, the Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably. *Prospective purchasers are urged to consult their tax advisors regarding the Company's possible status as a PFIC.*

If the Company is a PFIC for any taxable year during which you hold Equity Shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of the Equity Shares, unless you make a "mark-to-market" election as discussed below. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Equity Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Equity Shares,
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which the Company became a PFIC, will be treated as ordinary income, and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Equity Shares cannot be treated as capital, even if you hold the Equity Shares as capital assets.

If the Company is a PFIC for any year during which you hold Equity Shares, the Company generally will continue to be treated as a PFIC with respect to you for all succeeding years during which you hold Equity Shares, regardless of whether the Company in fact continues to meet the income or asset test described above.

In addition, if the Company is treated as a PFIC, to the extent any of its direct or indirect subsidiaries (if any) are also PFICs, you may be deemed to own shares in such subsidiaries (if any) and you may be subject to the adverse PFIC tax consequences with respect to the shares of such subsidiaries (if any) that you would be deemed to own.

Qualified electing fund election

To mitigate the application of the PFIC rules discussed above, a U.S. Holder may make an election to treat the Company as a qualified electing fund ("**QEF**") for U.S. federal income tax purposes. To make a QEF election, the Company must provide U.S. Holders with information compiled according to U.S. federal income tax principles. The Company does not currently intend to prepare or provide the information that would enable you to make a QEF election.

Mark-to-market election

A U.S. Holder of "marketable stock" (as defined below) in a PFIC may make a mark-to-market election with respect to such stock to elect out of the tax treatment discussed above, although it is possible the mark-to-market election may not apply or be available with respect to the shares in the Company's subsidiaries (if any) to the extent they are PFICs that you may be deemed to own if the Company is treated as a PFIC, as discussed above. If you make a valid mark-to-market election for the Equity Shares, you will include in income each year an amount equal to the excess, if any, of the fair market value of the Equity Shares as of the close of your taxable year over your adjusted basis in such Equity Shares. You are allowed a deduction for the excess, if any, of the adjusted basis of the Equity Shares over their fair market value as of the close of the taxable year. However, deductions are allowable only to the extent of any net mark-to-market gains on the Equity Shares included in your income for prior taxable years. Amounts included in your income under a mark-to-market election, as well as gain on the actual sale or other disposition of the Equity Shares, are treated as ordinary income. Ordinary loss treatment also applies to the deductible portion of any mark-to market loss on the Equity Shares, as well as to any loss realized on the actual sale or disposition of the Equity Shares, to the extent that the amount of such loss does not exceed the net mark-to-market gains previously included for such Equity Shares. Your basis in the Equity Shares will be adjusted to reflect any such income or loss amounts. If you make such an election, the tax rules that apply to distributions by corporations that are not PFICs generally would apply to distributions by the Company, except that the lower applicable capital gains rate with respect to qualified dividend income (discussed above) would not apply.

The mark-to-market election is available only for "marketable stock", which is stock that is traded in other than de minimis quantities on at least 15 days during each calendar quarter on a qualified exchange or other market, as defined in the applicable U.S. Treasury regulations. Under applicable U.S. Treasury regulations, a "qualified exchange" includes a foreign exchange that is regulated by a governmental authority in the jurisdiction in which the exchange is located and in respect of which certain other requirements are met. *U.S. Holders of Equity Shares should consult their own tax advisors as to whether the Equity Shares would qualify for the mark-to-market election.*

PROSPECTIVE PURCHASERS ARE URGED TO CONSULT THEIR TAX ADVISOR REGARDING THE APPLICATION OF THE PFIC RULES TO THEIR INVESTMENT IN EQUITY SHARES, AND THE AVAILABILITY AND ADVISABILITY OF ANY ELECTIONS.

Non-U.S. Holders

A Non-U.S. Holder generally should not be subject to U.S. federal income or withholding tax on any distributions made on the Equity Shares or gain from the sale, redemption or other disposition of the Equity Shares unless: (i) that distribution and/or gain is effectively connected with the conduct by that Non-U.S. Holder of a trade or business in the United States; or (ii) in the case of any gain realized on the sale or exchange of an Equity Share by an individual Non-U.S. Holder, that Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale, exchange or retirement and certain other conditions are met.

Information Reporting and Backup Withholding

Dividend payments with respect to Equity Shares and proceeds from the sale, exchange or redemption of Equity Shares may be subject to information reporting to the Internal Revenue Service and possible U.S. backup withholding under certain circumstances.

Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certifications or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on Internal Revenue Service Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules. Non-U.S. Holders may be required to comply with applicable certification procedures to establish that they are not U.S. Holders in order to avoid the application of such information reporting requirements and backup withholding.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against your U.S. federal income tax liability, and you may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the Internal Revenue Service and furnishing any required information.

U.S. Holders that hold Equity Shares in any year in which the Company is a PFIC, may be required to file Internal Revenue Service Form 8621 with respect to their ownership of the Equity Shares. In addition, U.S. Holders may be required to file additional information with respect to their ownership of the Equity Shares.

LEGAL PROCEEDINGS

Except as described below, our Company and its Subsidiaries are not involved in any legal proceedings and disputes, and no proceedings are threatened, which may have, or have had, a material adverse effect on the business, financial condition, cash flows or operations of our Company and its Subsidiary.

Cases involving our Company

Criminal Matters

1. The Food Inspector, Jalgaon District, filed a complaint against our Company, Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Ashok Kumar Arora under Section 7(i) read with Sections 2(ia)(a) and 2(ia)(f) of The Prevention of Food Adulteration Act, 1954, and Section 7(v) and Rule 50(1) of Maharashtra Prevention of Food Adulteration Rules, 1962 before the court of the Chief Judicial Magistrate, Jalgaon. The complaint alleges that based on food analysis carried out, the basmati rice packets of the Company being sold by Mr. Laxmibai Laxminaryan are insect infected and hence unfit for consumption. On receiving an analytical report of the sample of basmati rice from public analyst, Jalgaon the Food Inspector, Jalgaon District filed the complaint.

   Our Company made an application for discharge before the Chief Judicial Magistrate, Jalgaon which was rejected stating that the application is without merits and appears to be filed to protract the trial of old proceedings.

   Our Company has filed a criminal revision application before The Hon'ble Sessions Judge, Jalgaon under Section 397 read with Section 399 of The Code of Criminal Procedure, 1973 against the order dated July 30, 2013 passed by the Chief Judicial Magistrate in favour of the Food Inspector, Jalgaon. After appearing before the Chief Judicial Magistrate our Company made an application for discharge under Section 245(2) of The Code of Criminal Procedure which was rejected. Thus, our Company filed a revision application.

2. Ms. Pooja (wife of the deceased Mr. Naveen Sharma) along with other legal heirs of Mr. Naveen Sharma, have filed a suit against Mr. Balwan Singh (employee of our Company), our Company and The New India Assurance Company Limited under Sections 166 and 140 of The Motor Vehicles Act, 1988, for grant of compensation and under Sections 279, 304-A and 427 of The Indian Penal Code, 1860, before the Motor Accidents Claims Tribunal – 2, Saket, New Delhi. The legal heirs claim a sum of ₹ 5 million as compensation for the death of Mr. Naveen Sharma on August 25, 2016 due to the accident between his motor cycle and a truck which was being driven by Mr. Balwan Singh. The truck is owned by our Company and is insured by The New India Assurance Company Limited. Our Company has filed a written statement and has denied the compensation on the ground of it being exaggerated and unsubstantiated.

3. Our Company has filed a petition under Section138 of the Negotiable Instruments Act, 1881, against M/s PAN Organics Private Limited and its directors and authorised person for not honouring a cheque towards payment of an amount of ₹ 1 million to our Company, before the Judicial Magistrate, Sonepat. PAN Organics Private Limited has been a customer of rice bran from our Company.

4. The Food Safety Officer, West Godavari District filed a complaint against our Company and Mr. Solasa Kanak Nageswara Rao under Sections 3(1)(zz)(ix)(xi) and 26(2)(i) of the Food Safety and Standards (Food Products and Food Activities) Regulations, 2011 and Section 59(i) of Food Safety and Standards Act, 2006 in the Court of Additional Judicial First Class Magistrate, Tadepalligudem. The Food Safety Officer, West Godavari District visited the premises of Mr. Solasa Kanak Nageswara Rao and found him transacting his business by disclosing his identity as Food Safety Officer. On inspecting the premises the Food Safety Officer, West Godavari District suspected the Heritage Basmati Rice to be unsafe for consumption and purchased the same for analysis. On December 29, 2015 the Food Safety Officer, West Godavari District sent the sample of Heritage Basmati Rice to the Food Analyst, Hyderabad. The Food Analyst, State Food Laboratory, Hyderabad sent his report dated January 12, 2016 stating that in his opinion the sample is insect infected and does not conform to the Uric acid limit. The Food Safety Designated Officer sent detailed reports to the Food Commissioner, Andhra Pradesh, Hyderabad pursuant to which the Food Commissioner, Andhra Pradesh, Hyderabad accorded his written consent for launching prosecution for sale of unsafe Heritage Basmati Rice.

Tax Matters

(in ₹ million)

Particulars	Number of cases	Ascertainable amount involved
Direct Tax		
LT Foods Limited	21	274.21
Sub-Total (A)	**21**	**274.21**
Indirect Tax		
LT Foods Limited	5	5.74
Sub-Total (B)	**5**	**5.74**
Total (A+B)	**26**	**279.95**

Notes:

1. *The above liability is exclusive of any interest / penalty payable on final outcome of tax cases.*
2. *The assessment proceedings for the Assessment Year 2014-15 is under progress before the AO and the order will be passed latest by December 31, 2017 and the final demand will be known at that time.*
3. *The above appeals include 7 cases for which appeals are filed by Department against relief allowed by first appelate authority. Accordingly, the disputed tax amount of ₹ 325.22 Million is not included herein above.*

Civil Matters

1. The Food Corporation of India filed a suit for recovery of money against our Company through our Managing Director at the Court of the Civil Judge (Senior Division) at Sangrur. The suit is filed for a sum of ₹ 33,924,608. The Food Corporation of India allocated to our Company 36750 MT of wheat for supply as humanitarian assistance to Iraq at the effective export price as on the date of lifting. Our Company had acknowledged the fact that the wheat supplied was meant for Humanitarian Aid to Iraq under the UN World Food Program. Our Company submitted a bank guarantee for the amount of wheat secured and such guarantee was further amended to provide for extension of time. Our Company furnished payments of ₹ 15,362,100 & ₹ 159,332,550 respectively to the Food Corporation of India for releasing the wheat to be exported. Specific dates were allotted to our Company to furnish export documents and other such proofs confirming the export of wheat to Iraq which our Company. Out of wheat lifted approximately 18000 metric tonne of wheat was exported to Iraq, and export documents were submitted and accepted by the Food Corproration of India. At the request of our Company extra time was allotted to us to export the remaining wheat to Iraq. Our Company offered to keep the bank guarantee alive to the extent of Rs. 24,157,500. Accordingly the bank guarantee was extended and its value was decreased.. The Balance quantity was also ready for export but the said consignment was rejected by the surveyors appointed by Iraq and accordingly company exported the rejected quantities to another country. A letter was issued by Food Corporation of India to our Company reminding us to furnish the documents failing which the bank guarantee provided would be encashed. The Food Corporation of India ordered the Oriental Bank of Commerce to encash the guarantee but as per the request of our Company an extension of time was granted to furnish the documents. Sometime later the documents were submitted but upon careful scrutiny it was found out that only 9415.679 MT of wheat out of total quantities picked from Sangrur was exported to Iraq while the rest was shipped off to other countries. The Food Corporation of India asked for full payment of cost towards the wheat that was not exported to Iraq but at the request of our Company gave us extra time to try and export the remaining 15735 MT of wheat to Iraq, our Company even offered to keep the bank guarantee alive to the extent of ₹ 24,157,500. Accordingly the bank guarantee was extended and its value was decreased. Our Company was given time till May 2005 to furnish proof of export of balance quantity failing which the bank guarantee was to be encashed. It is alleged by the Food Corporation of India that our company failed to do so as Iraq government refused to take further quantities and the Food Corporation of India advised the bank to encash the guarantee and release the money in its favor. Our company filed for a restraining order to stop the bank from encashing the guarantee. At the end the High Court of Punjab & Haryana dismissed this petition and the bank guarantee was envoked. Upon this encashment the Food Corporation of India executed the DD in favour of the Punjab office of Food Corporation of India and gave our Company another week to furnish the export documents. Finally Food Corporation of India blocked our Company from doing any further business with it. Since the wheat wasn't exported as per agreement the Food Corporation of India considered the sale of the rest of the wheat as a domestic sale and accordingly it filed a suit for recovery of the money from our Company for difference in sale price as well as freight charges etc. The Food Corporation of India worked out a sum inclusive of all extra cost and taxes applicable as well as penalties on taxes payable by our Company. This total cost was given after adjustment of certain monies of our Company lying with the Food Corporation of India. It was the contention of the Food Corporation of India that our Company failed to pay an amount of ₹ 25,211,716 that it owed to the

Food Corporation of India, and thus it filed the suit for recovery of money. In the same suit Company filed counter claim for recovery of the bank guarantee encashed and expenses to the tune of ₹ 50 million. On July 19, 2014, of the Civil Judge (Senior Division) at Sangrur pronounced the judgment stating that the Food Corporation of India is entitled to recovery of principal amount of ₹ 25,211,716 along with interest at 6% per annum with effect from July 6, 2004 and rejected our counter claim.

Our Company has filed an appeal against the above mentioned judgment and decree, before the Court of District Judge, Sangrur.

2. Our Company and M/s Raghunath Agro Industries has filed a suit before the High Court of Delhi against Sulson Overseas Private Limited seeking permanent injunction to restrain infringement of our trademark, acts of unfair competition and passing off, and for rendition of accounts of profits/damages, among others. M/s Lal Chand Tirath Ram Mills adopted the trade name 'SONA' in the year 1987 and had it registered. Such trade name was transferred to our Company on March 26, 1999. A separate deed of assignment dated July 25, 2003 was executed for affirmation of transferring of all the trademarks of M/s Lal Chand Tirath Ram Mills to our Company. Our Company has alleged that Sulson Overseas Private Limited have adopted the trademark 'SONA' illegally and this amounts to misappropriation of our Company's goodwill and reputation as well as fraud upon public at large since our Company has acquired common law rights in the undisturbed and exclusive use of the said trademark. The parties have submitted before the High Court of Delhi that they are trying to settle the matter.

3. Our Company has filed a suit against M/s Shubh Laxmi Dall & General Mills before the High Court of Delhi, seeking permanent injunction to restrain infringement of our trademarks, copyrights, passing off, misrepresentation and unfair competition, and for payment of damages. Our Company has alleged that it retains intellectual property rights in the device mark registered in India since April 20, 1998, that it is in continuous use by our Company since April 1, 1997 and the word mark "INDIAN HERITAGE SELECT" has been in use since 1985. Our Company has alleged that M/s Shubh Laxmi Dall & General Mills have infringed and passed off our registered trademarks on account of the use of the word mark "HERITAGE INDIA" for identical business.

5. Heritage Foods (India) Limited has filed a suit against our Company, SDC Foods India Limited and M/S Newandram Manghanmal Agencies under Order 7 Rule 1 and Section 26 of The Code of Civil Procedure, 1908 read with Sections 28(1) and 134 of The Trade Marks Act, 1999, before the Chief Judge, City Civil Court at Hyderabad. Heritage Foods (India) Limited have alleged that they have applied for registration of the trademark 'HERITAGE' in various classes which are presently valid including class 30 covering rice amongst other goods. Our Company received a legal notice from Heritage Foods (India) Limited on March 4, 2011 stating that they have come to know that our Company recently started processing selling rice under the trademark 'HERTIAGE'. Heritage Foods (India) Limited has filed this suit seeking permanent injunction our Company and others, restraining infringement of their trademark, passing off, for rendition of accounts of profits/damages and for granting damages.

   Pursuant to our Company receiving the legal notice from Heritage Foods (India) Limited on March 4, 2011, as stated above, our Company has filed a suit against Heritage Foods (India) Limited seeking permanent injunction to restrain infringement of our Company's trademark, acts of unfair competition and passing off, and also for rendition of accounts of profits/damages, among others, before the High Court of Delhi.

6. Our Company signed a Fixture Note dated August 26, 2016 with Olam International Limited for the carriage of bagged rice from Kakinada, India to Grain Board of Iraq, Umm Qasr, Iraq. Olam International Limited nominated "MV Stony Lake" (hereinafter referred to as "vessel") for carriage of the cargo. Such vessel was rejected by the Grain Board of Iraq on the ground that the same is not as per the requirement of the contract. This resulted in the delay of delivery. A part of the consignment (501.340 metric tonne of rice) was allegedly not unloaded by the Grain Board of Iraq even after complete discharge of cargo from the vessel. Olam International Limited has raised a claim of USD 275,828.44 for demurrage and detention at the Indian and Iraq port to which our Company has responded stating that there has been a calculation mistake in their amount and alleging that their claim is baseless, frivolous and untenable. It is also stated on behalf of our Company that Olam International Limited is liable to pay USD 215,074.86 for the rice that was not unloaded. Our Company was compelled to make good the loss suffered by Grain Board of Iraq to the tune of USD 186,175.00. Accordingly, our Company has stated that Olam International is liable to pay USD 16,245.56 to the Company. An arbitrator has been appointed as of now but no claim documents have yet been filed by Olam International Limited.

Cases involving our Promoters

There are no cases involving our Promoters, except for the litigations against our Promoters, as disclosed under the head "*Legal Proceedings - Cases involving our Company*" on page 221 of this Priliminary Placement Document and as given below.

Tax Matters

(in ₹ million)

Particulars	Number of cases	Ascertainable amount involved
Direct Tax		
Mr. Vijay Kumar Arora	2	9.26
Mr. Surinder Kumar Arora	5	3.48
Mr. Ashwani Kumar Arora	Nil	Nil
Mr. Ashok Kumar Arora	1	0.14
Sub-Total (A)	8	12.88
Indirect Tax		
Sub-Total (B)	Nil	Nil
Total (A+B)	**8**	**12.88**

Notes:

1. The above liability is exclusive of any interest / penalty payable on final outcome of tax cases.

Cases involving our Directors

There are no cases involving our Directors, except for the litigations against our Directors, as disclosed under the head "*Legal Proceedings - Cases involving our Company*" and "*Legal Proceedings - Cases involving our Promoters*" on pages 221 and 224, above.

Cases involving our Subsidiaries

Criminal Matters

1. A cheque amounting to ₹ 304,460.36 was issued by M/s Janak Raj Rajnish Kumar in favour of Daawat Foods Limited, one of our Subsidiaries, and was dishonoured on May 9, 2009, pursuant to which our subsidiary filed a complaint dated August 11, 2009 against M/s Janak Raj Rajnish Kumar, Mr. Saurab Tuli and Mr. Gaurav Tuli before the learned Court of Judicial Magistrate, Gurgaon. M/s Janak Raj Rajnish Kumar pleaded that the statement of account placed by our subsidiary is forged and we have not supplied goods to them and, hence, there was no liability towards our subsidiary. The learned Court acquitted M/s Janak Raj Rajnish Kumar by passing an order dated February 11, 2014. Subsequently, our subsidiary has filed a criminal appeal against M/s Janak Raj Rajnish Kumar, Mr. Saurab Tuli and Mr. Gaurav Tuli, before the High Court of Punjab and Haryana against the order of acquittal of Additional Sessions Judge, Gurgaon, dated February 11, 2014.

Tax Matters

(in ₹ million)

Particulars	Number of cases	Ascertainable amount involved
Direct Tax		
Daawat Foods Limited	11	80.56
Nature Bio Foods Limited	4	0.86
LT International Limited	3	0.00
Sub-Total (A)	**18**	**81.41**
Indirect Tax		
Sub-Total (B)	Nil	Nil
Total (A+B)	**18**	**81.41**

Notes:

1. The above liability is exclusive of any interest / penalty payable on final outcome of tax cases.

2. The assessment proceedings in the case of Daawat Foods Limited for the Assessment Year 2015-16 is under *progress before the AO and the order will be passed latest by December 31, 2017 and the final demand will be known at that time.*

3. The above appeals in the case of Daawat Foods Limited include 3 cases for which appeals are filed by the tax department against relief allowed by first appelate authority. Accordingly, the disputed tax amount of ₹ 119.10 Million is not included herein above.

Civil Matters

1. Daawat Foods Limited, one of our Subsidiaries, has filed a suit against The Oriental Insurance Company Limited and others, for declaration and recovery along with interest under Commercial Courts, Commercial Divisiomn and Commercial Appellate Division of High Courts Act, 2015, The Code of Civil Procedure, 1908 and The Insurance Act, 1938, before the Commercial Division of the Court of District Judge, Raisen, District Raisen, Madhya Pradesh. Daawat Foods Limited had taken a Standard Fire and Special Perils Policy from the Oriental Insurance Company Limited for the purpose of risk coverage from January 18, 2014 to midnight of January 17, 2015. On June 7, 2014 a massive fire broke out at our subsidiary's site. The Sub Divisional Magistrate, Gauharganj, District Raisen, Madhya Pradesh, in a report dated March 11, 2015 opined that the probable cause of the fire was found to be a short circuit and that our subsidiary had made all possible efforts to douse the fire/minimize the loss. The Oriental Insurance Company Limited appointed three different surveyors to verify and assess the loss caused on different occasions. After each inspection, a series of correspondence was exchanged with the surveyors. Our subsidiary has alleged that The Oriental Insurance Company Limited failed to take any action towards settlement of the claim despite various attempts being made by it. Thereafter, our subsidiary filed a writ petition before the High Court of Madhya Pradesh praying for a time bound settlement of the claim. Subsequently, by its order dated August 18, 2015, the High Court of Madhya Pradesh directed The Oriental Insurance Company Limited to settle the claim within a period of three months. In the meantime, The Oriental Insurance Company Limited filed a miscellaneous application before the High Court of Madhya Pradesh praying for an extension of three months, to which our subsidiary filed a reply opposing the same. While the two cases were pending, The Oriental Insurance Company Limited rejected our subsidiary's claim by sending a letter dated February 4, 2016. Consequently, our subsidiary has filed this suit for recovery of money.

2. Nature Bio Foods Limited, one of our Subsidiaries, has filed a petition under Section 138 of the Negotiable Instruments Act, 1881 against M/s PAN Organics Private Limited and its directors and authorised person for not honouring a cheque towards part-payment of outstanding dues amounting to ₹ 0.4 million to Nature Bio Foods Limited, before the Magistrate, Sonepat. PAN Organics Pvt. Ltd. has been a customer of rice bran from Nature Bio Foods Limited.

3. M/s Kusha Inc has filed a suit against M/s Sachdeva and Sons before the Delhi High Court under Sections 105 and 106 of the Trade and Merchandise Act, 1958 and Section 51 of the Indian Copyright Act, 1957. M/s Kusha Inc is a company duly organized and existing under the laws of U.S.A. and is engaged in the business of processing, marketing and exporting of rice. M/s Kusha Inc started using a highly distinctive trade mark – ROYAL logo as well as ROYAL logo with device of queen in relation to his goods. The said trade mark/labels were honestly adopted by M/s Aromati Foodstuff Trading, U.A.E in 1989 and thereafter assigned the said Trade mark/label to the plaintiff under a written deed of Assignment dated October 14, 2000.In order to acquire statutory rights for the trade marks in India the plaintiff filed application for registration of ROYAL logo under no. 745508 on December 12, 1996 and under no. 771895 for registration of ROYAL logo with device of queen on December 20, 1997. M/s Sachdeva and Sons is engaged in the processing and marketing of rice. In August, 2000 M/s Kusha Inc learnt about M/s Sachdeva and Sons' adoption of the trade mark/label which was advertised in Trade Mark Journal No. 1229 dated August 21, 2000. M/s Kusha Inc lodged the notice of opposition under opposition no. DEL-T-2248. The opposition proceedings were disposed off by the Registrar of Trade Marks under his order dated December 26, 2002.wherein the opposition was partly allowed and M/s Sachdeva and Sons was ordered to proceed for registration subject to the amendment of the specification of goods to read "Rice of all kinds" for export only(Except to U.S.A and Canada).It is alleged by M/s Kusha Inc that after the order of the Registrar of Trade Marks M/s Sachdeva and Sons aggressively intensified their impugned activities. M/s Kusha Inc has filed this suit for ₹2,500,000. An application was jointly filed by M/s Kusha Inc and our Subsidiary i.e., M/s L.T Overseas North America Inc under Order 22 Rule 10 read with Order 6 Rule 17 and Section 151 of the Code of Civil Procedure, 1908 stating that pursuant to deed of assignment dated December 16, 2008 M/s Kusha Inc assigned all rights in the subject matter trade mark – ROYAL logo as well as ROYAL with device of queen along with goodwill of the firm and business in favor of M/s L.T Overseas North America Inc. Since the ownership of the subject matter has changed, the said assignee, M/s L.T Overseas North

America Inc would continue the suit. Such application was allowed.

4. Heritage Foods (India) Limited has filed a suit against our Company, our Subsidiary *i.e.,* SDC Foods India Limited and M/S Newandram Manghanmal Agencies under Order 7 Rule 1 and Section 26 of The Code of Civil Procedure, 1908 read with Sections 28(1) and 134 of The Trade Marks Act, 1999, before the Chief Judge, City Civil Court at Hyderabad. Heritage Foods (India) Limited have alleged that they have applied for registration of the trademark 'HERITAGE' in various classes which are presently valid including class 30 covering rice amongst other goods. Our Company received a legal notice from Heritage Foods (India) Limited on March 4, 2011 stating that they have come to know that our Company recently started processing selling rice under the trademark 'HERTIAGE'. Heritage Foods (India) Limited has filed this suit seeking permanent injunction our Company and others, restraining infringement of their trademark, passing off, for rendition of accounts of profits/damages and for granting damages.

   Pursuant to our Company receiving the legal notice from Heritage Foods (India) Limited on March 4, 2011, as stated above, our Company has filed a suit against Heritage Foods (India) Limited seeking permanent injunction to restrain infringement of our Company's trademark, acts of unfair competition and passing off, and also for rendition of accounts of profits/damages, among others, before the High Court of Delhi.

5. Our Company and M/s Raghunath Agro Industries has filed a suit before the High Court of Delhi against Sulson Overseas Private Limited seeking permanent injunction to restrain infringement of our trademark, acts of unfair competition and passing off, and for rendition of accounts of profits/damages, among others. M/s Lal Chand Tirath Ram Mills adopted the trade name 'SONA' in the year 1987 and had it registered. Such trade name was transferred to our Company on March 26, 1999. A separate deed of assignment dated July 25, 2003 was executed for affirmation of transferring of all the trademarks of M/s Lal Chand Tirath Ram Mills to our Company. Our Company has alleged that Sulson Overseas Private Limited have adopted the trademark 'SONA' illegally and this amounts to misappropriation of our Company's goodwill and reputation as well as fraud upon public at large since our Company has acquired common law rights in the undisturbed and exclusive use of the said trademark. The parties have submitted before the High Court of Delhi that they are trying to settle the matter.

6. Salson Logistics Inc. ("Plaintiff") has filed a lawsuit bearing number BC635239 in the superior court of the state of California for the County of Los Angeles ("LA Court") on September 23, 2016. The plaintiff has alleged that LT Foods Americas failed to make payments for services rendered and costs incurred by the plaintiff in connection with Salson's agreement to provide, and LT Foods Americas' agreement to utilize and pay for, chassis services for transporting containers belonging to or leased by LT Foods Americas. The plaintiff has sought damages in the amount of US$ 195,850; pre-judgement interest at the maximum rate allowed by law; costs incurred on the suit and further relief as the LA Court may deem just and proper. LT Foods America filed its response on October 31, 2016 and the matter is currently outstanding and is listed for hearing on April 13, 2018.

7. Foodtech Solutions GMBH is a trader and broker of mainly certified organic food grade agriculture raw materials, the main products being organic rice, rice flour and soyabeans. They have been working with Nature Bio-Foods Limited, our subsidiary which is a producer and miller of organic rice and producer and packer of wide range of other organic raw materials, for the last 6-8 years, having served various Companies. The agreement between the two companies was formalised by signing a Non-Exclusive Broker Agreement in September, 2014. The commission agreed upon in the said agreement was at the rate of 1.5% for all sales plus 150 Euros per bill of landing applicable from January 1, 2015. Foodtech Solutions GMBH has raised a claim of Euro 200,000 against Nature Bio-Foods Limited, our subsidiary in pursuance of the reduction of dues for brokerage commission for sales to various companies and validity of alteration of the agreement and has invoked Singapore International Arbitration Centre for the same. Further, an application has been made under Rule 7 of the Singapore International Arbitration Centre Rules by Foodtech Solutions GMBH for joinder of the group companies in the matter.

Litigation, inquiries, inspections or investigations under the Companies Act against our Company and / or its Subsidiaries in the last three years

Nil

Prosecutions filed against, fines imposed on, or compounding of offences by our Company and / or its Subsidiaries under the Companies Act in the last three years

Nil

Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by our Company

Nil

Defaults in respect of dues payable including therein the amount involved, duration of default and present status of repayment

Details	Amount Involved (in ₹)	Duration of Default (in days)	Status as on September 30, 2017
Service Tax	2,88,634	24	Paid along with Interest
Service Tax	66,494	30	Paid along with Interest
Service Tax	89,935	35	Paid along with Interest
Tax deducted at source	1,350	30	Paid along with Interest
Tax deducted at source	2,093	80	Paid along with Interest
Tax deducted at source	18,130	30	Paid along with Interest
Tax deducted at source	541	50	Paid along with Interest
Tax deducted at source	35,333	20	Paid along with Interest
Tax deducted at source	3,77,636	24	Paid along with Interest
Tax deducted at source	14,523	37	Paid along with Interest
Tax deducted at source	1,153	36	Paid along with Interest

Litigation or legal action pending or taken against the Promoter(s) taken by any Ministry, Department of the Government or any statutory authority in the last three years

1. The Directorate of Revenue Intelligence issued notices dated August 4, 2016 and August 31, 2016, asking our Company to provide details of commission paid against all consignments of rice exported to Iran for the financial years 2014-15 and 2015-16 under Section 108 of the Customs Act, 1962. On September 12, 2016 our Company submitted its response to the Directorate of Revenue Intelligence with the information required. The Directorate of Revenue Intelligence issued another notice dated December 20, 2016 wherein information pertaining to export of rice to Iran was required. Our Company submitted its response to the Directorate of Revenue Intelligence on January 9, 2017, furnishing the required information. On February 27, 2017, the Directorate issued a notice to our Company asking us to furnish the landing certificate in respect consignments exported to Iran. Our Company furnished the copies of the bill of landings for exports made during the financial years 2014-15 and 2015-16. We have not received any further communication from the Directorate in this regard.

2. An order dated March 17, 2016 was received by our Company from the Directorate of Enforcement, Sector 18, Chandigarh, Government of India to produce details of the exports made to Iraq from the year 2000 including GR wise details, invoices and other connected documents till 2016 amongst other information within 15 days. On April 1, 2016 Advocate R.K Handoo replied to the Directorate of Enforcement, Sector 18, Chandigarh, Government of India submitting that the information sought for 16 years is too large a period and that our Company does not retain the records after the transaction is complete and the export proceeds are released. However, since the exports are negotiated through the banks, our Company will approach their bankers to collect the information so desired. On April 7, 2016, the Directorate of Enforcement, Sector 18, Chandigarh, Government of India sent another order asking our Company to furnish details of exports to Iraq from the year 2000 amongst other information within 15 days. On April 26, 2016, our Company asked the Oriental Bank of Commerce to provide us with information / details pertaining to the exports as the same have been negotiated by them. On June 23, 2016, the Directorate of Enforcement, Sector 18, Chandigarh, Government of India issued a summons asking the Managing Director of our Company to appear before him in person on June 30, 2016. On July 5, 2016, Advocate R.K Handoo wrote to the Directorate of Enforcement, Sector 18, Chandigarh, Government of India stating that since the summons was delivered only on June 30, 2016, it could not be complied with. He also informed Directorate of Enforcement, Sector 18, Chandigarh, Government of India that although the summons did not state the purpose as required by law, Mr. Som Chopra, Chief Financial Officer of the Company is being deputed to

assist the Directorate of Enforcement, Sector 18, Chandigarh, Government of India in the matter in the week, commencing from July 8, 2016.

On September 28, 2016, the Directorate of Enforcement, Sector 18, Chandigarh, Government of India issued another notice of summons asking the Managing Director of our Company to appear before him on October 14, 2016. On October 12, 2016 Advocate R.K Handoo wrote to the Directorate of Enforcement, Sector 18, Chandigarh, Government of India stating that the latest summons issued on September 28, 2016, seeking appearance of the Managing Director of the Company was placed before him. The Managing Director of our Company had appeared in the office on July 18, 2016 at 2:30pm but was unable to meet the Directorate due to some pre-occupation. It was submitted that in the year 2010, the Directorate of Enforcement, Delhi Zonal Office conducted thorough investigations in regard to the same exports made by group company – LT International Limited to Iraq from April 1999 to March, 2003 and the said investigation did not detect any contravention by our Company. It was stated that once one wing of the Enforcement Directorate has investigated and closed the matter, it is not open for the other wing, after six years to initiate afresh investigation in the matter. It was also submitted that the bankers have expressed their inability to provide documents which our Company endeavored to furnish to the Directorate of Enforcement, Sector 18, Chandigarh, Government of India. The summons issued on September 28, 2016 did not indicate any clue or reference to any contravention under Section 13 of Foreign Exchange Management Act, 1999 for which the investigation is seeked. We have not received any further communication from the Directorate in this regard.

3. The National Stock Exchange of India Limited served certain notice to our company pursuant to the failure of our company to comply with Clause(s) 49 II A of the Listing Agreement in reference to the corporate governance report submitted by our company to the Exchange for the quarters ended Decmber 31, 2014, March 31, 2015 and June 30, 2015, seeking an explanation for said negative compliance. Our company furnished replies to the above, stating that the non-compliance was due to the death of one of our Independent Director *i.e.,* Mr. Jagdish Chandra Sharma on January 31. 2014 and resignation of another Independent Director *i.e.,* Mr. Surender Kumar Tuteja w.e.f. August 7, 2014. The company further submitted that it had already appointed Ms. Renu Challu as Independent Director of our Company w.e.f. November 10, 2014. Further, in pursuance of the composition requirement of the Board, our company resolved to appoint one more Independent Director as soon as possible in order to comply with the aforementioned non-compliance and to notify the stock exchange of the same.

Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of this Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remark.

As per Standalone Financial Statements

Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Corrective steps taken / proposed to be taken by the Company
Fiscal Year 2017		
No Qualification		
Fiscal Year 2016		
No Qualification		
Fiscal Year 2015		
No Qualification		
Fiscal Year 2014		
The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for assets at Bahalgarh Unit.	No impact	The records are under updation for showing full particulars, including quantitative details and situation of fixed assets.
Fiscal Year 2013		
The company has paid managerial remuneration to its directors in excess of the limits provided in Schedule XIII to the Companies Act, 1956 amounting to Rs. 119.25 Lacs. This is a subject matter of qualification in the audit report for the year ended March	Had the company adjusted such excess managerial remuneration during the year ended 31st March 2013, the net profit for the year ended 31st March 2013, reserves and surplus as at 31st March 2013 and the short term loans and	The company is in the process of seeking requisite approvals from the central government for such excess remuneration paid.

Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Corrective steps taken / proposed to be taken by the Company
31, 2012.	advances would have been higher by the said amount.	
The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, except for assets at Bahalgarh Unit.	No impact	The records are under updation for showing full particulars including quantitative details and situation of fixed assets.

As per Consolidated Financial Statements

Qualification / Reservation / Adverse Remark	Impact on the Company's Financial Statements and Financial Position	Corrective steps taken / proposed to be taken by the Company
Fiscal Year 2017		
No Qualification		
Fiscal Year 2016		
No Qualification		
Fiscal Year 2015		
No Qualification		
Fiscal Year 2014		
No qualification		
Fiscal Year 2013		
The company has paid managerial remuneration to its directors in excess of the limits provided in Schedule XIII to the Companies Act, 1956 amounting to Rs. 126.32 Lacs. This is a subject matter of qualification in the audit report for the year ended March 31, 2012.	Had the company adjusted such excess managerial remuneration during the year ended 31st March 2013, the net profit for the year ended 31st March 2013, reserves and surplus as at 31st March 2013 and the short term loans and advances would have been higher by the said amount.	The company is in the process of seeking requisite approvals from the central government for such excess remuneration paid.

STATUTORY AUDITORS

Our Company's current statutory auditors, Walker Chandiok & Co LLP, Chartered Accountants are independent auditors with respect to our Company as required by the Companies Act and in accordance with the guidelines issued by the ICAI.

The Financial Statements, included in this Placement Document have been audited by Walker Chandiok & Co LLP, Chartered Accountants, our statutory auditors. The Ind AS Unaudited Financial Statements, included in this Placement Document have been subjected to limited review by Walker Chandiok & Co LLP, Chartered Accountants.

GENERAL INFORMATION

- Our Company was originally incorporated as 'L.T.Overseas Private Limited' on October 16, 1990 as a private limited company under the Companies Act, 1956 with the RoC. Our Company was then converted into a public limited company and consequently, its name was changed to 'L.T. Overseas Limited' and the RoC issued a fresh certificate of incorporation on May 3, 1994. The name of our Company was subsequently changed to 'LT Foods Limited' and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on September 25, 2008.

- The total number of issued and paid-up Equity Shares are 266,744,780, all of which are currently listed on the BSE and the NSE.

- The Issue was authorised and approved by the Board of Directors on October 3, 2017 and approved by the shareholders of our Company by way of a special resolution passed by postal ballot on November 11, 2017.

- Our Company has received in-principle approvals to list the Equity Shares to be issued pursuant to the Issue, on the BSE and the NSE on December 18, 2017 and December 18, 2017, respectively.

- Copies of our Memorandum and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on any weekday (except Saturdays and public holidays) during the Bid/Issue Period at our Registered Office.

- There has been no material change in our financial or trading position since Fiscal 2017, the date of the latest financial statements included in this Placement Document, except as disclosed herein.

- Our Company confirms that it is in compliance with the minimum public shareholding requirements as specified in the SCRR.

- Except as disclosed in this Placement Document, our Company has obtained necessary consents, approvals and authorizations required in connection with the Issue.

- The Floor Price is ₹ 79.13 per Equity Share, calculated in accordance with the provisions of Chapter VIII of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in terms of Regulation 85 of the SEBI ICDR Regulations.

- The Indian GAAP Audited Financial Statements included herein have been prepared in accordance with Indian GAAP and the Ind AS Unaudited Financial Statements included herein have been prepared in accordance with Ind AS as applicable to companies in India. Unless the context otherwise requires, all financial data in this Placement Document are derived from our Financial Statements. Indian GAAP differs in certain significant respects from IFRS and U.S. GAAP.

- Details of the Compliance Officer:

  Name: Ms. Monika Chawla Jaggia
  Designation: Company Secretary and Vice President (Finance & Strategy)
  Address: J-107, Saket, New Delhi-110017
  Tel: 0124-3055101
  Fax: 0124-3055199
  Email: monika.jaggia@ltgroup.in

FINANCIAL STATEMENTS

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, 2015, 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 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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, 2015, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and

f. 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**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

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

Place: Gurgaon
Date: May 27, 2015

Annexure to the Independent Auditors Report of even date to the members of LT Foods Limited, on the financial statements for the year ended March 31, 2015.

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, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical 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) the terms of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular; and

(b) in the absence of stipulated terms and conditions, we are unable to comment as to whether there is any overdue amount in excess of ` one lakh and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) 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) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth 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 with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of dues	Amount (` in lacs)	Amount Paid Under Protest (` in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	57.54	-	FY 2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	0.65	-	FY 2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	26.81	609.20	FY 2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	4.84	-	FY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	327.62	250.00	FY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	235.95	123.95	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	861.98	-	FY 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	829.80	-	FY 2010-11	Yet to be filed

(c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.

(viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.

(ix) The Company has not defaulted in repayment of dues to a bank during the year. The company has no dues payable to a financial institution. The Company did not have any outstanding debentures during the year

(x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.

(xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

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

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

Date: May 27, 2015
Place: Gurgaon

Balance Sheet as at March 31, 2015

(` in lacs)

	Notes	March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,645.36	2,630.56
Reserves and surplus	4	27,552.78	25,129.92
		30,198.14	27,760.46
Non-current liabilities			
Long-term borrowings	5	4,623.70	5,812.62
Deferred tax liabilities (net)	6	223.45	444.82
Other long term liabilities	7	9.78	8.68
Long-term provisions	8	120.73	94.73
		4,977.66	6,360.85
Current liabilities			
Short-term borrowings	9	87,452.13	74,227.46
Trade payables	10	7,548.92	9,270.57
Other current liabilities	11	10,146.42	6,123.13
Short-term provisions	8	1,912.18	2,064.72
		107,059.65	91,685.88
		142,235.45	**125,807.19**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	18,074.92	17,080.45
Intangible assets	13	86.00	120.34
Capital work-in-progress		984.03	900.17
Non-current investments	14	6,195.71	5,992.19
Long-term loans and advances	15	2,067.11	1,608.61
Other non-current assets	16	40.52	86.43
		27,448.29	25,788.19
Current assets			
Inventories	17	65,822.45	67,188.52
Trade receivables	18	19,161.94	25,381.09
Cash and bank balances	19	683.28	1,106.35
Short-term loans and advances	15	29,119.00	6,245.78
Other current assets	16	0.49	97.26
		114,787.16	100,019.00
		142,235.45	**125,807.19**

Notes 1 to 39 are an integral part of these financial statements.

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

For and on behalf of Board of Directors

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

Sd/-
per **Neeraj Goel**
Partner

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

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

Sd/-
Som Nath Chopra
Chief Financial Officer

Place: Gurgaon
Date : May 27, 2015

Statement of Profit and Loss for the year ended March 31, 2015

(` in lacs)

	Notes	March 31, 2015	March 31, 2014
INCOME			
Revenue from operations	20	182,164.12	180,264.72
Other income	21	3,434.10	820.61
Total revenue		**185,598.22**	**181,085.33**
EXPENSES			
Cost of materials consumed	22	117,788.92	132,469.23
Purchases of traded goods	23	27,792.02	19,727.40
Changes in inventories of finished goods and traded goods	24	1,754.22	(8,125.05)
Employee benefits	25	3,970.37	3,343.20
Finance costs	26	8,980.13	7,181.22
Depreciation and amortisation	12 & 13	2,851.55	2,193.77
Other expenses	27	18,192.80	18,630.53
Total expenses		**181,330.01**	**175,420.30**
Profit before prior period items and tax		**4,268.21**	**5,665.03**
Prior period items		(0.05)	(5.67)
Profit before tax		**4,268.26**	**5,670.70**
Tax expense			
Income tax		1,424.12	1,786.90
MAT credit reversed		-	47.82
Deferred tax		(221.38)	(12.41)
Profit for the year		**3,065.52**	**3,848.39**
Earnings per equity share in `	32		
Basic		11.61	14.65
Diluted		11.52	14.51

Notes 1 to 39 are an integral part of these financial statements

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

For and on behalf of Board of Directors

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

Sd/-
per **Neeraj Goel**
Partner

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

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

Sd/-
Som Nath Chopra
Chief Financial Officer

Place: Gurgaon
Date : May 27, 2015

Cash Flow Statement for the year ended March 31, 2015

(` in lacs)

	March 31, 2015	March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and prior period items	**4,268.19**	**5,665.03**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,851.55	2,193.77
Profit on sale of fixed assets	(57.77)	(4.69)
Unrealised foreign exchange loss/(gain)	186.60	469.89
Share based payments	29.00	41.10
Provision for impairment of investment	80.00	-
Provision for doubtful debts	79.81	21.84
Share of profit of partnership firm	(1.87)	(4.69)
Provision for employee benefit	28.81	(17.18)
Interest from partnership firm	(4.48)	(7.50)
Interest expense	8,747.48	6,960.62
Interest income	(13.37)	(76.34)
Liabilities written back	(300.81)	(448.66)
Prior period items	0.05	5.67
Dividend income	(0.14)	(0.13)
Operating profit before operating assets and liabilities	**15,893.05**	**16,256.91**
Changes in operating assets and liabilities :		
(Decrease)/Increase in trade payables	(1,721.65)	1,187.12
Increase/(Decrease)in provisions and other liabilities	3,900.09	(285.36)
Decrease/(Increase) in trade receivables	5,955.16	(70.26)
Decrease/(Increase) in inventories	1,366.07	(3,972.22)
(Increase)/Decrease in loans and advances and other current assets	(23,798.13)	4,362.06
Cash generated from/ operations	**1,594.59**	**17,478.25**
Income tax paid (net of refunds)	(1,632.06)	(1,152.80)
Net cash flow generated from/ (used in) operating activities	**(37.47)**	**16,325.45**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(3,387.41)	(2,895.94)
Proceeds from sale of fixed assets	108.28	55.96
Purchase of non current investments	(277.17)	(206.03)
Interest received	49.90	39.33
Increase/Decrease in fixed deposits and unpaid dividend account	(52.67)	873.03
Dividends received from non trade investments	0.14	0.13
Net cash used in investing activities	**(3,558.93)**	**(2,133.52)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	56.23	52.15
Proceeds from long term borrowings	2,791.44	3,840.00
Repayment of long term borrowings	(3,532.46)	(3,731.19)
Proceeds/(Repayment) from short term borrowings (net)	13,222.25	(6,381.57)
Interest paid	(8,770.27)	(6,975.88)
Dividends paid on equity shares	(591.88)	(523.37)
Tax on equity dividend paid	(100.59)	(88.95)
Net cash flow (used in)/generated from financing activities	**3,074.72**	**(13,808.81)**
Net increase/(decrease) in cash and cash equivalents	**(521.68)**	**383.12**
Cash and cash equivalents at the beginning of the year	1,093.47	710.35
Cash and cash equivalents at the end of the year	**571.79**	**1,093.47**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	22.29	20.81
With banks on - current account	549.53	424.22
- on deposit account	-	648.44
Total cash and cash equivalents	**571.82**	**1,093.47**

Notes 1 to 39 are an integral part of these financial statements

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

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

Sd/-
per **Neeraj Goel**
Partner

Place: Gurgaon
Date : May 27, 2015

For and on behalf of Board of Directors

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

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

Sd/-
Som Nath Chopra
Chief Financial Officer

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

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.

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.

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/disposed off during the period is being provided up to the date on which such assets are sold/disposed off.

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

Brand is amortised over a period of twenty years.

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 ofmaterialswheresuch 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.

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.

l. Income tax

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

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

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

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

m. Contingent liabilities and provisions

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

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

i. possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in 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'.

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

3 Share capital

(` in lacs)

	March 31, 2015		March 31, 2014	
	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	26,453,582	2,645.36	26,305,609	2,630.56
Total	**26,453,582**	**2,645.36**	**26,168,395**	**2,630.56**

a) During the year, the Company had issued and allotted 147,973 (previous year 137,214) 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 ` 2.00 per share (previous year ` 2.25 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	3,835,015	14.50%	3,835,015	14.58%
Ashwani Arora	2,723,152	10.29%	2,723,152	10.35%
Surinder Arora	2,820,152	10.66%	2,820,152	10.72%
Gurucharan Dass Arora	1,573,932	5.95%	1,573,932	5.98%
Ashok Kumar Arora	2,742,418	10.37%	2,742,418	10.43%
Raghuvesh Holdings Private Limited	3,098,413	11.71%	2,676,084	10.17%
Vijay Kumar Arora and Ashwani Arora	1,606,320	6.07%	1,606,320	6.11%
Gurucharan Dass Arora and Surinder Arora	1,109,520	4.19%	1,109,520	4.22%
Vijay Kumar Arora	1,117,964	4.23%	1,117,964	4.25%

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

The Company had reserved issuance of 8,49,538 (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 147,973 (previous year 137,214) 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.

4 Reserves and surplus

(` in lacs)

		March 31, 2015	March 31, 2014
Capital reserve	(A)	108.61	108.61
Securities premium reserve	(B)		
Balance at the beginning of the year	-	5,551.94	5,513.51
Add : Additions made during the year		41.44	38.43
Balance at the end of the year		**5,593.38**	**5,551.94**
General reserve	(C)		
Balance at the beginning of the year		1,514.72	1,129.89
Add : Additions made during the year		-	384.84
Balance at the end of the year		**1,514.72**	**1,514.73**
Share options outstanding amount	(D)		
Balance at the beginning of the year		154.22	113.48
Add : Additions made during the year		29.00	40.74
Balance at the end of the year		**183.22**	**154.22**
Surplus in the statement of profit and loss	(E)		
Balance at the beginning of the year		17,800.40	15,029.34
Add : Transferred from statement of profit and loss		3,065.52	3,848.39
Less : Proposed dividend		(529.07)	(591.88)
Less : Corporate dividend tax		(105.78)	(100.59)
Less: Depreciation adustments against reserves		(78.22)	-
Less : Transfer to general reserve		-	(384.84)
Balance at the end of the year		**20,152.85**	**17,800.42**
Total reserves and surplus	**(A+B+C+D+E)**	**27,552.78**	**25,129.92**

5 Long term borrowings

(` in lacs)

	March 31, 2015		March 31, 2014	
	Non current	Current	Non current	Current
Secured				
Rupee term loans				
From banks	3,989.50	2,951.93	5,661.58	3,464.75
Foreign currency term loans				
From banks	511.44	951.67	-	-
Vehicle loans	122.76	76.76	151.04	67.71
	4,623.70	**3,980.36**	**5,812.62**	**3,532.46**

a) Details of guarantee for each type of borrowings

Guaranteed by directors				
Rupee term loans	6,941.43		9,126.33	
Foreign currency term loans	1,463.11		-	

b) **Details of rupee term loan :**

(` in lacs)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Amount of installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	500	2011-12	12 equal quarterly	41.66	-	1.00
Oriental Bank of Commerce	1,710	2011-12	12 equal quarterly	142.50	-	427.50
Oriental Bank of Commerce	1,242	2012-13	12 equal quarterly	103.50	-	828.00
Oriental Bank of Commerce	1,613	2013-14	12 equal quarterly	134.41	-	1,478.58
Oriental Bank of Commerce	1,156	2014-15	12 equal quarterly	96.33	1,059.67	-
Corporation Bank	875	2012-13	12 equal quarterly	72.92	291.64	583.32
Allahabad Bank	3,750	2010-11	24 equal quarterly	156.25	729.97	1,402.00
Allahabad Bank	2,700	2011-12	32 equal quarterly	156.25	1,643.52	2,018.44
Allahabad Bank	250	2011-12	12 equal quarterly	22.50	40.63	97.24
Indian Overseas Bank	2,227	2013-14	11 equal quarterly 12th installment	186.60 181.00	1,669.00	2,227.00
Karur Vysysa Bank	1,644	2014-15	12 equal quarterly	45.67	1,507.00	-
					6,941.43	**9,063.08**

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, 2015 the interest rates ranges from 11.20% to 12.75% per annum.

c) **Details of foreign currency term loan :**

(` in lacs)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Amount of installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	2,855	2014-15	12 equal quarterly	237.91	1,463.11	-
					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, 2015 the interest rate is LIBOR + 3.50% (Previous Year Nil)

d) **Details of vehicle loan**

(` in lacs)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installments	March 31, 2015	March 31, 2014
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7	2011-12	72	0.23	-	2.20
HDFC Bank	8	2011-12	36	0.26	-	0.77
HDFC Bank	22.25	2013-14	60	0.47	18.34	21.96
ICICI Bank	17.83	2010-11	60	0.38	2.29	6.56
ICICI Bank	60	2010-11	60	1.27	12.12	25.20
ICICI Bank	12.3	2013-14	60	0.26	10.27	12.30
HDFC Bank	51.46	2012-13	60	0.74	32.70	42.55
State bank of India	48.00	2012-13	60	0.68	25.30	34.39
ICICI Bank	49.77	2014-15	60	1.00	42.41	-
HDFC Bank	18.59	2012-13	60	0.28	9.06	12.75
HDFC Bank	79.50	2012-13	60	1.10	42.51	57.46
HDFC Bank	5.98	2014-15	60	0.16	4.52	-
					199.52	**218.74**

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, 2015 the interest rates ranges from 8.50% to 12.00% per annum (Previous Year 8.5% to 12.00%).

e) Details of security for each type of borrowings:

(i) Rupee 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* on current assets of the Company.

(ii) Rupee term loan from Allahabad Bank amounting to ` 729.97 lacs 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) Rupee term loan from Allahabad Bank amounting to ` 1,643.52 lacs 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) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Deferred tax liability

(` in lacs)

		March 31, 2015	March 31, 2014
a)	**Deferred tax liabilities arising on account of**		
	Timing difference on tangible assets depreciation	371.38	593.18
	Keyman Insurance Policy	74.65	87.88
		446.03	681.06
b)	**Deferred tax assets arising on account of**		
	Provision for employee benefits	(31.08)	(24.08)
	Provision for doubtful debts and advances	(149.36)	(137.25)
	Provision for disallowances under income tax act	(22.71)	(73.99)
	Diminution in value of investment	(19.44)	(0.92)
		(222.59)	(236.24)
	Net deferred tax liability	**223.44**	**444.82**

7 Other long term liabilities

	March 31, 2015	March 31, 2014
Security deposits from distributors	9.78	8.68
	9.78	**8.68**

8 Provisions

(` in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Proposed dividend to equity shareholders (Also refer note (a) below)	-	529.07	-	591.88
Corporate dividend tax	-	105.78	-	100.59
Provisions for employee benefits (Also refer note (b) below)	120.73	21.14	94.73	18.33
Provision for taxation (net of advance tax)	-	1,256.19	-	1,353.92
Others		-		-
	120.73	**1,912.18**	**94.73**	**2,064.72**

a) **Details with respect to proposed dividend**

(` in lacs)

	March 31, 2015	March 31, 2014
Dividends proposed to		
Equity shareholders	529.07	591.88
Proposed dividend per share		
Equity shareholders	2.00	2.25

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 lacs)

	March 31, 2015	March 31, 2014
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	205.71	202.36
Service cost	52.50	35.06
Interest cost	19.68	18.13
Actuarial (gain) / loss	(6.62)	(14.53)
Benefits paid	(18.37)	(35.31)
Projected benefit obligation at the end of the year	**252.90**	**205.71**
Change in plan assets		
Fair value of plan assets at the beginning of the year	164.04	118.21
Expected return on plan assets	15.72	10.27
Employer contributions	39.66	70.10
Acturian gains	(0.21)	0.77
Benefits paid	(18.37)	(35.31)
Fair value of plan assets at the end of the year	**200.84**	**164.04**
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	252.90	205.72
Funded status of the plan assets	200.84	164.04
Liability recognised in the balance sheet	**52.06**	**41.68**
Components of net gratuity costs are		
Service cost	52.50	35.06
Interest cost	19.68	18.13
Expected returns on plan assets	(15.72)	(10.27)
Recognised net actuarial (gain) / loss	(6.62)	(15.30)
Net gratuity costs	**49.84**	**27.62**
Assumptions used		
Discount rate	7.85%	9.15%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	9.00%	9.25%
Average remaining life	23.28	23.66

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

Notes

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

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 lacs)

	March 31, 2015	March 31, 2014
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	70.85	46.08
Current service cost	5.38	2.30
Interest cost	6.52	3.90
Actuarial (gain) / loss	15.64	23.03
Benefits paid	(8.58)	(4.46)
Projected benefit obligation at the end of the year	**89.81**	**70.85**
Expenses recognised in the statement of profit and loss		
Current service cost	5.38	2.30
Interest cost	6.52	3.90
Recognised net actuarial (gain) / loss	15.64	23.03
Net costs	**27.54**	**29.23**
Assumptions used		
Discount rate	7.85%	9.15%
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 leave expenses have been disclosed under note 25

9 Short-term borrowings

(` in lacs)

	March 31, 2015	March 31, 2014
Secured		
Rupee working capital loans		
From banks	81,898.81	72,577.46
Foreign currency working capital loans		
From banks	5,553.32	-
Unsecured		
Loans repayable on demand		
From banks	-	1,650.00
	87,452.13	**74,227.46**

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 10.00 % to 13.00 % on rupee working capital loan and 3.00% to 6.50% on foreign currency working capital loans.

10 Trade payables

(` in lacs)

	March 31, 2015	March 31, 2014
Dues to micro, small and medium enterprises	437.32	694.75
Other sundry creditors	3,819.90	6,580.21
Acceptances	231.33	-
Due to partnership firm in which Company is a partner	3,060.37	1,995.61
	7,548.92	**9,270.57**

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

(` in lacs)

	March 31, 2015	March 31, 2014
Principal amount remaining unpaid	437.32	694.75
Interest accrued and remaining unpaid as at year end	-	-

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, 2015 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act, 2006 is not expected to be material.

11 Other current liabilities

(` in lacs)

	March 31, 2015	March 31, 2014
Current maturity of long term debts (refer note 5)	3,980.36	3,532.46
Interest accrued but not due on borrowings	28.96	51.75
Unclaimed dividend *	14.60	10.09
Advances from customers	3,847.13	539.07
Other liabilities	2,275.37	1,989.76
	10,146.42	**6,123.13**

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

12 Tangible assets

(` in lacs)

		Land Freehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
a)	**Gross block**							
	Balance as at April 01, 2013	**3,336.72**	**6,012.29**	**17,784.76**	**208.19**	**756.00**	**1,401.27**	**29,499.23**
	Additions during the year	-	1,359.34	460.28	142.12	98.16	127.68	2,187.58
	Disposals during the year	-	-	(62.87)		(1.19)	(33.15)	(97.21)
	Balance as at March 31, 2014	**3,336.72**	**7,371.63**	**18,182.17**	**350.31**	**852.97**	**1,495.80**	**31,589.60**
	Additions during the year	0.41	1,682.47	1,781.59	207.67	108.89	159.41	3,940.44
	Disposals during the year			(96.74)	(2.04)	(2.66)	(32.61)	(134.05)
	Borrowing costs							-
	Balance as at March 31, 2015	**3,337.13**	**9,054.10**	**19,867.02**	**555.94**	**959.21**	**1,622.60**	**35,395.99**
b)	**Accumulated depreciation**							
	Balance as at April 01, 2013	**-**	**1,547.69**	**9,386.16**	**118.07**	**475.68**	**839.51**	**12,367.11**
	Depreciation charge for the year		395.24	1,523.84	23.18	81.27	164.45	2,187.98
	Reversal on disposal of assets			(26.84)		(0.89)	(18.21)	(45.94)
	Balance as at March 31, 2014	**-**	**1,942.93**	**10,883.16**	**141.25**	**556.06**	**985.75**	**14,509.15**
	Depreciation charge for the year		478.89	1,805.50	103.82	221.21	207.79	2,817.21
	Reversal on disposal of assets			(61.43)	(1.04)	(2.55)	(18.50)	(83.52)
	Transfer to Opening general reserve		11.18	12.96	1.32	50.84	1.93	78.23
	Balance as at March 31, 2015	**-**	**2,433.00**	**12,640.19**	**245.35**	**825.56**	**1,176.96**	**17,321.07**
(a-b)	**Net block**							
	Balance as at March 31, 2015	**3,337.13**	**6,621.10**	**7,226.83**	**310.59**	**133.64**	**445.63**	**18,074.92**
	Balance as at March 31, 2014	3,336.72	5,428.70	7,299.01	209.06	296.91	510.05	17,080.45

13 Intangible assets

(` in lacs)

		Goodwill	Brand	Total
a)	**Gross block**			
	Balance as at April 01, 2013	**12.11**	**300.00**	**312.11**
	Additions during the year	-	-	-
	Balance as at March 31, 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**
b)	**Accumulated Impairment**			
	Balance as at April 01, 2013	**10.26**	**186.00**	**196.26**
	Amortisation charge for the year	0.09	5.70	5.79
	Balance as at March 31, 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**
(a-b)	**Net block**			
	Balance as at March 31, 2015	**11.50**	**74.50**	**86.00**

Note:
During the current year, the Company has revised the useful life of its fixed assets to comply with the life as mentioned under schedule 11 of the new companies Act, 2013. Accordingly, in case of assets who is life has been completed as an March 31, 2014, the carrying value (net of residual value) of these assets amounting to `8.07 lacs has been adjusted with opening balances of retained earnings i.e. surplus in the statement of profit & loss.

14 Non-current investments (Valued at cost unless stated otherwise)

(` in lacs)

		March 31, 2015	March 31, 2014
	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- Dubai		
	65,200 (previous year 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
	- Daawat Foods Limited		
	13,249,944 (previous year 13,249,944) fully paid up equity shares of `10 each	1,324.99	1,324.99
	250,050 (previous year 250,050) non voting equity shares of `10 each fully paid up	25.01	25.01
	- SDC Foods India Limited (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
	Less: permanent diminution in value of investment	(80.00)	-
	- 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
(ii)	Investment in partnership firm **		
	M/s Raghunath Agro Industries	182.52	176.16
(iii)	Investment in associate		
	- L T Infotech Private Limited *		
	42,500 (previous year 42,500) equity shares of `10 each	4.25	4.25
	Less: Permanent diminution in value of investment	(4.25)	(4.25)
		-	-
	- Raghuvesh Warehousing Private Limited		
	1,600,000 (previous year nil) equity shares of `10 each	160.00	-
	- Raghuvesh Agri Foods Private Limited		
	1,600,000 (previous year nil) equity shares of `10 each	160.00	-
(iv)	Keyman insurance policies	215.71	258.55
	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 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		
(a)	Fully paid-up equity shares (unquoted)		
	500 (previous year 500) equity shares of India International Marketing Limited of ` 10 each	0.05	0.05
		6,279.96	5,996.44
	*Less: permanent diminution in value of investment	84.25	4.25
		6,195.71	**5,992.19**
	Aggregate amount of		
	Non trade quoted investments	12.43	12.43
	Market value of non trade quoted investments	25.83	23.28
	Unquoted trade investments	6,183.23	5,979.71
	Unquoted non trade investments	0.05	0.05

** 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 March 31, 2015 are as under:

(` in lacs)

	March 31, 2015	March 31, 2014
Assets	9,320.48	10,213.60
Liabilities	7,758.64	8,347.04
Revenues	15,842.02	18,928.12
Expenditure	15,696.57	18,770.57
Outstanding capital / reserves	1,561.84	1,866.56

** During the year the Company earned income of ` 4.43 lacs (previous year ` 1.65 lacs) as share profit from partnership firm and ` 6.22 lacs (previous year ` 5.38 lacs) as interest on capital in partnership firm. The management has re-invested the same in the carrying amount of investment.

Name of the partner and share in profit (%)

		March 31, 2015	March 31, 2014
1	LT Foods Limited	4%	4%
2	Daawat Foods Limited	96%	96%

15 Loans and advances

(` in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Unsecured, considered good, unless otherwise stated				
Capital advances	8.91	-	645.77	-
Security deposits	211.15	93.84	170.77	160.99
Loans and advances to related parties	-	18,458.09	-	860.79
Advance income tax (net of provision for tax)	1,571.30	-	477.94	983.15
Balances with central excise authorities	234.98	-	244.15	-
	2,026.34	**18,551.93**	**1,538.63**	**2,004.93**
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good	40.77	10,567.07	69.98	4,240.85
- Consider doubtful	-	-	-	52.03
- Provision for doubtful advances	-	-	-	(52.03)
	40.77	**10,567.07**	**69.98**	**4,240.85**
	2,067.11	**29,119.00**	**1,608.61**	**6,245.78**

16 Other current assets

(` in lacs)

	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
Interest accrued but not due on fixed deposits	-	0.48	-	37.01
Deferred premium on forward contacts	-	-	-	60.25
Bank deposits with maturity of more than 12 months (refer note 19)	40.52	-	86.43	-
	40.52	**0.48**	**86.43**	**97.26**

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

(` in lacs)

	March 31, 2015	March 31, 2014
Raw material		
Paddy	25,809.96	25,867.05
Bardana	613.32	557.40
Finished goods	36,976.73	39,457.56
Traded goods	1,218.44	491.83
Stores and spares	254.81	183.49
Packing Material	949.19	631.19
	65,822.45	**67,188.52**

18 Trade receivables

(` in lacs)

		March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment			
- Unsecured considered good		220.91	-
- Doubtful		431.57	351.76
		652.48	351.76
Less : Provision for bad and doubtful debts		(431.57)	(351.76)
	(a)	220.91	-
Other debts			
- Unsecured considered good	(b)	18,941.03	25,381.09
	(a+b)	**19,161.94**	**25,381.09**
Includes amounts due from related parties:			
Kusha, Inc		1,310.11	4,882.92
Nice International FZE		2,448.36	2,675.12
SDC Foods India Limited		220.91	1,636.94
Daawat Foods Ltd.		-	1,467.00
Nature Bio Foods Limited		170.92	85.64

19 Cash and bank balances

(` in lacs)

	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents				
(a) Cash in hand				
In Indian currency	-	21.53	-	20.23
In foreign currencies	-	0.76	-	0.58
(b) Balances with banks				
In current accounts	-	549.53	-	424.22
In deposit account (with maturity upto 3 months)	-	-	-	648.44
(c) Other bank balances				
Unpaid dividend account	-	14.60	-	12.88
Deposits with original maturity more than 3 months but residual maturity less than 12 months	-	96.86	-	-
(d) Bank deposits with residual maturity of more than 12 months	40.52	-	86.43	-
	40.52	683.28	86.43	1,106.35
Less : Amounts disclosed under non-current assets (refer note 16)	(40.52)	-	(86.43)	-
	-	**683.28**	**-**	**1,106.35**

20 Revenue from operations

(` in lacs)

	March 31, 2015	March 31, 2014
Sale of products (rice)		
Export	67,695.82	73,998.55
Domestic	83,868.92	76,222.75
Sale of traded goods		
Export	10,312.07	10,322.24
Domestic	19,004.25	13,549.88
Other operation revenue	1,283.06	6,171.30
	182,164.12	**180,264.72**
Details of products sold		
- Finished goods sold		
Rice	146,932.11	150,221.31
Others	4,632.63	5,162.91
- Traded goods sold		
Rice	28,273.26	23,786.61
Maize	-	85.51
Soyabean	-	-
Others	1,043.05	-
	180,881.05	**179,256.34**

21 Other income

(` in lacs)

	March 31, 2015	March 31, 2014
Dividend from non trade investments	0.14	0.13
Profit from sale of fixed assets (net)	57.77	4.69
Share of profit in partnership firm	1.87	4.69
Interest from partnership firm	4.48	7.50
Interest on bank fixed deposits	13.37	76.34
Liabilities written back	300.81	448.66
Interest on advances	636.38	-
Miscellaneous	338.98	278.60
Profit on exchange fluctuation (net)	2,080.30	-
	3,434.10	**820.61**

22 Material consumed

(` in lacs)

	March 31, 2015	March 31, 2014
Opening stock		
Paddy	25,867.05	29,774.63
Bardana	557.40	928.59
Packing material	631.19	540.21
	27,055.64	31,243.43
Add: purchases		
Paddy	67,735.40	67,814.63
Bardana	582.83	440.93
Packing material	4,869.47	4,254.77
Broken rice/unpolished rice for consumption	44,918.04	55,771.11
	118,105.74	128,281.44
Less: closing 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
	117,788.90	**132,469.23**

23 Purchases of stock-in-trade

(` in lacs)

	March 31, 2015	March 31, 2014
Rice	26,909.46	19,727.40
Others	882.56	-
	27,792.02	**19,727.40**

24 Changes in inventories of finished goods and traded goods

(` in lacs)

	March 31, 2015	March 31, 2014
Opening stock		
Finished goods	39,457.56	30,502.29
Traded goods	491.83	1,322.05
Closing stock		
Finished goods	36,976.73	39,457.56
Traded goods	1,218.44	491.83
	1,754.22	**(8,125.05)**

25 Employee benefits

(` in lacs)

	March 31, 2015	March 31, 2014
Salaries, wages and bonus (refer note b)	3,448.66	2,931.03
Contribution to provident and other fund (refer note a)	169.80	94.18
Staff welfare expenses	153.97	119.99
Director's remuneration	197.94	198.00
	3,970.37	**3,343.20**

a) Provident fund

Contribution made by the Company during the year is ` 101.85 lacs (previous year ` 59.25 lacs).

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 recognized in the income statement for the year ended March 31, 2015 is ` 29.00 lacs (March 31, 2014 ` 40.74 lacs).

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 recognizes the impact of the revision to original estimates, if any, in the income statement, with a corresponding adjustment to 'retained earnings' in equity.

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

Grant date	ESOP-2010 (Grant I) April 01, 2011	ESOP-2010(Grant II) Feb 07, 2013
Fair value of option using the Black Scholes model (in `)	21.05	24.97
Fair value of shares at grant date (in `)	49.5	58.8
Exercise price (in `)	38	38
Expected volatility	67%	54%
Option life (in years)	4	4
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

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

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

Number of options	March 31, 2015			March 31, 2014		
	Number of options	Weighted average exercise price (In `)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (In `)	Weighted average remaining contractual life
Balance at beginning of the year	467,048	38	-	598,348	38	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	128,677	-	-	-	-	-
Exercised during the year	142,059	38	-	131,300	38	-
Balance at end of the year	196,312	38	-	467,048	38	-
Exercisable at end of the year	196,312	38	1	304,966	38	2

ESOP-2010 (Grant II)
Share options granted to employees and others providing similar services

Number of options	March 31, 2015			March 31, 2014		
	Number of options	Weighted average exercise price (In `)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (In `)	Weighted average remaining contractual life
Balance at beginning of the year	195,295	-	-	201,209	-	-
Granted during the year	-	38	-	-	38	-
Forfeited during the year	53,763	-	-	-	-	-
Exercised during the year	5,914	-	-	5,914	-	-
Balance at end of the year	135,618	38	-	195,295	38	-
Exercisable at end of the year	32,057	-	2.86	44,388	-	3.86

26 Finance costs

(` in lacs)

	March 31, 2015	March 31, 2014
Interest on working capital loans	7,795.34	5,868.62
Interest on term loans	952.14	1,092.00
	8,747.48	6,960.62
Bank charges	232.65	220.60
	8,980.13	**7,181.22**

27 Other expenses

(` in lacs)

	March 31, 2015	March 31, 2014
Warehouse rent (refer note 33)	278.28	203.03
Wages and other manufacturing expenses	454.57	466.57
Factory insurance	76.34	60.24
Power and fuel	1,766.97	1,559.76
Security services	143.76	118.29
Research and development	6.58	1.98
Packing expenses	227.73	194.94
Repairs and maintenance		
- Machinery	139.70	142.07
- Building	104.86	87.54
- Others	63.90	57.31
Stores and spares consumed	766.89	674.56
Advertisement	2,781.68	2,260.46
Insurance	137.25	118.54
Legal and professional charges	920.10	363.97
Rates and taxes	81.04	41.42
Donation and charity	38.49	47.68
Directors' sitting fees	5.73	6.63
Auditors' remuneration *	39.48	55.57
Fines and penalties	8.36	2.88
Rent	93.99	310.70
Vehicle running and maintenance	72.92	68.38
Other administrative expenses	504.25	525.86
Travelling and conveyance	901.54	910.09
Rebate and discounts	953.48	941.79
Commission to selling agents	378.47	219.34
Clearing, forwarding and freight charges	3,633.03	3,735.06
Business promotion expenses	166.48	190.71
Freight outward	988.02	490.67
Other selling expenses	2,238.84	1,504.49
Amounts written off	-	1,458.18
Provision for doubtful recoveries	79.81	21.84
Impairment of investment	80.00	1,684.31
Premium on forward contract	60.25	105.67
	18,192.79	**18,630.53**

* Auditors' remuneration

(` in lacs)

	March 31, 2015	March 31, 2014
Statutory audit (including fees for limited reviews)	32.00	47.75
Other matters	0.70	0.50
Out of pocket expenses	2.43	1.26
Service tax	4.35	6.06
	39.48	**55.57**

28 Contingent liabilities

(` in lacs)

Nature of contingency	March 31, 2015	March 31, 2014
- Income-tax demands *	2,345.19	834.37
- Haryana rural development fund demand of market committee, Sonepat	-	30.78
- 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 `2,728.53 lacs (previous year ` 3,702.13 lacs))	451.40	609.05
- Bank Guarantees	710.72	1,524.59
- Guarantee given by Company to bank on behalf of subsidiary/firm in which the Company is a partner **	62,844.00	54,284.43
- Guarantee given by Company on the behalf of subsidiary for export obligation under EPCG scheme **	14.68	14.68
Total	**66,838.06**	**57,636.89**

* 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 lacs (previous year ` 89.84 lacs). 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 lacs (net of relief from CIT(Appeals)) are outstanding against the company (previous year ` 563.57 lacs). Further, the company appeal for the AY 2000-01 has been decided in the favor of company by ITAT and after allowing appeal effect of the order of ITAT, the liability is reduced to ` 1.47 lacs (previous year ` 180.96 lacs)which has been provided by the Company in the books in the current year.

During the current year, the Company has received demands under section 143(3) for AY 2010-11 and AY 2011-12 for ` 1,691.78 lacs. For AY 2010-11 the Company has already filed an appeal before the CIT (Appeals) and for AY 2011-12 the company is in the process of filing an appeal before the 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.

The company has paid ` 1,028.15 lacs (previous year ` 1,028.15 lacs) are 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 it's position is likely to be upheld in the appeals pending before Income Tax Appellate Tribunal and no liability on the Company on account of these proceedings.

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

29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances - ` 40.42 lacs (previous year: ` 1,304.67 lacs).

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

- **Subsidiary companies**

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

- **Partnership firm**

  Raghunath Agro Industries

  - **Associate enterprises**

  LT Infotech Private Limited

  Raghuvesh Agri Foods Private Limited

  Raghuvesh Warehousing Private Limited

- **Entities of KMP and their relatives**

  V.K Foods

  SK Engineering Company

  Super Texfab Private Limited

- **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**

Abinav Arora	Aditya Arora
Aditi Arora	Anita Arora
Gurucharan Dass Arora	Gursajjan Arora
Isha Arora	Vandana Arora
Parvesh Rani Arora	Purva Arora
Ranju Arora	Ritesh Arora
Sakshi Arora	Sanjana Arora

Transactions with subsidiary companies, Entities of KMP

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Sales		
SDC Foods India Limited	231.67	6,869.04
Kusha, Inc.	12,219.48	23,641.96
Nice International FZE	-	9,024.50
LT Foods Middle East DMCC	9,112.00	5,591.89
Daawat Foods Limited	8,347.48	5,090.82
Nature Bio Foods Limited	700.84	279.82
V. K Foods	173.24	-
SK Engineering Company	13.75	-
Purchases		
Daawat Foods Limited	11,480.58	19,213.93
Nature Bio Foods Limited	279.46	1,011.40
SDC Foods India Limited	725.53	59.26
SK Engineering Company	30.27	-
Super Texfab Private Limited	77.17	18.42
Rent paid		
Daawat Foods Limited	56.06	52.80
Rent received		
VK Foods	2.40	2.02
SK Engineering Company	1.40	-
Nature Bio Foods Limited	9.21	5.60
LT International Limited	-	4.71

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Misc. Income received		
Nature Bio Foods Limited	31.98	17.64
SDC Foods India Limited	-	0.21
Processing Charges received		
Nature Bio Foods Limited	633.76	392.16
Interest received		
Daawat Foods Limited	636.38	-

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Balances at the year end		
SDC Foods India Limited (net receivable)	220.91	1,636.94
LT Foods Middle East DMCC(net receivable)	2,448.36	2,675.12
Kusha, Inc. (net receivable)	1,310.11	4,882.92
Daawat Foods Limited (net receivable)	18,212.31	1,467.00
Expo Services Private Limited (net receivable)	156.42	253.92
Nature Bio Foods Limited (net receivable)	170.92	85.64
LT International Limited (net receivable)	81.51	350.60
Raghuvesh Foods & Infrastructure Limited (net receivable)	1.96	8.10
Raghuvesh Power Projects Limited (net receivable)	-	0.03
LT Agri Services Private Limited (net receivable)	0.41	0.38
Guarantees given on behalf		
Daawat Foods Limited	31,283.68	28,933.68
Nature Bio Foods Limited	13,240.00	6,964.00
LT Overseas North America Inc.	3,125.00	2,995.50
LT Foods Middle East DMCC	3,750.00	-
Nice International FZE	-	3,945.93
Sale of Fixed Assets		
Nature Bio Foods Limited	1.32	0.76
Kusha, Inc.	-	16.65
Daawat Foods Limited	38.00	107.36
Purchases of Fixed Assets		
Daawat Foods Limited	8.05	-

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Transactions with partnership firm (Raghunath Agro Industries)		
Sales	6,946.38	5,575.82
Purchases	5,826.63	2,034.71
Interest income	1.87	7.50
Share of profit	4.48	4.69
Balance payable at the year end	3,060.37	1,995.61
Guarantees given on behalf of partnership firm	11,460.00	11,460.00
Transactions with key management personnel		
Remuneration paid		
Vijay Kumar Arora	120.39	120.39
Surinder Kumar Arora	78.32	78.39
Key Management Personnel Relatives		
Aditi Arora	4.00	4.00
Isha Arora	4.00	4.00
Purva Arora	1.67	-
Sanjana Arora	3.74	-
Ritesh Arora	-	0.74
Dividend paid to key management personnel	247.73	165.35
Dividend paid to relatives of key management personnel	155.12	174.74

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 lacs)

	March 31, 2015	March 31, 2014
Legal fees	47.81	32.88
Interest and other charges to bank	169.79	-
Steamer freight	1,092.37	275.16
Sales promotion	36.45	33.56
Commission on export sales	22.56	-
Others	77.16	263.10
	1,446.14	**604.71**

(b) Raw material consumed

(` in lacs)

Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	67,792.48	100%	71,722.21	100%
Imported	-	-	-	-
Total	**67,792.48**	**100%**	**71,722.21**	**100%**

(c) Packing material consumed

(` in lacs)

Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	4,551.47	100%	4,163.79	100%
Imported	-	-	-	-
Total	**4,551.47**	**100%**	**4,163.79**	**100%**

(d) Bardana consumed

(` in lacs)

Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	526.91	100%	812.12	100%
Imported	-	-	-	-
Total	**526.91**	**100%**	**812.12**	**100%**

(e) Consumable and Spares

(` in lacs)

Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	723.09	94.29%	595.11	88.22%
Imported	43.80	5.71%	79.45	11.78%
Total	**766.89**	**100%**	**674.56**	**100%**

(f) Value of imports on CIF basis

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Capital goods	597.44	112.83
Stores and spares	43.80	79.45
Other food items	446.97	-
Total	**1,088.21**	**192.27**

(g) Earning in foreign currency

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Rice	75,585.88	82,739.58
Others	1.51	5.05
Total	**75,587.39**	**82,744.63**

32. Earnings per share

(` in lacs)

Particulars	March 31, 2015	March 31, 2014
Net profit attributable to equity shareholders after Exceptional Loss (` in lacs)	3065.52	3,848.39
Numbers of weighted average equity share outstanding at the year end for Basic (in lacs)	263.94	262.63
Numbers of weighted average equity share outstanding at the year end for Diluted (in lacs)	266.17	265.31
Nominal value of equity share (`)	10	10
Earnings Per Share–		
Basic (`)	11.61	14.65
Diluted (`)	11.52	14.51

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, 2015 and 2014 was ` 372.27 lacs and ` 513.73 lacs 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, 2015 (` in lacs)	March 31, 2014 (` in lacs)	March 31, 2015 (FC in lacs)	March 31, 2014 (FC in lacs)
i) Receivables in Foreign Currency				
- Trade receivables	8,214.84	11,241.67	USD 132	USD 185.96
ii) Payables in Foreign Currency				
- Trade payables	2.09	103.79	EURO 0.03	USD 1.11 EURO 0.03 YEN 58.50

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. a) 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, 2015.

Particulars	**Purpose**	(` in lacs)
Forward contract to sell (USD)	Hedge of highly probable foreign currency sales	
USD 354.68 (previous year: USD 325.67)		
` 23,043.42 (previous year: ` 20,437.04)		

b) The Company has taken put option of USD 40 lacs from Bank of Baroda to hedge its foreign currency receivable exposure having an exercising period between April 2015 to November 2015 for USD 5 lacs per month.

c) The Company has taken put option of USD 24 lacs from ICICI to hedge its foreign currency receivable exposure having an exercising period for April 2015 and November 2015 for USD 3 lacs per month.

d) The Company has taken put option of USD 39 lacs from ICICI Bank to hedge its foreign currency receivable exposure having an exercising period for September 2015 and February 2016 for USD 6.5 lacs per month.

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 ` 69 lacs

(b) Amount spent during the year on-

	In Cash	**Yet to be paid in Cash**	**Total**
Contribution Made	13 lacs	-	13 lacs

39. Previous year figures

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

For and on behalf of Board of Directors

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

Sd/-
per **Neeraj Goel**
Partner

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

Place: Gurgaon
Date : May 27, 2015

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

Sd/-
Som Nath Chopra
Chief Financial Officer

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

(` in Lakhs)

	Notes	March 31, 2016	March 31, 2015
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

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	**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)
Withdrawl 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

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

per **Neeraj Goel**
Partner

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

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/ disposed off during the period is being provided up to the date on which such assets are sold/disposed 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.

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 th e 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.

l. Income tax

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

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

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

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

m. Contingent liabilities and provisions

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

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

i. possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in 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'.

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

(` 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	**26,663,187**	**2,666.32**	**26,453,582**	**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, 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 adustments 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**

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 :

(i) 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.

(ii) 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.

(iii) 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.

(iv) 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.

(v) 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**

(` 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

(` in Lakhs)

	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
Acturian 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.

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.

12 Tangible assets

(` in Lakhs)

a) Gross block	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**	**31,589.60**
Additions during the year	0.41	1,682.47	1,781.59	207.67	108.89	159.41	3,940.44
Disposals during the year			(96.74)	(2.04)	(2.66)	(32.61)	(134.05)
Balance as at March 31, 2015	**3,337.13**	**9,054.10**	**19,867.02**	**555.94**	**959.21**	**1,622.60**	**35,395.99**
Additions during the year		348.32	738.86	4.60	129.04	84.40	1,305.23
Disposals during the year	(45.25)	(327.75)	(1,081.28)	(2.83)	(3.08)	(38.17)	(1,498.36)
Balance as at March 31, 2016	**3,291.88**	**9,074.67**	**19,524.59**	**557.72**	**1,085.17**	**1,668.84**	**35,202.85**
b) Accumulated depreciation							
Balance as at April 01, 2014	**-**	**1,942.93**	**10,883.16**	**141.25**	**556.06**	**985.75**	**14,509.15**
Depreciation charge for the year	-	478.89	1,805.50	103.82	221.21	207.79	2,817.21
Reversal on disposal of assets	-	-	(61.43)	(1.04)	(2.55)	(18.50)	(83.52)
Transfer to Opening general reserve*	-	11.18	12.96	1.32	50.84	1.93	78.23
Balance as at March 31, 2015	**-**	**2,433.00**	**12,640.19**	**245.35**	**825.56**	**1,176.96**	**17,321.07**
Depreciation charge for the year	-	471.84	1,744.59	109.28	150.10	143.84	2,619.65
Reversal on disposal of assets	-	(117.81)	(428.24)	(1.51)	(2.57)	(21.78)	(571.94)
Balance as at March 31, 2016	**-**	**2,787.02**	**13,956.54**	**353.12**	**973.09**	**1,299.01**	**19,368.79**
(a-b) Net block							
Balance as at March 31, 2016	**3,291.88**	**6,287.65**	**5,568.06**	**204.60**	**112.07**	**369.82**	**15,834.07**
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)

(` in Lakhs)

		March 31, 2016	March 31, 2015
	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	179.96	179.96
	equity shares of `10 each		
	-Nature Bio Foods Limited		
	49,994 (previous year 49,994) fully paid up	200.00	200.00
	equity shares of `10 each		
	-Sona Global Limited		
	65,200 (previous year 65,200) fully paid up	907.73	907.73
	equity shares of AED 100 each		
	-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	25.01	25.01
	shares of `10 each fully paid up		
	-SDC Foods India Limited (formally known as Staple Distribution Company Limited)		
	800,000 (previous year 800,000) fully paid up	80.00	80.00
	equity shares of `10 each*		

(₹ 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 alloted equity shares in RAIPL in proportion to its share of partenrship 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

16 Other assets

(` in Lakhs)

	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

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

(` in Lakhs)

	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**

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

18 Trade receivables

(` in Lakhs)

		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)	-	(a)	220.91
Other debts				
-Unsecured considered good	(b)	26,650.87	(b)	18,941.03
	(a+b)	26,650.87	(a+b)	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

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**

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.

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

Grant date	ESOP-2010 (Grant I) April 01, 2011	ESOP-2010 (Grant II) 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

(` in Lakhs)

	March 31, 2016	March 31, 2015
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

(` in Lakhs)

	March 31, 2016	March 31, 2015
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 o	207.38	-
Provision for doubtful recoveries	-	79.81
Impairment of investment	-	80.00
Loss on exchange uctuation (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

	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 `3,082.73 Lakhs (previous year `2,728.53 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 arose 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 in influence and transactions

V.K Foods

SK Engineering Company

Super Texfab Private Limited

- 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

(` 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
	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%**

(f) Value of imports on CIF basis

(` in Lakhs)

	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**

(g) Earning in foreign currency

(` in Lakhs)

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

32. Earnings per share

(` in Lakhs)

Particulars	March 31, 2016	March 31, 2015
Net pro t 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

33. The Company has entered into rent agreements as a lessee for warehouses and o ce 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 - Trade receivables	10,403.49	8,214.84	USD 110.63 EURO 15.37	USD 132
ii) Payables in Foreign Currency - Trade payables	59.11	2.09	EURO 0.04 USD 0.85	EURO 0.03

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	-	93.70Lakhs

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 Standalone Financial Statements

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

Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these standalone financial statements are free from material misstatement.

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

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

10. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

    a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c. the standalone financial statements dealt with by this report are in agreement with the books of account;

Independent Auditor's Report

d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

f. we have also audited the Internal Financial Controls Over Financial Reporting (IFCoFR) of the Company as on March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated May 25, 2017 as per Annexure II expresses our unmodified opinion on the adequacy and operating effectiveness of internal controls over financial reporting; and

g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in Note 28 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

iv. the Company, as detailed in Note 44 to the standalone financial statements, has made requisite disclosures in these standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

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

Place: Gurgaon
Date: May 25, 2017

Independent Auditor's Report

Annexure I

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'fixed assets') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year except for stocks lying with third parties. For stock lying with third parties at year end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities though there has been a slight delay in a few cases, except for advance income-tax where significant delays in deposit have occurred during the year. Undisputed amounts payable in respect thereof, which were outstanding at the year-end for a period of more than six months from the date they became payable are as follows:

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

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

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

Statement of disputed dues

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

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

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

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

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

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

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

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

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

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

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

Place: Gurgaon
Date: May 25, 2017

Independent Auditor's Report

Annexure II

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

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Independent Auditor’s Report

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

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

Place: Gurgaon
Date: May 25, 2017

Balance Sheet
as at March 31, 2017

(` in lakhs)

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

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

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Oﬃcer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Statement of Profit and Loss

for the year ended March 31, 2017

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

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

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Cash Flow Statement

for the year ended March 31, 2017

(` in lakhs)

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

Cash Flow Statement
for the year ended March 31, 2017

(` in lakhs)

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

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

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

1. Corporate information

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

2. Significant accounting policies

a. Basis of preparation

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

b. Use of estimates

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

c. Revenue recognition

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

Sale of goods:

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

Dividend:

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

Interest:

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

Share of profit and interest in partnership

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

Income from services

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

d. Fixed assets

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

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

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

e. Depreciation and amortisation

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

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

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

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

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

f. Investments

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

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

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

g. Inventories

Inventories are valued as follows:

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

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

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

h. Foreign currency transactions and translations

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

(ii) Subsequent recognition
Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

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

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

i. foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and

ii. the same foreign currency amount translated at the later of the date of the inception of the contract and the last reporting date, as the case may be.

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

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

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

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

i. Employee benefits

Provident fund

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

Gratuity

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

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

Compensated absences

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

Other short-term benefits

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

j. Borrowing costs

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

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

k. Earnings per share

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

l. Income tax

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

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

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

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

m. Contingent liabilities and provisions

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

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

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

n. Impairment of assets

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

o. Share-based payment

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

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

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

p. Leases

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

q. Government grant

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

r. Cash and cash equivalents

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

3 Share capital

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

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

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

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

b) Terms/rights attached to equity shares

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

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

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

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

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

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

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

e) Subdivision of equity shares

(i) During the year the equity shares of the Company having the face value of ` 10 (Rupees ten only) each were subdivided into 10 (ten) equity shares having a face value of ` 1 (Rupee one only) each. Accordingly 26,663,187 equity shares of face value of ` 10 each were sub divided into 266,631,870 equity shares of face value of ` 1 each.
(ii) The earning per share in respect of current and previous year has been restated considering the aforesaid sub division of shares.

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

4 Reserves and surplus

(` in lakhs)

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

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

5 Long-term borrowings

(` in lakhs)

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

b) Details of rupee term loans:

(` in lakhs)

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

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

c) Details of foreign currency term loan:

(` in lakhs)

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

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

d) Details of vehicle loan :

(` in lakhs)

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

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

e) Details of security for each type of borrowing :

(i) Rupee term loan from all banks, other than those mentioned in (ii) below are secured against ﬁrst pari passu charge on the existing project assets, excluding assets charged speciﬁcally to the term lenders, and Second Pari Passu on current assets of the Company.

(ii) Rupee term loan from Allahabad Bank amounting to ` 831.90 (previous year ` 1,305.99) is secured against ﬁrst exclusive charge over the entire ﬁxed assets of the Silos project located at Amritsar.

(iii) In previous year, foreign currency term loan from Oriental Bank of Commerce are secured against ﬁrst pari passu charge on the existing project assets, excluding assets charged speciﬁcally to the term lenders and Second Pari Passu on current assets of the Company.

(iv) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle ﬁnanced.

6 Deferred tax liabilities (net)

(` in lakhs)

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

7 Other long-term liabilities

(` in lakhs)

	March 31, 2017	March 31, 2016
Security deposits from distributors	9.78	9.89
	9.78	**9.89**

8 Provisions

(` in lakhs)

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

a) Details with respect to proposed dividend

(` in lakhs)

Dividends proposed to	
Equity shareholders	399.95
Proposed dividend per share	
Equity shareholders	1.50

b) Employee bene ts

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

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee bene ts and the reconciliation of opening and closing balances of the present value of the de ned bene t obligation.

(` in lakhs)

	March 31, 2017	March 31, 2016
Change in projected bene t obligation		
Projected bene t obligation at the beginning of the year	305.21	252.90
Service cost	56.94	55.35
Interest cost	25.58	21.35
Actuarial gains	(42.29)	(13.45)
Bene ts paid	(17.26)	(10.94)
Projected bene t obligation at the end of the year	**328.18**	**305.21**

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

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

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

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

Notes

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

Compensated absences:

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

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

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

Note:

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

9 Short-term borrowings

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

Details of security for each type of borrowing :

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

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

Summary of signi cant accounting policies and other explanatory information

for the year ended March 31, 2017

10 Trade payables

(` in lakhs)

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

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

(` in lakhs)

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

11 Other current liabilities

(` in lakhs)

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

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

12 Tangible assets

(` in lakhs)

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

13 Intangible assets

(` in lakhs)

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

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

14 Non-current investments

(Valued at cost unless stated otherwise)

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

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

** The Company earned income of nil (previous year ` 0.51) as share in pro t from partnership rm and nil (previous year ` 2.43) as interest on capital in partnership rm till September 30, 2015. E ective October 1, 2015, Raghunath Agro Industries ('RAI'), the partnership rm was acquired by Raghunath Agro Industries Private Limited ('RAIPL')and correspondingly, the Company was allotted equity shares in RAIPL in proportion to its share of partnership in the RAI.

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

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

15 Loans and advances

(` in lakhs)

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

16 Other assets

(` in lakhs)

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

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

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

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

18 Trade receivables

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

19 Cash and bank balances

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

Summary of signicant accounting policies and other explanatory information

for the year ended March 31, 2017

20 Revenue from operations

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

21 Other income

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

22 Cost of materials consumed

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

23 Purchases of stock-in-trade

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

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

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

25 Employee bene ts expenses

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

a) Provident fund

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

b) Share-based payment

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

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

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

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

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

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

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

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

(` in lakhs)

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

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

(` in lakhs)

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

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

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

26 Finance costs

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

27 Other expenses

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

*** Auditors' remuneration**

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

28. Contingent liabilities

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

* The Company has filed appeals in previous years against the order of the Assessing Officer before Commissioner of income tax ('CIT') Appeals for the AY 2003-04 to AY 2007-08. The CIT (Appeals) vide its order dated March 25, 2013, March 28, 2013 and October 10, 2013 has allowed substantial relief to the Company and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has reduced to ` 89.84 (previous year `89.84). The Company in previous years has filed appeals against the order of CIT(Appeals) for the above said assessment years before the Income Tax Appellate Tribunal ('ITAT'), on issues for which relief has not been given by CIT (Appeals).

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

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

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

Also the Company had received demand under section 143(3) for AY 2012-13 for `155.52 against which appeal is yet to be made before CIT (Appeals), accordingly, no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.
The Company has paid `1,193.65 (previous year `1,174.15) as per the directions of Income Tax Department against the outstanding demands and the same will be adjusted/ refunded, once the appeals are final.

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

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

29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances - ` 30.76 lakhs (previous year: ` 22.50 lakhs).

30. Related party disclosures

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

(i) Names of related parties and description of relationship

- Subsidiaries

Daawat Foods Limited
SDC Foods India Limited
Nature Bio Foods Limited
LT International Limited
LT Overseas North America, Inc.
Sona Global Limited
Raghuvesh Foods & Infrastructure Limited
LT Foods International Limited (from September 6, 2016)

- Step subsidiaries

LT Foods America Inc. (formerly known as Kusha, Inc.)
LT Foods USA LLC
LT Foods Middle East DMCC
Raghuvesh Power Projects Limited
Universal Traders Inc.
Royal Curry Delights LLC
Fresco Fruit N Nuts Private Limited
Expo Services Private Limited
LT Agri Services Private Limited
Raghunath Agro Industries Private Limited (from October 1, 2015)
LT Foods Europe B.V. (from September 6, 2016)

- Joint Venture

Genoa Rice Mills Private Limited (from January 25, 2017)

- Partnership ﬁrm

Raghunath Agro Industries (till September 30, 2015)

- Associate enterprises

Raghuvesh Agri Foods Private Limited
Raghuvesh Warehousing Private Limited
Raghuvesh Infrastructure Private Limited
LT Infotech Private Limited (till June 30, 2015)

- Entities in which KMP and their relatives have signiﬁcant inﬂuence and transactions

V.K Foods
SK Engineering Company
Super Texfab Private Limited
Deva Singh Sham Singh Exports Private Limited (from August 8, 2016)

- Key Management Personnel

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Managing Director and Chief Financial Oﬃcer
Ashok Kumar Arora	President-Punjab Operations

- Relatives of Key Management Personnel

Name	Relationship
Aditya Arora	Son of Mr. Ashok Kumar Arora
Aditi Arora	Daughter of Mr. Vijay Kumar Arora
Isha Arora	Daughter of Mr. Surinder Kumar Arora
Purva Arora	Daughter of Mr. Surinder Kumar Arora
Ritesh Arora	Son of Mr. Ashwani Kumar Arora
Sanjana Arora	Daughter of Mr. Ashwani Kumar Arora
Parvesh Rani	Mother of Key management personnel's
Abhinav Arora	Son of Mr. Vijay Kumar Arora
Ranju Arora	Wife of Mr. Vijay Kumar Arora
Sakshi Arora	Wife of Mr. Surinder Kumar Arora
Anita Arora	Wife of Mr. Ashok Kumar Arora
Vandana Arora	Wife of Mr. Ashwani Kumar Arora
Gursajan Arora	Son of Mr. Ashok Kumar Arora

Summary of signiﬁcant accounting policies and other explanatory information

for the year ended March 31, 2017

Transactions with subsidiary companies, step down subsidiary companies, joint venture, associate companies and Entities of KMP

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
Sales		
LT Foods America Inc.	5,310.15	5,051.86
Raghunath Agro Industries Private Limited	4,428.65	3,477.30
LT Foods Middle East DMCC	11,174.44	5,930.62
Daawat Foods Limited	4,788.50	9,691.30
Nature Bio Foods Limited	8.47	101.95
V. K Foods	155.73	166.28
LT Foods International Limited	8,033.14	-
Deva Singh Sham Singh Exports Private Limited	472.22	-
Purchases		
Raghunath Agro Industries Private Limited	3,800.28	1,637.10
Daawat Foods Limited	17,123.87	14,940.79
Nature Bio Foods Limited	895.24	500.56
Super Texfab Private Limited	383.05	143.29
Fresco Fruit N Nuts Private Limited	-	317.65
Rent expense		
Daawat Foods Limited	-	65.42
Rental income		
VK Foods	2.40	2.40
SK Engineering Company	2.40	2.40
Nature Bio Foods Limited	22.99	10.34
Super Texfab Private Limited	-	8.64
Fumigation income		
Nature Bio Foods Limited	22.29	55.18
Processing charges income		
Nature Bio Foods Limited	5.19	841.77
Business Support Services Income		
LT International Limited	60.50	-
Interest income		
Daawat Foods Limited	-	1,696.16
Corporate Guarantee given		
LT Foods Europe BV	5,155.26	-
Corporate Guarantee revoked		
LT Foods Middle East DMCC	3,975.00	-
Investments in Joint Venture		
Genoa Rice Mills Private Limited	125.00	-
Investments Subsidiary		
LT Foods International Limited	54.15	-

Summary of significant accounting policies and other explanatory information

for the year ended March 31, 2017

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
Investment sold		
LT Infotech Private Limited	-	4.25
Loan Granted		
Genoa Rice Mills Private Limited	125.00	-
Advances given		
LT International Limited	1,300.05	-
Genoa Rice Mills Private Limited	0.58	-
Fresco Fruit N Nuts Private Limited	9.17	-
Deva Singh Sham Singh Exports Private Limited	101.96	-
Raghuvesh Infrastructure Private Limited	381.05	-
Raghuvesh Agri Foods Private Limited	52.49	-
Raghuvesh Warehousing Private Limited	21.09	-
Raghuvesh Power Projects Limited	0.12	-
Raghuvesh Foods & Infrastructure Limited	0.19	-
LT Agri Services Private Limited	0.38	-
LT Foods Europe B.V.	6.28	-
Sale of fixed assets		
Nature Bio Foods Limited	-	1100.00
LT Foods Americas Inc.	-	17.77
Daawat Foods Limited	74.31	6.05
Purchase of fixed assets		
SK Engineering Company	-	217.74
Transactions with partnership firm		
(Raghunath Agro Industries)		
Sales	-	3,980.64
Purchases	-	2002.02
Interest income	-	2.43
Share of profit	-	0.51

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
Balances at the year-end {net receivable/(net payable)}		
SDC Foods India Limited	0.97	-
LT Foods Middle East DMCC	2,278.66	143.48
LT Foods America Inc.	1,170.25	928.21
Daawat Foods Limited	1,495.46	1,526.54
Expo Services Private Limited	(6.36)	(9.50)
Nature Bio Foods Limited	-	1,251.13
LT International Limited	1,300.05	50.42

		(` in lakhs)
Particulars	**March 31, 2017**	**March 31, 2016**
Raghuvesh Foods & Infrastructure Limited	2.18	1.99
Raghuvesh Power Projects Limited	0.14	0.02
LT Agri Services Private Limited	1.22	0.84
Raghunath Agro Industries Private Limited	(801.92)	4,499.38
Fresco Fruit N Nuts Private Limited	9.17	-
LT Foods International Limited	2,323.04	-
LT Foods Europe B.V.	6.28	-
Deva Singh Sham Singh Exports Private Limited	574.18	-
VK Foods	18.97	51.30
Raghuvesh Infrastructure Private Limited	381.05	(311.16)
Raghuvesh Agri Foods Private Limited	52.49	0.19
Raghuvesh Warehousing Private Limited	21.09	1.44
Genoa Rice Mills Private Limited	125.58	-
Super Texfab Private Limited	(37.34)	(17.88)
SK Engineering Company	(10.65)	(110.29)
Corporate guarantees given on behalf of		
Daawat Foods Limited	35,883.68	36,533.68
Nature Bio Foods Limited	12,035.00	13,240.00
Raghunath Agro Industries Private Limited	458.40	307.25
LT Foods Middle East DMCC	-	3,975.00
LT Foods Europe BV	5,155.26	-
Transactions with key management personnel		
Director Remuneration		
Vijay Kumar Arora	140.70	119.88
Surinder Kumar Arora	116.67	77.88
Dividend paid	165.15	220.20
Transactions with relatives of key management personnel		
Remuneration		
Aditi Arora	0.33	4.00
Isha Arora	0.33	4.00
Purva Arora	0.33	4.00
Sanjana Arora	0.33	3.99
Ritesh Arora	12.71	10.85
Aditya Arora	24.00	23.66
Dividend paid	103.56	138.08

31. Information pursuant to provisions of paragraph 5 of Part II of Schedule III of the Companies Act, 2013:

(a) Expenditure in foreign currency (on accrual basis)

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
Legal fees	54.48	18.14
Interest and other charges to bank	44.81	136.76
Steamer freight	831.71	1,312.44
Sales promotion	292.86	41.57
Commission on export sales	136.20	3,255.76
Others	329.92	404.54
	1,689.98	**5,169.21**

(b) Raw material consumed

(` in lakhs)

Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	52,031.92	100%	49,064.54	100%
Imported	-	-	-	-
Total	**52,031.92**	**100%**	**49,064.54**	**100%**

(c) Packing material consumed

(` in lakhs)

Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	5,850.64	99.96%	4,732.51	100%
Imported	2.53	0.04%	-	-
Total	**5,853.17**	**100%**	**4,732.51**	**100%**

(d) Bardana consumed

(` in lakhs)

Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	74.28	100%	679.07	100%
Imported	-	-	-	-
Total	**74.28**	**100%**	**679.07**	**100%**

(e) Consumable and spares

(` in lakhs)

Particulars	March 31, 2017		March 31, 2016	
	Value	Percentage	Value	Percentage
Indigenous	1,115.36	94.61%	956.20	97.44%
Imported	63.51	5.39%	25.17	2.56%
Total	**1,178.87**	**100%**	**981.37**	**100%**

(f) Value of imports on CIF basis

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
Capital goods	88.38	516.46
Stores and spares	63.50	25.74
Others	2.53	-
Other food items	513.17	-
Total	**667.58**	**542.20**

(g) Earning in foreign currency

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
FOB value of exports	78,441.53	76,977.49
Total	78,441.53	76,977.49

32. Earnings per share

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
Net proﬁt attributable to equity shareholders	3,013.80	3,038.30
Numbers of weighted average equity share outstanding at the year end for Basic	2,666.32	2,648.10
Numbers of weighted average equity share outstanding at the year end for Diluted	2,675.62	2,656.60
Nominal value of equity share (`)	1	1
Earnings Per Share–		
Basic (`)	1.13	1.15
Diluted (`)	1.13	1.14

33. The Company has entered into rent agreements as a lessee for warehouses and oﬃce premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2017 and 2016 was ` 730.46 and ` 550.58 respectively. The Company has not executed any non-cancelable operating leases.

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

		March 31, 2017 (` in lakhs)	March 31, 2016 (` in lakhs)	March 31, 2017 (FC in lakhs)	March 31, 2016 (FC in lakhs)
i)	Receivables in Foreign Currency				
		11,262.06	9,244.59	USD 173.68	USD 110.63
	- Trade receivables	678.22	1,158.90	EURO 9.82	EURO 15.37
		0.30	-	GBP 0.00	-
ii)	Payables in Foreign Currency				
	- Trade payables	303.94	59.11	USD 4.69	EURO 58.59
		16.23	-	EURO 0.23	-
	- Pre shipment credit	2,120.43	2,418.13	USD 32.70	USD 36.50
	-Bill discounted	1,067.60	2,391.65	USD 16.46	USD 36.10

'Apart from above, the Company has a foreign currency liability (advances from customers) of ` 19.99 (USD 0.35) (previous year ` 21.13 (USD 0.73) and ` 40.18 (EURO 0.56) (previous year nil).'

35. Transfer pricing

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

36. The Company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2017.

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016	Purpose
Forward contract to sell (USD)	360	346	Hedge of highly probable foreign currency sales
Forward contract to sell (INR)	24,870.76	24,121.43	

37. Details of prior period expenses/(income) is as under:

(` in lakhs)

Particulars	March 31, 2017	March 31, 2016
Interest on late payment of advance tax	166.11	-
Others	0.94	(11.22)
Total	**167.05**	**(11.22)**

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

39. Corporate social responsibility expenses

(a) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013 is ` 95.49

(b) Amount spent during the year -

(` in lakhs)

	In Cash	Yet to be paid in Cash	Total
Contribution made	1.31	--	**1.31**

40. Pursuant to scheme for development/ strengthening of agricultural marketing infrastructure, grading and standardization, the Company is eligible for capital grant amounting to ` 50 lakhs, on successful capitalisation of machinery pertaining to sortex unit. During the financial year 2010-11, the Company had successfully capitalised the machinery. The Company has received a capital subsidy amounting to ` 50 lakhs during the current year from National Bank for Agriculture and Rural development.

41. Details of loan given, investments made and guarantee given covered u/s 186(4) of the Companies Act 2013 have been disclosed as under:

(` in lakhs)

Guarantee given on behalf of 31-Mar-17	Nature Purpose	Amount as on March 31, 2017	
Daawat Foods Limited	Guarantee	35,883.68	
Nature Bio Foods Limited	Guarantee	12,035.00	For working capital loan
Raghunath Agro Industries Private Limited	Guarantee	458.4	
LT Foods Europe BV	Guarantee	5,155.26	For setting up a rice mill
Genoa Rice Mills Private Limited	Loan	125	For meeting working capital requirements

42. Interest in joint ventures

The company's interest and share in joint venture in jointly controlled entity is as follows:

Name of joint venture	Ownership interest as at		Country of incorporation
	March 31, 2017	March 31, 2016	
Genoa Rice Mills Private Limited	50.00%	-	India

(a) Interest in jointly controlled entity of the Company

(` in lakhs)

Company's share of	Genoa Rice Mills Private Limited	
	March 31, 2017	March 31, 2016
Assets		
Non-current	60.91	-
Current	178.35	-
Liabilities		
Non-current	0.03	-
Current	179.19	-
Revenue	32.25	-
Expenditure	94.20	-
Contingent liabilities	0.05	-

43. The Company takes forward cover contracts on the basis of sales orders to hedge the foreign currency risks on receivables in foreign currency. Based on accounting practices prevailed, mark to market (MTM) losses on such Derivative transactions had been charged to Statement of Profit and Loss and any gains on transactions were ignored till the year ended March 31, 2016. As per guidance note on "Accounting for Derivative Accounts" (the 'Guidance Note') applicable w.e.f April 1, 2016, MTM gains on Derivative transactions are also to be recorded in Statement of Profit and Loss. Consequent to the aforementioned, the Company has recognised an unrealized gain of ` 1,097.58 in the Statement of Profit and Loss.

Further based on the transitional provisions provided in the Guidance Note, MTM Gain on outstanding forward contracts as on March 31, 2016 amounted ` 548.71 out of which an amount of `362.18 (net of tax – ` 186.53) has been adjusted with the opening reserves as at April 1, 2016.

44. Details of specified bank notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is as under:-

(` in lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 8 November 2016	80.45	15.30	95.75
Add: Permitted Receipts	-	61.39	61.39
Less: Permitted Payments	-	57.00	57.00
Less: Amount deposited in the Banks	80.45	-	80.45
Closing cash in hand on 30 December 2016	-	19.69	19.69

The Company does not maintain independent records of denomination of currency in its books of accounts.

45. Previous year figures

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

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Independent Auditor's Report

To the Members of LT Foods Limited

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 which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and 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/management 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 subsidiaries 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.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 sub-paragraph 10 of the Other Matter paragraph 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, 2015, 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 financial statements which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments with respect to recognition of insurance claim amounting to ₹ 17,991.40 lacs, against loss of inventory by fire, in respect of its subsidiary, Daawat Foods Limited. Our opinion is not qualified in respect of this matter.

Other Matter

10. We did not audit the financial statements of 18 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 48,584.11 lacs as at March 31, 2015, total revenues (after eliminating intra-group transactions) of ₹ 119,302.24 lacs and net cash used amounting to ₹ 1066.72 lacs for the year ended on that date. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2015, 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-sections (3) and (11) 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 on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on the comments in the auditor's reports of the subsidiary companies and associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies.

12. 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:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and

    f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. 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;

ii. The Group and its associates 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 Holding Company and its subsidiary companies and associate companies incorporated in India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No.:099514

Place: Gurgaon

Date: May 27, 2015

Annexure to the Independent Auditor's Report of even date to the members of LT Foods Limited, on the consolidated financial statements for the year ended March 31, 2015

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding 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 based on the comments in the auditor's reports of the subsidiary companies and associate companies incorporated in India, we report that:

(i) a. 2 subsidiary companies incorporated in India do not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable to them. The Holding Company, 7 subsidiary companies and 3 associate companies incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets of Holding Company, 7 subsidiary companies and 3 associate companies incorporated in India have been physically verified by the management of the Holding Company, subsidiary companies and associate companies respectively 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 and the nature of their assets.

(ii) a. 4 subsidiary companies and 3 associate companies incorporated in India do not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable to them. The management of the Holding Company, 5 subsidiary companies incorporated in India has conducted physical verification of inventory at reasonable intervals during the year.

b. The procedures of physical verification of inventory followed by the management of the Holding Company, 5 subsidiary companies incorporated in India are reasonable and adequate in relation to the size and the nature of their business. The procedures of physical verification of inventory followed by the management of the Holding Company, 5 subsidiary companies incorporated in India are reasonable and adequate in relation to the size and the nature of their business.

c. The Holding Company, 5 subsidiary companies incorporated in India are maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) 9 subsidiary companies and 3 associate companies incorporated in India have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable. The Holding Company incorporated in India have granted unsecured loans to one of its subsidiary company (being intra-group transactions, eliminated in the consolidated financial statements) covered in the register maintained under Section 189 of the Act; and with respect to the same:

a the terms of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular; and

b. in the absence of stipulated terms and conditions, we are unable to comment as to whether there is any overdue amount in excess of ₹ one lakh and whether reasonable steps have been taken by the Holding Company for recovery of the principal amount and interest

iv. In our opinion, there is an adequate internal control system commensurate with the size of the Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services, as applicable. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) The Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India have 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 to them.

(vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of products/services of 7 subsidiary companies and 3 associate companies incorporated in India. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to them. We have broadly reviewed the books of account maintained by the Holding Company and 2 subsidiary companies incorporated in India, pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of products/services of these companies and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained in respect of these companies. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a. The Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India are generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

b. The dues outstanding for Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Description	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Holding Company	Income Tax demands	57.54	-	FY 2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	0.65	-	FY 2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	26.81	609.20	FY 2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	4.84	-	FY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	327.62	250.00	FY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	0.27	-	FY 2007-08	CIT (Appeals)
Income Tax Act, 1961	Holding Company	Income Tax demands	235.95	123.95	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	59.57	59.57	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	10.16	-	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	5.15	-	FY 2009-10	CIT (Appeals)
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	225.21	-	FY 2009-10	CIT (Appeals)
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	250.30	-	FY 2010-11	CIT (Appeals)
Income Tax Act, 1961	Holding Company	Income Tax demands	861.98	-	FY 2010-11	CIT (Appeals)
Income Tax Act, 1961	Holding Company	Income Tax demands	829.80	-	FY 2011-12	Yet to be filed

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the 9 subsidiary companies and 3 associate companies incorporated in India, in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable to them. Further, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.

(viii) In our opinion, the Group has no accumulated losses on consolidated basis at the end of the financial year and the Group has not incurred cash losses on consolidated basis in the current and the immediately preceding financial year.

(ix) 6 subsidiary companies and 1 associate company incorporated in India have no dues payable to a financial institution or a bank during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to them. The Holding Company, 3 subsidiary companies and 2 associate companies incorporated in India have not defaulted in repayment of dues to any bank. These companies have no dues payable to a financial institution during the year. The group did not have any outstanding debentures during the year

(x) 8 subsidiary companies and 3 associate company incorporated in India have not given any guarantees for loans taken by others from banks or financial institutions. Accordingly, the provisions of clause 3(x) of the Order are not applicable to them. The terms and conditions on which the Holding Company and 1 subsidiary company incorporated in India have given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the these companies.

(xi) 8 subsidiary companies and 1 associate company incorporated in India did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to them. The Holding Company, 1 subsidiary company and 2 associate companies incorporated in India have applied the term loans for the purpose for which these loans were obtained.

(xii) No fraud on or by the Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India has been noticed or reported during the year covered by our audit.

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: 27 May, 2015

Consolidated Balance Sheet

as at March 31, 2015

(₹ in lacs)

	Notes	March 31, 2015	March 31, 2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,645.36	2,630.56
Reserves and surplus	4	43,626.90	36,462.68
		46,272.26	39,093.24
Minority interest		3,445.28	3,052.34
Non-current liabilities			
Long-term borrowings	5	8,884.54	12,743.76
Deferred tax liabilities (net)	6	-	127.62
Other long term liabilities	7	9.78	8.68
Long-term provisions	8	133.72	124.95
		9,028.04	13,005.01
Current liabilities			
Short-term borrowings	9	154,984.03	132,143.21
Trade payables	10	9,995.97	14,832.68
Other current liabilities	11	17,475.21	12,542.34
Short-term provisions	8	3,331.22	4,601.84
		185,786.43	164,120.07
		244,532.01	**219,270.66**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	29,502.58	27,419.14
Intangible assets	13	7,536.27	7,550.03
Capital work-in-progress		1,465.24	1,856.30
Non-current investments	14	693.51	512.33
Long-term loans and advances	15	2,869.57	2,112.40
Deferred tax assets (net)	6	119.90	-
Other non-current assets	16	271.07	337.20
		42,458.14	39,787.40
Current assets			
Inventories	17	136,221.57	134,935.35
Trade receivables	18	31,792.22	32,612.72
Cash and bank balances	19	2,120.50	3,507.03
Short-term loans and advances	15	31,883.81	8,286.79
Other current assets	16	55.77	141.37
		202,073.87	179,483.26
		244,532.01	**219,270.66**

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

Sd/-
per **Neeraj Goel**
Partner

Place: Gurgaon
Date : May 27, 2015

For and on behalf of Board of Directors

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

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

Sd/-
Som Nath Chopra
Chief Financial Officer

Consolidated Statement of Profit and Loss
for the year ended March 31, 2015

(₹ in lacs)

	Notes	March 31, 2015	March 31, 2014
INCOME			
Revenue from operations	20	273,458.15	247,410.61
Other income	21	4,520.09	1,857.88
		277,978.24	**249,268.49**
EXPENSES			
Material consumed	22	144,239.18	167,870.17
Purchases of stock in trade	23	66,649.29	31,549.22
Changes in inventories of finished goods and stock in trade	24	(3,288.88)	(15,233.70)
Employee benefits	25	7,421.92	6,386.56
Finance costs	26	15,114.91	11,341.79
Depreciation, amortisation and impairment	12 & 13	4,657.36	3,740.13
Other expenses	27	32,054.70	30,512.44
		266,848.48	**236,166.61**
Profit before prior period and tax		**11,129.76**	**13,101.88**
Prior period items		8.08	(3.90)
Profit before tax		**11,121.68**	**13,105.78**
Tax expense			
Income tax		3,549.04	4,511.22
Tax earlier years		70.06	-
Minimum alternative tax receivable		72.51	157.52
Deferred tax		(211.52)	(43.19)
Profit after tax		**7,641.59**	**8,480.23**
Share of profit transferred to minority		(392.94)	(647.70)
Profit after tax and minority interest		**7,248.65**	**7,832.53**
Earnings per equity share (₹)	31		
Basic		27.46	29.82
Diluted		27.23	29.52

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

Sd/-
per **Neeraj Goel**
Partner

Place: Gurgaon
Date : May 27, 2015

For and on behalf of Board of Directors

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

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

Sd/-
Som Nath Chopra
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended March 31, 2015

(₹ in lacs)

	March 31, 2015	March 31, 2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and prior period items	**11,129.76**	**13,101.88**
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	4,657.36	3,740.13
(Profit) / loss on sale of fixed assets	(57.36)	218.70
Share based payments	29.00	40.74
Unrealised foreign exchange loss	290.03	540.62
Provision for doubtful debts	-	55.69
Liabilities written back	(328.15)	(448.83)
Bad debts written off	176.18	1,633.52
Interest expense	14,534.46	10,802.75
Interest income	(59.17)	(104.02)
Prior period items	(8.08)	3.90
Dividend income	(0.14)	(0.13)
Operating profit before operating assets and liabilities	**30,363.89**	**29,584.95**
Changes in operating assets and liabilities :		
(Decrease) in trade payables	(4,790.44)	(1,655.04)
Increase in provisions and other liabilities	5,207.37	2,011.98
Decrease in trade receivables	825.16	4,902.82
(Increase) in inventories	(1,011.73)	(27,828.97)
(Increase) / decrease in loans and advances and other assets	(24,740.69)	4,666.23
(Increase) / decrease in fixed deposits and unpaid dividend account	(230.45)	954.45
Cash generated from operations	**5,623.11**	**12,636.42**
Income tax paid (net of refunds)	(4,954.46)	(2,273.00)
Net cash generated from operating activities	**668.65**	**10,363.42**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(5,527.18)	(5,447.26)
Proceeds from sale of fixed assets	57.36	68.51
Purchase of non current investments	(181.18)	(13.10)
Subsidy received	-	25.00
Interest received	85.59	62.94
Dividends received from other investments	0.14	0.13
Net cash used in investing activities	**(5,565.27)**	**(5,303.78)**
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	56.24	52.15
Proceeds from long term borrowings	1,290.10	6,554.56
Repayment of long term borrowings	(5,342.91)	(5,912.65)
Proceeds from short term borrowings (net)	22,455.76	6,261.04
Interest paid	(14,580.73)	(10,818.70)
Dividends paid on equity shares	(591.88)	(523.37)
Tax on equity dividend paid	(100.59)	(88.95)
Proceeds from issue of share capital to minority	26.64	9.28
Net cash generated / (used in) from financing activities	**3,212.63**	**(4,466.64)**
Net (decrease) / increase in cash and cash equivalents	**(1,683.99)**	**593.01**
Effect of exchange difference on cash and cash equivalents held in foreign currency	26.36	123.13
Cash and cash equivalents at the beginning of the year	3,450.93	2,734.79
Cash and cash equivalents at the end of the year	**1,793.30**	**3,450.93**
COMPONENTS OF CASH AND CASH EQUIVALENTS		
Cash on hand	86.65	61.57
With banks on - current account	1,616.65	2,640.92
- on deposit account	90.00	748.44
Total cash and cash equivalents	**1,793.30**	**3,450.93**

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

For and on behalf of Board of Directors

Sd/-
per **Neeraj Goel**
Partner

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

Place: Gurgaon
Date : May 27, 2015

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

Sd/-
Som Nath Chopra
Chief Financial Officer

Summary of significant accounting policies and explanatory information for the year ended March 31, 2015

1. Basis of preparation of consolidated financial statements

The financial statements have been prepared on a going concern basis 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 ("Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 Holding 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 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

Brand is amortise over a period of twenty years.

g) Investments

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

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

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

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 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.

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 benefits

Provident fund

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

Gratuity

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

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

Compensated absences

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

Share-based payment

The Holding 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.

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 with in 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.

3 Share capital

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
Authorised share capital				
- Equity shares of ₹ 10 each (Previous Year ₹ 10 each)	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up capital				
- Equity shares of ₹ 10 each (Previous Year ₹ 10 each)	26,453,582	2,645.36	26,305,609	2,630.56
Total Issued, subscribed and fully paid up capital	**26,453,582**	**2,645.36**	**26,168,395**	**2,630.56**

a) During the year, the Company had issued and allotted 147,973 (previous year 137,214) 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 ₹ 2.00 per share (previous year ₹ 2.25 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	3,835,015	14.50%	3,835,015	14.58%
Ashwani Arora	2,723,152	10.29%	2,723,152	10.35%
Surinder Arora	2,820,152	10.66%	2,820,152	10.72%
Gurucharan Dass Arora	1,573,932	5.95%	1,573,932	5.98%
Ashok Kumar Arora	2,742,418	10.37%	2,742,418	10.43%
Raghuvesh Holdings Private Limited	3,098,413	11.71%	2,676,084	10.17%
Vijay Kumar Arora and Ashwani Arora	1,606,320	6.07%	1,606,320	6.11%
Gurucharan Dass Arora and Surinder Arora	1,109,520	4.19%	1,109,520	4.22%
Vijay Kumar Arora	1,117,964	4.23%	1,117,964	4.25%

d) No Share have been issued pursuant to contract without payment being received in cash allotted as fully paid up by way of bonus issues & 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 147,973 (previous year 137,214) 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.

4 Reserves and surplus

(₹ in lacs)

		March 31, 2015	March 31, 2014
Capital reserve / subsidy	(A)		
Balance at the beginning of the year		133.61	108.61
Add : Additions made during the year		-	25.00
Balance at the end of the year		**133.61**	**133.61**
Securities premium reserve	(B)		
Balance at the beginning of the year		6,768.03	6,729.60
Add : Additions made during the year		41.44	38.43
Balance at the end of the year		**6,809.47**	**6,768.03**
General reserve	(C)		
Balance at the beginning of the year		1,672.37	1,287.53
Add : Additions during the year		-	384.84
Balance at the end of the year		**1,672.37**	**1,672.37**
Share options outstanding amount	(D)		
Balance at the beginning of the year		154.22	113.48
Add : Additions made during the year		29.00	40.74
Balance at the end of the year		**183.22**	**154.22**
Surplus in the statement of profit and loss	(E)		
Balance at the beginning of the year		26,271.95	19,516.73
Add : Transferred from statement of profit and loss		7,248.65	7,832.53
Less : Proposed dividend		(529.07)	(591.88)
Less : Corporate dividend tax		(105.78)	(100.59)
Less : Transfer to general reserve		-	(384.84)
Less: Depreciation adjustments against reserves		(94.19)	-
Balance at the end of the year		**32,791.56**	**26,271.95**
Foreign currency translation reserve	(F)	**2,036.67**	**1,462.50**
Total reserves and surplus	**(A+B+C+D+E+F)**	**43,626.90**	**36,462.68**

5 Long term borrowings

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non current	Current	Non current	Current
Secured				
Term loans				
From banks	8,720.22	5,181.33	12,546.40	5,218.67
Vehicle loans	164.32	123.82	197.36	124.24
	8,884.54	**5,305.15**	**12,743.76**	**5,342.91**

a) Details of guarantee for each type of borrowings

Guaranteed by directors				
Term loans				
From banks	13,901.55		17,765.07	

b) Details of term loan :

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	500.00	2011-12	12 equal quarterly	41.66	-	64.26
Oriental Bank of Commerce	1,710.00	2011-12	12 equal quarterly	142.50	-	427.50

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	1,242.00	2012-13	12 equal quarterly	103.50	-	828.00
Oriental Bank of Commerce	1,613.00	2013-14	12 equal quarterly	134.41	-	1,478.58
Oriental Bank of Commerce	2,855	2014-15	12 equal quarterly	237.91	1,463.11	
Oriental Bank of Commerce	1,156	2014-15	12 equal quarterly	96.33	1,059.67	-
Corporation Bank	875.00	2012-13	12 equal quarterly	72.92	291.64	583.32
Allahabad Bank	3,750.00	2010-11	24 equal quarterly	156.25	729.97	1,402.00
Allahabad Bank	2,700.00	2011-12	32 equal quarterly	156.25	1,643.52	2,018.44
Allahabad Bank	250.00	2011-12	12 equal quarterly	22.50	40.63	97.24
Karur Vysysa Bank	1,644	2014-15	12 equal quarterly	45.67	1,507.00	-
Indian Overseas Bank	2,227.00	2013-14	11 equal quarterly 12th installment	186.60 181.00	1,669.00	2,227.00
Bank of Baroda, Deira, Dubai	304.87	2010-11	180 equal monthly	1.78	-	279.10
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	2,770.83
US Finance	USD 0.1 million	2012-13	36 equal monthly	19.52	73.03	179.49
Citi Bank	USD 1.56 million	2013-14	175.5 equal monthly	5.33	888.68	915.76
Citi Bank	USD 1.0 million	2013-14	54 equal monthly	11.09	472.02	585.59
Allahabad Bank	2,500.00	2011-12	12 equal quarterly	208.40	-	416.00
Allahabad Bank	150.00	2012-13	12 equal quarterly	5.47	62.32	99.79
Dena Bank	1,500.00	2011-12	72 equal monthly	18.52	682.21	992.16
State Bank of India	2,395.00	2011-12	12 equal monthly	27.33		-
Dena Bank	2,400.00	2013-14	12 equal quarterly	200.00	1,600.00	2,400.00
					13,901.55	**17,765.06**

(i) 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, 2015 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.

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

(iii) Working capital term loan from Allahabad Bank, Hong Kong is availed to the extent of USD 5 million against sanction of USD 10 million

c) Details of vehicle loan :

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7	2011-12	72	0.23	-	2.20
HDFC Bank	8	2011-12	36	0.26	-	0.77
HDFC Bank	22.25	2013-14	60	0.47	18.34	21.96
ICICI Bank	17.83	2010-11	60	0.38	2.29	6.56
ICICI Bank	60	2010-11	60	1.27	12.12	25.20
ICICI Bank	12.3	2013-14	60	0.26	10.27	12.30
HDFC Bank	74.41	2012-13	60	1.22	32.70	42.55
State Bank of India	48.00	2012-13	60	0.68	25.30	34.39
ICICI Bank	49.77	2014-15	60	1.00	42.41	-
HDFC Bank	18.59	2012-13	60	0.06	9.06	12.75

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
HDFC Bank	42.58	2012-13	60	0.76	42.51	57.46
HDFC Bank	5.98	2014-15	60	0.16	4.52	-
HDFC Bank	19.07	2011-12	48	0.50	0.50	6.12
HDFC Bank	19.07	2011-12	48	0.50	0.50	6.12
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.14
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	20.10	2011-12	48	0.49	2.86	8.14
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.14
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	7.59	2014-15	48	0.20	6.27	-
HDFC Bank	11.50	2014-15	48	0.25	10.13	-
HDFC Bank	5.66	2014-15	48	0.15	4.83	-
HDFC Bank	6.68	2014-15	48	0.18	5.69	-
HDFC Bank	18.99	2014-15	48	0.50	16.85	-
HDFC Bank	21.00	2014-15	48	0.45	18.48	-
HDFC Bank	21.00	2014-15	36	0.30	2.51	5.60
Bank of Baroda	22.31	2012-13	60	0.32	-	19.95
					288.14	**321.60**

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, 2015 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 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 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) Term loan from Dena Bank is secured against first exclusive charge over the entire fixed assets created under the Kurkure plant, Kamaspur.

(v) Term loan from Dena Bank is secured against first pari passu charge with Allahabad Bank on existing project assets excluding vehicles and computer software and fixed assets pertaining to Kurkure project.

(vi) Term loan from Oriental Bank of Commerce are 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.

(vii) Term loan Karur Vysysa Bank are 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.

(viii) Term loan from Citi Bank is secured primariliy by all assets.

(ix) Term loan from Allahabad Bank, Hong Kong is secured by mortgage over land and building, personal guarantee of promoters, corporate guarantee of LT Foods Limited and assignment of brands.

(x) USD term loan from Allahabad Bank is secured by assignment of "Kusha" brand.

(xi) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Deferred tax (asset) / liability

(₹ in lacs)

	March 31, 2015	March 31, 2014
Deferred tax liabilities arising on account of :		
Depreciation and amortisation	434.69	748.20
Keyman insurance policy	74.65	87.88
	509.34	**836.08**
Deferred tax assets arising on account of :		
Provision for employee benefits	(139.04)	(28.42)
Unabsorbed carry forward losses	-	(129.15)
Provision for doubtful debts and advances	(236.93)	(218.74)
Diminution in value of investment	(19.44)	(0.92)
Expenses disallowed for tax computation	(73.39)	(73.99)
Others	(160.44)	(257.24)
	(629.24)	**(708.46)**
	(119.90)	**127.62**

7 Other long term liabilities

(₹ in lacs)

	March 31, 2015	March 31, 2014
Security deposits from distributors	9.78	8.68
	9.78	**8.68**

8 Provisions

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Provisions for employee benefits	130.81	31.09	124.95	20.53
Proposed dividend to equity shareholders	-	529.07	-	591.88
Corporate dividend tax	-	105.78	-	100.59
Provision for taxation (net of advance tax)	-	2,632.18	-	3,878.49
Others	2.91	33.10	-	10.35
	133.72	**3,331.22**	**124.95**	**4,601.84**

a) Employee benefits (Gratuity)

The holding company has a funded gratuity plan and subsidiaries have unfunded plans, for the purpose of funded gratuity obligation the holdig 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 planed assets disclosed below has been obtained by the holding company from Life Insurance Corporation of India.

(₹ in lacs)

	March 31, 2015	March 31, 2014
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	259.35	245.75
Current service cost	69.61	49.65
Interest cost	25.21	22.88
Actuarial (gain) / loss	(28.40)	(23.25)
Benefits paid	(21.74)	(35.68)
Projected benefit obligation at the end of the year	**304.03**	**259.35**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Change in plan assets		
Fair value of plan assets at the beginning of the year	201.39	118.21
Expected return on plan assets	19.81	11.78
Employer contributions	46.48	106.87
Acturial gains	1.60	-
Benefits paid	(21.74)	(35.47)
Fair value of plan assets at the end of the year	**247.54**	**201.39**
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	304.04	259.36
Funded status of the plans	247.54	202.16
Liability recognised in the balance sheet	**56.50**	**57.20**
Components of net gratuity costs are		
Service cost	80.16	49.65
Interest cost	25.21	22.88
Expected returns on plan assets	(19.81)	(12.18)
Recognised net actuarial (gain)	(28.40)	(24.02)
Net gratuity costs	**57.16**	**36.33**
Assumptions used		
Discount rate	7.85%	9.15%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	9.00%	9.25%
Average remaining life	23.28 to 26.35	23.60 to 24.70

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 lacs)

	March 31, 2015	March 31, 2014
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	88.28	56.82
Current service cost	7.80	3.16
Interest cost	8.13	4.82
Actuarial loss	10.08	28.49
Benefits paid	(8.89)	(5.01)
Projected benefit obligation at the end of the year	**105.40**	**88.28**
Expenses recognised in the statement of profit and loss		
Current service cost	18.06	3.16
Interest cost	(6.97)	4.82
Recognised net actuarial (gain) / loss	84.25	28.49
Net costs	**95.34**	**36.47**
Assumptions used		
Discount rate	7.85%	9.15%
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.		

b. Details with respect to proposed dividend

Dividends proposed to		
Equity shareholders	529.07	591.88
Proposed dividend per share		
Equity shareholders	2.00	2.25

9 Short-term borrowings

(₹ in lacs)

	March 31, 2015	March 31, 2014
Secured		
From banks	154,854.84	128,580.71
	154,854.84	128,580.71
Unsecured		
Loans repayable on demand		
From banks	-	3,469.10
From directors	100.10	0.10
From other parties	29.09	93.30
	129.19	3,562.50
	154,984.03	**132,143.21**

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 3.00% 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.

10 Trade payables

(₹ in lacs)

	March 31, 2015	March 31, 2014
Dues to micro, small and medium enterprises (refer note (a) below)	643.28	930.81
Other sundry creditors	9,121.36	13,901.87
Acceptances	231.33	-
	9,995.97	**14,832.68**

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
Principal amount remaining unpaid	643.28	930.81
Interest accrued and remaining unpaid as at year end	-	-

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, 2015 and 2014 has been made in the financial statements based on information received and available with the Company.

11 Other current liabilities

(₹ in lacs)

	March 31, 2015	March 31, 2014
Current maturity of long term debts (refer note 5)	5,305.15	5,342.91
Interest accrued but not due on borrowings	52.81	99.08
Unclaimed dividend *	14.60	12.88
Advances form customers	6,899.15	1,752.63
Other liabilities	5,191.70	5,325.14
Security deposits from customer	11.80	9.70
	17,475.21	**12,542.34**

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

12 Tangible assets

(₹ in lacs)

		Land Freehold	Land leasehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
a)	**Gross block**								
	Balance as at April 01, 2013	**4,561.76**	**616.70**	**9,823.98**	**25,200.91**	**437.64**	**1,112.80**	**2,047.05**	**43,800.84**
	Additions	-	35.07	1,738.92	1,687.58	424.07	174.00	157.56	4,217.20
	Disposals	-	-	(108.24)	(485.12)	62.98	(46.35)	(72.20)	(774.89)
	- Foreign exchange fluctuation	47.74		144.77	45.18	9.01	11.41	10.51	268.62
	- Borrowing costs	-	-	-	-	-	-	-	-
	Balance as at March 31, 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
	- Borrowing costs	-	-	-	-	-	-	-	-
	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**
b)	**Accumulated depreciation**								
	Balance as at April 01, 2013	**-**	**-**	**2,332.58**	**12,566.39**	**227.63**	**645.62**	**1,146.31**	**16,918.53**
	Depreciation charge	-	-	627.71	2,490.80	83.35	144.95	255.40	3,602.21
	Reversal on disposal of assets	-	-	(52.59)	(313.01)	(36.29)	(52.53)	(33.26)	(487.68)
	Translation Reserve	-	-	14.92	29.47	5.34	4.99	4.86	59.58
	Balance as at March 31, 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
	Charge 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**
	Net block								
	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**
	Balance as at March 31, 2014	4,609.50	651.77	8,676.81	11,674.90	527.71	508.83	769.61	27,419.13

13 Intangible assets

(₹ in lacs)

Gross Block	Goodwill	Brands/ Trademarks	Computer software	Total
Balance as at April 01, 2013	8,259.96	300.00	14.30	8,574.26
Additions	10.28	-	-	10.28
Other adjustments				-
- Foreign exchange fluctuation	826.88	-	-	826.88
Balance as at March 31, 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**
Accumulated depreciation				
Balance as at April 01, 2013	**1,406.62**	**186.00**	**4.41**	**1,597.03**
Depreciation charge*	130.89	5.70	1.33	137.92
- Foreign exchange fluctuation	126.44	-	-	126.44
Balance as at March 31, 2014	**1,663.95**	**191.70**	**5.74**	**1,861.39**
Depreciation charge	181.43	33.80	2.62	217.85
- Foreign exchange fluctuation	75.49	-	-	75.49
Balance as at March 31, 2015	**1,920.87**	**225.50**	**8.36**	**2,154.73**
Net block				
Balance as at March 31, 2015	**7,455.83**	**74.50**	**5.94**	**7,536.27**
Balance as at March 31, 2014	7,433.17	108.30	8.56	7,550.03

* includes impairment loss of Nil (previous year ₹ 271.27 lacs) on goodwill owing to reduction in value of subsidiary Kusha Inc.

14 Non-current investments (Valued at cost unless stated otherwise)

(₹ in lacs)

		March 31, 2015	March 31, 2014
	Non- Trade investments		
(i)	Investment in associate		
	42,500 (previous year 42,500) equity shares of		
	- L T Infotech Private Limited of ₹ 10 each*	4.25	4.25
	Less: Share of loss in associate	(4.25)	(4.25)
	- Raghuvesh Warehousing Private Limited		
	1,600,000 (previous year nil) equity shares of ₹10 each	160.00	-
	- Raghuvesh Agri Foods Private Limited	160.00	-
	1,600,000 (previous year nil) equity shares of ₹10 each		
(ii)	Keyman insurance policies	225.82	264.63
	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 fund (quoted)		
	50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
	48,875.855(previous year 48,8758.855) 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 Sundaram 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) **Investment in Mutual funds**		
	10,00,000 (previous year 10,00,000) units of ₹10 each of CIG Realty Fund	-	100.00
	(d) **In Government securities** National Saving Certificate **	0.21	0.22
		697.76	516.58
	*Less: Share of loss in associate	4.25	4.25
		693.51	**512.33**
	** National saving certificate of ₹0.22 lacs 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	235.27
	Unquoted trade investments	225.82	264.63
	Market value of quoted investments	25.83	23.28

15 Loans and advances

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Unsecured, considered good unless otherwise stated				
Capital advances	187.03	-	750.35	-
Security deposits				
- Unsecured, considered good	613.12	209.20	409.58	301.58
- Consider doubtful	-	-	1.60	-
- Provision for doubtful advances	-	-	(1.60)	-
Minimum alternative tax credit receivable	-	345.13	28.64	385.71
Advance income tax (net of provision for tax)	1,660.52	300.72	581.44	1,326.75
Balances with central excise authorities	234.98	50.73	244.15	46.31
	2,695.65	**905.78**	**2,014.16**	**2,060.35**

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good	173.92	30,978.03	98.24	6,226.44
- Consider doubtful	-	-	-	52.06
- Provision for doubtful advances	-	-	-	(52.06)
	173.92	**30,978.03**	**98.24**	**6,226.44**
	2,869.57	**31,883.81**	**2,112.40**	**8,286.79**

16 Other assets

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
Interest accrued but not due on fixed deposits	-	55.66	30.85	51.23
Deferred premium on forward contacts	-	-	-	89.95
Bank deposits with maturity of more than 12 months (refer note 19)	162.74	-	203.38	-
Others	108.33	0.11	102.97	0.19
	271.07	**55.77**	**337.20**	**141.37**

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
Raw material		
Paddy	57,099.15	61,047.11
Bardana	2,221.49	1,229.83
Packaging Material	1,480.97	1,108.32
Finished goods	70,641.00	69,811.16
Traded goods	4,252.89	1,515.93
Stores and spares	526.07	223.00
	136,221.57	**134,935.35**

18 Trade receivables

(₹ in lacs)

	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	390.63	-
Considered doubtful	474.87	475.76
	978.05	475.76
Less : Allowances for bad and doubtful debts	(474.87	(475.76)
	390.63	-
Other debts :		
Unsecured considered good	31,401.59	32,612.72
	31,792.22	**32,612.72**

19 Cash and bank balances

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents:				
Cash on hand				
In Indian currency	-	80.65	-	57.09
In foreign currencies	-	6.00	-	4.48
Balances with banks				
- in current accounts	-	1,616.65	-	2,640.91
- in deposit account (with original maturity upto 3 months)*	-	90.00	-	748.44
Other bank balances:				
Unpaid dividend account	-	14.60	-	12.88
Deposits with original maturity more than 3 months but residual maturity less than 12 months	-	312.60	-	43.23
Bank deposits with residual maturity of more than 12 months	162.74	-	203.38	-
	162.74	**2,120.50**	**203.38**	**3,507.03**

* The deposits are restricted as they are held as margin money deposits against guarantees.

20 Revenue from operations

(₹ in lacs)

	March 31, 2015	March 31, 2014
Sale of products		
Rice	262,707.35	239,429.76
Other items	8,971.73	6,742.88
	271,679.08	**246,172.64**
Sale of services	1,779.07	1,237.97
	273,458.15	**247,410.61**

21 Other income

(₹ in lacs)

	March 31, 2015	March 31, 2014
Dividend from non trade investments	0.14	0.13
Profit from sale of fixed assets (net)	57.77	4.69
Interest on bank fixed deposits	59.17	104.02
Profit on exchange fluctuation (net)	2,835.88	-
Profit on sale of investments	23.00	-
Export incentive	26.13	18.81
Amounts written back	328.15	448.83
Miscellaneous receipts	1,189.85	1,281.40
	4,520.09	**1,857.88**

22 Material consumed

(₹ in lacs)

	March 31, 2015	March 31, 2014
Opening stock		
Paddy	61,047.11	48,097.20
Bardana	1,229.83	1,614.62
Packing material	1,108.33	860.46
	63,385.27	50,572.28
Add: purchases		
Paddy	117,525.80	118,027.90
Bardana	1,797.14	826.85
Packing material	6,802.98	6,459.34
Broken rice / unpolished rice for consumption	33,553.07	55,342.96
Others	13.57	26.11

(₹ in lacs)

	March 31, 2015	March 31, 2014
	159,692.56	180,683.16
Less: closing 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
	162,276.22	**167,870.17**
Consumption details		
Paddy	121,473.76	105,077.99
Bardana	805.48	1,211.64
Other	13.57	26.11
Packing material	6,430.34	6,211.47
Rice	33,553.07	55,342.96
	162,276.22	**167,870.17**
Less: Loss due to fire	18,037.04	-
	144,239.18	**167,870.17**

23 Purchase of stock in trade

(₹ in lacs)

	March 31, 2015	March 31, 2014
Rice (traded)	61,199.19	28,635.66
Soyabean	2,181.89	1,840.59
Others	3,268.21	1,072.97
	66,649.29	**31,549.22**

24 Changes in inventories of finished goods and stock in trade

(₹ in lacs)

	March 31, 2015	March 31, 2014
Opening stock		
Finished goods	68,153.72	48,365.62
Traded goods	3,173.37	6,838.02
Translation reserve	277.92	889.75
Closing stock		
Finished goods	70,641.00	68,153.72
Traded goods	4,252.89	3,173.37
	(3,288.88)	**(15,233.70)**

25 Employee benefits

(₹ in lacs)

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	6,483.40	5,548.59
Contribution to provident and other fund	234.72	141.36
Staff welfare expenses	255.38	206.77
Director's remuneration	263.94	257.48
Directors remuneration of subsidiary companies	184.48	232.36
	7,421.92	**6,386.56**

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, 2015 is ` 29.00 lacs (March 31, 2014 ` 40.74 lacs).

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

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

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

Grant date	**ESOP-2010 (Grant I) April 01, 2011**	**ESOP-2010 (Grant II) Feb 07, 2013**
Fair value of option using the Black Scholes model	21.05	24.97
Fair value of shares at grant date (₹)	49.5	58.8
Exercise price (in ₹)	38	38
Expected volatility	67%	54%
Option life (in years)	4	4
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

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

ESOP-2010 (Grant I)
Share options granted to employees and others providing similar services

Number of options	March 31, 2015			March 31, 2014		
	Number of options	**Weighted average exercise price (in ₹)**	**Weighted average remaining contractual life**	**Number of options**	**Weighted average exercise price (in ₹)**	**Weighted average remaining contractual life**
Balance at beginning of the year	467,048	38	-	598,348	38	-
Forfeited during the year	128,677	38	-	-	-	-
Exercised during the year	142,059	38	-	131,300	38	-
Balance at end of the year	196,312	38	-	467,048	38	-
Exercisable at end of the year	196,312	38	1	304,966	38	2

ESOP-2010 (Grant II)
Share options granted to employees and others providing similar services

	March 31, 2015			March 31, 2014		
	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Balance at beginning of the year	195,295	38	-	201,209	38	-
Forfeited during the year	53,763	38	-	-	-	-
Exercised during the year	5,914	38	-	5,914	38	-
Balance at end of the year	135,618	38	-	195,295	38	-
Exercisable at end of the year	32,057	38	2.86	44,388	38	3.86

26 Finance costs

(₹ in lacs)

	March 31, 2015	March 31, 2014
Interest on working capital loans	13,208.37	9,427.22
Interest on term loans	1,326.09	1,375.53
	14,534.46	10,802.75
Bank charges	580.45	539.04
	15,114.91	**11,341.79**

27 Other expenses

(₹ in lacs)

	March 31, 2015	March 31, 2014
Warehouse rent (refer note 34)	568.34	397.77
Wages	1,142.08	931.31
Job work	25.00	499.76
Factory insurance	76.34	60.24
Power and fuel	2,857.61	2,369.35
Security services	220.63	118.29
Research and development	6.58	1.98
Packing expenses	350.78	195.58
Repairs and maintenance		
- Machinery	187.57	179.00
- Building	135.24	106.67
- Others	98.15	87.15
Stores and spares consumed	1,305.81	1,151.23
Advertisement	4,167.95	3,196.28
Insurance	512.17	414.90
Legal and professional charges	1,769.88	1,048.06
Rates and taxes	204.55	136.21
Donation and charity	41.55	47.79
Directors' sitting fees	11.35	9.83
Auditors' remuneration	39.48	55.57
Fines and penalties	8.36	3.13
Rent (refer note 34)	61.89	312.03
Vehicle running and maintenance	232.64	149.05
Other administrative expenses	1,210.98	1,530.71
Travelling and conveyance	1,476.63	1,247.13
Rebate and discounts	1,879.60	1,529.31
Commission to selling agents	733.48	535.73
Clearing, forwarding and freight charges	7,776.29	5,956.68
Business promotion expenses	280.27	229.87
Freight outward	1,433.43	1,066.41

(₹ in lacs)

	March 31, 2015	March 31, 2014
Other selling expenses	2,973.53	2,762.20
Amounts written off	176.18	1,633.52
Loss on sales of fixed assets	0.41	223.39
Provision for doubtful recoveries	-	55.69
Loss on exchange fluctuation (net)	-	2,161.35
Premium on forward contract	89.95	109.27
	32,054.70	**30,512.44**

28 Contingent liabilities

(₹ in lacs)

Nature of contingency	March 31, 2015	March 31, 2014
- Income-tax demands *	2,895.85	904.11
- HRDF Demand of Market Committee, Sonepat	-	30.78
- Guarantees given by group	813.82	1,628.52
- 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 ₹5,955.78 lacs (previous year ₹6,965.01 lacs))	931.86	1,088.54
- Saracen Advertising JLT demand for breach of contract	133.07	-
- Non-payment of commission to D. M. Livemore	-	419.37
Total	**5,148.84**	**4,445.57**

* In case of Daawat Foods Limited, the group has filed appeals in previous years against the order of AO before CIT (Appeals) for the Assessment Year 2007-08 and Assessment Year 2009-10. The CIT (Appeals) has allowed substantial relief to the group and after allowing appeal effect of the order of CIT(Appeals) by the Assessing Officer, the demand has reduced to ₹59.57 lacs (previous year ₹59.57 lacs). The group 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 current year, the group has received demands under section 143(3) for Assessment Year 2010-11 and Assessment Year 2011-12 for ₹225.21 lacs and ₹250.30 lacs respectively. For these Assessment Year, the group has already filed an appeal before the CIT (Appeals). Pending the 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 Income Tax Appellate Tribunal and no liability on the group on account of these proceedings.

* In case of LT Foods Limited, the group 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 group and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has reduced to ₹89.84 lacs (previous year ₹89.84 lacs). The group 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 group's appeal for the AY 2008-09 and AY 2009-10 are still pending before Income Tax Appellate Tribunal and demand of ₹ 563.57 lacs (net of relief from CIT (Appeals)) are outstanding against the group (previous year ₹563.57 lacs). Further, the group appeal for the AY 2000-01 has been decided in the favor of group by ITAT and after allowing appeal effect of the order of ITAT, the liability is reduced to ₹1.47 lacs (previous year ₹180.96 lacs) which has been provided by the group in the books in the current year. During the current year, the group has received demands under section 143(3) for AY 2010-11 and AY 2011-12 for ₹1,691.78 lacs.

For AY 2010-11 the group has already filed an appeal before the CIT (Appeals) and for AY 2011-12 the group is in the process of filing an appeal before the 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. The group has paid ₹1,028.15 lacs (previous year ₹1,028.15 lacs) are 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 it's position is likely to be upheld in the appeals pending before Income Tax Appellate Tribunal and no liability on the group on account of these proceedings.

* In case of SDC India Foods Limited, The group has filed an appeal against the order of AO imposing penalty under section 271(1)© for the AY 2008-09 before the CIT (Appeals). The management is confident that it's position is likely to be upheld in the appeal pending before CIT (Appeals) and there will be no liability on the group on account of these proceedings

* In case of Nature Bio Foods Limited, During the assessment year 2009-10 the Income Tax Department ('The Department') has added back ₹4.97 Lacs on account of various reasons to the total income of the group. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 30.12.2010 demanding ₹10.17 Lacs. The group had contested the above order before CIT (Appeal) and the Ld. CIT (Appeal) has dismissed the appeal vide order dated. 29.3.2012. The group has contested above order before H'ble ITAT. No Provision is considered necessary in this regard since the group has been advised that it has a good case and the chances of case decided against the group is not probable. During the assessment year 2010-11 the Income Tax Department ('The Department') has added back ₹24.43 Lacs on account of various reasons to the total income of the group. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 28.03.2013 demanding ₹5.15 Lacs. The group had contested the above order before CIT (Appeal). No Provision is considered necessary in this regard since the group has been advised that it has a good case and the chances of case decided against the group is not probable. The aforesaid demand is including interest up to 28.03.2013 but excluding interest from 01.04.2013 onwards and penalty.

29. Capital Commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹466.93 lacs (previous year: ₹1,649.38 lacs)].

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
  Raghuvesh Agri Foods Private Limited
  Raghuvesh Warehousing Private Limited

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

Enterprises over which Key Management personnel exercise significant influence

V.K. Foods

S K. Engineering Group

R.S. Rice & General Mills

Ashok Arora HUF

Raghunath Arora HUF

Super Taxfab Private Limited

Transactions with key management persons and their relatives

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Sales		
V.K Foods	173.24	-
S K Engineering Company	13.75	-
Purchases		
S K Engineering Company	30.27	-
Super Taxfab Private Limited	77.17	18.42
Remuneration paid		
Vijay Kumar Arora	120.39	120.39
Ashwani Kumar Arora	72.28	70.75
Surinder Kumar Arora	78.32	78.39
Ashok Arora	60.00	60.00
Abhinav Arora	110.06	108.89
Aditya Arora	18.00	9.60
Aditi Arora	4.00	4.00
Anmol Arora	1.25	-
Gursajan Arora	27.42	9.76
Isha Arora	4.00	4.00
Ritesh Arora	4.75	0.74
Purva Arora	1.67	-
Sanjana Arora	3.74	-
Divya Arora	6.75	-
Dividend paid to key management personnel	247.73	165.35
Dividend paid to relatives of key management personnel	155.12	174.74
Rent Paid		
R.S. Rice & General Mills	8.00	-
Vijay Kumar Arora	7.50	2.18
Ranju Arora	7.50	2.18
Rent Received		
V.K Foods	2.40	2.02
S K Engineering Company	1.40	-
Interest paid		
Ashok Arora	-	1.23
Ashok Arora HUF	0.19	1.07
Raghunath Arora HUF	0.09	0.11
Ranju Arora	0.88	0.79
Sakahi Arora	0.16	0.15
Balance at year end		
Ashok Arora	-	-
Ashok Arora HUF	1.73	1.56
Raghunath Arora HUF	0.87	0.78
Ranju Arora	8.11	7.32
Sakahi Arora	1.51	1.37

31 Earnings per share

Particulars	March 31, 2015	March 31, 2014
Net profit attributable to equity shareholders after minority interest (₹ in lacs)	7,248.65	7,832.52
Numbers of weighted average equity share outstanding at the year end for Basic (₹in lacs)		
Numbers of weighted average equity share outstanding at the year end for Diluted (₹ in lacs)	263.86	262.63
Nominal value of equity share (₹)	266.09	265.31
Earnings Per Share–	10	10
Basic (₹)	27.46	29.82
Diluted (₹)	27.23	29.52

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%
Step subsidiaries		
Nice International FZE (Liquidated on 22 March 2015)	UAE	100%
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%
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	35.94%
Name of partnership firm		
Raghunath Agro Industries	India	100%*
Name of Associates		
LT Infotech Private Limited	India	42.5%
Raghuvesh Agri Foods Private Limited	India	40%
Raghuvesh Warehousing Private Limited	India	40%

* LT Foods Limited has 4% share and Daawat Foods Limited has 96% share.

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 lacs)

Particulars	India	North America	Rest of the world	Total
Revenue:				
External	149,704.80	84,443.29	43,830.14	277,978.24
Previous year	140,478.23	71,811.97	36,978.31	249,268.50
Segment assets	7,982.94	8,281.63	15,527.64	31,792.21
Previous year	11,864.23	8,335.10	12,413.39	32,612.72
Unallocated assets*				212,619.89
Previous year				186,657.94
Capital expenditure**				5,527.18
Previous year				5,447.26

*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.

**Includes addition of fixed assets from capital work in progress ('CWIP') and hence movement in CWIP has not been separately disclosed.

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, 2015 and 2014 was ₹630.23 lacs and ₹709.80 lacs respectively. The Group has not executed any non-cancelable operating leases.

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

	March 31, 2015 (₹ in lacs)	March 31, 2014 (₹ in lacs)	March 31, 2015 (FC in lacs)	March 31, 2014 (FC in lacs)
Receivables in Foreign Currency				
- Trade receivables	17,288.73	18,926.20	USD 258.06 EURO 14.90	USD 298.90 EURO 11.48
Payables in Foreign Currency				
- Trade payables	452.29	290.46	USD 4.14 EURO 2.85	USD 4.10 EURO 1.10 YEN 1.88

ii) The parent 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, 2015.

(₹ in lacs)

Particulars	Purpose
Forward contract to sell (USD) USD 576.69 (previous year: USD 420.67) ₹37,398.98 (previous year: ₹26,593.80) Euro 20.00 (previous year: Nil) ₹1437.71 (previous year: Nil)	Hedge of highly probable foreign currency

b) The Company has taken put option of USD 40 lacs from Bank of Baroda to hedge its foreign currency receivable exposure having an exercising period between April 2015 to November 2015 for USD 5 lacs per month.

c) The Company has taken put option of USD 24 lacs from ICICI to hedge its foreign currency receivable exposure having an exercising period for April 2015 and November 2015 for USD 3 lacs per month.

d) The Company has taken put option of USD 39 lacs from ICICI Bank to hedge its foreign currency receivable exposure having an exercising period for September 2015 and February 2016 for USD 6.5 lacs per month.

36. On June 7, 2014, a major fire occurred in one of the subsidiary company, Daawat Foods Limited, resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹17,991.40 lacs. The Company has filed an insurance claim with the insurance company amounting to ₹18,971.02 lacs and recognized insurance claim receivable to the extent of net books value of ₹17,991.40 lacs in the books of account. Receivable has subsequently been reduced by amount of ₹224.89 lacs realised on sale of salvaged goods. The insurance company is in the process of completing its assessment and is yet to conclude on this matter. Basis opinion from an independent legal lawyer and other developments, the Company is confident of successful recovery of the said claim amount and therefore, no adjustment to the carrying values of amount recoverable is considered necessary in the financial statement

37. Previous year figures

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

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

For and on behalf of Board of Directors

Sd/-
per **Neeraj Goel**
Partner

Sd/-
Ashwani Kumar Arora
Joint Managing Director
DIN 01574773

Sd/-
Pramod Bhagat
Director
DIN 00198092

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

Sd/-
Som Nath Chopra
Chief Financial Officer

Place: Gurgaon
Date : May 27, 2015

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:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards 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 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.

    f) 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.

    g) 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:

        (i) 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;

        (ii) the Group and its associates 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 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

(₹ in Lakhs)

	Notes	March 31, 2016	March 31, 2015
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	136.42	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	5,357.09	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**	**266,856.56**
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)	(5,527.18)
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)**	**(5,795.72)**

(₹ 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.

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.

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 with in 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.

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	2,036.67
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	Non current	Current
Secured				
Term loans				
From banks	3,546.32	3,826.58	8,720.22	5,181.33
Vehicle loans	210.47	112.58	164.32	123.82
	3,756.79	**3,939.16**	**8,884.54**	**5,305.15**
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

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	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, Kamaspur

(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 primariliy 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	
		Short term	Long term	Short term
Provisions for employee benefits	136.42	53.50	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)	-	4,767.03	-	2,632.18
Others	1.14	55.19	2.91	33.10
	137.56	**5,357.09**	**133.72**	**3,331.22**

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 planed 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
Acturial 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.

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

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
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 interesr 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

(₹ in Lakhs)

	March 31, 2016	March 31, 2015
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.

11 Tangible assets

(₹ in Lakhs)

	Land freehold	Land leasehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicle	Total
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)

(₹ in Lakhs)

		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)

		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 assocciate	-	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
	74.65	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**

16 Other assets

(₹ in Lakhs)

	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**

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

(₹ in Lakhs)

	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**

18 Trade receivables

(₹ in Lakhs)

	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**

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**

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.

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

(₹ 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 arose 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 it's 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.

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 Texfab 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

(₹ in Lakhs)

Particulars	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	131,055.52	24,460.03	12,015.57	167,531.12
Previous year	7,636.60	16,982.17	15,873.98	40,492.75
Unallocated assets*				78,902.29
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.

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 498.5.50 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

Independent Auditor's Report

To the Members of LT Foods Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of LT Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and jointly controlled company, which comprise the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/ management of the subsidiaries included in the Group, and its associates and jointly controlled company are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms of the provisions of the Act, the respective Board of Directors/management of the companies included in the Group, and its associate companies and jointly controlled company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these consolidated financial statements are free from material misstatement.

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

7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 10 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for an audit opinion on these consolidated financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and jointly controlled company as at March 31, 2017, their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

9. We draw attention to Note 35 in the consolidated financial statements which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments, with respect to its assessment of recovery of the insurance claim in the books of the subsidiary, Daawat Foods Limited, at ₹ 13,410.53

Independent Auditor's Report

lacs (net). The claim has been repudiated by the insurance company vide its letter dated February 4, 2016. The subsidiary Company has filed a civil suit against repudiation of the insurance claim. Our opinion is not modified in respect of this matter.

Other Matter

10. We did not audit the financial statements of certain subsidiaries and 1 jointly controlled company, whose financial statements reflect total assets of ₹ 85,246.80 lacs (net of eliminations ₹ 77,308.33 lacs), net assets of ₹ 16,957.33 lacs as at March 31, 2017, total revenues of ₹ 155,534.92 lacs (net of eliminations ₹ 131,798.41 lacs) and net cash inflows amounting to ₹ 209.39 lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 78.63 lacs for the year ended March 31, 2017, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled company, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, associates and jointly controlled company, is based solely on the reports of the other auditors.

    Further, of these subsidiaries, associates and jointly controlled entity, 6 subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries/ furnished by management. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

11. We did not audit the financial statements of 2 subsidiaries, whose financial statements reflect total assets of ₹ 10,282.31 lacs (net of eliminations ₹ 5,182.15 lacs), net assets of ₹ 1467.07 lacs as at March 31, 2017, total revenues of ₹ 27,316.64 lacs (net of eliminations ₹ 3,273.69 lacs) and net cash inflows amounting to ₹ 498.31 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, are based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors and the financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

12. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and jointly controlled company, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and jointly controlled company covered under the Act, none of the directors of the Group companies, its associate companies and jointly controlled company covered under the Act, are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act;

Independent Auditor's Report

f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and jointly controlled company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure 1'; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and jointly controlled company:

(i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and jointly controlled company as detailed in Note 28 to the consolidated financial statements;

(ii) The Group, its associates and jointly controlled company did not have any long term contracts including derivative contracts for which there were any material forseeable losses;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and jointly controlled company covered under the Act during the year ended March 31, 2017; and

(iv) These consolidated financial statements have made requisite disclosures as to holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 by the Holding Company, its subsidiary companies, its associate companies and jointly controlled company covered under the Act. Based on the audit procedures performed and taking into consideration the information and explanations given to us and on consideration of the reports of the other auditors on separate financial statements and other financial information, in our opinion, these disclosures are in accordance with the books of account maintained by the respective companies.

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

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

Place: Gurgaon
Date: May 25, 2017

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

1. In conjunction with our audit of the consolidated financial statements of the LT Foods Limited (the "Holding Company") and its subsidiaries, (the Holding Company and its subsidiaries together referred to as the "Group"), its associates and jointly controlled company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR and

Independent Auditor's Report

the Guidance Note, issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR included obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and jointly controlled company.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled company which are companies incorporated in India, have, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

Other Matters

9. We did not audit the IFCoFR insofar as it relates to certain subsidiary companies and a joint venture company which are companies incorporated in India, whose financial statements reflect total assets of ₹ 27,287.96 lacs as at March 31, 2017, total revenues of ₹ 48,044.85 lacs and net cash inflows amounting to ₹ 776.27 lacs for the year ended on that date; 3 associate companies, which are companies incorporated in India, in respect of which, the Group's share of net loss of ₹ 78.63 lacs for the year ended March 31, 2017 has been considered in the consolidated financial statements. Our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary Companies, its associate companies and jointly controlled company, which are companies incorporated in India, under Section 143(3)(i) of the Act insofar as it relates to the aforesaid subsidiaries, associate companies and jointly controlled company, which are companies incorporated in India, is solely based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

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

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

Place: Gurgaon
Date: May 25, 2016

Consolidated Balance Sheet
as at March 31, 2017

(₹ in lakhs)

	Notes	As at March 31, 2017	As at March 31, 2016
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,666.32	2,666.32
Reserves and surplus	4	62,957.09	51,010.58
		65,623.41	53,676.90
Minority interest		4,515.40	3,428.45
Non-current liabilities			
Long-term borrowings	5	6,437.33	3,756.79
Other long-term liabilities	6	9.78	9.89
Long-term provisions	7	258.63	136.42
		6,705.74	3,903.10
Current liabilities			
Short-term borrowings	8	151,304.01	152,026.64
Trade payables	9		
total outstanding dues of micro enterprises and small enterprises		528.81	438.78
total outstanding dues of creditors other than micro enterprises and small enterprises		21,310.33	14,505.17
Other current liabilities	10	15,410.16	13,097.27
Short-term provisions	7	6,871.14	5,357.09
		195,424.45	185,424.94
		272,269.00	**246,433.39**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	26,904.04	28,299.17
Intangible assets	12	10,151.01	7,822.47
Capital work-in-progress		3,950.39	2,442.81
Non-current investments	13	527.53	642.04
Deferred tax assets (net)	14	844.53	727.77
Long-term loans and advances	15	16,570.00	16,762.73
Other non-current assets	16	164.66	37.64
		59,112.15	56,734.63
Current assets			
Inventories	17	144,828.51	129,957.86
Trade receivables	18	46,291.54	37,573.25
Cash and bank balances	19	4,122.23	3,232.18
Short-term loans and advances	15	16,460.02	18,892.23
Other current assets	16	1,454.55	43.24
		213,156.85	189,698.76
		272,269.00	**246,433.39**

Summary of significant accounting policies and other explanatory information

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

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

(₹ in lakhs)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Income			
Revenue from operations	20	328,654.57	297,342.28
Other income	21	3,556.39	620.33
		332,210.96	**297,962.61**
Expenses			
Cost of material consumed	22	177,467.04	145,583.16
Purchases of stock-in-trade	23	84,373.60	62,054.39
Changes in inventories of finished goods and stock-in-trade	24	(21,321.67)	2,844.29
Employee benefits expense	25	11,699.47	8,977.53
Finance costs	26	15,455.02	14,780.20
Depreciation and amortisation expense	11 and 12	5,415.67	5,151.93
Other expenses	27	39,652.95	42,221.90
		312,742.08	**281,613.40**
Profit before prior period items, exceptional items and tax		**19,468.88**	**16,349.21**
Prior period (expenses)/income	36	(160.30)	5.58
Exceptional items	35	-	(4,400.00)
Profit before tax		**19,308.58**	**11,954.79**
Tax expense			
Current tax		6,855.06	4,681.78
Tax earlier years		93.68	77.63
Minimum alternative tax utilised		131.12	227.20
Deferred tax (credit)		(640.49)	(279.32)
Profit after tax		**12,869.21**	**7,247.50**
Share of (profit)/ loss transferred to minority		(1,047.79)	16.82
Share of loss of associates		78.63	53.40
Profit after tax		**11,742.79**	**7,210.92**
Earnings per equity share (₹)	31		
Basic		4.40	2.72
Diluted		4.39	2.71

Summary of significant accounting policies and other explanatory information

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

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Consolidated Cash Flow Statement

for the year ended March 31, 2017

(₹ in lakhs)

		Year ended March 31, 2017	Year ended March 31, 2016
Cash flow from operating activities			
Profit before prior period items, exceptional items and tax		**19,468.88**	**16,349.21**
Non-cash adjustment to reconcile profit before tax to net cash flows			
Depreciation and amortisation expense		5,415.67	5,151.93
Loss /(Profit) on sale of fixed assets		8.32	(74.25)
Share based payments		-	0.36
Unrealised foreign exchange loss / (gain)		(318.16)	169.84
Provision for doubtful debts		20.41	164.20
Liabilities written back		(207.86)	(260.60)
Amounts written off		4.47	105.03
Loss due to fire		-	4,400.00
Interest expense		14,405.64	14,039.67
Interest income		(70.77)	(63.69)
Prior period items		(160.30)	5.58
Dividend income		(0.09)	(0.16)
Operating profit before operating assets and liabilities		**38,566.21**	**39,987.12**
Changes in operating assets and liabilities :			
Increase in trade payables		8,064.83	5,324.68
Increase/ (Decrease) in provisions and other liabilities		3,315.41	(2,704.11)
Increase in trade receivables		(9,421.76)	(6,362.67)
(Increase)/ Decrease in inventories		(15,736.43)	6,248.52
Increase/ (Decrease) in loans and advances and other assets		1,324.99	(9,395.50)
Cash generated from operations		26,113.25	33,098.03
Income tax paid (net of refunds)		(4,391.34)	(3,382.83)
Net cash generated from operating activities	**A**	**21,721.91**	**29,715.21**
Cash flow from investing activities			
Purchase of fixed assets including intangible assets, capital work in progress and capital advances		(8,673.93)	(5,367.74)
Proceeds from sale of fixed assets		179.77	74.25
Investment in non current investments		-	(1.94)
Proceeds from non current investments		35.88	-
Investment in fixed deposits and unpaid dividend account		(770.93)	(321.08)
Withdrawl in fixed deposits and unpaid dividend account		278.19	153.06
Subsidy received		50.00	25.00
Interest received		76.76	76.11
Dividends received from other investments		0.09	0.16

Consolidated Cash Flow Statement
for the year ended March 31, 2017

(₹ in lakhs)

		Year ended March 31, 2017	Year ended March 31, 2016
Net cash used in investing activities	**B**	**(8,824.16)**	**(5,362.18)**
Cash flow from financing activities			
Proceeds from issue of equity shares		-	79.65
Proceeds from long- term borrowings		6,917.30	204.86
Repayment of long-term borrowings		(4,581.99)	(6,615.54)
Repayments of short term borrowings (net)		(30.75)	(2,885.32)
Interest paid		(14,426.75)	(14,062.08)
Dividends paid on equity shares		(399.95)	(529.07)
Tax on equity dividend paid		(81.42)	(105.78)
Proceeds from issue of share capital to minority		189.15	378.90
Net cash used in from financing activities	**C**	**(12,414.40)**	**(23,534.38)**
Net increase in cash and cash equivalents	**(A+B+C)**	**483.35**	**818.65**
Effect of exchange difference on cash and cash equivalents held in foreign currency		(86.04)	(0.09)
Cash and cash equivalents at the beginning of the year		2,611.86	1,793.30
Cash and cash equivalents at the end of the year		**3,009.16**	**2,611.86**
Components of cash and cash equivalents			
Cash on hand		545.28	111.56
With banks - on current account		2,463.88	2,500.30
Total cash and cash equivalents		**3,009.16**	**2,611.86**

Summary of significant accounting policies and other explanatory information

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

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
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Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

1. Basis of preparation of consolidated financial statements

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

2. Significant accounting policies

a) Principles of consolidation

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

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

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

Interests in the assets, liabilities, income and expenses of the Joint Ventures are consolidated using proportionate consolidation method as per Accounting Standard 27 – "Financial Reporting of Interests in Joint Ventures". Intra group balances, intra-group transactions and unrealized profit or loss are eliminated to the extent of the Company's proportionate share, except where cost cannot be recovered.

Minority interest in (profit) / loss of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Company. Their share of net assets is identified and presented in the Consolidated Balance Sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the parent.

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

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

b. Use of estimates

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

c) Revenue recognition

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

Sale of goods:

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

Rental income:

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognised in the statement of profit and loss on a straight line basis over the lease term.

Interest:

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

Service charges:

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

Dividend:

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

d) Fixed assets

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

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

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

e) Government Grants

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant /subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset. Where the government grants are of the nature of promoter's contribution and no repayment is ordinarily expected in respect of thereof, the grant are treated as Capital Reserve which can be neither distributed as dividend nor considered as deferred income.

f) Depreciation and amortisation

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

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

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

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

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

g) Investments

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

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

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

h) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

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

Work in progress

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

Finished goods

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

i) Foreign currency transaction

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

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

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

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

i) foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and

ii) the same foreign currency amount translated at the latter of the date of the inception of the contract and the last reporting date, as the case may be.

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

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

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

The Company classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations". The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself. The assets and liabilities of non-integral foreign operations are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average quarterly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the "Foreign currency translation reserve". On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss. When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

j) Employee benefits

Provident fund

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

Gratuity

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

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

Compensated absences

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

Share-based payment

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

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

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

Other short term benefits

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

k) Borrowing costs

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

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

l) Earning per share

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

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

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 with in the control of the Group;

b) present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

c) present obligation, where a reliable estimate cannot be made.

o) Impairment of assets

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

p) Segment Reporting

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

a) Revenues and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

b) Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses".

c) Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

q. Leases

Assets acquired on leases where a significant portion of risk and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals in respect of assets taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term.

r) Cash and cash equivalents

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

3 Share capital

(₹ in lakhs)

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

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

(₹ in lakhs)

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

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

b) Terms/rights attached to equity shares

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

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

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

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

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

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

The Company on April 01, 2011 granted 648,329 options to employees specified in the Employee Stock Option Scheme of 2010. Pursuant to the accounting enunciated in the guidelines issued by the Securities & Exchange Board of India, the Company has recorded an expense on the basis of fair valuation of the underlying options. The Remuneration Committee on February 7, 2013 has approved additional grant of 201,209 options to the eligible employees of the Company. Further under the above Scheme, the Committee in the previous meetings had allotted 544,773 shares, and 11291 have been allotted in the meeting held on May 25, 2017 to the employees who have exercised their options. However, 199,230 options granted to the employees specified have lapsed during the year. The aforementioned shares are before share split (note 9). Appropriate modifications in the Employee Stock Option Scheme shall be made to take impact of the share split.

e) Subdivision of equity shares

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

(ii) The earning per share in respect of all the reported periods has been restated considering the aforesaid sub division of shares.

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

4 Reserves and surplus

			(₹ in lakhs)
		March 31, 2017	**March 31, 2016**
Capital reserve/subsidy			
Balance at the beginning of the year		158.61	133.61
Add : Additions made during the year (refer note 37)		50.00	25.00
Balance at the end of the year	(A)	208.61	158.61
Securities premium reserve			
Balance at the beginning of the year		6,868.16	6,809.47
Add : Additions made during the year		-	58.69
Balance at the end of the year	(B)	6,868.16	6,868.16
General reserve			
Balance at the beginning of the year		1,672.37	1,672.37
Add : Additions during the year (refer note 38)		455.64	-
Balance at the end of the year	(C)	2,128.01	1,672.37
Share options outstanding amount			
Balance at the beginning of the year		183.58	183.22
Add : Additions made during the year		-	0.36
Balance at the end of the year	(D)	183.58	183.58
Surplus in the statement of profit and loss			
Balance at the beginning of the year		39,519.20	32,791.56
Add : Transferred from statement of profit and loss		11,742.79	7,210.92
Less : Proposed dividend		-	(401.87)
Less : Corporate dividend tax		-	(81.42)
Balance at the end of the year	(E)	51,261.99	39,519.19
Foreign currency translation reserve	(F)		
Balance at the beginning of the year		2,608.67	2,036.67
Add : Additions made during the year		(301.93)	572.00
Balance at the end of the year		2,306.74	2,608.67
Total reserves and surplus	**(A+B+C+D+E+F)**	**62,957.09**	**51,010.58**

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

5 Long-term borrowings

(₹ in lakhs)

	March 31, 2017		March 31, 2016	
	Non current	Current	Non-current	Current
Secured				
Term loans				
From banks	4,427.89	3,013.75	3,546.32	3,826.58
From others	1,875.00	300.00	-	-
Vehicle loans				
From banks	78.89	91.99	210.47	112.58
From others	55.55	9.17	-	-
	6,437.33	**3,414.91**	**3,756.79**	**3,939.16**
a) Details of guarantee for each type of borrowings				
Guaranteed by directors				
Term loans				
From banks	7,441.64		7,372.90	
From others	2,175.00		-	

b) Details of term loan :

(₹ in lakhs)

Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
Oriental Bank of Commerce	2,855.00	2014-15	12 equal quarterly	237.91	-	580.40
Oriental Bank of Commerce	1,156.00	2014-15	12 equal quarterly	96.33	289.00	674.33
Allahabad Bank	2,700.00	2011-12	32 equal quarterly	156.25	831.90	1,305.99
Karur Vysysa Bank	1,644.00	2014-15	12 equal quarterly	45.67	167.45	837.23
Oriental Bank of Commerce	1,810.00	2016-17	6 equal half yearly	300.00	603.33	-
Oriental Bank of Commerce	150.00	2016-17	12 equal quarterly	12.50	85.40	-
Indian Overseas Bank	2,227.00	2013-14	11 equal quarterly 12th installment	186.60 181.00	-	925.00
Mashreq Bank	AED 3 million	2016-17	180 equal monthly	4.14	513.75	-
Mashreq Bank	AED 0.75 million	2016-17	180 equal monthly	1.09	128.70	-
Mashreq Bank	AED 0.93 million	2016-17	180 equal monthly	1.35	159.58	-

(₹ in lakhs)

Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
Citi Bank	USD 1.56 million	2013-14	175.5 equal monthly	5.33	-	1,467.09
Citi Bank	USD 1.00 million	2013-14	54 equal monthly	11.09	-	355.76
JP Morgan Chase	USD 2.33 million	2016-17	120 equal monthly	6.28	1,438.55	-
JP Morgan Chase	USD 5.00 million	2016-17	36 equal monthly	90.06	2,701.87	-
JP Morgan Chase	USD 1.100 million	2016-17	60 equal monthly	11.89	641.97	-
Dena Bank	1,500.00	2011-12	72 equal monthly	18.52	180.14	427.10
Dena Bank	2,400.00	2013-14	12 equal quarterly	200.00	-	800.00
Hero Fin Corp	1,500.00	2016-17	20 equal quarterly	75.00	1,425.00	-
IIFL Wealth Finance Limited	500.00	2016-17	Bullet payment	-	450.00	-
					9,616.64	**7,372.90**

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2017 the interest rates ranges from 10.00 % to 13.50 % per annum (previous year 10.00% to 13.50% per annum)

c) Details of vehicle loan :

(₹ in lakhs)

Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
HDFC Bank	22.25	2013-14	60	0.47	9.89	14.33
ICICI Bank	17.83	2010-11	60	0.38	-	0.27
HDFC Bank	17.87	2016-17	36	0.50	14.78	-
ICICI Bank	12.3	2013-14	60	0.26	5.52	8.02
HDFC Bank	74.41	2012-13	60	1.22	9.82	21.83
State Bank of India	48.00	2012-13	60	0.68	4.00	15.21
ICICI Bank	49.77	2014-15	60	1.00	24.06	33.84
HDFC Bank	18.59	2012-13	60	0.06	0.40	4.95
HDFC Bank	42.58	2012-13	60	0.76	8.59	25.56
HDFC Bank	5.98	2014-15	60	0.16	0.39	2.56
HDFC Bank	16.31	2015-16	36	0.52	10.08	15.13
HDFC Bank	6.65	2015-16	36	0.21	4.10	6.16
HDFC Bank	7.59	2014-15	48	0.20	2.56	4.52
HDFC Bank	11.50	2014-15	48	0.25	5.94	8.14

(₹ in lakhs)

Name of the bank and financial institution	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2017	March 31, 2016
HDFC Bank	5.66	2014-15	48	0.15	2.13	3.57
HDFC Bank	6.68	2014-15	48	0.18	2.52	4.21
HDFC Bank	18.99	2014-15	48	0.50	7.86	12.57
HDFC Bank	21.00	2014-15	48	0.45	10.75	14.80
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.65
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.65
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.66
HDFC Bank	12.50	2015-16	48	0.32	8.90	11.66
HDFC Bank	7.00	2015-16	36	0.22	4.33	6.50
HDFC Bank	5.70	2015-16	48	0.15	3.57	4.91
HDFC Bank	5.80	2015-16	48	0.17	3.99	5.35
Daimler Financial Services India Private Limited	65.22	2015-16	47	1.21	64.72	64.03
					235.60	**323.05**

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

d) Details of security for each type of borrowings :

(i) Term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu charge on current assets of the Parent Company and personal guarantee of promoters.

(ii) Term loan from Allahabad Bank amounting to ₹ 831.90 availed by the Parent Company is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar. Second pari -passu charge over fixed assets of Bahalgarh unit along with equitable mortgage over land and building on pari passu basis to secure entire credit facilities sanctioned by consortium.

(iii) Term loan from Dena Bank amounting to ₹ 180.14 availed by a Subsidiary Company is secured against first exclusive charge over the entire fixed assets created under the Kurkure plant, Kamaspur. This is further secured by personal guarantee of Promoter-Directors of the Subsidiary Company.

(iv) In the previous year, Term loan from Dena Bank amounting to ₹ 800.00 availed by a Subdiary Company is secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu on current assets of the Subsidiary Company.

(v) Term loans from Oriental Bank of Commerce amounting to ₹ 977.23 availed by Parent Company are secured against first pari-passu charge on existing project assets excluding assets charged specifically to term lenders and second pari-passu charge on current assets of the Parent company.

(vi) Term loan Karur Vysysa Bank amounting to ₹ 167.45 availed by the Parent Company is secured against first pari-passu charge on existing project assets excluding Amritsar Silos Project assets charged specifically to Allahabad Bank and second pari-passu charge on current assets of the Parent company.

(vii) In the previous year, Term loan from Citi Bank is secured primarily by all assets of LT Overseas North America.

(viii) USD Term loan 2.33 million from JP Morgan Chase availed by LT Overseas North America is secured by mortgage over warehouse at Houston.

(ix) USD Term loan 1.11 million from JP Morgan Chase as availed by LT Overseas North America is secured by mortgage against machinery in California and New Jersey.

(x) Term loan Indian from Overseas Bank amounting to ₹ 925.00 availed by Parent Company is secured against first pari-passu charge on existing project assets excluding assets charged specifically to Allahabad Bank and second pari-passu charge on current assets of the Parent company.

(xi) Term loan from IIFL Wealth Finance Limited amounting to ₹ 450.00 availed by a Subsdiary Company is secured against pledge of shares held by company in which directors are interested.

(xii) Rupee term loan from Hero Fin Corp amounting to ₹ 1425.00 availed by A subsidiary Company is secured against first charge over the residential property owned jointly by relatives of the director of the Company and pledge of shares held by company in which directors are interested.

(xiii) AED Term loan from Mashreq Bank amounting 0.75 million availed by LT Foods Middle East DMCC is secured by office property and corporate guarantee of a Subsidiary Company.

(xiv) AED Term loan from Mashreq Bank amounting 0.93 million availed by LT Foods Middle East DMCC is secured by office property and corporate guarantee of a Subsidiary Company.

(xv) AED Term loan from Mashreq Bank amounting 3.00 million availed by LT Foods Middle East DMCC is secured by office property of Subsidiary Company.

(xvi) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Other long-term liabilities

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Security deposits from distributors	9.78	9.89
	9.78	9.89

7 Provisions

(₹ in lakhs)

	March 31, 2017		March 31, 2016	
	Non current	Current	Non current	Current
Proposed dividend to equity shareholders (Also refer note (a) below)	-	-	-	399.95
Corporate dividend tax	-	-	-	81.42
Provisions for employee benefits (Also refer note (b) below)	238.08	30.95	136.42	53.50
Provision for taxation (net of advance tax)	-	6,800.70	-	4,767.03
Others	20.55	39.49	-	55.19
	258.63	**6,871.14**	**136.42**	**5,357.09**

a) Details with respect to proposed dividend

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

b) Employee benefits (Gratuity)

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

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

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
	(Funded)	**(Funded)**
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	407.55	304.03
Current service cost	66.86	99.47
Interest cost	57.22	21.90
Actuarial (gain) / loss	(54.30)	(4.45)
Benefits paid	(22.35)	(13.41)
Projected benefit obligation at the end of the year	**454.98**	**407.55**
Change in plan assets		
	(Funded)	**(Funded)**
Fair value of plan assets at the beginning of the year	310.22	247.54
Expected return on plan assets	24.36	20.73
Employer contributions	13.78	51.47
Actuarial (gain)/ loss	(5.07)	3.89
Benefits paid	(19.92)	(13.41)
Fair value of plan assets at the end of the year	**323.37**	**310.22**

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

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
	(Funded)	(Funded)
Present value of projected benefit obligation at the end of the year	454.98	407.55
Funded status of the plans	323.37	310.22
Liability recognised in the balance sheet	**131.61**	**97.33**
Components of net gratuity costs are		
	(Funded)	(Funded)
Service cost	73.57	64.35
Interest cost	31.48	65.47
Expected returns on plan assets	(25.36)	(20.73)
Recognised net actuarial (gain)	0.63	(15.26)
Net gratuity costs	**80.32**	**93.83**

					(₹ in lakhs)
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Gratuity					
Defined benefit obligation					
Plan assets	454.98	407.56	304.04	259.36	245.45
Surplus / (deficit)	323.37	310.22	247.54	202.16	118.20
Experience (gain) / loss adjustments on plan liabilities	131.61	97.33	56.50	57.20	127.25
Experience gain / (loss) adjustments on plan assets	(5.07)	3.89	1.60	-	-

Assumptions used		
Discount rate	7.27%	7.92%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	7.27% to 8.20%	7.92%
Average remaining life in years	19.25 to 33.10	17.54 to 25.44

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

Notes

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

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

Compensated absences:

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

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	92.58	105.39
Current service cost	14.28	12.07
Interest cost	7.48	8.40
Actuarial loss/ (gain)	33.61	(24.67)
Benefits paid	(10.53)	(8.61)
Projected benefit obligation at the end of the year	**137.42**	**92.58**
Expenses recognised in the statement of profit and loss		
Current service cost	14.28	12.07
Interest cost	7.48	8.40
Recognised net actuarial loss /(gain)	33.62	(24.67)
Net costs	**55.38**	**(4.20)**
Assumptions used		
Discount rate	7.27%	7.92%
Long-term rate of compensation increase	5.00%	5.00%

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

Note:

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

8 Short-term borrowings

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
Secured		
From banks	150,209.21	151,864.50
From others	851.53	-
	151,060.74	151,864.50
Unsecured		
Loans repayable on demand		
From directors	100.00	100.10
From other parties	143.27	62.04
	243.27	162.14
	151,304.01	**152,026.64**

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

Details of security for each type of borrowing :

a) The working capital loans are repayable on demand and the interest on the above loans from banks are linked to the respective bank base rates which are floating in nature. The interest ranges from 8.50% to 12.50% per annum (previous year 10.00% to 13.50% per annum) on rupee working capital loan and 2.00% to 5.50% per annum (previous year 2.50% to 6.50% per annum) on foreign currency working capital loans.

b) Working capital loans are secured by hypothecation of inventory and trade receivables of the group.

9 Trade payables

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
Dues to micro, small and medium enterprises (refer note (a) below)	528.81	438.78
Others	20,998.05	13,976.57
Acceptances	312.28	528.60
	21,839.14	**14,943.95**

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

i)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
	Principal amount remaining unpaid	528.81	438.78
	Interest accrued and remaining unpaid as at year end	-	-
ii)	Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii)	Amount paid to the suppliers beyond the respective due date.	-	-
iv)	Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v)	Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

10 Other current liabilities

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
Current maturities of long term debts (refer note 5)	3,414.91	3,939.16
Interest accrued but not due on borrowings	9.29	30.40
Unclaimed dividend *	14.50	14.31
Advances form customers	5,340.74	983.47
Other liabilities	6,619.22	8,118.31
Security deposits from customers	11.50	11.62
	15,410.16	**13,097.27**

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

11 Tangible assets

(₹ in lakhs)

		Land Freehold	Land leasehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
a)	**Gross block**								
	Balance as at April 01, 2015	**4,632.31**	**651.77**	**13,428.61**	**30,538.13**	**1,080.85**	**1,106.55**	**2,380.23**	**53,818.45**
	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)
	Translation adjustment	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**	**1,310.85**	**2,577.57**	**56,917.45**
	Additions	4.98	-	868.39	2,073.02	175.44	106.83	135.99	3,364.65
	Disposals	(85.00)	-	0.00	(88.23)	(7.59)	(0.23)	(40.36)	(221.41)
	Translation adjustment	(12.15)	-	(41.91)	(45.50)	(10.09)	(6.38)	(7.17)	(123.20)
	- Adjustments*	(12.66)	-	(4.84)	(172.95)	184.89	21.19	(201.01)	(185.37)
	Balance as at March 31, 2017	**4,616.62**	**651.77**	**15,100.37**	**33,951.84**	**1,534.23**	**1,432.26**	**2,465.02**	**59,752.12**
b)	**Accumulated depreciation**								
	Balance as at April 01, 2015	-	-	3,659.93	17,703.10	473.30	856.08	1,660.93	24,353.34
	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 adjustment	-	-	(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**	**1,108.52**	**1,857.46**	**28,618.28**
	Depreciation charge	-	-	727.55	3,163.24	195.08	149.21	254.36	4,489.44
	Reversal on disposal of assets	-	-	-	(9.30)	(5.38)	(0.17)	(18.47)	(33.32)
	Translation adjustment	-	-	(9.29)	(30.19)	(6.79)	(3.34)	8.66	(40.95)
	Adjustments*	-	-	(27.07)	22.58	95.14	(68.92)	(207.09)	(185.37)
	Balance as at March 31, 2017	**-**	**-**	**4,773.59**	**24,084.71**	**909.57**	**1,185.30**	**1,894.92**	**32,848.08**
	Net block								
	Balance as at March 31, 2017	**4,616.62**	**651.77**	**10,326.78**	**9,867.13**	**624.66**	**246.96**	**570.10**	**26,904.04**
	Balance as at March 31, 2016	**4,721.45**	**651.77**	**10,196.33**	**11,247.12**	**560.06**	**202.33**	**720.11**	**28,299.17**

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

12 Intangible assets

(₹ in lakhs)

Gross block	Goodwill	Brands/ Trademarks	Customer relationships	Non compete agreement	Intellectual property	Computer software	Total
Balance as at April 01, 2015	**9,376.70**	**300.00**	**-**	**-**	**-**	**333.16**	**10,009.86**
Additions	-	-	-	-	-	23.30	23.30
Translation adjustment	624.15	-	-	-	-	-	624.15
Balance as at March 31, 2016	**10,000.85**	**300.00**	**-**	**-**	**-**	**356.46**	**10,657.31**
Additions	326.61	-	269.96	881.43	1,310.30	704.93	3,493.23
Translation adjustment	(301.86)	-	-	-	-	-	(301.86)
Balance as at March 31, 2017	**10,025.60**	**300.00**	**269.96**	**881.43**	**1,310.30**	**1,061.39**	**13,848.68**
Accumulated amortisation							
Balance as at April 01, 2015	**1,920.87**	**225.50**	**-**	**-**	**-**	**289.75**	**2,436.12**
Amortisation charge	0.25	16.08	-	-	-	10.59	26.92
Translation adjustment	371.80	-	-	-	-	-	371.80
Balance as at March 31, 2016	**2,292.92**	**241.58**			**-**	**300.34**	**2,834.84**
Amortisation charge	299.70	12.72	25.44	93.87	133.08	361.42	926.23
Translation adjustment	(57.31)	(6.09)	-	-	-	-	(63.40)
Balance as at March 31, 2017	**2,535.31**	**248.21**	**25.44**	**93.87**	**133.08**	**661.76**	**3,697.67**
Net block							
Balance as at March 31, 2017	**7,490.29**	**51.79**	**244.52**	**787.56**	**1,177.22**	**399.63**	**10,151.01**
Balance as at March 31, 2016	**7,707.93**	**58.42**	**-**	**-**	**-**	**56.12**	**7,822.47**

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

13 Non-current investments

			March 31, 2017	March 31, 2016
				(₹ in lakhs)
	Trade investments			
	Investments in equity instruments (unquoted)			
(i)	**Investment in associate**			
	-Raghuvesh Warehousing Private Limited		160.00	160.00
	1,600,000 (previous year 1,600,000) equity shares of ₹10 each			
	Add: Share in opening accumulated losses		(45.41)	-
	Add: Share in profit/ (loss) for the year		(38.66)	(45.41)
			75.93	114.59
	-Raghuvesh Agri Foods Private Limited		160.00	160.00
	1,600,000 (previous year 1,600,000) equity shares of ₹10 each			
	Add: Share in opening accumulated losses		(7.93)	(0.02)
	Add: Share in profit/ (loss) for the year		(39.97)	(7.91)
			112.10	152.07
	-Raghuvesh Infrastructure Private Limited		1.50	1.50
	15,000 (previous year 15,000) equity shares of ₹10 each			
	Add: Share in opening accumulated losses		(0.08)	-
	Add: Share in profit/ (loss) for the year		-	(0.08)
			1.42	1.42
(ii)	Keyman insurance policies		190.39	226.27
	Other investments- Quoted			
	(a)	2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
	(b)	Investment in mutual funds (quoted)		
		50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
		48,875.85 (previous year 48,875.85) units of Templeton India Equity Income Growth Fund	5.00	5.00
		12,999.61 (previous year 12,999.61) units of HDFC MIP Long Term Dividend Fund	1.50	1.50
		2,023.63 (previous year 2,023.63) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
		894.05 (previous year 894.05) units of Reliance Vision Fund	0.40	0.40
		Other investments- Unquoted		
		Fully paid-up equity shares (unquoted)		
	(a)	500 (previous year 500) equity shares of India International Marketing Limited of ₹ 10 each fully paid up.	0.05	0.05
	(b)	1,350,000 (previous year 13,50,000) equity shares of Express Warehousing Limited	135.00	135.00
	(c)	In Government securities		
		National Saving Certificate *	0.21	0.21
			527.53	**642.04**

** National saving certificate of ₹ 0.21 is held in the name of an employee of a Subsidiary Company

Aggregate amount of :

		(₹ in lakhs)
Non trade quoted investments	12.43	12.43
Market value of non trade quoted investments	44.11	34.60
Unquoted non trade investments	325.65	361.53
Unquoted trade investments	189.45	268.08

14 Deferred tax asset (net)

		(₹ in lakhs)
	March 31, 2017	**March 31, 2016**
Deferred tax liabilities arising on account of :		
Keyman insurance policy	61.39	74.65
Unrealised foreign exchange gain on forward contracts	430.52	-
	491.91	74.65
Deferred tax assets arising on account of :		
Timing difference on depreciation/amortisation on fixed assets-	290.70	40.05
Provision for employee benefits	170.33	132.94
Provision for doubtful debts and advances	84.48	350.65
Diminution in value of investment	111.62	19.44
Expenses disallowed for tax computation	479.59	73.39
Others	199.72	185.95
	1,336.44	**802.42**
	844.53	**727.77**

15 Loans and advances

				(₹ in lakhs)
	March 31, 2017		**March 31, 2016**	
	Non current	**Current**	**Non current**	**Current**
Unsecured, considered good unless otherwise stated				
Capital advances	250.25	-	240.47	-
Security deposits	730.19	290.62	742.38	11.87
Minimum alternative tax credit receivable	-	4.88	-	134.95
Advance income tax (net of provision for tax)	2,135.00	198.47	2,201.22	189.74
Balances with central excise authorities	-	69.92	-	136.34
	3,115.44	563.89	3,184.07	472.90
Advances recoverable in cash or in kind or value to be received	13,454.56	15,896.13	13,578.66	18,419.33
	16,570.00	**16,460.02**	**16,762.73**	**18,892.23**

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

16 Other assets

(₹ in lakhs)

	March 31, 2017		March 31, 2016	
	Non current	**Current**	**Non current**	**Current**
Interest accrued but not due on fixed deposits	-	37.25	-	43.24
Unrealised foreign exchange gain on forward contracts (refer note 38)	-	1,398.42	-	-
Bank deposits with maturity of more than 12 months (refer note 19)	106.25	-	37.64	-
Others	58.41	18.88	-	-
	164.66	**1,454.55**	**37.64**	**43.24**

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

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Paddy*	44,096.30	51,510.53
Bardana	3,948.56	2,802.54
Packaging material	2,362.23	2,205.19
Finished goods*	91,144.22	69,695.63
Traded goods	2,501.03	2,963.87
Stores and spares	776.17	780.10
	144,828.51	**129,957.86**

* Includes interest capitalised during the year of ₹ 2,118.11 (previous year: ₹ 2,314.70)

18 Trade receivables

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured considered good	1,452.43	-
-Unsecured considered doubtful	60.68	61.43
	1,513.11	61.43
Less : Provision for bad and doubtful debts	(60.68)	(61.43)
	1,452.43	-
Other debts		
-Unsecured considered good	44,839.11	37,573.25
	46,291.54	**37,573.25**

19 Cash and bank balances

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Cash and cash equivalents		
Cash on hand		
- In Indian currency	41.25	106.41
- In Foreign currencies	504.03	5.15
Balances with banks		
- on current accounts	2,463.88	2,500.30
	3,009.16	**2,611.86**
Other bank balances:		
- Unpaid dividend account	14.50	14.31
- Deposits with original maturity more than 3 months	1,204.82	643.65
	4,228.48	**3,269.82**
Less : Amounts disclosed under non-current assets (refer note 16)*	(106.25)	(37.64)
Total	**4,122.23**	**3,232.18**

* The deposits are restricted as they are held as margin money deposits against guarantees given by the Group

20 Revenue from operations

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Sale of products		
Rice	313,004.48	285,636.14
Other items	13,731.43	9,095.16
	326,735.91	294,731.30
Other operating revenue		
Service charges	650.23	620.23
Processing charges	1,268.43	1,990.75
	328,654.57	**297,342.28**

21 Other income

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Dividend from non trade investments	0.09	0.16
Profit from sale of fixed assets (net)	-	74.25
Interest on bank fixed deposits	70.77	63.69
Profit on exchange fluctuation (net)	2,285.30	-
Export incentive	36.98	31.14
Liabilities written back	207.86	260.60
Rental income	68.52	-
Miscellaneous receipts	886.87	190.49
	3,556.39	**620.33**

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

22 Cost of material consumed

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Opening stock		
Paddy	51,510.53	57,099.15
Bardana	2,802.54	2,221.49
Packing material	2,205.19	1,480.97
	56,518.26	60,801.61
Add: purchases		
Paddy	91,870.40	87,046.78
Bardana	1,411.22	1,399.19
Packing material	9,493.96	8,041.84
Rice (including broken rice and unpolished rice)	66,600.63	44,804.25
Others	1,979.66	7.75
	171,355.87	141,299.81
Less: closing stock		
Paddy	44,096.30	51,510.53
Bardana	3,948.56	2,802.54
Packing material	2,362.23	2,205.19
	50,407.09	56,518.26
	177,467.04	**145,583.16**
Consumption details		
Paddy	99,284.63	92,635.40
Bardana	265.20	818.14
Packing material	9,336.92	7,317.62
Rice (including broken rice and unpolished rice)	66,600.63	44,804.25
Other	1,979.66	7.75
	177,467.04	**145,583.16**

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

23 Purchase of stock-in-trade

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Rice (traded)	69,623.72	56,363.48
Soyabean	-	173.85
Others	14,749.88	5,517.06
	84,373.60	**62,054.39**

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

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Opening stock		
Finished goods	69,695.63	70,641.00
Traded goods	2,963.87	4,252.89
Translation reserve	(335.92)	609.90
Closing stock		
Finished goods	91,144.22	69,695.63
Traded goods	2,501.03	2,963.87
	(21,321.67)	**2,844.29**

25 Employee benefits expense

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Salaries, wages and bonus	10,429.80	7,955.37
Contribution to provident and other fund	319.21	322.81
Staff welfare expenses	465.74	358.77
Director's remuneration	364.14	263.23
Directors remuneration of subsidiary companies	120.58	77.35
	11,699.47	**8,977.53**

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

a) Share-based payment

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognised in the income statement for the year ended March 31, 2017 is nil (March 31, 2016 ₹ 0.36).

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

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

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

(₹ in lakhs)

	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
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
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

(₹ in lakhs)

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

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

(₹ in lakhs)

	March 31, 2017		March 31, 2016	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of the year	84,958	38	135,618	38
Forfeited during the year	-	38	16,790	38
Exercised during the year	-	38	33,870	38
Balance at end of the year	84,958	38	84,958	38
Exercisable at end of the year	84,958	38	34,656	38

26 Finance costs

(₹ in lakhs)

	March 31, 2017	March 31, 2016
Interest on working capital loans	13,861.42	13,125.47
Interest on term loans	544.22	914.20
	14,405.64	14,039.67
other borrwoing cost	1,049.38	740.53
	15,455.02	**14,780.20**

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

27 Other Expenses

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
Warehouse rent (refer note 33)	1,366.98	1,014.00
Wages and other manufacturing	1,674.88	1,530.61
Job work	129.63	49.59
Factory insurance	118.32	257.13
Power and fuel	3,035.80	3,322.02
Security services	395.77	314.24
Research and development	3.70	1.00
Packing	573.06	542.04
Repairs and maintenance		
- Machinery	214.56	330.26
- Building	121.23	201.19
- Others	333.04	216.92
Stores and spares consumed	2,028.15	1,679.50
Other manufacturing	5.69	-
Advertisement	3,482.00	5,306.75
Insurance	635.40	570.46
Legal and professional	1,815.43	1,680.84
Rates and taxes	354.57	351.33
Donation and charity	77.15	135.33
Directors' sitting fees	25.37	19.00
Auditors' remuneration *	58.75	45.75
Fines and penalties	2.22	6.81
Rent (refer note 33)	134.21	10.05
Vehicle running and maintenance	297.31	266.09
Other administrative	1,775.61	1,450.85
Travelling and conveyance	2,046.75	1,698.96
Rebate and discounts	2,219.65	1,888.19
Commission to selling agents	877.20	3,990.90
Clearing, forwarding and freight	8,220.31	7,084.93
Market development	2,885.66	1,885.61
Business promotion	519.35	373.15
Freight outward	1,155.78	1,334.37
Other selling	3,036.22	3,649.40
Amounts written off	4.47	105.03
Loss on sales of fixed assets	8.32	-
Provision for doubtful recoveries	20.41	164.20
Net loss on foreign currency transactions and translations	-	745.40
	39,652.95	**42,221.90**

*** Auditors' remuneration**

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

28. Contingent liabilities

		(₹ in lakhs)
	March 31, 2017	March 31, 2016
Nature of contingency		
- Income-tax demands (refer note 1)	2,838.21	2,905.37
- Guarantees given by group	2,229.09	2,408.49
- FCI Demand for differential price/freight/ taxes	339.00	339.00
- Claims against the group	35.25	35.25
- Duty saved under EPCG licenses (export obligation outstanding ₹ 6,591.40 (previous year ₹ 5,804.15)	1,054.04	910.37
Total	**6,495.58**	**6,598.48**

Note 1:-

a) In case of Daawat Foods Limited (DFL), DFL had filed appeals in previous years against the order of Assessing Officer (AO) before Commissioner of Income tax (CIT) (Appeals) for the Assessment Year 2007-08 and Assessment Year 2009-10. The CIT (Appeals) has allowed substantial relief to DFL and after allowing appeal effect of the order of CIT (Appeals) by the Assessing Officer, the demand has reduced to ₹ 59.57 (previous year ₹ 59.57). DFL has filed appeals against the order of CIT(Appeals) for the above said assessment year before the Income Tax Appellate Tribunal (ITAT), on issues for which relief has not been given by CIT(Appeals).

- During the financial year 2014-15, DFL had received demands under section 143(3) for the Assessment Year 2010-11 for ₹ 225.21. DFL had filed an appeal before the CIT (Appeals). The CIT (Appeals) has allowed substantial relief to DFL and after allowing appeal effect of the order of CIT (Appeals) by the Assessing Officer, the demand will reduce to ₹ 17.68 (previous year ₹ 225.21).

- During the financial year 2015-16, DFL has received demands under section 143(3) for the Assessment Year 2012-13 for ₹ 80.03. DFL had already filed an appeal before the CIT (Appeals).

- During current financial year, DFL has received demands under section 143(3) for the Assessment Year 2013-14 for ₹ 197.43. The DFL has already filed an appeal before the CIT (Appeals).

- During current financial year, DFL has received demands under section 143(3) for the Assessment Year 2014-15 for ₹ 468.54. DFL has already filed an appeal before the CIT (Appeals).

b) In case of LT Foods Limited, (the 'Parent Company') has filed appeals in previous years against the order of the Assessing Officer before Commissioner of income tax ('CIT') Appeals for the AY 2003-04 to AY 2007-08. The CIT (Appeals) vide its order dated March 25, 2013, March 28, 2013 and October 10, 2013 has allowed substantial relief to the Parent Company and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has reduced to ₹ 89.84 (previous year ₹ 89.84). The Parent Company in previous years has filed appeals against the order of CIT(Appeals) for the above said assessment years before the ITAT, on issues for which relief has not been given by CIT (Appeals).

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

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

  The Parent Company's appeal for AY 2011-12 for ₹ 829.80 (previous year ₹ 829.80) is pending before CIT (Appeals).

- Also the Parent Company had received demand under section 143(3) for AY 2012-13 for ₹ 155.52 against which appeal is yet to be made before CIT (Appeals).

- The Parent Company has paid ₹ 1,193.65 (previous year ₹ 1,174.15) as per the directions of Income Tax Department against the outstanding demands and the same will be adjusted/ refunded, once the appeals are final.

c) In case of Raghunath Agro Industries Private Limited (RAIPL), the erstwhile partnership firm has filed appeal in previous years against the order of AO before CIT (Appeals) for the Assessment Year 2009-10. The CIT (Appeals) vide its order dated March 28, 2013 has allowed substantial relief to RAIPL and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand will get reduced to ₹ 23.21 (Previous year ₹ 23.21). The appeal effect of the order of CIT (Appeals) is yet to be given by AO.

RAIPL has filed appeal against the order of CIT (Appeals) for the above said assessment year before the ITAT on issues for which relief has not been given by CIT (Appeals).

d) In case of Nature Bio Foods Limited (NBFL), for assessment year 2009-10 the Income Tax Department ('The Department') has added back ₹ 4.97 on account of various reasons to the total income of NBFL. The Department has issued notice of demand u/s 156 of the Income-tax Act, 1961 on December 30, 2010 demanding ₹ 10.17. The NBFL had contested above order before H'ble ITAT. The H'ble ITAT has vide its order dated May 27, 2016 has allowed substantial relief to NBFL. After allowing appeal effect of the same the demand will get reduced to ₹ 1.99 and the same has been duly provided for in the financial statements. The aforesaid demand is including interest up to December 30, 2010.

For assessment year 2010-11 the Department has added back ₹ 24.43 on account of various reasons to the total income of NBFL. The department has issued notice of demand u/s 156 of the Income-tax Act, 1961 on March 28, 2013 demanding ₹ 5.15. NBFL had contested the above order before CIT (Appeals).

For assessment year 2013-14 the Assessing officer has added back ₹ 2.95 on account of disallowance of gratuity to the total income of NBFL. The department has issued notice of demand u/s 156 of the Income-tax Act, 1961 on March 21, 2016 demanding ₹ 1.32. NBFL had contested the above order before CIT (Appeal).

During the assessment year 2014-15 the Assessing officer has added back ₹ 0.25 on account of disallowance of fines & penalties to the total income of NBFL. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on December 13, 2016 demanding ₹ 0.10. NBFL had contested the above order before CIT (Appeals).

The amounts mentioned above do not include interest and penalty, unless otherwise stated.

The management is confident that its position is likely to be upheld in the appeals pending before the various appellate authorities and no liability could arise on the Group on account of these proceedings. Accordingly no adjustment has been made in these financial statements.

29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 227.56 lakhs (previous year: ₹ 540.82 lakhs).

30 Related party disclosures

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

(i) Names of related parties and description of relationship

-Associates

LT Infotech Private Limited (Till June 30, 2015)

Raghuvesh Agri Foods Private Limited

Raghuvesh Warehousing Private Limited

Raghuvesh Infrastructure Private Limited (w.e.f. August 24, 2015)

-Joint Venture

Genoa Rice Mills Private Limited (from January 25, 2017)

- Key Management Personnel and their relatives

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Joint Managing Director
Ashok Arora	President-Punjab Operations
Abhinav Arora	Relative of Managing Director
Aditya Arora	Relative of President-Punjab Operations
Aditi Arora	Relative of Managing Director
Gursajan Arora	Relative of Joint Managing Director
Isha Arora	Relative of Joint Managing Director
Ritesh Arora	Relative of Joint Managing Director
Anmol Arora	Relative of Joint Managing Director
Purva Arora	Relative of Joint Managing Director
Sanjana Arora	Relative of Joint Managing Director
Divya Arora	Relative of President-Punjab Operations
Sakshi Arora	Relative of Joint Managing Director
Ranju Arora	Relative of Managing Director
Rohan Grover	Relative of Managing Director

-Enterprises over which Key Management Personnel exercise significant influence

V K Foods
S K Engineering
R. S Rice & General Mills
Ashok Arora HUF
Raghunath Arora HUF
Super Texfab Private Limited
Deva Singh Sham Singh Exports Private Limited (from August 8, 2016)

Transactions with key management persons and their relatives

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Sales		
V K Foods	168.73	177.65
Purchases		
S K Engineering	0.43	232.09
Super Texfab Private Limited	1,660.87	1,316.32
Remuneration		
Vijay Kumar Arora	140.70	119.87
Ashwani Kumar Arora	120.58	77.35
Surinder Kumar Arora	116.67	77.88
Ashok Arora	120.00	72.00
Abhinav Arora	338.59	117.83
Aditya Arora	24.00	23.66
Aditi Arora	0.33	4.00
Anmol Arora	8.00	4.41
Gursajan Arora	43.85	42.67
Isha Arora	0.33	4.00
Ritesh Arora	12.71	10.85
Rohan Grover	24.49	12.25
Purva Arora	0.33	4.00
Sanjana Arora	0.33	3.99
Divya Arora	-	6.75
Dividend paid to key management personnel	165.15	220.20
Dividend paid to relatives of key management personnel	103.56	138.08
Rent expense		
R S Rice & General Mills	8.00	8.00
Vijay Kumar Arora	-	6.75
Ranju Arora	-	6.75
Rent income		
V K Foods	2.40	2.40
S K Engineering	2.40	2.40
Super Texfab Private Limited	-	8.64

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Interest expense		
Ashok Arora HUF	0.23	0.21
Raghunath Arora HUF	0.12	0.10
Ranju Arora	1.09	0.97
Sakshi Arora	0.20	0.18
Loan Granted		
Genoa Rice Mills Private Limited	62.50	-

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Advances given		
Raghuvesh Infrastructure Private Limited	381.05	-
Raghuvesh Agri Foods Private Limited	52.49	-
Raghuvesh Warehousing Private Limited	21.09	-
Genoa Rice Mills Private Limited	0.58	-

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Balance at year end (payable)/ receivable		
Ashok Arora HUF	(2.13)	(1.92)
Raghunath Arora HUF	(1.07)	(0.96)
Ranju Arora	(9.97)	(8.99)
Sakshi Arora	(1.86)	(1.68)
V K Foods	19.97	51.30
S K Engineering	(10.68)	(110.71)
Super Texfab Private Limited	(69.52)	(144.79)
Genoa Rice Mills Private Limited	62.50	-
Raghuvesh Infrastructure Private Limited	381.05	-
Raghuvesh Agri Foods Private Limited	52.49	-
Raghuvesh Warehousing Private Limited	21.09	-

31. Earnings per share

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Net profit before exceptional items attributable to equity shareholders after minority interest (₹ in lakhs)	11,742.79	11,610.93
Net profit after exceptional items attributable to equity shareholders after minority interest (₹ in lakhs)	11,742.79	7,210.93
Numbers of weighted average equity share outstanding at the year end for Basic (in lakhs)	266.63	264.81
Numbers of weighted average equity share outstanding at the year end for Diluted (in lakhs)	267.61	265.66
Nominal value of equity share (₹)	1	1
Earnings Per Share before exceptional items–		
Basic (₹)	4.40	4.39
Diluted (₹)	4.39	4.37
Earnings Per Share after exceptional items–		
Basic (₹)	4.40	2.72
Diluted (₹)	4.39	2.71

32. The Group is engaged in the business of manufacture and storage of rice, which as per Accounting Standard 17 on "Segment Reporting", is considered to be the only reportable business segment. Accordingly only secondary segment information has been disclosed below.

(₹ in lakhs)

Particulars	India	North America	Rest of the world	Total
Revenue:				
External	152,482.48	93,968.88	85,759.59	332,210.96
Previous year	109,198.91	86,809.48	101,954.21	297,962.61
Segment assets	148,778.91	31,927.80	10,413.34	191,120.05
Previous year	131,055.52	24,460.03	12,015.57	167,531.12
Unallocated assets*				81,148.95
Previous year				78,902.29
Capital expenditure				8,673.93
Previous year				5,367.74

*The Group is engaged in the business of manufacture and storage of rice, which as per Accounting Standard 17 on "Segment Reporting", is considered to be the only reportable business segment. Accordingly only secondary segment information has been disclosed below.

33. The Group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2017 and 2016 was ₹ 1,501.19 and ₹ 1,024.05 respectively. The Group has not executed any non-cancelable operating leases (refer note 27).

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

(₹ in lakhs)

	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
			(FC in)	(FC in)
Receivables in foreign currency				
- Trade receivables	18,565.68	18,310.85	USD 270.10	USD 276.39
	3,113.11	2,450.36	EURO 45.04	EURO 33.70
	25.26	16.61	GBP 0.31	GBP 0.17
- Trade payables	593.81	869.32	USD 9.14	USD 13.12
	140.13	140.01	EURO 1.99	EURO 1.86
Pre shipment credit	4,553.24	3,160.13	USD 70.22	USD 47.70
Bill discounted	2,120.67	5,055.92	USD 32.70	USD 76.32
	105.90	-	EURO 1.53	-
	90.88	114.22	GBP 1.12	GBP 1.20

Apart from above, the Company has a foreign currency liability (advances from customers) of ₹ 11,008.98 (USD 165.16) (previous year ₹ 3,581.18 (USD 54.43) and ₹ 41.90 (EURO 0.59) (previous year nil)

ii) The holding company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2017.

(₹ in lakhs)

Particulars	Purpose
Forward contract to sell (USD)	Hedge of highly probable foreign currency sales
USD 510.00 (previous year: USD 498.50)	
₹ 35,187.41 (previous year: ₹ 34,724.73)	
Euro 20.00 (previous year: Euro 30.00)	
₹ 1,536.45 (previous year: 2,312.57)	

35. On June 7, 2014, a major fire occurred in the subsidiary company, "Daawat Foods Limited" resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 17,991.40 lakhs. The subsidiary company had filed an insurance claim with the insurance company amounting to ₹ 18,971.02 lakhs and had recognised insurance claim to the extent of net book value of ₹ 17,795.88 lakhs (net of salvage value of goods of ₹ 224.89 lakhs) in the books of account. The insurance Company has repudiated the insurance claim vide its Order dated February 4, 2016. The subsidiary company has challenged the said order in to court of Raisen and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim. However, on the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by the management of the subsidiary Company under Right to Information Act (RTI), as matter of prudence a loss of ₹ 4,400.00 lakhs has been recorded against the claim amount recoverable from the insurance company in the previous year, which has been disclosed as exceptional item in the consolidated financial statements.

36. Details of prior period expenses/(income) is as under:

(₹ in lakhs)

Particulars	March 31, 2017	March 31, 2016
Interest on late payment of advance tax	166.11	-
Others	(5.81)	(5.58)
Total	**160.30**	**(5.58)**

37. Pursuant to scheme for development/ strengthening of agricultural marketing infrastructure, grading and standardisation the Company is eligible for capital grant amounting to ₹ 50 lakhs, on successful capitalization of machinery pertaining to sortex unit. During the financial year 2010-11, the Company had successfully capitalised the machinery. As per the terms the Company has received a capital subsidy amounting to ₹ 50 lakhs during the current year from National Bank for Agriculture and Rural development. The capital subsidy has been received during the current year in two tranches i.e. ₹ 25 lakhs in October 2016 and balance ₹ 25 lakhs in January 2017.

38. The Group takes forward cover contracts on the basis of sales orders to hedge the foreign currency risks on receivables in foreign currency. Based on accounting practices prevailed, mark to market (MTM) losses on such Derivative transactions had been charged to Statement of Profit and Loss and any gains on transactions were ignored till the year ended March 31, 2016. As per guidance note on "Accounting for Derivative Contracts" (the 'Guidance Note') applicable effective April 1, 2016, MTM gains on Derivative contracts are also to be recorded in Statement of Profit and Loss. Consequent to the aforementioned, the Company has recognised an unrealized gain of ₹ 1,376.59 lakhs in the Statement of Profit and Loss for the year ended March 31, 2017.

Further based on the transitional provisions provided in the Guidance Note, MTM gain on outstanding forward contracts as on March 31, 2016 amounted to ₹ 681.33 lakhs out of which an amount of ₹ 455.64 lakhs (net of tax – ₹ 186.53, Further adjusted for minority interest amounting to ₹39.16 lakhs) has been adjusted with the opening reserves as at April 1, 2016.

39. Details of specified bank notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 is as under:-

(₹ in lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand on 8 November 2016	183.95	19.67	203.62
Add: Permitted Receipts	-	116.73	116.73
Less: Permitted Payments	-	99.46	99.46
Less: Amount deposited in the Banks	183.95	-	183.95
Closing cash in hand on 30 December 2016	-	36.96	36.96

The Group does not maintain independent records of denomination of currency in its books of accounts

40. Interest in joint ventures

The company's interest and share in joint venture in jointly controlled entity is as follows:

Name of joint venture	Ownership interest as at		Country of incorporation
	March 31, 2017	March 31, 2016	
Genoa Rice Mills Private Limited	50.00%	-	India

(a) Interest in jointly controlled entity of the Company

(₹ in lakhs)

Company's share of	Genoa Rice Mills Private Limited	
	March 31, 2017	March 31, 2016
Assets		
Non-current	60.91	-
Current	178.35	-
Liabilities		
Non-current	0.03	-
Current	179.19	-
Revenue	32.25	-
Expenditure	94.20	-
Contingent liabilities	0.05	-

Summary of significant accounting policies and explanatory information

for the year ended March 31, 2017

41. Additional information as required by paragraph 2 of the general instructions for preparation of consolidation financial statements to schedule III to the Companies Act 2013:

Name of the entity	Percentage of holding by LT Foods Limited		Country of operations	Net assets		Share in profit/ (loss)	
	March 31, 2017	March 31, 2016		As a % of consolidated net assets	Amount (₹ in lakhs)	As a % of consolidated profit and loss	Amount (₹ in lakhs
Holding Company							
L T Foods Limited	-	-	India	51.89%	36,391.52	25.67%	3,013.80
Subsidiaries and step down subsidiaries							
Daawat Foods Limited	70.48	70.48	India	21.85%	15,322.88	29.49%	3,462.50
Nature Bio Foods Limited	100	100	India	6.23%	4,370.54	11.12%	1,305.86
SDC Foods India Limited	80	80	India	(0.44%)	(308.07)	(0.08%)	(8.86)
LT International Limited	89.98	89.98	India	0.27%	187.59	0.31%	36.43
Sona Global Limited	100	100	UAE	1.82%	1,273.83	(0.12%)	(14.57)
LT Overseas North America, Inc	100	100	USA	25.50%	17,884.78	32.82%	3,853.80
LT Foods International Limited (U.K.)	100	100	UK	1.41%	989.76	8.30%	974.36
Raghuvesh Foods & Infrastructure Limited	100	100	India	0.00%	0.08	0.00%	0.00
LT Foods Middle East DMCC	100	100	UAE	1.40%	985.40	0.44%	51.94
LT Foods Europe B.V.	100	100	Netherland	0.68%	477.31	0.48%	56.55
LT Agri Services Private Limited	70.48	70.48	India	0.00%	(1.15)	0.00%	(0.13)
Expo Services Private Limited	80	80	India	0.03%	23.38	(0.09%)	(10.34)
Raghuvesh Power Projects Limited	35.94	35.94	India	0.00%	-	(0.03%)	(4.05)
Fresco Fruit N Nuts Private Limited	84.94	84.94	India	(0.15%)	(106.66)	(0.14%)	(16.93)
Raghunath Agro Industries Private Limited	71.66	71.66	India	3.07%	2,154.21	0.22%	26.02
Joint Venture							
Genoa Rice Mills Private Limited	50	-	India	0.09%	60.12	(0.53%)	(61.82)
Minority Interest in Subsidiaries				-	-	(8.92%)	(1,047.79)
Share of loss of associates			India	-	-	(0.67%)	(78.63)
Intra group eliminations				(13.64%)	(9,566.71)	1.74%	204.64
Total				**100%**	**70,138.81**	**100%**	**11,742.79**

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

Summary of significant accounting policies and other explanatory information

For Walker Chandiok & Co LLP
Chartered Accountants

per **Neeraj Goel**
Partner

Place : Gurgaon
Date : May 25, 2017

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

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Surinder Kumar Arora
Managing Director
DIN 01574728

Pramod Bhagat
Director
DIN 00198092

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

LT Foods

LT FOODS LTD.
CORPORATE OFFICE
MVL-I Park, 4th Floor Sector - 15, Gurgaon - 122001, Haryana, India. T. +91-124-3055100 F. +91-124-3055199
CIN No.: L74899DL1990PLC041790
Regd. OFFICE
Unit - 134, 1st Floor, Rectangle-1, Saket District Center, Saket, New Delhi-110017, India, T. +91-11-29565344 F. +91-11-29563099

Ref: LTF/ SE/ 2016-17/ 50

Date: 14th November, 2016

To,
The Secretary
The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,Plot No. C/1, G-Block,
Bandra-Kurla Complex,
Bandra(E), Mumbai Dear Sir/ Madam

Ref Code-532783 Scrip ID: Daawat.

Sub: Outcome of Board Meeting – Approval of Unaudited Standalone and Consolidated Financial Results for the quarter and period ended 30.09.2016 and other Items

This is to inform you that the Board of Directors of the Company, in its meeting held on 14th November, 2016, has inter alia, considered, approved and took note of the following:

1. Unaudited Standalone and Consolidated financial results of the Company for the quarter and the period ended 30.09.2016(Limited Review Report enclosed).
2. To nominate Mr. Ashwani Kumar Arora as Chief Financial Officer of the Company.
3. Setting up of Rice plant under Genoa Rice Mills Private Limited at India Food Park, Tumkur Karnataka. Genoa Rice Mills Private Limited is a joint venture company of LT Foods Limited and Future Group wherein the Company has 50% stake. The Company will make investment in this JV only to the extent of working capital.
4. Sub-division of one equity share of Rs.10/- each to ten equity shares of Rs.1/- each subject to shareholders' approval in the ensuing Postal Ballot process.

You are requested to kindly take note of the above.

Thanking You

For LT Foods Limited

LT Foods Limited NEW DELHI

Monika Chawla Jaggia
Company Secretary
Membership No. F5150
4th Floor, MVL-Park, Sector-15, Gurgaon-122001

L T FOODS LIMITED

REGD OFFICE: UNIT NO. 134, RECTANGLE-1, 1ST FLOOR, SAKET DISTRICT CENTRE, NEW DELHI-110017

CIN : L74899DL1990PLC041790

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016

(Amount in ₹ Lacs except per share data)

Sl. No.	Particulars	CONSOLIDATED						STANDALONE					
		Three months ended			Six months ended		Year ended	Three months ended			Six months ended		Year ended
		September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016	September 30, 2016	June 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015	March 31, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income from operations**												
	a. Net sales/ income from operations	82,923.72	70,362.79	68,868.35	153,286.51	144,230.03	297,342.28	51,298.39	41,833.14	46,104.84	93,131.53	92,909.14	182,120.11
	b. Other operating income	1,521.67	631.29	221.97	2,152.96	379.56	556.64	1,050.98	211.12	291.34	1,262.10	1,013.41	2,291.14
	Total income (a+b)	**84,445.39**	**70,994.08**	**69,090.32**	**155,439.47**	**144,609.59**	**297,898.92**	**52,349.37**	**42,044.26**	**46,396.18**	**94,393.63**	**93,922.55**	**184,411.25**
2	**Expenses**												
	a. Cost of materials consumed	40,936.71	40,005.28	44,581.43	80,941.99	83,995.33	145,583.15	33,121.67	32,109.82	37,682.49	65,231.49	68,722.67	114,451.78
	b. Purchase of stock-in-trade	21,526.82	25,181.32	8,205.72	46,708.14	20,471.03	62,054.39	11,208.55	8,955.02	1,868.68	20,163.57	4,280.22	22,032.97
	c. Changes in inventories of finished goods, work-in-progress and stock-in-trade	96.14	(15,269.26)	(3,485.57)	(15,173.12)	(635.34)	2,844.29	(2,876.58)	(8,155.97)	(4,065.44)	(11,032.55)	(177.56)	2,097.61
	d. Employee benefits expense	2,816.44	2,523.57	2,162.62	5,340.01	4,161.59	8,977.53	1,257.05	1,029.56	1,020.59	2,286.61	2,044.09	4,142.60
	e. Depreciation and amortisation expense	1,298.70	1,392.62	1,358.33	2,691.32	2,676.96	5,151.93	608.00	598.99	728.44	1,206.99	1,469.41	2,635.99
	f. Other expenses	9,764.15	8,828.47	8,606.35	18,592.62	17,918.24	42,221.90	5,127.41	4,246.09	5,762.80	9,373.50	10,675.18	25,561.29
	Total expenses	**76,438.96**	**62,662.00**	**61,428.88**	**139,100.96**	**128,587.81**	**266,833.19**	**48,446.10**	**38,783.51**	**42,997.56**	**87,229.61**	**87,014.01**	**170,922.24**
3	Profit from operations before other income, finance costs and exceptional items (1-2)	**8,006.43**	**8,332.08**	**7,661.44**	**16,338.51**	**16,021.78**	**31,065.73**	**3,903.27**	**3,260.75**	**3,398.62**	**7,164.02**	**6,908.54**	**13,489.01**
4	Other income	21.19	11.43	18.86	32.62	30.46	63.69	7.67	7.05	6.60	14.72	9.65	257.93
5	Profit before ordinary activities before finance costs and exceptional items (3 +4)	**8,027.62**	**8,343.51**	**7,680.30**	**16,371.13**	**16,052.24**	**31,129.42**	**3,910.94**	**3,267.80**	**3,405.22**	**7,178.74**	**6,918.19**	**13,746.94**
6	Finance costs	3,629.97	3,885.86	3,519.87	7,515.83	7,740.01	14,780.20	2,494.05	2,409.47	2,305.54	4,903.52	4,886.97	9,074.66
7	Profit before ordinary activities after finance costs but before exceptional items (5 -6)	**4,397.65**	**4,457.65**	**4,160.43**	**8,855.30**	**8,312.23**	**16,349.22**	**1,416.89**	**858.33**	**1,099.68**	**2,275.22**	**2,031.22**	**4,672.28**
8	Exceptional items	-	-	-	-	-	4,400.00	-	-	-	-	-	-
9	**Profit from ordinary activities before tax (7-8)**	**4,397.65**	**4,457.65**	**4,160.43**	**8,855.30**	**8,312.23**	**11,949.22**	**1,416.89**	**858.33**	**1,099.68**	**2,275.22**	**2,031.22**	**4,672.28**
10	Tax expense	1,711.06	1,321.55	1,564.04	3,032.61	2,885.29	4,707.29	569.60	239.98	401.60	809.58	702.19	1,645.22
11	**Net (loss) / profit from ordinary activities after tax (9-10)**	**2,686.59**	**3,136.10**	**2,596.39**	**5,822.69**	**5,426.94**	**7,241.93**	**847.29**	**618.35**	**698.08**	**1,465.64**	**1,329.03**	**3,027.06**
12	Prior period items	(7.88)	0.41	2.55	(7.47)	(3.98)	(5.58)	(0.25)	(0.47)	-	(0.72)	(6.53)	(11.22)
13	**Net (loss) / profit for the period (11-12)**	2,694.47	**3,135.69**	**2,593.84**	**5,830.16**	**5,430.92**	**7,247.51**	**847.54**	**618.82**	**698.08**	**1,466.36**	**1,335.56**	3,038.28
14	Share of loss / (profit) of associate	17.78	10.47	**76.53**	28.25	**76.53**	**53.40**	-	-	-	-	-	-
15	Minority interest in consolidated profits	175.37	234.30	230.42	409.67	384.85	(16.82)	-	-	-	-	-	-
16	Net profit after taxes, minority interest and share of profit of associates (13-14-15)	2,501.32	2,890.92	2,286.89	5,392.24	4,969.54	7,210.93	-	-	-	-	-	-
17	Paid up equity share capital (face value ₹ 10 /- each)	2,666.32	2,666.32	2,645.36	2,666.32	2,645.36	2,666.32	2,666.32	2,666.32	2,645.36	2,666.32	2,645.36	2,666.32
18	Reserves excluding revaluation reserve						51,010.59						30,166.82
19	**Earnings per share (EPS) ₹ (not annualised)**												
	a) Basic EPS	9.38	10.84	8.64	20.36	18.79	27.23	3.18	2.32	2.64	5.50	5.05	11.47
	b)Diluted EPS	9.35	10.81	8.56	20.29	18.61	27.14	3.17	2.31	2.61	5.48	5.00	11.44

NOTES :

1 In accordance with clause 41 of the Listing Agreement, the Company has opted to publish unaudited consolidated financial results. The standalone financial results of the Company, will however, be available on the website of BSE (www.bseindia.com) or/and NSE (www.nseindia.com) and on company's website (www.ltgroup.in).

2 The reviewed accounts of the Company were adopted by the Board of Directors at its meeting held on November 14, 2016 after review by the audit committee at its meeting held on November 14, 2016 and have been reviewed by the statutory auditor of the Company.

3 The Company is primarily engaged in the business of manufacturing, trading and marketing of rice which is a single primary reportable segment as per Accounting Standard (AS) 17.

4 The Company on April 01, 2011 granted 648,329 options to employees specified in the Employee Stock Option Scheme of 2010. Pursuant to the accounting enunciated in guidelines issued by the Securities & Exchange Board of India, the Company has recorded an expense on the basis of fair valuation of the underlying options. The Remuneration Committee on February 7, 2013 has approved additional options of 201,209 to the eligible employees of the Company. Further under the above Scheme, the Committee in the previous meetings have allotted 544,773 shares to the employees who have exercised their options. However, 199,230 options granted to the employees specified have been lapsed.

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5 On June 7, 2014, a major fire occurred in one of the subsidiary company, Daawat Foods Limited (DFL), resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of Rs 17,991.40 lacs. DFL has filed an insurance claim with the insurance company amounting to Rs. 18,971.02 lacs and had recognized insurance claim to the extent of net books value of Rs 17,810.53 lacs in the books of account. The insurance Company has repudiated the insurance claim vide its Order dated 4 February 2016. On the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by the management of the Company under Right to Information Act (RTI), as matter of prudence a loss of Rs 4,400.00 lacs had been recorded, against the claim amount recoverable from the insurance company. DFL has filed a civil suit against the repudiation of the insurance claim and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim. The auditors of the Company had invited attention to the aforementioned issue as emphasis of matter in their audit report and their review report year ended March 31, 2016 and quarter ended June 30, 2016, respectively.

6 Statement of assets and liabilities

Particulars	CONSOLIDATED		STANDALONE	
	As at September 30, 2016	As at March 31, 2016	As at September 30, 2016	As at March 31, 2016
	Unaudited	Audited	Unaudited	Audited
1. Shareholders' funds				
(a) Share capital	2,666.32	2,666.32	2,666.32	2,666.32
(b) Reserves and surplus	57,053.99	51,010.59	31,995.34	30,166.82
(c) Money received against share warrants				
Sub-total - Shareholders' funds	**59,720.31**	**53,676.91**	**34,661.66**	**32,833.14**
2 Share application money pending allotment				
3 Minority interest	3,877.27	3,428.45	-	-
4 Non-current liabilities				
(a) Long-term borrowings	4,145.43	3,756.79	920.87	1,811.30
(b) Deferred tax liabilities (net)	-	-	201.66	216.35
(c) Other long-term liabilities	9.78	9.89	9.78	9.89
(d) Long-term provisions	162.23	137.56	116.21	89.87
Sub-total - Non-current liabilities	**4,317.44**	**3,904.24**	**1,248.52**	**2,127.41**
5 Current liabilities				
(a) Short-term borrowings	129,382.64	152,026.64	77,477.32	81,807.57
(b) Trade payables	19,504.39	5,278.36	3,952.87	7,407.54
(c) Other current liabilities	14,513.47	22,762.86	6,579.16	6,963.69
(d) Short-term provisions	8,355.04	5,355.95	3,001.87	2,117.76
Sub-total - Current liabilities	**171,755.54**	**185,423.81**	**91,011.22**	**98,296.56**
TOTAL - EQUITY AND LIABILITIES	239,670.56	246,433.41	126,921.40	133,257.11
B ASSETS				
1 Non-current assets				
(a) Fixed assets	32,381.33	30,867.76	16,973.48	17,620.10
(b) Goodwill on consolidation	7,583.38	7,696.69	-	-
(c) Non-current investments	610.25	642.05	6,250.50	6,199.95
(d) Deferred tax assets (net)	666.51	727.77	-	-
(d) Long-term loans and advances	16,802.61	16,762.73	2,554.78	2,537.70
(e) Other non-current assets	86.61	37.64	9.61	9.48
Sub-total - Non-current assets	**58,130.69**	56,734.64	25,788.37	26,367.23
2 Current assets				
(a) Current investments				
(a) Inventories	110,414.13	129,957.87	55,599.91	65,712.80
(b) Trade receivables	49,448.87	37,573.25	33,402.51	26,650.87
(c) Cash and cash equivalents	3,405.54	3,232.18	1,118.34	1,249.97
(d) Short-term loans and advances	18,211.55	18,892.23	11,004.37	13,276.24
(e) Other current assets	59.78	43.24	7.90	-
Sub-total - Current assets	**181,539.87**	**189,698.77**	**101,133.03**	**106,889.88**
TOTAL - ASSETS	**239,670.56**	**246,433.41**	**126,921.40**	**133,257.11**

7 Previous year / period figures have been regrouped, recast and rearranged wherever necessary

For and on the behalf of the Board of Directors

Vijay Kumar Arora
Chairman & Managing Director
DIN 00012203

Place: Gurgaon
Date : November 14, 2016

SIGNED FOR IDENTIFICATION PURPOSE ONLY

LT Foods Limited NEW DELHI

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
F +91 124 462 8001

Review Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of LT Foods Limited

1. We have reviewed the accompanying statement of unaudited financial results ("the Statement") of **LT Foods Limited** ("the Company") for the quarter ended September 30, 2016 and the year to date results for the period April 1, 2016 to September 30, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Neeraj Goel

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurgaon
Date : November 14, 2016

Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
(Formerly Walker, Chandiok & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
F +91 124 462 8001

Review Report on Quarterly Consolidated Financial Results and Consolidated Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of LT Foods Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("the Statement") of LT Foods Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and its associates for the quarter ended September 30, 2016 and the year to date results for the period April 1, 2016 to September 30, 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above and upon consideration of the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 read with Rule 7 of the Companies (Accounts) Rules, 2014 in respect of Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw attention to Note 5 in the accompanying financial results which describes the uncertainity 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

WALKER CHANDIOK & CO LLP

books of the subsidiary, Daawat Foods Limited, at Rs. 13,410.53 lacs (net). The claim has been repudiated by the insurance company vide its letter dated February 4, 2016. The subsidiary company has filed a civil suit on June 27, 2016 against the repudiation of its claim. Our opinion is not modified in respect of this matter.

5. We did not review the interim financial results of certain subsidiaries, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of ₹ 31,558.64 lacs and ₹ 64,359.07 lacs for the quarter and six months ended September 30, 2016 respectively, net profit after tax and prior period items (after eliminating intra-group transactions) of ₹ 1,040.57 lacs and ₹ 2,630.84 lacs for the quarter and six months ended September 30, 2016 respectively and total assets of ₹ 444,85.21 lacs as at September 30, 2016. The statement also includes the Group's share of net loss of Rs. 17.78 lacs and 28.25 lacs for the quarter and six months ended September 30, 2016 as considered in the statement, in respect of 3 associates, whose interim financial results have not been reviewed by us. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us and our report in respect thereof is based solely on the review reports of such other auditors. Our review report is not qualified in respect of this matter.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

N Goel

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS *

Place: Gurgaon
Date: November 14, 2016

LT Foods

LT FOODS INTERNATIONAL LTD.
Office No. 138, Knyvett House
The causeway Staines, Middlesex
TW18 3BA, United Kingdom
Ph: +44 1784 898036
Company Number : 10250873

Ref-LTF/ SE/ 2017-18/ 2017

Date: 14th November,

The Department of Corporate Relations
Bombay Stock Exchange Limited (BSE)
Phiroze Jeejebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001.

Dear Sir/ Madam

Ref.: Code-532783 Scrip ID: Daawat.

Sub: Outcome of Board Meeting held on 14th November, 2017

Commencement of Board meeting: 12.00noon
Conclusion of Board meeting: 05.30pm

Pursuant to provisions of Regulation 30, 33 and other applicable provisions, if any of SEBI(Listing Obligations & Disclosure Requirements) Regulations, 2015, this is to inform you that the Board of Directors of the Company, in its meeting held on 14th November , 2017, has inter alia, considered, adopted and approved as case may be of the following:

1. Approval of Unaudited Standalone & Consolidated Financial Results for the quarter and half year ended 30th September 2017.(Limited Review Report is attached herewith)
2. Outcome of Postal Ballot result declared today for shareholders' approval for increase in authorized share capital and raising of funds through various modes.

This is for your information and records.

Thanking You,

Yours truly,
For LT Foods Limited

Monika C Jaggia

LT Foods Limited NEW DELHI

Monika Chawla Jaggia
Company Secretary
Membership No. F5150

L T FOODS LIMITED
REGD OFFICE: UNIT NO. 134, RECTANGLE-1, 1ST FLOOR, SAKET DISTRICT CENTRE, NEW DELHI-110017
CIN : L74899DL1990PLC041790
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2017

(Amount in ₹ Lakhs except per share data)

Sl. No.	Particulars	CONSOLIDATED					STANDALONE				
		Three months ended			Six months ended		Three months ended			Six months ended	
		September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016	September 30, 2017	June 30, 2017	September 30, 2016	September 30, 2017	September 30, 2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income										
	Revenue from operations	85,309.96	76,192.70	82,903.20	161,502.66	153,201.84	52,978.52	45,041.25	51,282.83	98,019.77	93,051.82
	Other income	157.70	946.75	1,593.69	1,104.45	2,240.72	(60.32)	371.72	1,087.24	311.40	1,307.99
	Total income	85,467.66	77,139.45	84,496.89	162,607.11	155,442.56	52,918.20	45,412.97	52,370.07	98,331.17	94,359.81
2	Expenses										
(a)	Cost of materials consumed	41,233.92	46,361.89	40,936.71	87,595.81	80,941.99	34,325.82	35,713.09	33,121.67	70,038.91	65,231.49
(b)	Purchases of stock-in-trade	21,068.05	18,650.82	21,526.82	39,718.87	46,708.14	9,862.13	7,085.47	11,208.55	16,947.60	20,163.37
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,500.89)	(13,043.03)	96.14	(14,543.92)	(15,173.12)	(814.37)	(8,425.93)	(2,876.58)	(9,240.30)	(11,032.55)
(d)	Employee benefit expense	3,028.72	3,201.13	2,816.44	6,229.85	5,340.01	1,144.35	1,313.65	1,257.03	2,488.00	2,286.61
(e)	Finance costs	3,400.48	3,745.43	3,629.97	7,145.91	7,515.83	1,987.21	2,222.54	2,494.05	4,209.75	4,903.52
(f)	Depreciation and amortisation expense	909.82	1,199.44	1,343.85	2,109.26	2,738.45	448.61	420.60	631.38	869.21	1,230.37
(g)	Other expenses	11,599.89	11,494.73	9,737.54	23,094.62	18,503.98	4,372.99	5,732.84	5,111.81	10,105.83	9,293.25
	Total expenses	79,739.99	71,610.41	80,087.47	151,350.40	146,575.28	51,326.74	44,092.26	50,947.93	95,419.00	92,076.26
3	Total profit before exceptional items and tax	5,727.67	5,529.04	4,409.42	11,256.71	8,867.28	1,591.46	1,320.71	1,422.14	2,912.17	2,283.55
4	Exceptional items	-	-	-	-	-	-	-	-	-	-
5	Total profit before share of profit of associates and joint ventures	5,727.67	5,529.04	4,409.42	11,256.71	8,867.28	1,591.46	1,320.71	1,422.14	2,912.17	2,283.55
6	Share of profit / (loss) of associates and joint ventures accounted for using equity method	(153.29)	44.31	14.20	(108.98)	55.85	-	-	-	-	-
	Total profit before tax	5,574.38	5,573.35	4,423.62	11,147.73	8,923.13	1,591.46	1,320.71	1,422.14	2,912.17	2,283.55
7	Tax expense										
8	Current tax	2,370.28	2,082.08	1,668.18	4,452.36	3,226.46	798.84	590.51	492.87	1,389.35	901.02
9	Deferred tax	(436.33)	2.40	87.22	(433.93)	(128.71)	(256.77)	(138.96)	77.20	(395.73)	(90.97)
10	Total tax expenses	1,933.95	2,084.48	1,755.40	4,018.43	3,097.75	542.07	451.55	570.07	993.62	810.05
11	Total profit for period	3,640.43	3,488.87	2,668.22	7,129.30	5,825.38	1,049.39	869.16	852.07	1,918.55	1,473.50
12	Other comprehensive income net of taxes										
	(i) Items that will be reclassified to profit and loss	(16.11)	7.96	(249.57)	(8.15)	62.90	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-	-	-	-	-	-	-	-	-
13	Total Comprehensive Income for the period	3,624.32	3,496.83	2,418.65	7,121.15	5,888.28	1,049.39	869.16	852.07	1,918.55	1,473.50
14	Total profit or loss, attributable to										
	Profit attributable to owners of parent	3,397.59	3,255.87	2,498.47	6,653.46	5,420.95	1,049.39	869.16	852.07	1,918.55	1,473.50
	Total profit attributable to non-controlling interests	242.84	233.00	169.75	475.84	404.43	-	-	-	-	-
15	Total Comprehensive income for the period attributable to										
	Comprehensive income for the period attributable to owners of parent	3,381.48	3,263.83	2,248.90	6,615.30	5,483.85	1,049.39	869.16	852.07	1,918.55	1,473.50
	Total comprehensive income for the period attributable to owners of parent non-controlling interests	242.84	233.00	169.75	475.84	404.43	-	-	-	-	-
16	Details of equity share capital										
	Paid-up equity share capital	2,667.45	2,667.45	2,666.32	2,667.45	2,666.32	2,667.45	2,667.45	2,666.32	2,667.45	2,666.32
	Face value of equity share capital	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
17	Earnings per share										
	Basic earnings per share	1.36	1.31	1.00	2.67	2.18	0.39	0.33	0.32	0.72	0.55
	Diluted earnings per share	1.36	1.31	[illegible]	2.67	2.18	0.39	0.33	0.32	0.72	0.55

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LT Foods Limited NEW DELHI

Notes

1 In accordance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has opted to publish unaudited consolidated financial results. The standalone financial results of the Company, will however, be available on the website of BSE (www.bseindia.com) or/and NSE (www.nseindia.com) and on company's website (www.ltgroup.in).

2 The above unaudited financial results were reviewed by the Audit Committee and approved by the Board of Directors on November 14, 2017 and limited review of the same has been carried out by the statutory auditors of the company.

3 The Company adopted Indian Accounting Standards ("IND-AS") effective April 01, 2017 (transition date being April 01, 2016) and accordingly, the financial results for the period ended September 30, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the IND AS prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The IND-AS financial results and financial information for the period ended September 30, 2016 have been compiled by the management after making necessary adjustments to give a true and fair view of the results in accordance with IND-AS and shall be subject to adjustments from audit. This information has not been subject to any limited review or audit.

4 Reconciliation of Profit between IND-AS and Indian GAAP for the quarter ended September 30, 2016 is as follows:

Particulars	CONSOLIDATED		STANDALONE	
	Quarter ended September 30, 2016	Period ended September 30, 2016	Quarter ended September 30, 2016	Period ended September 30, 2016
Net Profit after Tax as per previous Indian GAAP	2,694.47	5,830.16	847.54	1,466.36
- Impact of Fair valuation of investments	3.65	6.26	3.64	6.25
- Impact of depreciation on leasehold land	(1.99)	(3.98)	-	-
- Impact of Share of associates	3.73	55.85	-	-
- Impact of Capital Grant	12.69	2.23	-	-
- Others	0.03	0.03	1.36	1.36
- Deferred tax impact on above adjustments	2.79	(5.02)	(0.47)	(0.47)
- Deferred tax adjustment on unrealised profit	(47.15)	(60.15)	-	-
Net Profit after Tax (before other comprehensive income) as per IND-AS	2,668.22	5,825.38	852.07	1,473.50
Other Comprehensive Income (net of tax)	(249.57)	62.90	-	-
Total Comprehensive Income	2,418.65	5,888.28	852.07	1,473.50

5 The Company is primarily engaged in the business of manufacturing, trading and marketing of rice which is a single primary reportable segment as per Indian accounting standard (IndAS) 108 " Operating Segment".

6 The Company on April 01, 2011 granted 648,329 options to employees specified in the Employee Stock Option Scheme of 2010. Pursuant to the accounting enunciated in guidelines issued by the Securities & Exchange Board of India, the Company has recorded an expense on the basis of fair valuation of the underlying options in the previous years. The Remuneration Committee on February 7, 2013 has approved additional options of 201,209 to the eligible employees of the Company. Further under the above Scheme, the Committee in the previous meetings have allotted 657,683 shares to the employees who have exercised their options. However, 293,474 options granted to the employees specified have been lapsed. The aforementioned shares are before share split. Appropriate modifications in the Employee Stock Option Scheme shall be made accordingly.

7 On June 7, 2014, a major fire occurred in one of the subsidiary company, Daawat Foods Limited (DFL), resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 17,991.40 lacs. DFL has filed an insurance claim with the insurance company amounting to ₹ 18,971.02 lacs and had recognized insurance claim to the extent of net books value of ₹ 17,810.53 lacs in the books of account. The insurance Company has repudiated the insurance claim vide its Order dated February 04, 2016. On the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by the management of the Company under Right to Information Act (RTI), as matter of prudence a loss of ₹ 4,400.00 lacs had been recorded, against the claim amount recoverable from the insurance company. DFL has filed a civil suit against the repudiation of the insurance claim and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim. The auditors of the Company had invited attention to the aforementioned issue as emphasis of matter in their audit report for year ended March 31, 2017 and quarter ended June 30, 2017 respectively.

8 Statement of assets and liabilities

Particulars	CONSOLIDATED	STANDALONE
	As at September 30, 2017	As at September 30, 2017
	Unaudited	Unaudited
ASSETS		
Non-current assets		
a) Property, Plant and Equipment	27,846.36	15,382.90
b) Capital work in progress	11,325.38	2,242.53
c) Investment Property	319.19	-
d) Goodwill	2,375.59	-
e) Other Intangibles assets	7,403.99	352.45
f) Financial Assets		
i) Investments	1,023.08	6,599.90
ii) Loans	671.48	325.50
iii) Other financial asset	13,492.46	48.21
g) Deferred tax asset	1,679.23	-
h) Non current tax asset	2,307.37	1,965.96
i) Other non current assets	275.41	2.23
	68,719.54	26,919.68

LT Foods Limited NEW DELHI

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Particulars	CONSOLIDATED	STANDALONE
	As at September 30, 2017	As at September 30, 2017
	Unaudited	Unaudited
Current assets		
a) Inventories	129,766.86	60,245.22
b) Financial Assets		
i) Trade receivables	49,314.30	34,235.26
ii) Cash and cash equivalents	4,784.02	683.42
iii) Other bank balance	1,173.12	578.91
iv) Loans	1,030.15	366.58
v) Other financial asset	1,104.25	211.88
c) Other current assets	13,937.57	6,027.56
	201,110.27	102,348.83
	269,829.81	129,268.51
EQUITY AND LIABILITIES		
Equity		
a) Equity Share Capital	2,667.45	2,667.45
b) Other Equity		
i) Retained Earnings	58,632.85	27,695.62
ii) Other Reserves	11,128.33	7,390.62
c) Minority Interest	4,991.24	-
	77,419.87	37,753.69
Non-current liabilities		
a) Financial Liabilities		
i) Borrowings	9,209.41	30.43
ii) Other Financial Liabilities	16.73	9.78
b) Long-term provisions	325.90	167.51
c) Other non-current liabilities	252.68	157.14
d) Deferred tax liabilities	183.65	183.65
	9,988.37	548.51
Current liabilities		
a) Financial Liabilities		
i) Borrowings	134,174.43	72,777.89
ii) Trade payables	23,368.13	10,041.39
iii) Other financial liabilities	14,870.04	4,634.02
b) Other current liabilities	3,684.34	2,074.22
c) Short term provisions	52.59	30.13
d) Current tax liabilities	6,272.04	1,408.66
	182,421.57	90,966.31
	269,829.81	129,268.51

9 Previous period figures have been regrouped, recast and rearranged wherever necessary.

For and on the behalf of the Board of Directors

Ashwani Kumar Arora
Managing Director
DIN No. 01574773

LT Foods Limited NEW DELHI

Place: Gurugram
Date : November 14, 2017

SIGNED FOR IDENTIFICATION PURPOSE ONLY

WALKER CHANDIOK & CO LLP • CHARTERED ACCOUNTANTS

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Independent Auditor's Review Report on Standalone Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of LT Foods Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results ('Statement') of LT Foods Limited ('the Company') for the quarter ended 30 September 2017 and the year to date results for the period 1 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2016 and year to date results for the period 1 April 2016 to 30 September 2016, including the reconciliation of net profit under Ind AS of the corresponding quarter and year to date results with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj Goel

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

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

Place: Gurgaon
Date: 14 November 2017

Walker Chandiok & Co LLP

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Independent Auditor's Review Report on Consolidated Quarterly Financial Results and Year to Date Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of LT Foods Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('Statement') of LT Foods Limited ('the Company') and its subsidiaries (the Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures (Refer Annexure 1 for the list of subsidiaries, associates and joint ventures included in the Statement) for the quarter ended 30 September 2017 and the year to date results for the period 1 April 2017 to 30 September 2017, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Attention is drawn to the fact that the figures for the corresponding quarter ended 30 September 2016 and year to date results for the period 1 April 2016 to 30 September 2016, including the reconciliation of net profit under Indian Accounting Standards (Ind AS) of the corresponding quarter and year to date results with net profit reported under previous GAAP, as included in the Statement have been approved by the Board of Directors but have not been subject to limited review or audit. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures, applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above and upon consideration of the review reports of the other auditors, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, and other recognised accounting practices and policies has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. We draw attention to Note 7 in the Statement which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments with respect to its assessment of recovery of the insurance claim in the books of the subsidiary – Daawat Foods Limited (DFL) at ₹ 13,410.53 lacs (net). The claim has been repudiated by the insurance company vide its letter dated 4 February 2016. DFL has filed a civil suit against the repudiation of the insurance claim. Our opinion is not modified in respect of this matter.

Walker Chandiok & Co LLP

Independent Auditor's Review Report on Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

5. We did not review the financial results of 17 subsidiaries included in the Statement whose financial results reflect total revenues of ₹ 42,986.84 (net of eliminations ₹ 35,616.20 lacs) and ₹ 85,021.07 (net of eliminations ₹ 72,100.31 lacs) for the quarter and six months ended 30 September 2017 respectively and net profit (including other comprehensive income) of ₹ 2,046.71 and ₹ 3,456.83 for the quarter and six months ended 30 September 2017 respectively, total assets of ₹ 83,886.01 (net of eliminations ₹ 75,551.94 lacs) as at 30 September 2017 and net assets ₹ 30,014.77 as at 30 September 2017. The Statement also includes the Group's share of net loss (including other comprehensive income) of ₹ 153.29 and ₹ 108.98 for the quarter and six months ended 30 September 2017 respectively as considered in the Statement, in respect of 3 associates and 2 joint ventures, whose financial results have not been reviewed by us. These financial results have been reviewed by other auditors whose review reports have been furnished to us by the management and our report in respect thereof is based solely on the review reports of such other auditors.

   Further, of these subsidiaries, associates and joint ventures, 6 subsidiaries are located outside India whose financial results have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial results of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management. Our report in so far as it relates to the financial results of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and reviewed by us.

6. We did not review the financial results of 2 subsidiaries, whose financial results reflect total revenues of ₹ 19,221.97 lacs (net of eliminations ₹ 3,699.62 lacs) and ₹ 27,268.91 lacs (net of eliminations ₹ 6,559.26 lacs) for the quarter and six months ended 30 September 2017 respectively and net (loss)/profit (including other comprehensive income) of ₹ (208.12) lacs and ₹ 125.64 lacs for the quarter and six months ended 30 September 2017 respectively, total assets of ₹ 21,038.59 as at 30 September 2017 and net assets ₹ 3,626.20 as at 30 September 2017. These financial results are unaudited and have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circulars CIR/CFD/CMD/15/2015 dated 30 November 2015 and CIR/CFD/FAC/62/2016 dated 5 July 2016, in so far as it relates to the aforesaid subsidiaries, are based solely on such unaudited financial results. In our opinion and according to the information and explanations given to us by the management, these financial results are not material to the Group.

   Our review report is not modified in respect of these matters.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No: 001076N/N500013

Neeraj Goel

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

WALKER CHANDIOK & CO LLP CHARTERED ACCOUNTANTS

Place: Gurgaon
Date: 14 November 2017

Chartered Accountants

Independent Auditor's Review Report on Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Cont'd)

Annexure 1

List of entities included in the Statement

List of subsidiaries:

Daawat Foods Limited, LT Overseas North America Inc, LT Foods America Inc, LT Foods USA LLC, Universal Traders Inc, Raghunath Agro Industries Private Limited, Nature Bio Foods Limited, Sona Global Limited, LT Foods Middle East DMCC, LT Agri Services Private Limited, LT International Limited, Raghuvesh Foods and Infrastructure Limited, SDC Foods India Limited, Expo Services Private Limited, Raghuvesh Power Projects Limited, Fresco fruits N nuts Private Limited, LT Foods International Limited, LT Foods Europe B.V. and Deva Singh Shyam Singh Private Limited;

List of associates:

Raghuvesh Warehousing Private Limited, Raghuvesh Agri Foods Private Limited, Raghuvesh Infrastructure Private Limited; and

Jointly controlled entity:

Genoa Rice Mills Private Limited and Daawat Kameda India Private Limited.

WALKER CHANDIOK & CO LLP * CHARTERED ACCOUNTANTS

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Report of Scrutinizer(s)(Consolidated)

[Pursuant to rule section 108 of the Companies Act, 2013 and rule 20(4)(xii) of the Companies(Management and Administration) Rules, 2014]

To
The Chairman
M/s LT Foods Limited

Subject:Consolidated scrutinizer's Report on remote e-voting & voting through physical ballot paper

Dear Sir,

The Board of Directors of LT Foods Limited ("the Company") issued the postal ballot notice dated 3rd October 2017 (Hereinafter referred as "Notice") and decided to provide to the members of the Company, facility to exercise their voting right on the resolutions as set out in the notice by way of voting by electronic means ('e-voting") or physical postal ballots; as required under the provisions of Section 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.

I, CS Debasis Dixit (Company Secretary in Practice) has appointed as Scrutinizer(s) by the board of directors of M/s LT Foods Limited (the Company), as required under Section 108& 110 of the Companies Act, 2013 read with Rule 20 & 22of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the purpose of scrutinizing voting by use of ballot paper and e-voting in fair and transparent manner and ascertain the requisite majorityfor passing the resolutions as contained in the notice and reproduced herein below:

1. Increase in Authorise Capital of the Company- Proposed as Ordinary Resolution

2. Raising of Funds through issue of equity shares-Proposed as Special Resolution

3. Investments by Foreign Portfolio Investors including their sub-accounts in the equity shares of the Company-Proposed as Special Resolution

The Compliance with the provisions of the Companies Act, 2013 and the Rules made thereunder relating to voting through electronic means (by remote e-voting) and voting by use of ballot paper by the shareholders on the resolutions contained in the Notice of the Postal Ballot of the Company is the responsibility of the Management. Our responsibility as a Scrutinizer is to ensure that the voting process both through electronic means and by use of postal ballot are conducted in fair and transparent manner and render consolidated Scrutinizer's report of the total votes cast in favour or against if any, to the Chairman on the Resolutions, based on the reports generated from the

D DIXIT & ASSOCIATES
COMPANY SECRETARIES
Regd. Office : H-2/206, Apra North Ex Plaza, Netaji Subhash Place, New Delhi-110034

D DIXIT & ASSOCIATES C.P. No.: 7871 New Delhi Company Secretaries electronic voting system provided by National Securities Depository Limited (NSDL) and on the basis of postal ballot received by us.

As per Companies (Management and Administration) Rules, 2014 as amended upto date, the remote e-voting opened from 13th October, 2017 at 09:00 AM and remained opened up to11th November, 2017 at 05:00 P.M. and all physical postal ballot forms received till 11thNovember 2017 05:00 P.M. being the last date of receipt of postal ballot forms; were considered for my scrutiny. We have not received any postal ballot forms after 05:00 P.M. on SaturdayNovember11th 2017.

The Equity Shareholders holding shares as on7thOctober2017, "cut-off date", were entitled to vote on the Resolutions stated in the notice of Postal Ballot of the Company.

As per Management Representation, the postal ballot notice along with the postal forms was mailed electronically to the members who had registered their emails with the depositories. In other cases, the company has completed dispatched postal ballot forms and postage prepaid self addressed business reply envelopes on12thOctober, 2017.

After the closure of Voting period on 11thNovember 2017 I have unblocked the electronic votes in the presence of two witnesses, who are not the employees of the Company and the e-voting results/ list of equity shareholders who have voted for and against were downloaded from the e-voting website of National Securities Depository Limited (NSDL) (https://www.evoting.nsdl.com), and Postal Ballot papers received were, sorted, signatures verified and were scrutinized and initialled by the scrutinizer. The Postal Ballot papers were reconciled with the records maintained by the Registrar and Transfer Agents (R&TA) of the Company and the authorizations lodged with the Company. The voters were also scrutinized for the purpose of eliminating duplicate voting i.e. on remote e-voting as well as by use of Postal Ballot papers. There was no person who has voted both in e-voting as well asPostal Ballot Paper for the same shares held. However, some shareholders holding shares in different Demat account have voted both e-voting as well as Postal ballot for different demat accounts.

We have not received any postal ballot papers, which were incomplete and/or which were otherwise found defective.

The total votes cast in favour or against all the resolutions proposed in the Notice of Postal Ballot are as under:

RESOLUTION NO. 1 Increase in Authorise Capital of the Company

Voted in favour of the resolution:

Mode of voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	186	90370113	73.50
Voting by Postal Ballot	17	32574860	26.49
Total	203	122944973	99.99

Debasis

D DIXIT & ASSOCIATES
C.P. No. 7871
New Delhi
Company Secretaries

Voted against the resolution:

Mode of voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	5	12267	0.01
Voting by Postal Ballot	Nil	-	-
Total	5	12267	0.01

Invalid votes:

Total number of members whose votes were declared invalid	Total Number of votes cast by them
Nil	Nil

RESOLUTION 2: Raising of Funds through issue of equity shares

Voted in favour of the resolution:

Mode of voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	180	89648442	72.91
Voting by Postal Ballot	17	32574860	26.50
Total	197	122223302	99.41

Voted against the resolution:

Mode of voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	11	733938	0.59
Voting by Postal Ballot	Nil	-	-
Total	11	733938	0.59

Invalid votes:

Total number of members whose votes were declared invalid	Total Number of votes cast by them
Nil	Nil

RESOLUTION 3: Investments by Foreign Portfolio Investors including their sub-accounts in the equity shares of the Company

Voted in favour of the resolution:

Mode of voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	187	90381274	73.50
Voting by Postal	17	32574860	26.49

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D DIXIT & ASSOCIATES C.P. No. 7871 New Delhi Company Secretaries

Ballot			
Total	204	122956134	99.99

Voted against the resolution:

Mode of voting	Number of members voted	Number of votes cast by them	% of total number of valid votes cast
Remote e-voting	6	1521	0.01
Voting by Postal Ballot	Nil	Nil	-
Total	6	1521	0.01

Invalid votes:

Total number of members whose votes were declared invalid	Total Number of votes cast by them
Nil	Nil

All the relevant records of voting will remain in my custody until the Chairman considers, approves and signs the minutes of Postal Ballot and the same shall be handed over thereafter to the Chairman for safe keeping.

Thanking you.

Yours faithfully

ForD Dixit & Associates
Company Secretaries

Debasis Dixit
M.No-F-7218, CP No-7871
Place: Delhi
Dated: 14th November, 2017

Details of Voting Results

Date of the EGM/AGM	Not Applicable
Total Number of Shareholders on record date (i.e. October 07, 2017 – Cutoff date for e-voting purpose)	38993 (Thirty Eight Thousand Nine Hundred Ninety Three Only)
No. of Shareholders present in the meeting either in person or through proxy & voted electronically: 1. Promoters and promoter Group: 2. Public	8 (Eight) 200 (Two Hundred only)
No. of Shareholders attended the meeting through Video Conferencing 1. Promoters and promoter Group: 2. Public:	Not Applicable

Agenda –Wise Disclosure

Resolution 1: Increase in Authorized Capital of the Company

Resolution Required : (Ordinary/Special)	Ordinary
Whether Promoter/Promoter Group was interested in the Agenda/resolution	No

Category	Mode of Voting	No. of share held	No. of Votes Poll	% of Votes Polled on Outstanding Shares	No. of Votes in Favour	No. of Vote Against	% of Votes in Favour on Votes polled	% of votes against on votes polled
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Promoter and Promoter Group	E-voting	179144830	65905100	36.79	65905100	Nil	100	Nil
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		32573840	18.18	32573840	Nil	100	Nil
	Total	179144830	98478940	54.97	98478940	Nil	100	Nil
Public-Institutions	E-voting	9882887	6084941	61.57	6074937	10004	99.84	0.16
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		Nil	N.A.	N.A.	N.A.	N.A.	N.A.

LT Foods Limited NEW DELHI

	Total	9882887	6084941	61.57	6074937	10004	99.84	0.16
Public-Non Institutions	E-voting	77717063	18392339	23.66	18390076	2263	99.98	0.02
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		1020	0.001	1020	0.001	100	Nil
	Total	77717063	18393359	**23.67**	**18391096**	**2263**	99.98	**0.02**
Total		**266744780**	**122957240**	**46.10**	**122944973**	**12267**	**99.99**	**0.01**

Resolution 2: Raising of Funds through issue of equity shares

Resolution Required : (Ordinary/Special)				Special				
Whether Promoter/Promoter Group was interested in the Agenda/resolution				No				
Category	**Mode of Voting**	**No. of share held**	**No. of Votes Poll**	**% of Votes Polled on Outstanding Shares**	**No. of Votes in Favour**	**No. of Vote Against**	**% of Votes in Favour on Votes polled**	**% of votes against on votes polled**
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Promoter and Promoter Group	E-voting	179144830	65905100	36.79	65905100	Nil	100	Nil
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		32573840	18.18	32573840	Nil	100	Nil
	Total	179144830	**98478940**	**54.97**	**98478940**	**Nil**	**100**	**Nil**
Public-Institutions	E-voting	9882887	6084941	61.57	5353254	731687	87.98	12.02
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		Nil	N.A.	N.A.	N.A.	N.A.	N.A.

LT Foods Limited NEW DELHI

	Total	**9882887**	**6084941**	**61.57**	**5353254**	**731687**	**87.98**	**12.02**
Public-Non Institutions	**E-voting**	77717063	18392339	23.66	18390088	2251	99.99	0.01
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		1020	0.001	1020	0.001	100	Nil
	Total	**77717063**	**18393359**	**23.67**	18391108	**2251**	**99.98**	**0.02**
Total		**266744780**	**122957240**	**46.10**	**122223302**	**733938**	**99.41**	**0.59**

Resolution 3: Investments by Foreign Portfolio Investors including their sub-accounts in the equity shares of the Company

Resolution Required : (Ordinary/Special)				Special				
Whether Promoter/Promoter Group was interested in the Agenda/resolution				No				
Category	**Mode of Voting**	**No. of share held**	**No. of Votes Poll**	**% of Votes Polled on Outstanding Shares**	**No. of Votes in Favour**	**No. of Vote Against**	**% of Votes in Favour on Votes polled**	**% of votes against on votes polled**
		(1)	**(2)**	**(3)**	**(4)**	(5)	(6)	(7)
Promoter and Promoter Group	**E-voting**	179144830	65905100	36.79	65905100	Nil	100	Nil
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		32573840	18.18	32573840	Nil	100	Nil
	Total	**179144830**	**98478940**	**54.97**	**98478940**	**Nil**	**100**	**Nil**
Public-Institutions	**E-voting**	9882887	6084941	61.57	6084941	0	100	0
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		Nil	N.A.	N.A.	N.A.	N.A.	N.A.

LT Foods Limited NEW DELHI

	Total	9882887	6084941	61.57	6084941	0	100	0
Public-Non Institutions	E-voting	77717063	18392754	23.66	18391233	1521	99.99	0.01
	Poll (N.A.)		N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	Postal Ballot		1020	0.001	1020	0.001	100	Nil
	Total	77717063	18393774	23.67	18392253	1521	99.99	0.01
Total		266744780	122957655	46.09	122956134	1521	99.99	0.01

Note: All the aforesaid resolutions were passed with requisite majority.

For on behalf of
LT Foods Limited

Ashwani Kumar Arora
Managing Director
DIN No. 01574773

LT Foods Limited NEW DELHI

Monika Chawla Jaggia

Monika Chawla Jaggia
Company Secretary
Membership No. F5150

LT Foods Limited NEW DELHI

Date:- 14th November 2017
Place:- Gurugram

DECLARATION

Our Company certifies that all relevant provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VIII and Schedule XVIII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company'sbusiness have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed by:

____

Mr. Vijay Kumar Arora
(Managing Director)

Date: December 21, 2017 Place: Delhi

DECLARATION

We, the Directors of the Company, certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the offer shall be used only for the purposes and objects indicated in the Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

Signed by:

____
Mr. Vijay Kumar Arora
(Managing Director)

We are severally authorised by the Capital Raising Committee, a committee of the Board of Directors of our Company, *vide* resolution dated October 3, 2017, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

____
Mr. Vijay Kumar Arora
(Managing Director)

____
Ms. Monika Chawla Jaggia
(*Company Secretary and Vice President (Finance & Strategy) & Compliance Officer*)

Date: December 21, 2017 Place: Delhi

LT FOODS LIMITED

`Registered Office

Unit No. 134,
First Floor, Rectangle - 1,
Saket District Centre,
New Delhi – 110017.
India

Website: http://www.ltgroup.in

CIN: L74899DL1990PLC041790

Compliance Officer: Ms. Monika Chawla Jaggia

BOOK RUNNING LEAD MANAGER

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower
Rahimtullah Sayani Road, Opposite Parel ST Depot
Prabhadevi, Mumbai - 400 025

STATUTORY AUDITORS OF OUR COMPANY

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Jacaranda Marg
DLF Phase II
Gurgaon 122002, India

LEGAL ADVISERS TO THE COMPANY

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As to US law

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