

ANNUAL REPORT 2018-19



LT Foods

TOMORROW STARTS TODAY



**CREATING A SUSTAINABLE GLOBAL
CONSUMER FOOD BUSINESS**

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For further information, scan the QR code.



World of LT Foods



**CONSISTENT VALUE CREATION
HAS ALWAYS BEEN OUR CORE
STRATEGY, AND WE ARE
AGGRESSIVELY TRANSFORMING
OUR BUSINESS TO BE ONE OF
THE LEADING GLOBAL FOOD
COMPANIES.**

**WE ARE MAXIMISING VALUE BY PROGRESSIVELY
STRENGTHENING OUR SUSTAINABLE BUSINESS MODEL.**

**OUR CUSTOMER-CENTRIC APPROACH, EXCELLENCE IN
OPERATIONS AND INVESTMENTS IN INNOVATION ARE
ENABLING CONTINUED PROGRESS.**



Corporate Evolution

Delighting consumers for decades



We are a leading global consumer food company with strong global brands of basmati and other specialty rice, rice-based convenience products and organic food with a deep and abiding commitment to delighting consumers.

We are one of the very few Indian basmati rice companies with fully integrated operations spanning milling, processing, packaging, distribution and marketing of branded basmati rice, and rice-based convenience food products. Our flagship brand Daawat is India's leading brand and Royal® is the largest selling basmati rice brand in North America. Our global presence spans 65 countries across Asia, Europe, the Middle East and North America.

In step with evolving consumer trends, we have expanded into allied health and convenience food segments across rice-based snacks, organic, ready-to-heat and saute sauces, among others.

The catalyst that drives our growing business and esteemed brands is the experience, expertise and ownership of our people. The objective is to create and strengthen a sustainable food business globally.

Our core purpose

Maximise shareholder return through creating a fully integrated, global, sustainable, predictable, profitable and growing consumer branded business model.

- To give the maximum consumers across the globe the finest basmati and regional specialty rice experience across all price points.
- To help consumers with convenience products which enable them to make delightful rice-based meals without the rigour of cooking from scratch, and which fits in with their current lifestyles.
- To improve their self-esteem and make them feel good about themselves in the trust and belief that they are consuming and serving the finest.

Inspiring timelines

Pre-1980

We commenced our journey by foraying into the high-potential basmati industry



1980-1995

We launched our flagship 'Daawat' brand and focused on business-to-business (B2B) model through a private label

1995-2006

We strengthened our brand portfolio and expanded across the product value chain



2007-2014

We consolidated our global presence by expanding in North America, Europe, the Middle East and other parts of the world

2015-2018

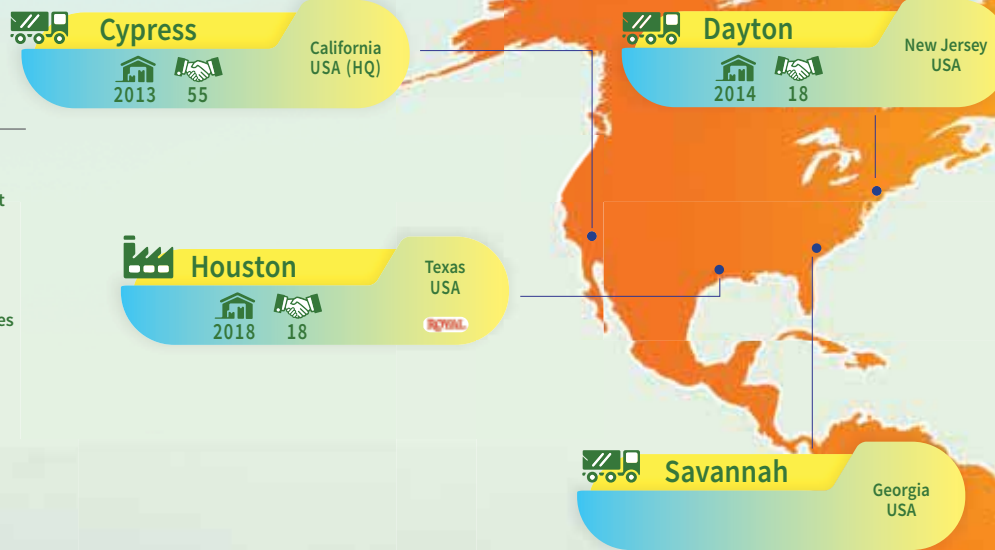
We undertook several strategic acquisitions to widen our offerings. With more capacities, a broader product portfolio and a wider reach, we strengthened our global ambition to touch and delight more customers



Next level of growth

To outperform the industry, we are driving our next growth stage to become a preferred brand for our consumers and become the category leader in key markets

Creating flavours and happiness from past five decades



- Distribution Center
- Manufacturing Plant
- Snacks Plant
- Since
- Number of Associates
- Capacity Tons
- Export to Countries
- Storage Capacity
- Manpower

Our progress



Fully integrated

From just a rice trader to a leading global consumer food company with an end to end control on the complete value chain



Sustainable

Consistent growth with profitability underlies the fundamental strength of the business



Predictable

From a B2B and trading business to a brand-driven business is an exciting evolution for us that creates predictable and tangible value



Trusted

From a closely held to a publicly listed company with esteemed investors and global partners



Fully integrated

From just a rice trader to a leading global consumer food company with an end to end control on the complete value chain



Sustainable

Consistent growth with profitability underlies the fundamental strength of the business



Predictable

From a B2B and trading business to a brand-driven business is an exciting evolution for us that creates predictable and tangible value

Our Strengths

Market leading brands across the globe



Market share



~27%

Share in branded rice market in India



~35%

Share in premium segment in India

~45%

Share in US basmati rice segment

~39%

Share in branded segment in US

Other global brands



Devaaya



Infrastructure

India

Five integrated and automated facilities in Punjab, Haryana and Madhya Pradesh

US

Three packaging units and a ready-to-heat facility in US

Europe

One processing and packaging unit in Rotterdam

Organic

One 100% organic food facility with cold and CO₂ treatment in Sonapat, Haryana

Distribution

65+

Countries

100+

Distributors for international markets

800+

Distributors in India

6,000+

Food service outlets in India

Our Footprint

Transcontinental reach

We have a diversified geographic portfolio with substantial business contributions from all key markets of LT Foods.

Region-wise revenue contribution

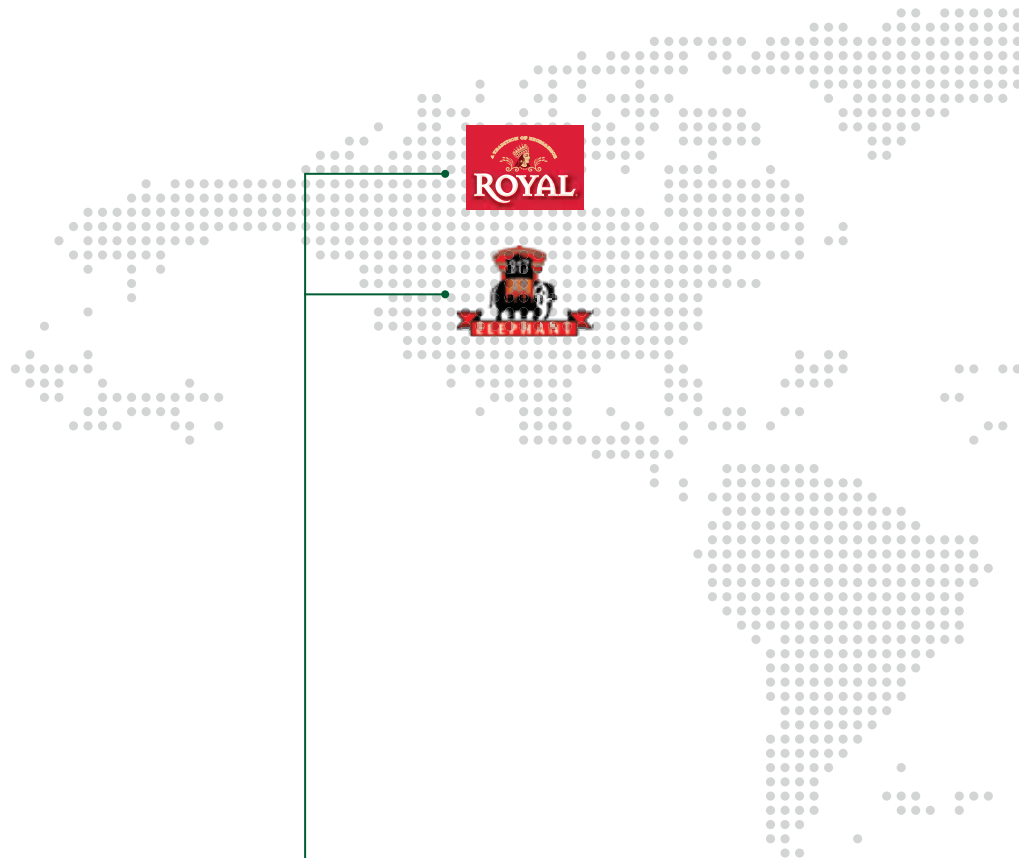
36%
India

36%
US

12%
Middle East

11%
Europe

5%
Rest of world



US and Canada

- #1 with 45% market share in US and leading player in Canada
- Presence with flagship brand 'Royal' and acquired brand '817 Elephant'

UK and Europe

- Well-entrenched sales network
- Operating 60,000 MT rice processing plant at Rotterdam
- Gaining preferred supplier status with leading retail chains across Europe, including UK, France, Switzerland, Netherlands and Scandinavia
- Expanding presence and market share of Daawat in UK and continental Europe

Middle East

- Strong penetration with ethnic and local consumers with Daawat, Devaaya and Heritage
- Strengthening presence in Gulf Cooperation Council (GCC) markets with acquisition of Indus Valley and Rozana brands

Far East

One of the leading players in the branded and private label business



Africa

Leading market share across several African markets like Reunion islands, Mauritius and Seychelles and creating new markets in East and North Africa

India

- Strong player with 27% market share and 32% market share in modern retail
- Leading brand in HORECA, pan-India presence with 800+ distributors
- 5 manufacturing facilities with total 106 tonnes per hour (tph) capacity

Product Range

Expanding our portfolio of the finest foods



Creating a sustainable global consumer food business is an ambitious task, as preferences evolve, along with nutritional priorities and lifestyle changes across geographies. We are consistently growing our product portfolio in the food space, in line with changing consumer trends.

Product categories

Basmati and other specialty rice



Rice-based snacks



Ready-to-heat meals



Organic food



Rice, soya, pulses, oil seeds, cereal grains, spices and nuts

Sauté sauces



Delicious brandwagon

DAAWAT



Flagship brand of the Company, 'Daawat' is one of the largest selling basmati brands in the world. 'Daawat' offers consumers finest quality basmati rice.

Devaaya



Leading basmati rice brand in the mid-price segment and offers branded basmati rice and staples such as wheat flour, refined flour, flattened rice, chickpea flour, and semolina.

ROYAL



Strong brand holding leadership position. It is the largest selling basmati rice brand in the US. Besides premium basmati rice, the brand also offers jasmine rice, arborio rice, and wheat flour.

HERITAGE
BASMATI RICE



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



'Gold Seal Indus Valley' and 'Rozana' are well recognised as a more than 30-year-old brand in the Middle East.

ecolife



EcoLife is a certified 100% pure organic brand sourcing from 80,000+ organic farmers registered with us. Products ranging from rice, pulses, oil seeds, cereal grains, spices, soya and nuts are well accepted in the developed economies.



Targeting the Indian and Middle Eastern ethnic population in the US, Canada and the Middle East.

KARI KARI

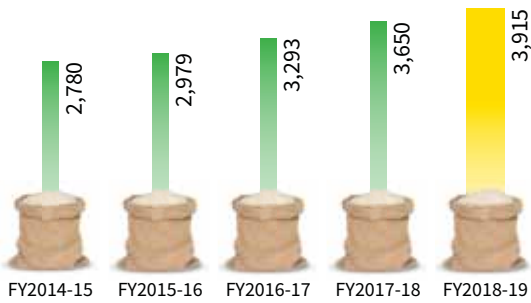


Launched premium rice-based snacks brand 'Kari Kari' in India from a JV with a Japanese snack food major Kameda Seika.

Key Financial Highlights

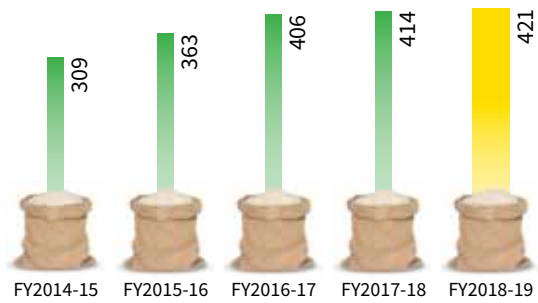
Closer look at performance

Net sales (₹ in crore)



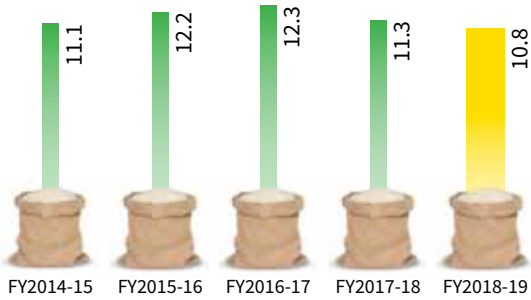
5-year CAGR **9%**

EBITDA (₹ in crore)

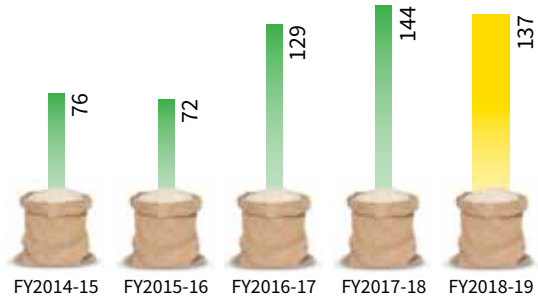


5-year CAGR **8%**

EBITDA margin (%)

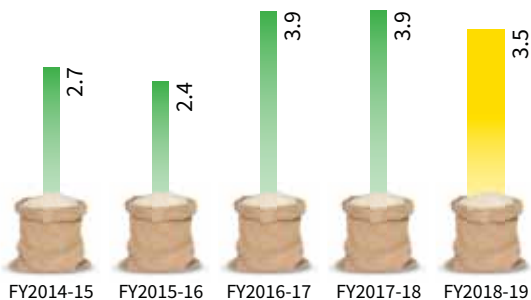


Profit after tax (₹ in crore)

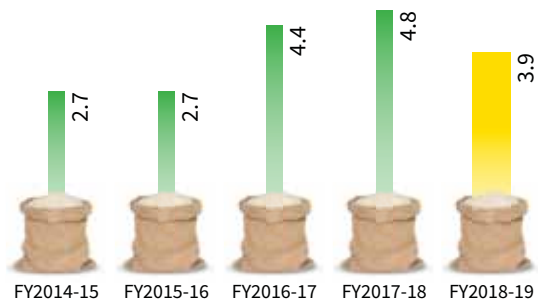


5-year CAGR **16%**

Profit after tax margin (%)

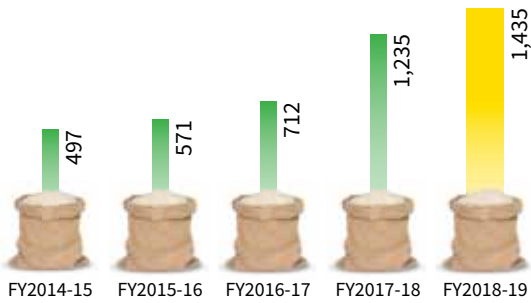


Earnings per share (₹)



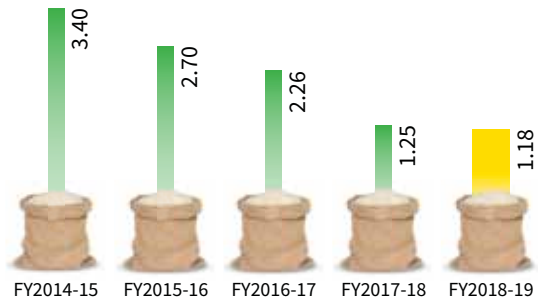
5-year CAGR **8%**

Net worth (₹ in crore)

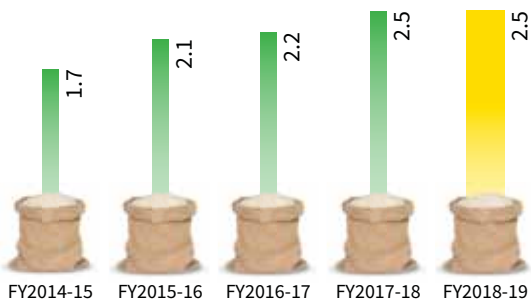


5-year CAGR **30%**

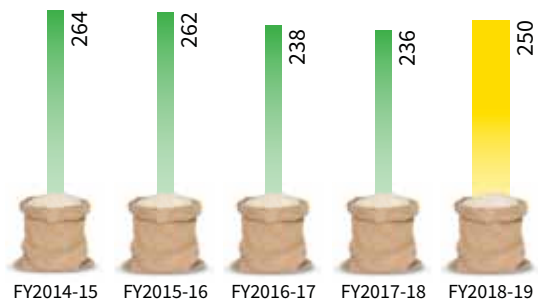
Debt equity ratio (%)



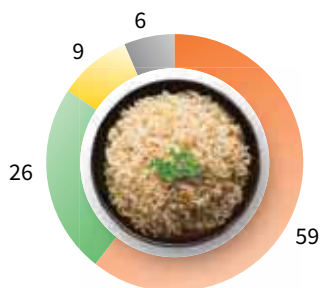
Interest coverage ratio (%)



Working capital (days)

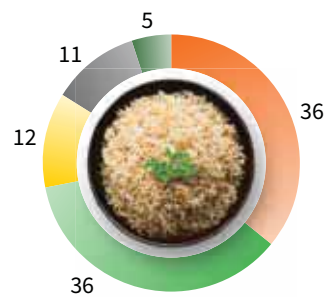


Revenue by business segment (%)



- Consumer business
- Strategic private label business
- Organic business
- Value-added new products

Revenue by geography (%)



- India
- Rest of world
- Europe
- Middle East
- US

Management Message

We are building a sustainable business and contributing to a healthier future for all



Dear Shareowners,

The year gone by began on a promising note for the world economy, but after a few months the momentum began to peter out. The deceleration was the result of several factors such as rising crude prices, US-China trade standoff, disruptions in the German auto sector, tariff warfare among major nations, threats of protectionism, along with greater policy ambiguity.

Although the country's GDP growth declined to 6.8% in FY2018-19 from 7.2% in FY2017-18, the overall economic outlook is largely positive. The economy now is in a state of formalisation and consolidation with strong transitional undercurrents, which are acting as a force multiplier.

The country's economy is primarily steered by its predominantly young and aspiring population, greater affinity towards brands and premiumisation, faster urbanisation and infrastructure creation and above all enhanced ease of doing business. These trends augur well for our business. It is also pertinent to mention in this context that the rapid rollout of contemporary retail format stores and stronger marketing efforts by companies have facilitated the growth of basmati rice consumption in the domestic market. The outlook for the domestic basmati rice consumption is favourable, supported by demand improvement from the international market and potential upside from branded demand/premiumisation in domestic markets.

To give you a perspective, basmati rice exports from India reached ` 32,000 crore during FY2018-19. As one of India's leading basmati rice exporters, we are confident that the future roadmap continues to hold out considerable optimism. Against this general positive backdrop, let us now try to evaluate our performance for FY2018-19 and try to identify our growth pivots, which will drive our organisation to the next level of value creation.

Sustainable growth in India

It is gratifying to report another year of encouraging performance. Revenue grew by 7% to ₹3,915 crore in FY2018-19 from ₹3,650 crore in FY2017-18. Our leading brands such as Daawat, Heritage, Rozana, Devaaya, etc. in India as well as Royal, Gold Seal Indus Valley, 817 Elephant globally contributed to this growth. We delivered an EBITDA of

₹ 3,915 crore

Revenue in FY2018-19

₹ 137 crore

Profit After Tax in FY2018-19

₹421 crore in FY2018-19 as against ₹414 crore in FY2017-18. Additionally, our profit after tax stood at ₹137 crore in FY2018-19 as against ₹144 crore in FY2017-18. Our revenue from basmati exports stood at ₹2,103 crore in FY2018-19 as compared to ₹1,896 crore in FY2017-18, up by 11%. We further strengthened our presence across India as well as in international markets by continuously investing in brands that accounted for greater market share across categories.

The overall demand for basmati rice continues to be high and we are well positioned to capitalise on this growth opportunity. Our branded business in India recorded sales of ₹947 crore in FY2018-19 as compared to ₹892 crore in FY2017-18 owing to improved realisations from branded products. Moreover, our consumer pack business reported a growth of 8% to ₹1,941 crore in FY2018-19 as compared to ₹1,794 crore in FY2017-18.

We firmly believe in the idea of keeping pace with changing consumer needs and preferences. Therefore, in addition to growing the basmati rice business over the years, we have leveraged our brand to foray into the segment of value-added products (VAP). Our offerings comprise specialty rice across difference price points, as well as organic food, sauté sauces, rice-based snacks and rice-based convenience products. We successfully launched premium rice-based snacks brand 'Kari Kari' for the Indian market

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The country's economy is primarily steered by its predominantly young and aspiring population, greater affinity towards brands and premiumisation, faster urbanisation and infrastructure creation and above all enhanced ease of doing business.



Our subsidiary Nature Bio Foods Ltd. (NBFL) has secured equity funding from Rabobank's India Agri Business Fund II with a proposed investment of ₹140 crore. NBFL received the first tranche of ₹60 crore in FY2018-19. The second tranche is expected to come in FY2019-20.

with JV partner, Kameda Seika. We are setting up a unit in Haryana and expect commercial production of Kari Kari offerings to start during FY2019-20. We are going to launch Daawat Sauté Sauces to offer greater convenience to consumers by ensuring its availability across all important towns in India in addition to major e-commerce platforms after successful test launch for one year in selected geographies.

Accelerating global endeavours

Our capabilities in the US and the EU improved as a result of greater market penetration. We are solidifying our presence in other regions across the Middle East and Africa through organic and inorganic routes. Our overall international business touched ₹2,103 crore in FY2018-19 as against ₹1,896 crore in FY2017-18. North America has been one of the strongest international markets for us, where the brand 'Royal' contributes significantly to overall branded revenues and takes up 45%+ of the US market. Further, the acquisition of the 817 Elephant brand has enabled us to achieve leadership position in Canada. During the year under review, Daawat gained leadership position in Israel and Reunion Island, among others.

We have introduced a range of new, organic ready-to-heat (RTH) products for the overseas market with a facility in the US. The new RTH foods facility in Houston, US, manufactures 2-minute retort rice in order to fortify our footprint in the high potential market. Our processing and packaging facility in Europe is scaling up and will serve rising demand across the continent. In Europe, we grew our ethnic business and added new supermarket customers for our private label. We launched new avatar of Daawat in the UK and Europe across all price segments with enhanced focus on the catering and consumer channels. All our brands are performing well across geographies and we will make greater efforts to nurture them and leverage their potential and distribution globally.

Growth avenues

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Continued support from India Agri Business Fund reflects strong confidence



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in the management’s strategic growth outlook. These capabilities created in the backend under the global organic food ingredients business are likely to support our growth operations across the world.

Research collaborations

We are focused on the next level of innovation. We signed a memorandum of understanding (MoU) with Wageningen Food & Biobased Research (WFBR), Netherlands, to promote co-operation in the field of research and education. Our collaboration will help accelerate the progress of research, education and training in various research disciplines to strengthen the best practices followed by us at farm level for procurement of paddy and improve compliance with MRL standards in line with global requirements. With our wide customer base both in India and international markets, we will benefit from the exchange of innovative technologies that will aid in better alignment with global food/produce standards. The agreement will also enable us and WFBR to encourage and establish exchange of collaborative scientific research.

Team counts

We believe our success is the outcome of the efficiency of our people and it is their expertise, experience and enthusiasm that drive us. With a congenial work culture, a focus on learning and development—that help our people sharpen their skills with focused training initiatives—and a proven reward and recognition programme, we nurture our people and help them grow in the organisation.

Caring for community

We believe in sustainable co-existence with communities around us, with focus on enhancing their quality of life. LT Foods Limited CSR policy and Fair Farming Foundation (supported with fair trade and social development fund, along with CSR Fund) represent our twin social engagement programmes, which help us address the requirements of communities in our vicinity. We continue to develop rural infrastructure and improve the quality of education in rural schools.

Future perfect

We have rolled out a five-year roadmap with an eye on the future. Our objective is to be a preferred brand for our consumers across geographies. We would also like to remain category leaders in key markets and continue to outperform industry growth. We are keeping consistent focus on building scale, enhancing procurement efficiencies, improving manufacturing yield and improving operating efficiencies along with solidifying our brands across geographies. Going forward, our market leadership will be clearly driven by higher margins and profitability. With your help and support, we will continue to strengthen our business with a broader sustainability agenda and contribute to a healthier future for all.

Warm regards

Vijay Kumar Arora

Chairman

Ashwani Kumar Arora

Chief Executive Officer & Managing Director

Strategic Framework

Crafting a sustainable growth roadmap

Ensuring sustainable farming and procurement



Strategic imperatives

- Strengthen backward integration through partnerships with farmers under Sustainable Rice Production Programmes to deliver residue-compliant products as per global norms
- Strengthen agri-extension team to support farmers throughout the year for rice farming
- Leverage our 80,000+ farmers network with a land bank of 1.1 lakh hectares for organic food
- Enhance procurement network with strong quality control across all 234 mandis (procurement markets) in basmati-growing areas

Diversifying product portfolio



Strategic imperatives

- Offering the finest experience through basmati and value-added products across all price points
- Expand the range of convenience foods and ready-to-cook foods
- Introduce a range of organic products in view of rising trend of health and wellness
- Foray into organic 'ready-to-heat' products, along with value-added staples grown and processed organically
- Evaluate emerging market opportunities including formulation of dietary supplements and development of meat analogues

We operate in a dynamic market where consumer preferences are ever evolving. In line with our end users' aspirations and inclinations, we have developed a strategic blueprint that helps deliver a wide spectrum of contemporary relevant products that delight consumers and strengthen our brands.

Investing in research and development



Strategic imperatives

- Drive research and development with dedicated research partners in two state-of-the-art research centres located in India and the US
- Leverage innovative concepts such as **Daawat Rozana Gold Plus**, a combination of white and brown basmati rice offering more fibre
- Create India's only fast cooking full bran brown rice through the Unique Hydration Enhancement Technology (HET) - **Daawat Quick-Cooking Brown Rice**
- Develop additional products to expand range of convenience foods (Dawaat Saute Sauces, 90-second Ready-to-Heat Pouched Rice, Fortified Rice and 5-minute Meal-in-a-Cup)
- Create a healthy rice-based snack segment with brand Kari Kari (through a JV with a Japanese company)
- Recently commissioned a new assurance and analytical services laboratory to enhance the food safety standards

Growing our brands globally



Strategic imperatives

- Grow our capabilities, product offerings, distribution network across geographies
- Drive bespoke campaigns across our target markets, including in US, Europe, the Middle East and India, among others
- Continue to leverage established operations and economies of scale to focus on expanding international sales of branded products
- Integrate successful acquisitions and tie-ups into the business

Innovation and New Product Development

Expanding our consumer franchise through newer offerings



We believe sustainability can only be achieved through consistent focus on market dynamics, consumer and stakeholder aspirations, and innovative steps to improve the way we create value. The innovation spectrum encompasses the entire value chain – from the way our products are grown, prepared, delivered and ultimately served on the table.

Our Research and Development (R&D) team enables us to put both convenience and taste on the plate for our consumers, unveiling new and exciting opportunities to cater to their unsatiated and unstated demands. Led by consumer insights, we innovate to meet changing consumer requirements. Over the years, we have launched several products that have fulfilled the requirements of consumer.



World-class innovation centres

Two product innovation centres, one in Gurugram, India and one in California, US, with a team of dedicated research personnel.

During the year under review, we delivered innovative products that comprised the following:

READY-TO-EAT

We launched ready-to-eat pouched rice in the US, which serves perfectly made rice in 90 seconds in a microwave oven. We are confident that the exciting new flavours and the organic product line will continue to popularise the product among our consumers.



HEALTHY RICE-BASED SNACKS

Kari Kari is our new brand for healthy rice-based snacks that we are developing through a joint venture with Japanese company Kameda Seika. The product have been very well accepted during test launch in Delhi NCR, Mumbai and Bangalore. The plant is being set up to launch the product across India in the last quarter of FY2019-20.



RICE SAUTE SAUCE

Saute sauce is our new product range that turns ordinary rice into an exciting rice dish. We test marketed it in India and are happy to announce positive reviews from consumers. Saute sauce will be launched in FY2019-20 across India.



Marketing Campaigns

Creating a sustainable business through proactive outreach initiatives

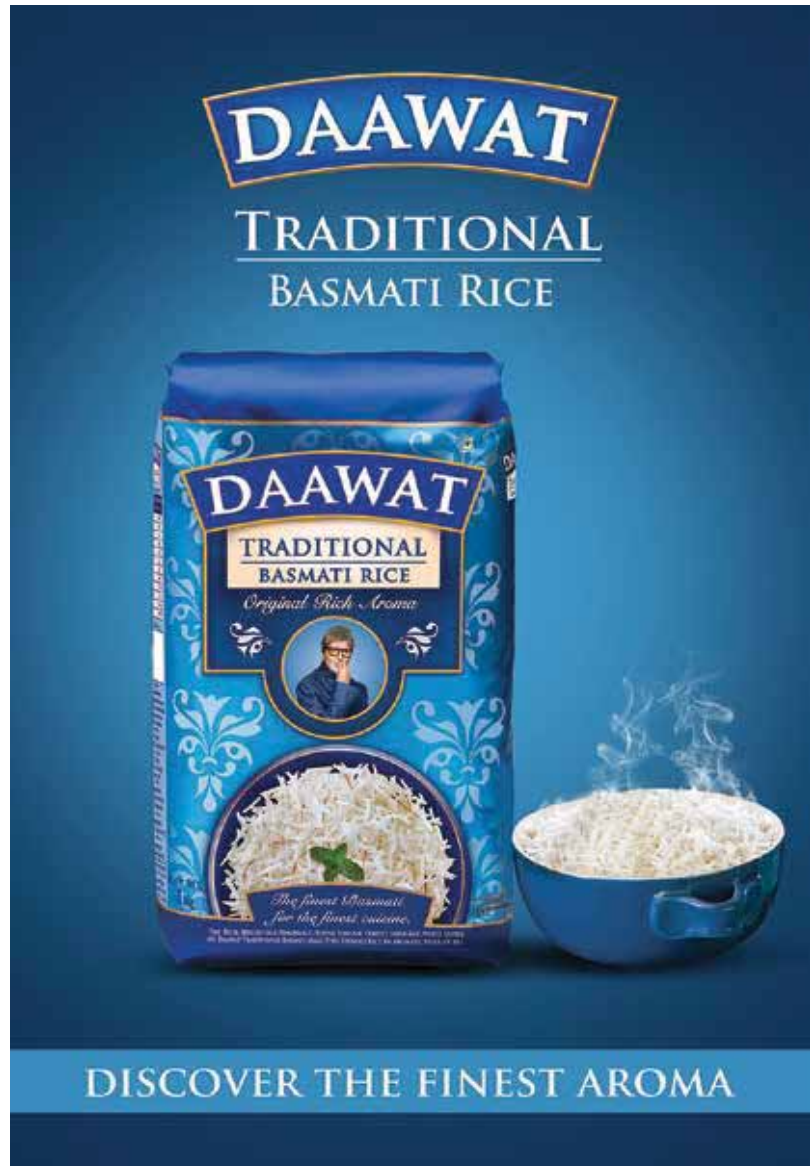


We craft engaging marketing and branding initiatives that capture the essence of our brands and delight our consumers across the world. Our focus is to create meaningful brands that are deeply aligned to nutritional requirements and culinary aspirations of our consumers.

India

In India, Daawat is a leading basmati rice brand with very high awareness and usage. During the year, we continued to strengthen the brand with consumer communication highlighting Daawat's superior quality and product performance. Winning advertisement was created on this proposition and aired on television and digital media. While Master Chef Sanjeev Kapoor continues to be associated with the brand, last year Bollywood actress and fitness expert Shilpa Shetty got associated with Daawat Brown Rice.

Point of sale visibility



Digital campaigns

New TVC campaign on digital platforms



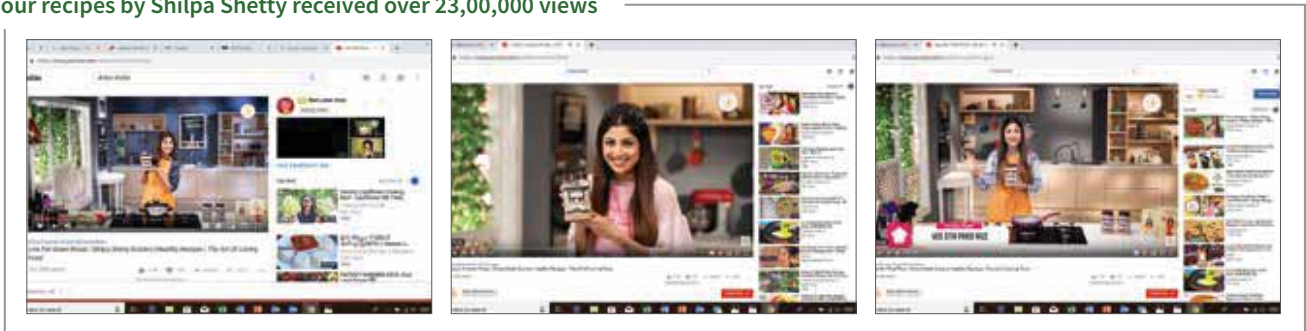
Biryani corner on Daawat website



Daawat Brown Facebook page



Four recipes by Shilpa Shetty received over 23,00,000 views



Pulav campaign – Focused to deliver our TVC on Pulav searches



Outreach impact

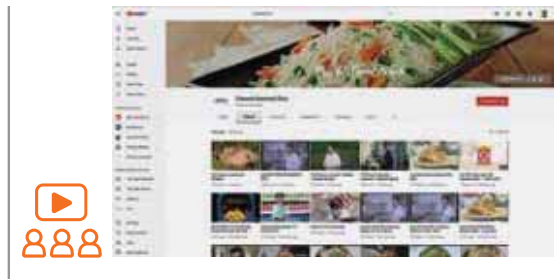
4.6+ million

Recipe views on YouTube in the last six months



HIGHEST

Subscriber base in our category on YouTube



2,30,000+

Visits to Biryani corner on our Website



1,30,000+

Fan base on Facebook



International

Our overseas marketing efforts are divided into two channels of distribution:

- Multicultural channel catering to the core basmati rice consumer such as South Asian, Arabic and Persian diaspora.
- Mainstream channel reaching out to the general US population.

Multicultural channel

Goal for this channel is to increase our brand affinity within South Asian, Persian and Middle Eastern diaspora as they know Basmati, love Basmati and eat it every day. We use exclusive brand offerings, strong community integration and targeted advertising to pique consumer interest in our products and drive sales. Glimpses of a few activations:

Diwali 2018



For the Festive period around Diwali, during the year under review, we engaged our core consumers with an online sweepstakes contest – ‘Royal Celebrations’. The goal was to increase Royal brand affinity primarily within our South Asian consumers by providing them a reason to Celebrate with Royal Basmati Rice during the auspicious occasion of Diwali. The sweepstake offered prizes worth up to US\$25,000, including online gift cards, gold coins and vacations. A robust media promotion was conducted through TV, digital media and local newspaper advertisements.

Ramadan 2018



This Ramadan, we offered value to our core consumer segment with an inpack consumer promotion - free ½ gram of saffron packs inside each 10lb bag of Royal Chef’s Secret Basmati Rice. We drove awareness about this through a 10-second television advertisement which aired on all South Asian and Arabic television channels in the US.

Royal Sharbati Atta



The market for Atta continues to grow in the US in line with continued growth of the South Asian population. We launched three SKUs of Royal Sharbati Atta in major target markets in the US such as New York, Los Angeles, San Francisco, Chicago and Texas with aggressive marketing support through TV, digital media, radio and community participations via sample distribution.

Daawat Ultima 20 % Consumer Promo



The Daawat Basmati Rice range is our exclusive brand offering for the multicultural channel. This year our major initiative was to create consumer excitement around Daawat by offering a consumer promotion with 20 % Extra Free Promo Packs. The promotion was supported by an aggressive marketing programme that involved television and print commercials and was a huge success in terms increased sales over last year.

Mainstream channel

In the mainstream channel, we had two major initiatives. The first was focused on increasing trial and awareness of the new Royal® Ready-to-Heat Rice as well as Specialty Rice offerings. The other initiative involved expanding our channels of distribution by growing our digital commerce business through consumers like Amazon and other e-commerce platforms.

Royal® Ready-to-Heat: 90 second rice



Grow our digital commerce business

We have been working to bring our catalogues to these online consumers, including top-notch content and the necessary supply chains to support shipment. In 2018, our brand Royal® emerged as the leading online seller of rice at Amazon with 20lb Royal being the #1 seller. (Source: Nielsen)

Participating in various food exhibitions and events

Gulf Food Show



The Gulf Food Show is the world’s largest annual food and beverage trade exhibition. This year, the event was held at the Dubai World Trade Centre. We took the centre-stage by hosting an event ‘Celebrating Growth Together’ for our existing and potential partners in Dubai. The programme was an interactive networking session that showcased our vision and future growth strategy. The event was attended by 70+ partners from various geographies such as the US, the UK, Europe, the Middle East, Australia and Africa and provided us an opportunity to demonstrate our range of new rice-based convenience products Daawat Rice Sauté Sauces & Daawat Cuppa Rice and welcome new partners onboard.

BIOFACH

BIOFACH is a leading international trade fair for organic food held in February 2019. We participated in the exhibition to enhance our interaction with organic stakeholders on current development across the world. Nature Bio Foods (NBF), our subsidiary, has been participating in the event for over a decade. This year also NBF made a big splash at the event with the theme ‘Sustainability Beyond Organic’. It garnered several promising business leads on new products and organised a one-to-one interactive session at its booth for buyers, importers, certification bodies and others.



Procurement and Manufacturing Excellence

Creating a sustainable business through effective processes and efficiency

From streamlined procurement to wide-ranging manufacturing processes, we deliver high-quality products to end users. We believe our cost-efficient procurement and manufacturing practices play a major role in our success story.





Enablers of a robust procurement programme

Network

We have one of the largest and entrenched networks that enjoy high credibility at mandis



- 270+ agents associated with 234+ mandis (procurement markets)
- Early access to key varieties
- Prompt payment
- Peak procurement during October to November every year

Forecasting

Smart, in-house models to capture demand projections



- Historical records for multiple seasons
- Tab-based instant interaction between headquarters and frontline agents
- Full control on the buying process throughout the year

Quality focus

Zero tolerance for poor quality. Scientific focus on right quality produce



- Two research facilities
- End-to-end traceability
- Multi-stage testing from mandis to laboratory
- Highest compliance on pesticide residue
- Certifications: ISO 9001, 14001, 17025, 8000 BRC and SQF

Consistency

Getting the grain right every time



- Expertise earned for over three decades on an average
- Appearance, Aroma, Taste, Texture – all locked in
- Rejection rate of 1.5% to 2%

Relationships

Implementing best practices for best basmati



- Alliances with Rallis India, Syngenta and Bayer Crop Sciences
- Extension services active in Haryana and Uttar Pradesh
- Dedicated engagements for organic farming; minimum commitment of three years
- Strengthening environmentally sustainable agri-model

Storage

Complete control over the maturing process; proprietary practices driving consistent output



- World-class, scientifically managed silos for storage
- Audited favourably multiple times by external agencies; complemented by stringent internal audits
- Dedicated programmes to age seven varieties to enhance aroma and quality of grain

Engaging with farmers and suppliers



We celebrated the end of the successful paddy harvest and procurement season with the 2019 Daawat Kisan Mahotsav for farmers of Bari and Bareilly in Madhya Pradesh. The event focused on our enduring relationship with farmers in Madhya Pradesh and the development and evolution of the aromatic paddy industry.

The event was attended by over 1,100 farmers, their families, visitors from other parts of the country and our management personnel, including our Chairman and Managing Director. While the programme included several technical sessions, which encouraged more farmers to adopt scientific farming techniques, there were several other fun activities encouraging the use of technology for sowing paddy at low cost.

Manufacturing excellence



We are optimising our manufacturing efficiencies to accomplish excellence. We have sophisticated processing units that house state-of-the-art equipment to deliver best-in-class products. Our advanced milling and packaging infrastructure incorporates global best practices and continuously focuses on cost effectiveness.

We have five rice processing units in India, with a rice milling capacity

of 106 tph. We also enjoy dedicated manufacturing presence in the EU region with 60,000 MT processing plant in Rotterdam and two packaging facilities and a Ready-to-Heat unit in the US.

Additionally, we have a 100% organic facility with cold and CO₂ treatment at Sonapat (Haryana), India and a FSSC 22000 certified facility for value-added products in Mandideep (Madhya Pradesh), India. We have also established

a high-end mass spectroscopy analytical laboratory for achieving global standards in food safety.

With a centralised warehouse equipped with high-tech infrastructure and digital transactions, we are ensuring better stock movements. Besides, we have shifted to e-bidding for India freight bookings which are adding savings in the business.

Creating value from farm to fork

With our sustainable farm-to-fork business model and best industry practices, we create value for all stakeholders. We consistently engage with our stakeholder groups and enable them to grow and prosper in tandem with us.

Farming



Robust backward integration through partnerships with farmers under Sustainable Rice Production programmes

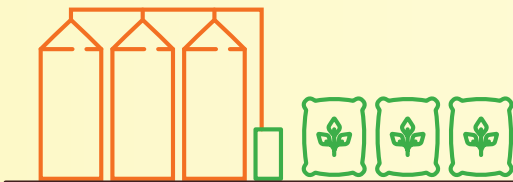


Procurement

Wide procurement network with strong quality control across all mandis (procurement markets)



Processing and packaging



State-of-the-art processing and packaging facilities in India, Europe and the US



Sales and distribution

Pan-India distribution network serving retail outlets, modern retail formats and hotels/restaurants and Caterers (HORECA); global footprint, including the US, the Middle East and Europe with presence in 65+ nations



Corporate Social Responsibility

An abiding social commitment

We believe businesses can enable communities by collaborating with all stakeholders for sustainable co-existence. We are striving to facilitate economic, environmental and social sustainability of our communities through need-based interventions in education, rural infrastructure, child healthcare and climate smart agriculture.



We care for all our stakeholders and recognise that their development signifies our growth. Our corporate social responsibility aims towards making a difference in the communities in which we operate and improve the quality of life of the underprivileged communities.

LT Foods Social Engagement has two pillars: LT Foods Limited CSR, and Fair Farming Foundation, which was started in 2009 and continuously supported by LT Group through Fair Trade and social development fund along with CSR Fund.

We continue to address the requirements of the community we work with for sustainable measures across various developmental areas.

Helping improve quality of life



We signed a memorandum of understanding (MoU) with the education department of Sonapat, Haryana to adopt the Government Primary School to improve its infrastructure, quality, efficiency and learning outcomes. We believe merely constructing a building is not adequate for improving the quality of education in rural India. Therefore, we fulfil academic responsibilities of the school and shoulder administrative duties like increasing enrolment of students and keeping track of their attendance. We also collaborate with the school's principal, teachers and the parents of the students to enhance the learning process.

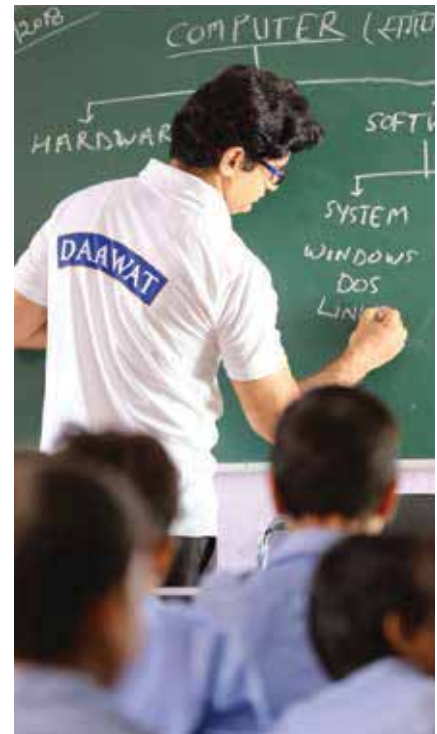
Driving better rural infrastructure



Haryana's Kamaspur village lacked proper road infrastructure. The road was damaged, which impaired vehicles and caused accidents. We began a project to pave the road with cemented tiles, place solar lights, line it with plantations and tea stalls, and maintain cleanliness and hygiene near it. The construction of the road was completed in November 2018.

Steering education for societal change

We will take this model further across India and will experiment with different regions and cultures to make the education techniques compatible and beneficial for more children across the country. We have already commenced work in this direction in Madhya Pradesh and Uttar Pradesh, and have adopted more schools in Haryana. Going forward, we will expand our network of schools, share our effective practices and advocate quality school reforms for children across India. All programmes are designed to ensure that learning levels in schools and communities increase and education reaches all children who are in school or unable to use school facilities.



Our sustainability wing is currently engaged in developing testing tools to check the learning levels of children to determine the course of action best suited to each child and to assess the impact of our programmes.

Board of Directors

Mr. Suparas Bhandari

Independent Director

Mr. Gokul Patnaik

Independent Director

Ms. Radha Singh

Independent Director

Mr. Ashwani Kumar Arora

Chief Executive Officer &
Managing Director



Mr. Vijay Kumar Arora

Chairman and
Managing Director

Mr. Surinder Arora

Managing Director

**Mr. Rajesh Kumar
Srivastava**

Nominee Director

Mr. Parmod Bhagat

Independent Director



Management Discussion and Analysis



Economic review

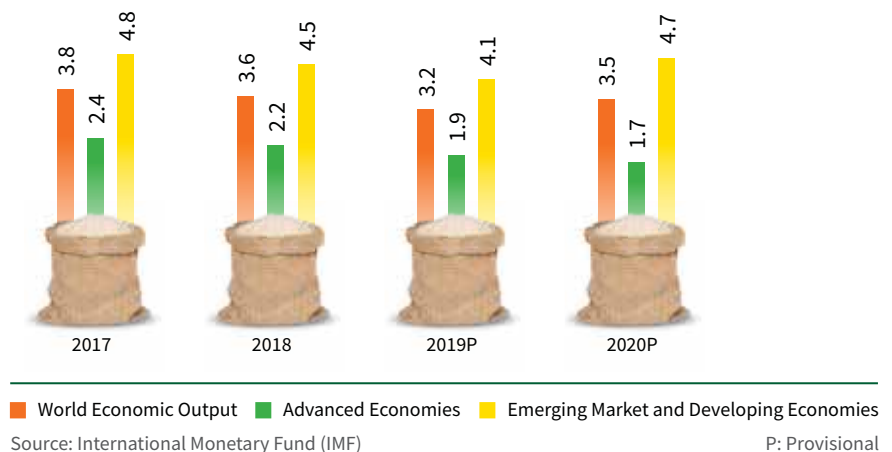
Global

After peaking at 3.8%, global economic growth slowed down, especially in the second half, due to the imposition of reciprocal trade tariffs between the US and China, rising risks of protectionism, disruptions in the German auto sector, policy uncertainty in major economies and volatile crude oil prices. The US economy, however, performed well on the back of fiscal policy stimulus through tax cuts, a stronger dollar, lower unemployment vis-à-vis recorded in previous years and benign inflation. The Eurozone’s weakness was a significant drag on global growth, while China grappled with issues at home and overseas to bolster growth.

Outlook

The IMF expects global economic growth to slow down further to 3.2% in 2019, with the first half expected to remain sluggish due to the spill-over effects of 2018; the second half could witness a broad-based recovery as central banks of major economies adopt an accommodative monetary

Global economic growth (%)



policy stance. China has already ramped up its policy stimulus to counter the adverse impact of the ongoing trade dispute with the US. Global economic growth is likely to stabilise at 3.5% in 2020, though significant downside risks exist if the geopolitical tensions do not subside.

India

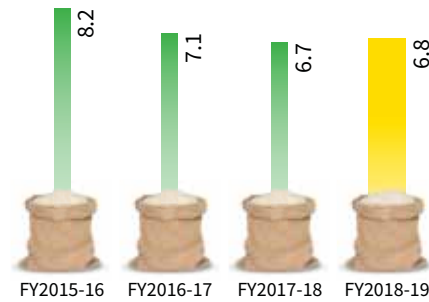
Growth continues unabated

Against the backdrop of a largely uninspiring global growth, the Indian economy has consistently performed well over the last five years. By opening multiple pathways for trickle-down, the government has ensured that the benefits of growth and macroeconomic stability reach the bottom of the pyramid.

Favourable policy reforms, credit rebound, moderate inflation, a gradual improvement in the private investment cycle and rising disposable income, coupled with policy-induced income support to farmers and increase in food grain procurement prices, contributed to buoyant demand.

The structural reforms conducted by the government in the past 2-3 years have gradually started to yield positive outcomes. The continued thrust on infrastructure creation bodes well for the economy in the medium-to-long term. In addition, a sweet spot of favourable demographics with a high working-age population, rapid urbanisation and formalisation of the economy, coupled

India's GDP growth (%)



Source: Central Statistics Office (CSO)

with a manageable fiscal deficit, helped the economy remain largely insulated from intermittent global cyclical shocks.

Outlook

India's economy is expected to grow at around 7% in the foreseeable future. However, to achieve the ambitious target of becoming a US\$5 trillion economy by 2024-25, the economy will need to grow at 8% (Source: Economic Survey 2018-19) over the next five years. The RBI is likely to maintain an accommodative policy stance, so long inflation remains within its comfort zone. Besides, the significant

liquidity infusion into public sector banks to shore up their capital base bodes well for credit growth rebound.

The country will continue to reap its demographic advantage, with rising disposable income and aspiring lifestyle and consumption choices, further fuelling the domestic consumption-driven economy. Besides, several government initiatives are bolstering the indigenous manufacturing sector, strengthening a start-up ecosystem, and building on economic formalisation and a culture of inclusive growth.



Management Discussion and Analysis



India accounts for over 70% of the world's basmati rice production. Of India's US\$38.49 billion exports of agricultural and processed food products in FY2018-19, basmati rice at US\$4.71 billion and non-basmati rice at US\$3.00 billion were among the top 5 contributors.

Industry review

Rice and its finest variety, basmati

Rice is a staple diet for nearly half of the global population. Asia accounts for over 90% of global rice output and consumption, led by China, India, Indonesia, Bangladesh and Vietnam. However, rice exports account for only 6-7% of production, owing to high domestic consumption and restrictive trade policies. Among several varieties of rice, basmati is considered among the finest.

India accounts for over 70% of the world's basmati rice production. Of India's US\$38.49 billion exports of agricultural and processed food products in FY2018-19, basmati rice at US\$4.71 billion and non-basmati rice at US\$3.00 billion were among the top 5 contributors (Source: IBEF). The basmati rice industry has been traditionally dominated by unbranded sales in both domestic and export markets. However, in the past few years, branded basmati players, especially in the domestic industry, have gained significant traction with rapid growth in modern retail and changes in tastes and preferences driven by an aspirational lifestyle.

Food sector review

India's domestic consumption (contributes to 60% of GDP) is likely to reach US\$6 trillion by 2030, driven by the expanding upper-middle and high-income segments, from 25% currently to 50%. The country's food sector is rapidly evolving on the back of lifestyle-induced changes in consumer preference towards convenience foods, health foods and organic foods.

Growing appetite for convenience food

Rising affluence and urbanisation are changing consumption patterns in India. Consumer behaviour and spending patterns are shifting with evolving lifestyle and spending patterns. India has also been experiencing robust demand for branded convenience food products in the past few years, with its expanding middle and affluent segments, new food retail formats and expanding e-commerce.

In addition, the changing role of traditional homemakers with increase in women's participation in the workforce, preference for nuclear families and migration to other states for education and employment are further driving this shift. This is creating several opportunities for established food companies to significantly improve traction.

Health and wellness foods industry

Growing consumer preference for a healthy lifestyle is driving demand for natural, fresh and locally sourced foods, which are healthier and more wholesome than packaged foods with more shelf life. Several food and beverage (F&B) companies are expanding their offerings to cater to this segment by offering products with natural ingredients and minimally processed as well as natural, fresh food with limited shelf life.



Organic foods industry

Consumers are becoming increasingly aware of the benefits of organic foods that are produced without the aid of synthetic chemicals. Several factors like rising awareness and demand, the growth of e-commerce, government support and the emerging concept of sustainability play a crucial role in the growth of organic foods markets in India and around the world.

The global organic food and beverages market is expected to reach US\$323.09 billion by 2024 (Source: Allied market research). North America leads the global organic foods industry, followed by Europe. In Europe, Germany is expected to lead in this segment, while the UK, France, Spain, Russia, and Italy are also likely to witness rapid growth. The Asian market imports processed organic food and beverages from Europe and North America, while Australia, New Zealand, Japan, Singapore, Hong Kong and South Korea are major markets for organic food and beverages in Asia Pacific. There is also an increase in demand for the products in developing countries such as India and China.

The domestic organic food market was estimated at ` 40,000 million, expected to reach ` 120,000 million by 2020, with similar growth in exports (Source: EY Report on Indian Organic Market March 2018).

India has witnessed steady growth in disposable income over the last decade. With access to attractive instalment options, young and aspirational Indians are likely to push consumption spending to ~US\$6 trillion by 2030 from US\$1.5 trillion today.

A growing consumption trend across India

Rise in disposable income and global exposure: India has witnessed steady growth in disposable income over the last decade. With access to attractive instalment options, young and aspirational Indians are likely to push consumption spending to ~US\$6 trillion by 2030 from US\$1.5 trillion today (Source: World Economic Forum).

Indians with high disposable incomes and international exposure are likely to demand more food varieties. Besides, increase in brand awareness and focus on health will lead more people to opt for better quality and packaged food items.

Growing middle class and increased brand awareness: The country is likely to add ~140 million middle-income and 21 million high-income households, nearly doubling the total share of these segments to 51% by 2030 (Source: World Economic Forum). This, along with enhanced brand consciousness, will drive demand for branded products across segments.

Rapid urbanisation and need for convenience: Better infrastructure now connect semi-urban and rural areas in India, with new urban clusters growing significantly. This trend has led to increased purchasing power among consumers in Tier-II and Tier-III cities, driving consumption. Urbanisation is also inducing lifestyle changes, leading to a rise in demand for convenience foods and ready-to-cook meals. Besides, the increasing penetration of new retail formats is creating awareness about different food options and brands, even for staples.

Digital inclusion and rise of e-commerce: By 2030, over a billion Indians from rural and urban areas are expected to have internet access. Digital inclusion is likely to further propel India's consumption growth trajectory (Source: World Economic Forum) while improving awareness about health, lifestyle and brands, among others. These factors, along with the country's booming e-commerce, will offer new and exciting opportunities to organised Food & Beverage (F&B) players.



Management Discussion and Analysis

Operational performance

Segments	Direct consumers	Revenue share in FY2018-19
Branded business <ul style="list-style-type: none"> Includes the flagship brand Daawat and Royal® Other brands in this segment, include Indus Valley, 817 Elephant, Heritage, Devaaya and Rozana 	Established channel partners cross all segments	~59%
Private label <ul style="list-style-type: none"> Deals with large institutional customers Long-term partnerships across geographies 	Large institutional consumers	~26%
Organic <ul style="list-style-type: none"> Providing authentic organic ingredients to global consumers Diversified portfolio, comprising cereal grains, flour, pulses, oil and oil seeds, nuts, spices, herbs, millets and sweeteners 	Institutional consumers and direct consumers	~9%
New products <ul style="list-style-type: none"> Innovative products for health conscious and convenience-seeking consumers (quick cooking brown basmati rice, rice-based sauces and rice-based snacks) 	Leveraging brand equity and distribution strength	~6%

INDIA BUSINESS

LT Foods is among the key players of branded basmati rice in India. In recent years, the Company has benefited tremendously from the rising affluence and evolving culinary preference among end users across the country. With its wide distribution network and diversified product portfolio that caters to various price points, LT Foods has enhanced its market share significantly.

Our India branded business saw a growth of 6% from ₹892 crore to ₹947 crore on a year-on-year basis. The realisation also improved from ₹51 per kg to ₹53 per kg, up by 3%. We have also started reaping the benefits of scale, which is reflected in the financial performance of the India business. Our India overall consumer pack business increased by 7% year-on-year in FY2018-19, driven by a higher offtake of our key

brands of Daawat and Daawat Chef's Secretz, among others.

We are a custodian of various brands that are synonymous with high quality. Our long-term objective is to build strong and resilient brands that are trusted by customers as a healthy addition to their day-to-day lives. We cater to diverse customer segments, spanning various income segments.

Our flagship brand Daawat is among India's leading basmati brands with around 27% market share. In the fast-growing modern-trade segment, we enjoy 29% share and 35% in the premium segment. Additionally, we have captured 33% of the country's rural market pie. In India's highly fragmented market, our multi-brand structure is geared towards accelerating market transition towards branded basmati across all price points.

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In India, Daawat continues to be a very strong brand in the self select environment of modern trade where the consumer makes a brand choice solely on his/her preference. Daawat has market share leadership in this channel. LT Foods has now also partnered with and built a commanding position in the fastest growing channel of online retail. LT Foods brands are available in more than 40 such local and national retailers and enjoy market share leadership with most, such as Amazon, Big Basket, Flipkart, Paytm Mall and Grofers, among others.

Key e-commerce partners

LT Foods is making investments in its brands to take them to the next level. Brand spends for FY2018-19 was ` 78 crore, which was 3.4% of the branded business. Various marketing initiatives were adopted such as a new TV commercial was rolled out which is gaining a lot of traction and resonating well with the consumers. Various activities were also undertaken to promote SKUs such as Biryani, Pulav and Brown Rice. Renowned celebrities such as Shilpa Shetty and Chef Sanjeev Kapoor were part of these initiatives. All these activities were also promoted on the digital platforms and gained positive response from the consumers. All these initiatives helped us to maintain our market share at 27% on a calendar year basis.

It is expected to have a better growth trajectory during the current year on the back of enhanced penetration of basmati across Indian households as well as in the HORECA segment.

During the year under review, we had expanded our reach across more than 150,000 retail outlets with a strong distribution network around 800 distributors in India. We have also strengthened our distribution network globally as well and around 100

distributors are helping us to take our brands in more than 65 countries.

The Company is also using technology for mapping and monitoring the outlet and distribution coverage through Sales Force Automation (SFA) and Distributor Management System (DMS) in India.

With consistent investments in brands, technology and initiatives, we aim to expand distribution to outpace the industry growth in the current year.

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Management Discussion and Analysis

INTERNATIONAL BUSINESS

During the year, our overall international business generated a revenue of ` 2,103 crore, registering a growth of 11% year-on-year. This growth was mainly led by a 23% increase in realisation to ` 102 per kg.



LT Foods Americas (LTFA) – US Business

LTFA contributes over 35% to the Group consolidated revenue. During the year under review, US business grew 26%, to ` 1,360 crore from ` 1,078 crore last year driven by robust progress across its core product lines of rice, specialty rice, wheat flour and grape seed oil.

LTFA aims at diversifying its portfolio and expanding its business channels across the US in the next five years. It is focused on consolidating its market position in basmati and other specialty grains in the US, with an emphasis on ready-to-heat which were launched during the year. LTFA plans to unlock its revenue potential through innovation in its widening range of value-added offerings in core convenience and organic segment and penetrating new, fast-growing business channels.

During the year, LTFA added 9,000+ distribution points through various focused marketing and brand building/strengthening initiatives.

Setting up ready-to-heat facility centres



Among the key operations undertaken by LTFA during FY2018-19 was the establishment of a ready-to-heat (RTH) facility in July 2018. The plant is designed under a hybrid system that allows both automation and flexibility. This is its first low-acid, shelf-stable, retort product plant in the portfolio.

Ready-to-heat products are well accepted by several major retailers in the US, and LTFA is leveraging its brand and distribution network to market these products in North America.

LT Foods Middle East DMCC – Middle East Business

LT Foods Middle East DMCC is driving growth in the GCC region’s premium basmati rice category through active consumer engagement across all demographics. During the year, it expanded distribution in the food services segment. It also expanded its distribution in some of the key markets by appointing additional distributors which enabled it to deliver good performance during the year and will hold it in good stead in the coming years.

The Middle East economy witnessed challenging socio-economic factors and, as per AC Nielsen, the overall grocery market in several key countries declined.

LT Foods Europe (LTFE) Europe Business

LTFE continues to strengthen its position in the branded and private label segments in Europe, in the strategic geographies of Germany and

Scandinavia. Additionally, it is growing its ethnic business across various European markets. It added new supermarket customers for its private label and launched new avatar of Daawat in the UK and Europe across all price segments with enhanced focus on catering and consumer channels. LTFE is concentrating on making Daawat a household name across European markets.

The European operations are ramping up in line with our plan. Revenue in FY2018-19 more than doubled to ₹258 crore from ₹118 crore a year earlier. The business became EBITDA positive in the last quarter of the year.

Rest of World (RoW) Business

LT Foods’ RoW branded business grew 29% during FY2018-19, to which Australia remained one of the largest contributors. The Company acquired a major private label business for the Asia Pacific region. The Company enjoys leadership position in Israel and the Reunion Island as well.

The European operations are ramping up in line with our plan. Revenue in FY2018-19 more than doubled to ₹258 crore from ₹118 crore a year earlier. The business became EBITDA positive in the last quarter of the year.



Management Discussion and Analysis



Organic Business

LT Foods’ organic business Nature Bio Food (NBF) is an ingredient-based organic food company that is over two decades old. It is among the leading players in the country’s organic food space and enjoys one of the largest organic land banks (~110,000 hectares). NBF focuses on building enduring relationships with its suppliers and works with 80,000+ farmers, spanning 14 states in northern and central India.

NBF focuses on attaining the highest possible standards of food safety and hygiene and its offerings adhere to global organic quality benchmarks. It directly caters to Germany, the Netherlands, Italy, France, Austria, the US, Canada, Australia, New Zealand, the UAE and Israel.

The Company plans to widen its product portfolio by launching high-margin offerings such as soymeal. It is also looking to unlock potential in the global baby food and feed market as a key ingredient supplier.

The India Agri Business Fund, the private equity (PE) arm of Rabo Bank, partnered with us by investing ₹60 crore (the first tranche of its investment) in the growth journey of the Company.

During the year, the organic business achieved a revenue of ₹372 crore, up from ₹361 crore last year.

Institutional business

The Company deals with corporate consumers through this channel and has several long-term partnerships. During the year under review, it continued to progress in this business vertical as the club channel and the burgeoning foodservice operations offered significant growth opportunities. During the year, LT Foods entered into various long-term tied-ups with prestigious institutional businesses to supply quality food items.

During the year, the institutional business achieved revenue of ₹1,019 crore, in comparison to ₹962 crore last year, up by 6%.



80,000+

Farmers spanning 14 states in northern and central India enjoy enduring relationship with NBF.

Financial performance

Financials – Consolidated (K in crore unless specified)

Profit & Loss Account	FY2018-19	FY2017-18	Change y-o-y (%)
Revenue from operations	3,890.43	3,613.70	7.7
Other income	24.10	36.20	-33.4
Total income from operations	3,914.53	3,649.90	7.3
Gross profit	976.37	978.52	-0.2
Gross profit margin (%)	24.9	26.8	-190 bps
EBITDA	421.34	414.25	1.7
EBITDA margin (%)	10.8	11.3	-60 bps
EBIT	352.31	364.13	-3.2
EBIT margin (%)	9.0	10.0	-100 bps
Profit before tax	213.64	217.56	-1.8
PBT margin (%)	5.5	6.0	-50 bps
Profit after Tax	137.47	144.42	-4.8
PAT margin (%)	3.5	4.0	-40 bps
Earnings per share (EPS)	3.96	4.80	-18
Cash profit	206.49	194.54	6

Key ratios

Particulars	FY2018-19	FY2017-18	Change (%)
Debtors turnover (times)	7.32	7.80	-6
Inventory turnover (times)	1.55	1.55	1
Interest coverage (times)	2.54	2.48	2
Current ratio (times)	1.43	1.35	6
Debt-equity (times)	1.18	1.25	-5
Operating profit margin (%)	24.9	26.8	-7
Net profit margin (%)	3.5	4.0	-11

There has been no significant change in the key financial ratios of the company during the year under review compared to last year

Consolidated

LT Foods recorded ` 3,915 crore revenues in FY2018-19, up 7% and gross profit was ` 976 crore. The Company's EBITDA stood at ` 421 crore vis-à-vis ` 414 crore which translated to a 10.8% EBITDA margin. The Company recorded ` 137 crore in PAT in FY2018-19, resulting in an EPS of ` 3.96. The Company's net worth increased to ` 1,435 crore in FY2018-19 from ` 1,235 crore in FY2017-18 due to current year profits.

Standalone

LT Foods recorded ` 2,210 crore revenues in FY2018-19, up 3% and gross profit was ` 411 crore. The Company's EBITDA stood at ` 183 crore vis-à-vis ` 157 crore, up by 17% which translated to a 8.3% EBITDA margin versus 7.3% last year. The Company recorded ` 54 crore in PAT in FY2018-19 up by 30%, resulting in EPS of ` 1.70, up by 14%. The Company's net worth increased to ` 842 crore in FY2018-19 from ` 781 crore in FY2017-18 due to current year profits.

Management Discussion and Analysis

Business propellers

LT Foods continues to strengthen its core growth enablers to deliver the finest products globally. The Company has consistently delivered consumer-preferred brands that has help enhance its market share to 27% in India and 50% in US and prominent position in other countries.

Integration across value chain

The Company's integrated operations provide several competitive advantages, including the ability to purchase large quantities of paddy at competitive prices, and effectively plan, schedule and implement production, storage and further distribute it pan-India and across geographies through its well-entrenched distribution network. This also enables the Company to exercise greater control over the quality of its products and ensure effective inventory and resource management.

Procurement

LT Foods' primary raw material for its rice processing business is basmati rice paddy. The basmati rice crop can be cultivated only once during the year.

The Company enjoys robust and vast procurement operations in the basmati cultivating regions.

Additionally, the Company continues to purchase paddy during off-season to supplement its procurement requirements or to benefit from lower paddy prices.



LT Foods entered into arrangements with 270+ procurement agents, across 234+ mandis (procurement markets) established by various state governments. The Company trains the pucca artiyas, enabling them to identify quality products through regular monitoring.

LT Foods has also signed a Memorandum of Understanding (MoU) with Wageningen Food and Biobased Research (WFBR), Netherlands to promote co-operation in the field of research and education to strengthen paddy procurement.

The Company further engages in contract farming for procuring raw materials for its organic produce. It works with small-holding farmers and encourages them to practise organic and sustainable cultivation. The cultivators associated with LT Foods' contract farming programme meet the farmyard manure requirements internally, sustain the soil fertility organically and follow crop rotation to maintain soil fertility. LT Foods has entered into arrangements with

80,000 farmers and 110,000 hectares of land is under organic cultivation for production of organic crops.

Processing and packaging

LT Foods operates five processing and packaging facilities in India. The Company's India operations are in northern and central part of India, with processing units strategically located in Haryana, Punjab and Madhya Pradesh. Besides, it owns three packaging facilities in the US—California, Texas and New Jersey—and one processing and packaging unit in Rotterdam, Netherlands.

The Company aims to make Daawat a household rice brand in European markets and has therefore strategically established the packaging facility in Rotterdam, offering hassle-free access to its target markets. This unit also enables LT Foods to address the challenge of import duty on white rice.

LT Foods' Houston facility houses the ready-to-heat (RTH) unit that manufactures two-minute retort rice and other products. This unit enables the Company to grow its convenience foods segment and further diversify its portfolio.

The Company's processing facilities are also accredited with food safety management systems such as International Featured Standard (IFS), Safe Quality Food (SQF) Certification as well as Laboratory Management system ISO 17025:2005, Environment system ISO 14001 and Social Standard SA 8000.



The processing units leverage advanced technology that facilitates the production of quality products with lower breakages, negligible losses and better sorting and grading processes. LT Foods uses processing equipment developed by established and leading companies, including colour sorting equipment by an esteemed Japanese manufacturer, cleaning and drying machinery by a German enterprise.

Distribution and sales

LT Foods operates in an organised yet fragmented market with numerous traders and various intermediaries. Its products are primarily sold by distributors to retail outlets and modern retail chains, while it also directly supplies to certain modern retail chains. The Company reaches 150,000+ domestic retail outlets through 800+ distributors and 36,000+ wholesalers. Its products reach 93% of towns (with over 2 lakh population) in India.

In India, the Company primarily sells its products under brands including Daawat, Rozana, ecoLife and Heritage, helping consumers live their finest, healthiest lives. It also caters to the Hotels, Restaurants and Caterers (HORECA) segment and is associated with 6,000+ food service outlets through 'Daawat Chefs Secretz'. Also, it reaches catering houses and supplies products on a purchase order basis to modern retail chains across the country. The Company also serves medical retailers with its Quick Cooking Brown Basmati Rice. During the reporting period, the Company added more than 600 new customers to the HORECA segment.

LT Foods also has an extensive distribution infrastructure for reaching out to overseas markets. With distributors as the fulcrum of this system, the Company has developed enduring bonds with various customers in its key export markets, including East Asia, the Middle East, North America and Europe, leading to repeat orders.

The Company uses various marketing techniques across different media platforms, including television



and radio commercials, hoardings across major towns and conscious brand building exercises across social media, among others. LT Foods has celebrity Chef Sanjeev Kapoor for promoting its products in India and Internationally. In addition, it participates in trade shows and farmers' markets to increase its presence across jurisdictions. Actress Shilpa Shetty is helping us promote our brand digitally.

Sustained quality focus

With more stringent food safety rules across international markets, LT Foods is focusing on quality and testing to ensure these safety standards are met across its value chain. Besides, this quality focus provides a competitive market advantage. The Company's dedicated quality assurance department ensures its products are tested at each stage of the process.

This begins right at the procurement stage, and continues through the different stages – arrival, storage, in-process inspection during processing, finished goods inspection prior to dispatch and detailed after-sales follow-up with customers on product experience.



LT Foods recently opened a multi-residue assurance laboratory, strategically located in the basmati growing region of Haryana, India. The laboratory brings all physical, chemical, multi-residue and biological tests under one roof. It offers the most comprehensive range of reliable analytical methods available in the world for testing the safety, identity, purity of its products. The newly developed methods and techniques will ensure stringent quality and safety standards.

Management Discussion and Analysis

The Company and its subsidiaries' five production units have multiple certifications



Plants	Certifications
LT Foods Ltd. Bahalgarh, Sonapat (Haryana)	<ul style="list-style-type: none"> • ISO 9001:2015 (Quality Management System) • ISO 14001:2015 (Environment Management System) • SQF (Safe Quality Foods) • BRC Global Standard for Food Safety • IFS (Food Safety) • ISO 17025:2005 NABL - Laboratory Management System • SA 8000 (Social Standard) • Halal • Kosher Certification (OU) • BSCI
Nature Bio-Foods Ltd. (Organic Division) Kamaspur, Sonapat (Haryana)	<ul style="list-style-type: none"> • FSSC 22000 (Food Safety Standard) • NOP (National Organic Programme) of USDA Organic Standard • NPOP (National Programme for Organic Production) • EEC 837:2007 (Europe Organic Standard) • IFS (Food Safety) • Kosher Certification from JK Kosher • Fair Trade • Halal • BRC
Daawat Foods Ltd. Mandideep, near Bhopal (Madhya Pradesh)	<ul style="list-style-type: none"> • Rice Plant - FSSC 22000:2010 • Food Plant - FSSC 22000:2010 • Grain Plant - BRC Global Standard for Food Safety • Grain Plant - FSSC 22000:2010 • Halal • BRC • Kosher - OU • USDA • IFS • NPOP and NOP • IOPEPC • EIA - IPQC
LT Foods Ltd. Varpal, Amritsar (Punjab)	<ul style="list-style-type: none"> • FSSC 22000:2010 (Inclusive ISO:22000 & ISO/TS 22002-1) • BRC Global Standard for Food Safety version
Raghunath Agro Industries Private Limited Bhikiwind, Amritsar (Punjab)	<ul style="list-style-type: none"> • ISO
LT Foods Europe, BV, Rotterdam, Netherlands	<ul style="list-style-type: none"> • IFS (Food Safety) • BRC Global Standard for Food Safety version - 7 • SKAL - Organic • GMP + (Feed)

Future growth strategy

LT Foods strongly believes in the continued attractiveness of the basmati market, both in India and globally. It believes that India consumption will be driven by the rise in disposable incomes and increase in the aspirations of the consumers. It believes that the consumer will become more discerning and demanding of quality. All these factors will lead to growth in branded basmati. LT Foods with over two decades of investments in its brands like Daawat and pan-India availability across all trade channels has created a very strong platform to capitalise on the growth in the branded segment. The Company will thus continue to invest in brands through the conventional and emerging consumer platforms and

develop its capabilities in both. Over the next five years, it will also invest heavily in technology-enabled distribution reach and sales management. It will further strengthen its leadership positions in HORECA, modern retail and e-commerce through investing in state-of-the-art technology of shelf management, customer business development and efficient consumer response.

Globally, basmati consumption is being driven by the growth of Indian cuisine and the discovery of the superior eating experience of basmati by the traditionally non-basmati consuming population. The growth of basmati consuming communities in Europe and the US through immigration is also fueling this

growth. LT Foods with its facilities in Europe and the US and distribution in over 65 countries is very well placed to offer its brands to capture this growth. In the future, LT Foods will continue to deepen its presence in these markets and further strengthen its brand through marketing investments. It will also fully expand its portfolio across all the relevant price points.

We are also noticing a trend towards convenience and health. LT Foods has already started creating a portfolio of products that meet these emerging trends. To service these demands, LT Foods is investing in strengthening its supply chain and further automating and digitalising its manufacturing operations.

Crafting a high-performance and ownership culture



LT Foods offers an inspiring work culture to its teams, so that they can shoulder additional responsibilities and accelerate their career progression. The Company undertakes several employee-engagement initiatives and has put in place an attractive performance-based rewards and recognition programme for go-getters across the hierarchy. The headcount on a standalone basis is 897 and at a consolidated level is more than 1,500.

Recruitment

The Company uses a competency-based hiring framework with a systematic recruitment process. The hiring process involves tools such as psychometric evaluation across levels. In its pursuit of excellence, LT Foods recruits management trainees from top Business Management Schools.

Training initiatives

The Company initiated special training programmes to build a core team of professionals through campus recruitments from leading business schools to develop innovative ideas and help them chart a strong career graph.

Reward and recognition (R&R) initiatives

The Company has undertaken multiple initiatives to steadily improve its reward and recognition programme during the year under review. The programme devotes greater attention to team accomplishments as against individual triumphs, which helps build stronger and cohesive teams.

Events and celebrations

LT Foods organises various events and celebrates festivals at the workplace as it believes that such events help strengthen the bond among employees and, in turn, enable them to perform better in the long run. During the year, the Company celebrated the Independence Day, Diwali, Christmas, New Year's Eve and Women's Day with cultural events and much more across the Group.

The Company initiated special training programmes to build a core team of professionals through campus recruitments from leading business schools to develop innovative ideas and help them chart a strong career graph.

Management Discussion and Analysis



For LT Foods, its primary future growth drivers are organic foods and value-added products along with basmati rice. Currently, the Company's organic foods vertical is among its fastest growing businesses. It is capitalising on the success of Nature Bio-Foods Ltd, dedicated primarily to organic foods.

Technology remains a key enabler

LT Foods is strengthening its business efficiency by embracing technology. The Company began its digital transformation journey last year and engaged Gartner as its IT advisor, which is helping the Company to evaluate various technologies according to its specific needs. LT Foods undertook several initiatives such as reduction of SAP time, implementation of QR code and Sales Force Automation.

Opportunities and threats

With rising global population, growing income levels and evolving consumer preferences, along with changing lifestyles, the opportunity landscape of the quality food segment appears promising. The Company's strategic alignment with aspirational consumer requirements such as brand, convenience, health and organic foods will further enhance the prospects.

For LT Foods, its primary future growth drivers are organic foods and value-added products along with basmati rice. Currently, the Company's

organic foods vertical is among its fastest growing businesses. It is capitalising on the success of Nature Bio-Foods Ltd, dedicated primarily to organic foods. Given the strong global demand for organic foods and limited competition, it is expected to continue with a robust growth momentum.

The Company's value-added products division is still at its nascent stage; and is expected to grow significantly following the introduction of new and innovative products like fast-cooking brown rice (FCBR), convenience sauces, and blended rice which resonate with consumer tastes and preferences. With the success of FCBR, blended rice, successful launch of sauces and Kari- Kari, the Company is working on evaluating more such options to expand its portfolio.

Unfavourable weather conditions in basmati cultivating geographies, sudden fluctuation in exchange rates, and any adverse regulatory changes may pose a threat to LT Foods' sustainable business performance.

Key risks and concerns

Risks are inherent to any business. Being part of the agro-based industry, LT Foods' business is exposed to certain risks beyond its control, such as unpredictable and diverse weather patterns across its areas of operation, irrigation facilities, change in crop patterns, among others. Thus, the Company proactively identifies risks and implements mitigation measures to ensure a sustainable business performance.

Volatility in raw material supply

and cost: Paddy is the primary raw material. The cost and availability of paddy is impacted by several factors such as inadequate irrigational facilities, unfavourable and extreme weather events, and cultivators' preference. These factors could impact paddy production, and, in turn, adversely affect volumes and realisations.

Mitigation: The Company has a robust procurement process in place, which ensures timely purchase of quality paddy during the season. Moreover, the Company has its facilities at five locations in India which strategically gives an edge to procure particular quality of rice from the area of best quality available of that crop. Sustainable farming also help the Company to produce residue-compliant products to address the challenge of various MRL levels at the global level.

Disruption of supply demand dynamics could lead to price erosion:

Import restrictions by key basmati rice importers (Iran, Saudi Arabia and others) may lead to price erosion, leading to subdued realisations.

Mitigation: The Company strategically decided to limit its exposure to politically stable and growing countries. Further, we don't have any exposure to Iran.

Exchange rate fluctuations: LT Foods derives more than 50% of its revenue from exports while cost is denominated in the Indian rupee. Thus, any unfavourable

exchange rate fluctuations could impact realisations and profitability.

Mitigation: The Company has a well-defined and cautious hedging policy in place, wherein we hedge 100% of our confirmed orders and hedge 50% of the orders that we get in normal course of business.

Damaged inventory: Any improper storage, processing and handling of paddy and basmati rice may adversely impact the Company's inventory, and in turn, its business and operations.

Mitigation: The Company uses state-of-the-art storage and production facilities that ensure effective inventory management and preserves quality of the raw materials as well as products.

Internal audit control systems

LT Foods has a well-established system of internal controls and procedures, in line with the size and nature of its operations. The Company regularly conducts internal audit of operations, establishments and stockyards to ensure that the set processes are strictly adhered to.

The Audit Committee reviews the reports of internal auditors and evaluates the operational efficiency of the internal

control systems. The Committee then suggests improvements in the Company's business processes, systems, and internal controls. Annual internal audit plans are prepared by internal auditors in consultation with the Audit Committee. The Company has implemented SAP, the world's leading ERP system, to automate the internal control environment and keep track of processes and performance.

Cautionary statement

This document contains statements about expected future events, as well as the financial and operating results of LT Foods Limited, which are forward looking. Forward-looking statements, by their nature, require the Company to make assumptions and are subject to inherent risks and uncertainties. The risks include assumptions, predictions, and other forward-looking statements not proving to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as multiple factors could cause the assumptions and actual future results or events to differ from those expressed. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of LT Foods Limited's Annual Report, 2018-19.



Directors' Report

To,
The Members,

Your Directors take pleasure in presenting their 29th Annual Report on the business and operations of the Company and the accounts for the financial year ended March 31, 2019.

1. FINANCIAL PERFORMANCE OF THE COMPANY (STANDALONE)

Particulars	₹ In lakhs)	
	Financial Year (2018-19)	Financial Year (2017-18)
Gross Income	221,009.09	215,665.84
Profit Before Interest and Depreciation	18,302.79	15,697.02
Finance Charges	7,644.44	8,529.51
Gross Profit	41,137.28	39,967.55
Provision for Depreciation	2,336.18	1,810.23
Net Profit Before Tax	8,322.17	5,357.28
Net Profit After Tax	5,448.54	4,195.54
Balance of Profit brought forward	29,917.83	26,328.58
Balance available for Appropriation	34,820.38	29,917.82
Proposed Dividend on Equity Shares	479.76	400.12
Tax on proposed Dividend	98.62	81.45
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	34,820.38	29,917.82

2. COMPANY'S WORKING DURING THE YEAR

On standalone basis, our total revenue stood at ₹ 2210 crore higher by 2.5% year-on-year. The gross profit stood at ₹ 411 crore. Profit after tax stood at ₹ 54 crore as compared to ₹ 42 crore in FY 2017-18, representing a growth of 30% year-on-year. This led to resultant EPS of ₹ 1.70 per share by 14%. EPS is based on fully diluted basis adjusted for the stock split from ₹ 10 per share to ₹ 1 per share.

Our consolidated revenue stood at ₹ 3,915 crore higher by 7% year-on-year driven by higher contribution of branded sales. The gross profit stood at 976 crore. EBITDA stood at 421 crore, an increase of 2% on year-on-year basis translating to EBITDA margin to 10.8% as compared to 11.3% in the last year.

Our consolidated profit before tax during the year stood at ₹ 214 crore. Profit after tax stood at ₹ 137 crore as compared to ₹ 144 crore in financial year 2019. This led to resultant improvement in EPS to ₹ 3.96 per share. EPS is based on fully diluted basis adjusted for stock split from ₹ 10 per share to ₹ 1 per share. Moving on geographical revenue and realisation breakup branded India sales stood at ₹ 947 crore up by 6% year-on-year while the average realisation during the year increased to ₹ 53 per kg resulting in an increase of 3%. International branded sales came in at ₹ 1371 crore a growth of 11% while the average realisation increased to ₹ 103 per kg higher by 8%.

Our organic business, stood at ₹ 372 crore, up by 3% contributing 9.5% to the overall revenue.

The focus has been on strengthening the consumer business both in India and the International market, which is depicted in the overall growth of our consumer business that is 8%.

Our Branded business has grown by 9% in value terms on year-on-year basis in FY 2018-19, that was primarily driven by an increase of 6% in India and 11% in International branded business.

The contribution of branded business to overall basmati rice volumes increased from 69% to 70% in financial year 2018-2019 driven by consistent brand investments, strengthening the supply chain, adopting channel wise strategy to strengthen our footprint in all the channels, be it the general trade, modern trade or wholesale or online business.

Our credit rating has also been reaffirmed by CRISIL to A-with Positive outlook for the financial year 2018-19.

3. CHANGE IN THE NATURE OF BUSINESS, IF ANY-

During the year under review, there were no major changes in the business.

4. DIVIDEND

The Board of Directors recommended ₹ 0.15 per share dividend for FY 2018-19 and decided to retain the remaining earnings.

5. RESERVES

Out of the amount available for appropriation, the Company's Directors proposed to transfer no sum to the General Reserve and retain ₹ 29,917.82 lakhs in the profit and loss account.

6. SHARE CAPITAL

The paid up equity share capital of the Company as on March 31, 2019 was ₹ 3,198 lakhs. There has been no change in share capital during the year 2018-19.

7. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT AND RESIGNATION DURING THE YEAR

During FY 2018-19, there were no recorded appointment or resignation of Director or Key Managerial Personnel.

8. PARTICULARS OF EMPLOYEES AND EMPLOYEE REMUNERATION

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

Managerial Remuneration:

1. Ratio of remuneration of each director to median remuneration of employees	
Vijay Kumar Arora	1:33
Ashwani Kumar Arora	1:33
Surinder Kumar Arora	NA
2. Percentage increase in remuneration of each director and KMPs	
Vijay Kumar Arora	10%
Surinder Kumar Arora	Nil
Ashwani Kumar Arora	10%
Monika Chawla Jaggia	Nil
3. Percentage increase in the median remuneration of employees	NA
4. Number of permanent employees	897
5. Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	
Managerial Increase	Nil
Non-managerial increase	6%
6. Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

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

Name	Designation	Remuneration (in crore)	Nature of employment	Qualification	Experience	Age	Last employment	% of shares held
Vijay Kumar Arora	Managing Director	2.11	Permanent	B.Sc.	43	61	NA	6.66
Ashwani Kumar Arora	Managing Director	2.11	Permanent	B.Com	31	52	NA	6.66

9. BOARD MEETINGS

During the year, six Board meetings were held, the dates on which these meeting were held are May 24, 2018, August 13, 2018, August 31, 2018, November 14, 2018, February 05, 2019 and March 06, 2019. The details of the same is given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

evaluation process of Independent Directors, Executive Directors and the Board as a whole as well as functioning of its Audit, Nomination and Remuneration Committee, CSR Committee, Governance Committee Stakeholders and Relationship Committee, etc. has been carried out during FY 2018-19.

10. PERFORMANCE EVALUATION

In pursuance of Section 178 of the Companies Act, 2013 read with Regulation 4(2), 17(10) and 19(4), read with Schedule II Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards-I, the Nomination and Remuneration Committee has framed the performance

The Independent Directors of the Company met separately on February 05, 2019 without the presence of Non-independent Directors and inter-alia reviewed the performance of the members of the Management, Non-independent Directors, and the Board as a whole. Additionally, the performance of the Chairman of the Company and the functioning of the Committees were evaluated taking into consideration the views of the Executive and the Non-executive Directors.

Directors' Report

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

The Nomination and Remuneration Committee also carried out evaluation of every Director's performance. The Board has duly completed with the evaluation process.

It was further acknowledged that every individual member and Committee of the Board has contributed to the best of their potential to the growth of the organisation.

11. STATEMENT OF DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT

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

12. REMUNERATION POLICY

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

The salient features of the Remuneration policy are as follows:

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

13. DETAILS OF SUBSIDIARY/JOINT VENTURES/ ASSOCIATE COMPANIES

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

During the year, the Company generated a revenue of ₹ 3915 crore at group level. Its subsidiaries played a major role in contributing to the overall revenue. LT Foods, Americas (formerly known as Kusha Inc, the fellow subsidiary of the Company, contributed ~35% to the overall revenue. . The organic arm NBFL, a wholly owned subsidiary contributed ~9% to the group revenue.

Additionally, the annual accounts and related documents of the subsidiary company will be kept open for inspection at the registered and the corporate office of the Company. The Company will also make available copy thereof, upon specific request by any member of the Company interested in obtaining the same. Besides, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

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

During the year, the Company's subsidiary Nature Bio Foods Limited incorporated a wholly owned subsidiary Ecopure Specialties Limited. The Company has written off its investment made in Joint venture Company Genoa Rice Mills Private Limited. Raghuvesh Power Projects Limited and Nature Bio Foods Inc ceased to be fellow subsidiary due to their strike off/winding up during the year. Raghuvesh Foods & Infrastructure Limited, a wholly owned subsidiary of

the company has applied to ROC for striking off under Section- 248 and the same was under process of striking off.

14. AUDITORS

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

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

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

15. AUDITORS' REPORT

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

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

16. AUDIT COMMITTEE

In pursuance of Section 177 of the Companies Act, 2013, read with Regulation 18 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted the Audit Committee and the details with respect to the composition of the Audit Committee of the Company is given in its Corporate Governance Report.

17. SECRETARIAL AUDIT REPORT

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

Reply to the observations in the Secretarial Audit

- (i) Delay in filing forms- Due to oversight, the Company has delayed in filing some of the forms within prescribed time frame of the Companies Act, 2013. The applicable additional fees has been paid to Ministry of Corporate Affairs
- (ii) CSR spent - The Company has not spent the entire amount on CSR. It will spend the entire amount in the coming years in compliance with Section-135 of the Companies Act, 2013
- (iii) Gratuity payment to ex- employees- The Company has duly paid gratuity to ex-employees of the Company.

18. INTERNAL AUDIT AND CONTROLS

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

19. VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) and (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism policy can be found at www.ltgroup.in, under investors/policy documents/Vigil Mechanism Policy on the website of the Company. In terms of amendment in regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, there is a mandate of a listed Company to have a whistle-blower policy and make employees aware of such a policy to enable them to report instances of leak of unpublished price sensitive information. The company already has a whistle blower policy in place, which has been formulated in accordance with the Listing agreement. The presence of this policy has been communicated to the employees through an internal circular, so as to apprise them of their right to report any instance of leak or suspected leak of UPSI.

20. RISK MANAGEMENT POLICY

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

Directors' Report

21. EXTRACT OF ANNUAL RETURN

Pursuant to the requirements of Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in MGT 9 has been made a part of this Annual Report as Anneure I. The annual return can also be found at [www.ltgroup.in](http://ltgroup.in), under investors updates <http://ltgroup.in/pdf/Annual%20Return-2019.pdf> on the website of the Company

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

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

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

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

24. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL

27. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

Details of investments:

S. No	Date of investment	Name of the Company	Amount – (₹ In lakhs)	Purpose for which the proceeds from investment is proposed to be utilised by the recipient	Date of Board/ Management Committee resolution	Date of special resolution	Expected rate of return
1	28.03.2019	Daawat Foods Limited	2,000.00	Business Purpose	06.03.2019	N.A.	N.A.
2	18.10.2018	Daawat Kameda India Private Limited	2,234.79	Business Purpose	09.10.2018	N.A.	N.A.

Details of Guarantee/Security Provided:

Sl. No.	Details of recipient	Amount (₹ In lakhs)	Purpose for which the security/guarantee is proposed to be utilised by the recipient
1	Daawat Foods Limited	21,938.48	Working capital loan
2	Nature Bio Foods Limited	8,746.91	-do-
3	Raghunath Agro Industries Private Limited	5,038.18	-do-
4	LT Foods Europe BV	13,442.52	Working capital loan

FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

According to Section-134 (5) (e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

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

25. DEPOSITS

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

26. COST RECORD

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

28. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

29. CORPORATE GOVERNANCE CERTIFICATE

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

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

30. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, prepared in accordance with the Regulation 34(2)(e) of Listing Regulations, forms part of this Annual Report for the year ended March 31, 2019.

31. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

In order to prevent sexual harassment of women at workplace, the implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on December 09, 2013. Under the said Act, every Company is required to set up an Internal Complaints Committee to look into the complaints relating to sexual harassment at workplace of any women employee.

The Company has adopted a policy for prevention of sexual harassment of women at workplace and has set up Committee for implementation of the said policy. During the year, the Company has received one compliant

which was duly resolved and the report on the same was filed with District office/ Chairperson, District Complaints Cell Committee, Vikas Sadan, Gurugram.

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

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

a Conservation of Energy

The Company continued to place major emphasis on energy conservation and the measures taken during the previous year were continued. The efficiency of energy utilisation is being monitored in every quarter in order to achieve effective conservation of energy.

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

Energy Conservation

1. Reduction of line losses – With effective power factor control methods, we were able to reduce line losses by a significant amount
2. Efficiency improvement of motors – We were able to reduce failure rates of motors, thereby bringing down power consumption which gets increased due to repair. Also some inefficient motors were declared obsolete and replaced
3. All street/tower lights were replaced with LED lights to reduce energy consumption, alongside optimising lights
4. Modification in some compressed air lines done which led to improved efficiency of compressors

Technology Absorption

1. All new lightning and some AC provided through timers to minimise energy consumption
2. Process automation was upgraded at Sella Plant to provide better quality as well as productivity
3. New, state-of-the-art warehouse has been set up at Bahalgarh with hi-tech solutions for seamless operations and digital proficiencies

Directors' Report

Power and fuel consumption (Bahalgarh plant)

Particulars	₹ In lakhs	
	March 31, 2019	March 31, 2018
ELECTRICITY		
Through Purchases		
Units	21,232,165	16,482,612
Total Amount (₹)	1,746.77	1,318.30
Rate/Unit(₹)	8.23	8.00
Through Diesel Generator		
Units generated	610,449	630,733
TOTAL AMOUNT	132.98	109.94
Cost/Unit (₹)	21.78	17.43

Power and fuel consumption (Varpal plant)

Particulars	₹ In lakhs	
	March 31, 2019	March 31, 2018
ELECTRICITY		
Through Purchases		
Units	4,520,910	4,825,700
Total Amount (₹)	307.23	332.33
Rate/Unit (₹)	6.80	6.89
Through Diesel Generator		
Units generated	73,000	73,400
TOTAL AMOUNT	18.47	12.52
Cost/Unit (₹)	25.30	17.06

(b) Technology, Absorption, Adaption and Innovation

Technology is changing day by day. Over the years, the Company has taken significant steps in adoption of new technologies, thus improving overall efficiency of plants. Similar steps were taken in the year under review as well by replacing the lower capacity machines with the new, higher capacity machines. Some such machines include the color sorters which is one of the critical machines involved in the rice processing industry. Some of the old, lower capacity colour sorters, were replaced with new, upgraded and high capacity machines resulting in reduction of rejection percentage, improvement in final output and increasing overall efficiency.

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

(c) Foreign exchange earnings and outgo

During the year, the total foreign exchange spend was ₹ 2,270.56 lakhs and the total foreign exchange earned was ₹ 88,776.79 lakhs.

(₹ In lakhs)

Particulars	March 31, 2019	March 31, 2018
Value of Imports on CIF basis		
Capital Goods	608.24	852.19
Stores and Spares	174.92	37.00
Other Food Items	-	-
Other	8.01	-
Total	791.17	889.19
Expenditure in Foreign Currency		
Legal Fees	142.83	177.60
Interest and other charges to bank	766.22	807.78
Steamer Freight	1,131.41	901.17
Sales Promotion	76.29	113.89
Commission on Export Sales	34.05	26.21
Others	119.75	662.16
Total	2,270.56	2,688.80
Earnings in Foreign Currency		
FOB Value of Exports		
Rice	88,776.79	86,409.73
Total	88,776.79	86,409.73

33. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

34. HUMAN RESOURCES

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

The Company continuously invests in attraction, retention and development of talent. A number of programmes that provide focused people attention are currently underway. The Company's thrust is on the promotion of talent internally through job rotation and job enlargement. The Company also maintains healthy, cordial and harmonious industrial relations at all levels. The enthusiasm of employees have enabled the Company to maintain its leadership position in the industry.

35. DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as

to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period

- (c) The Directors have taken proper and sufficient care of the maintenance of adequate accounting records, in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities
- (d) The Directors have prepared the annual accounts on a going concern basis
- (e) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively
- (f) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

36. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to Sections 124 and 125 of the Companies Act, 2013, the dividend which remains unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the Company transferred unclaimed dividend of ₹ 194,740/- for FY 2010-11 to Investor Education and Protection Fund and such unclaimed dividend cannot be claimed by the Investors from the Company. However, Investors can claim the unpaid dividend from appropriate authority in accordance with the Investor Education and Protection Fund Authority (Accounting, audit, transfer and refund) Rules, 2016.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) the Company in the previous year 2018-19 has transferred 41,680 equity shares, which belongs to the shareholders whose dividend was not paid or claimed for seven consecutive years or more, to the demat account of IEPF Authority.

Additionally, the amount of dividend unclaimed/unpaid for FY 2011-12 to 2017-18 lies in the respective unpaid dividend account and can be claimed from the Company's Registrar and Transfer Agent i.e. Big Share Services Private Limited, before the due date for transfer of the same in IEPF account.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company uploaded the details of unpaid and unclaimed amounts lying with the Company, as on September 24, 2018, with the Ministry of Corporate Affairs.

37. LISTING WITH STOCK EXCHANGES

The Company confirms that it paid the Annual Listing fees for FY 2018-19 to NSE and BSE where the Company's shares are listed.

38. COMPLIANCE WITH SECRETARIAL STANDARDS

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

39. ACKNOWLEDGEMENTS

The Company's Directors place on record their gratitude to all Stakeholders for their assistance, cooperation and encouragement. The Directors also wish to place on record their sincere thanks to all stakeholders for their outstanding performance.

For and on behalf of the Board of Directors

Place: Gurugram
Date: August 08, 2019

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

ANNEXURE INDEX

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

Directors' Report

ANNEXURE-I TO DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2019

Form No. MGT-9

Extract of annual return as on the financial year ended March 31, 2019

(Pursuant to Section-92 (3) of the Companies Act 2013 and Rule 12(1) of the Companies Management & Administration) Rules, 2014

I. REGISTRATION and OTHER DETAILS:

1.	CIN	L74899DL1990PLCO41790
2.	REGISTRATION DATE	16/10/1990
3.	NAME OF THE COMPANY	LT FOODS LIMITED
4.	CATEGORY/SUB-CATEGORY OF THE COMPANY	COMPANY LIMITED BY SHARES/INDIAN NON-GOVERNMENT COMPANY
5.	ADDRESS OF THE REGISTERED OFFICE & CONTACT DETAILS	UNIT NO-134, FIRST FLOOR, RECTANGLE-1, SAKET DISTRICT CENTRE, NEW DELHI, DELHI-110017 TEL: 011-26857099 FAX: 011-26859344
6.	WHETHER LISTED COMPANY	YES
7.	NAME, ADDRESS AND CONTACT DETAILS OF THE REGISTRAR AND TRANSFER AGENT, IF ANY.	BIGSHARE SERVICES PVT. LTD. 1ST FLOOR, BHARAT TIN WORKS BUILDING, OPP. VASANT OASIS, MAKWANA ROAD, MAROL, ANDHERI EAST, SANKASTH PADA WELFARE SOCIETY, MAROL, ANDHERI EAST, MUMBAI, MAHARASHTRA 400059 CONTACT NO 91-22-6263 8200 FAX NO 91-22-6263 8299

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (ALL THE BUSINESS ACTIVITIES CONTRIBUTING 10% OR MORE OF THE TOTAL TURNOVER OF THE COMPANY SHALL BE STATED)

S. No.	Name and Description of main products/services	NIC code of the product/service	% of total turnover of the Company
1	RICE	10612	92

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary /Associate	%age of shares held	Applicable section
1	Daawat Foods Limited Unit No: 134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15209DL2005PLC135838	Subsidiary	70.48	2(87)(ii)
2	SDC Foods India Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U52201DL2007PLC241225	Subsidiary	80.00	-do-
3	LT International Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74899DL1999PLC097892	Subsidiary	89.98	-do-
4	LT Overseas North America Inc. 11130, Warland Drive, Cypress, CA	26-1422699	Subsidiary	100	-do-
5	Sona Global Limited Office 104, Plot No. 358-615, Al Quoz 3, P.O. Box 17870, Dubai, UAE	OF 1027	Subsidiary	100	-do-
6	LT Foods International Limited Regus, 268, Bath Road, Slough SL1 4DX, United Kingdom	U72300DL2007PTC162270	Subsidiary	100	-do-
7	Nature Bio Foods Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15134DL2005PLC143017	Subsidiary	100	-do-
8	LT Agri Services Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2009PTC189462	Subsidiary	70.48	-do-
9	LT Foods USA LLC 11130, Warland Drive, Cypress, CA	N A	Subsidiary	100	-do-
10	LT Foods Middle East DMCC Unit: 706-707, BB2, Mazaya Business Avenue, JLT, Dubai, UAE	DMCC 4037	Subsidiary	100	-do-

S. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary /Associate	%age of shares held	Applicable section
11	Universal Traders Inc. 11130, Warland Drive, Cypress, CA	46-5216235	Subsidiary	100	-do-
12	Expo Services Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2009PTC241224	Subsidiary	80	-do-
13	Fresco Fruits N Nuts Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51909DL2011PTC222196	Subsidiary	84.94	-do-
14	LT Foods Europe B.V. Broekdijk West 18, 3621 LV, Breukelen	856697667	Subsidiary	100	-do-
15	LT Foods Americas, Inc. 11130, Warland Drive, Cypress, CA	33-0525788	Subsidiary	100	-do-
16	Raghunath Agro Industries Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2015PTC282966	Subsidiary	96	-do-
17	Deva Singh Sham Singh Export Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51100DL2007PTC165512	Subsidiary	100	-do-
18	Raghuvesh Agri-Foods Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63000DL2014PTC267604	Associate	40	2(6)
19	Raghuvesh Warehousing Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63020DL2014PTC267603	Associate	40	-do-
20	Raghuvesh Infrastructure Private Limited Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2015PTC284471	Associate	30	-do-
21	Daawat Kameda (India) Private Limited* Unit No: 134, 1st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15209DL2017PTC314398	Joint Venture	51	-do-
22	Nature Bio-Foods B.V. Bosporusstraat 42, 3199 LJ Maasvlakte Rotterdam, the Netherlands	858101154	Subsidiary	100	2(87)(ii)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

A. Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year [As on March 31, 2018]				No. of shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	84,299,940	0	84,299,940	26.36	84,360,040	0	84,360,040	26.38	0.02
b) Central Govt	0	0	0	0	0	0	0	0	-
c) State Govt(s)	0	0	0	0	0	0	0	0	-
d) Bodies Corp.	0	0	0	0	0	0	0	0	-
e) Banks/FI	0	0	0	0	0	0	0	0	-
f) Any others									
i) Directors and Relatives	63,860,760	0	63,860,760	19.97	63,860,760	0	63,860,760	19.97	-
ii) Group Companies	309,84,130	0	30,984,130	9.69	30,984,130	0	30,984,130	9.69	-
Sub-Total (A)(1)	179,144,830	0	179,144,830	56.01	179,204,930	0	179,204,930	56.03	0.02

Directors' Report

Category of Shareholders	No. of shares held at the beginning of the year [As on March 31, 2018]				No. of shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
2. Foreign									
a) Non-resident Indians-Individual	0	0	0	0	0	0	0	0	-
b) Other-Individual	0	0	0	0	0	0	0	0	-
c) Bodies Corporate	0	0	0	0	0	0	0	0	-
d) Banks/ Financial institution	0	0	0	0	0	0	0	0	-
e) Any other	0	0	0	0	0	0	0	0	-
Sub-Total (A)(2)	0	0	0	0	0	0	0	0	-
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	179,144,830	0	179,144,830	56.01	179,204,930	0	179,204,930	56.03	0.02
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	-
a) Mutual Funds	42,356,186	0	42,356,186	13.24	28,943,093	0	28,943,093	9.05	(4.19)
b) Bank/ FI	330,074	0	330,074	0.10	724,295	0	724,295	0.23	0.12
c) Central Govt	0	0	0	0	0	0	0	0	-
d) State Govt(s)	0	0	0	0	0	0	0	0	-
e) Venture Capital Funds	0	0	0	0	0	0	0	0	-
f) Insurance Companies	0	0	0	0	0	0	0	0	-
g) FIs	0	0	0	0	0	0	0	0	-
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	-
i) Others (specify) (Foreign Portfolio Investors) (Alternate Investment Funds)	12,119,606	0	12,119,606	3.79	4,997,216	0	4,997,216	1.56	(2.23)
	13,09,617	0	13,09,617	0.41	2,007,233	0	2,007,233	0.63	0.22
Sub-total (B)(1): -	56,115,483	0	56,115,483	17.54	36,671,837	0	36,671,837	11.47	(6.08)
2. Non-institutions									
a) Bodies Corp.	7,114,800	0	7,114,800	2.22	9,767,439	0	9,767,439	3.05	0.83
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	33,666,481	787,348	34,453,829	10.77	49,287,816	661,890	49,949,706	15.62	4.84
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	26,623,653	0	26,623,653	8.32	25,060,460	0	25,060,460	7.84	(0.49)
c) Others (specify)	-	-	-	-	-	-	-	-	-
TRUSTS	2000	0	2000	0.00	2000	0	2000	0.00	0.00
CLEARING MEMBER NON-RESIDENT INDIANS (NRI)	2,782,207	0	2,782,207	0.87	3,995,441	0	3,995,441	1.25	0.38
NON-RESIDENT INDIANS (REPAT)	42,375	0	42,375	0.01	356,746	0	356,746	0.11	0.10
NON-RESIDENT INDIANS (NON REPAT)	1,083,131	0	1,083,131	0.34	1,859,326	0	1,859,326	0.58	0.24
EMPLOYEE OVERSEAS BODIES CORPORATES	431,598	0	431,598	0.13	693,666	0	693,666	0.22	0.08
IEPF	2,860,103	0	2,860,103	0.89	3,050,778	0	3,050,778	0.95	0.06
	8,289,454	500,000	8,789,454	2.75	8,289,454	500,000	8,789,454	2.75	0.00
	401,317	0	401,317	0.13	442,997	0	442,997	0.14	0.01

Category of Shareholders	No. of shares held at the beginning of the year [As on March 31, 2018]				No. of shares held at the end of the year [As on March 31, 2019]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
d) Qualified foreign investor									
Sub-total (B)(2):-	83,297,119	1,287,348	84,584,467	26.45	102,806,123	1,161,890	103,968,013	32.51	(6.06)
Total public shareholding (B)=(B)(1)+(B)(2)	139,412,602	1,287,348	140,699,950	43.99	139,477,960	1,161,890	140,639,850	43.97	(0.02)
C. Shares held by custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand total (A+B+C)	318,557,432	1,287,348	319,844,780	100.00	318,682,890	1,161,890	319,844,780	100.00	0.00

B) Promoter Group

S. No.	Shareholder's name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of Shares pledged/ encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
1	Raghuvesh Holdings Private Ltd	30,984,130	9.69	5.01	30,984,130	9.69	3.36	0
2	Surinder Kumar Arora	21,286,920	6.66	0	212,86,920	6.66	0	0
3	Ashok Kumar Arora	21,286,920	6.66	0	21,286,920	6.66	0	0
4	Ashwani Arora	21,286,920	6.66	0	21,286,920	6.66	0	0
5	Vijay Kumar Arora	21,286,920	6.66	0	212,86,920	6.66	0	0
6	Gurucharan Dass Arora	21,286,920	6.66	0	212,86,920	6.66	0	0
7	Parvesh Rani	6,800,000	2.12	0	6,800,000	2.12	0	0
8	Vandana Arora	8,371,500	2.61	0	8,396,500	2.62	0	0.0078
9	Munish Kumar Arora	643,660	0.20	0	643,660	.20	0	0
10	Abhinav Arora	633,340	0.198	0	633,340	0.198	0	0
11	Guruchandran Dass Arora	633,340	0.198	0	633,340	0.198	0	0
12	Aditya Arora	633,340	0.198	0	633,340	0.198	0	0
13	Ranju Arora	7,738,160	2.42	0	7,738,160	2.42	0	0
14	Vaneet Arora	160,000	0.05	0	160,000	.05	0	0
15	Gursajan Arora	126,660	0.04	0	126,660	0.04	0	0
16	Anita Arora	7,611,500	2.38	0	7,611,500	2.38	0	0
17	Sakshi Arora	8,371,500	2.62	0	8,371,500	2.62	0	0
18	Ritesh Arora	3,100	0.0010	0	38,200	0.012	0	0.011

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year Name: Ritesh Arora	3,100	0.00	3,100	0.00
	Date of change: 18.09.2018	7,000	0.001	10,100	0.003
	Reason for change: Acquisition				
	Date of change: 18/09/2018	28,100	0.008	38,200	0.011
	Reason for change: Acquisition				
	At the end of the year	38,200	0.011	38,200	0.011

Directors' Report

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2	Name: Vandana Arora	8,371,500	2.6174	8,371,500	2.6174
	Date of change: 02/11/2018	25,000	0.007	8,396,500	2.625
	Reason for change: Acquisition				
	At the end of the year	8,396,500	2.625	8,396,500	2.625

D) Shareholding pattern of top ten Shareholders
(Other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	At the beginning of the year	8,289,454	2.59	8,289,454	2.59
	INDIA AGRI BUSINESS FUND LIMITED	-	-	8,289,454	2.59
	At the end of the year	8,289,454	2.59	-	-
2	At the beginning of the year	13,297,872	4.16	13,297,872	4.16
	DSP BLACKROCK SMALL CAP FUND	-	-	13,297,872	4.16
	At the end of the year	13,297,872	4.16	-	-
3	At the beginning of the year	6,558,654	2.05	6,558,654	2.05
	SBI RESURGENT INDIA OPPORTUNITIES SCHEME	-	-	-	-
	Date of change: April 2018	353,250	0.11	6,205,404	1.94
	Reason: Sale				
	Date of change: June 2018	1,868,016	0.67	4,337,388	1.36
	Reason: Sale				
	At the end of the year	4,337,388	1.36	-	-
4	At the beginning of the year	5,323,791	1.66	5,323,791	1.66
	RELIANCE CAPITAL TRUSTEE CO. LIMITED - A/C	-	-	5,323,791	1.66
	RELIANCE SMALL CAP FUND				
	At the end of the year	5,323,791	1.66	-	-
5	At the Beginning of the year	3,474,601	1.09	3,474,601	1.09
	DOLLY KHANNA	-	-	-	-
	Date of change: April 2018	121,000	0.04	3,595,601	1.124
	Reason: Purchase				
	Date of change: June 2018	321,398	0.100	3,274,203	1.02
	Reason: Sale				
	Date of change: July 2018	168,750	0.05	3,105,453	0.97
	Reason: Sale				
	Date of change: August 2018	162,950	0.05	2,942,503	0.92
	Reason: Sale				
	Date of change: September 2018	321,000	0.10	2,621,503	0.82
	Reason: Sale				
	Date of change: October 2018	149,000	0.05	2,472,503	0.77
	Reason: Sale				
	Date of change: November 2018	40,000	0.01	2,512,503	0.79
	Reason: Purchase				
	Date of change: December 2018	91,000	0.03	2,421,503	0.75
	Reason: Sale				
	Date of change: January 2019	149,000	0.05	2,272,503	0.71
	Reason: Sale				
	Date of change: February 2019	187,000	0.06	2,085,503	0.65
	Reason: Sale				
	Date of change: March 2019	118,000	0.04	1,967,503	0.62
	At the end of the year	1,967,503	0.62	-	-

S. No.	For each of the top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
6	At the beginning of the year	3,340,594	1.04	3,340,594	1.04
	ALLIANCEBERNSTEIN INDIA GROWTH (MAURITIUS) LIMITED	-	-	-	-
	Date of change: May 2018	971,379	0.30	2,369,215	0.74
	Reason: Sale				
	Date of change: October 2018	913,274	0.28	1,455,941	0.45
	Reason: Sale				
	Date of change: November 2018	1,455,941	0.46	0	0
	Reason: Sale				
	At the end of the year	0	0	-	-
7	At the beginning of the year	0	0	0	0
	MUKUL MAHAVIR PRASAD AGGARWAL	-	-	-	-
	Date of change: October 2018	2,500,000	0.78	2,500,000	0.78
	Reason: Purchase				
	Date of change: November 2018	500,000	0.16	3,000,000	0.94
	Reason: Purchase				
	Date of change: December 2018	300,000	0.093	3,300,000	1.03
	Reason: Purchase				
	At the end of the year	3,300,000	1.03	-	-
8	At the beginning of the year	3,001,612	0.94	3,001,612	0.94
	SOCIETE GENERALE	-	-	-	-
	Date of change: April 2018	186,322	0.05	3,187,934	1.00
	Reason: Purchase				
	Date of change: May 2018	319,093	0.09	3,507,027	1.09
	Reason: Purchase				
	Date of change: June 2018	510,285	0.15	4,017,312	1.26
	Reason: Purchase				
	Date of change: July 2018	704,643	0.22	3,312,669	1.03
	Reason: Sale				
	Date of change: August 2018	2,127,017	0.66	1,185,652	0.37
	Reason: Sale				
	Date of change: September 2018	839,845	0.26	345,807	0.11
	Reason: Sale				
	Date of change: October 2018	139,627	0.04	206,180	0.06
	Reason: Sale				
	Date of change: November 2018	135,560	0.04	70,620	0.02
	Reason: Sale				
	Date of change: January 2019	70,620	0.02	0	0
	Reason: Sale				
	At the end of the year	0	0	-	-
9	At the beginning of the year	1,309,617	0.40	1,309,617	0.40
	DSP CORE FUND	-	-	-	-
	Date of change: July 2018	592,616	0.18	1,902,233	0.59
	Reason: Purchase				
	At the end of the year	1,902,233	0.59	-	-
10	At the beginning of the year	1,540,955	0.48	1,540,955	0.48
	MANIK KANT AWASTHI	-	-	-	-
	Date of change: April 2018	290,180	0.09	1,250,775	0.39
	Reason: Sale				
	Date of change: March 2019	1,875,000	0.58	3,125,775	0.97
	Reason: Purchase				
	At the end of the year	3,125,775	0.97	-	-

Directors' Report

E) Shareholding of Directors and Key Managerial Personnel:

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	21,286,920	6.66	21,286,920	6.66
	Vijay Kumar Arora	Nil	Nil	21,286,920	6.66
	At the end of the year	21,286,920	6.66	-	-
2	At the beginning of the year	Nil	Nil	Nil	Nil
	Parmod Bhagat	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
3	At the beginning of the year	Nil	Nil	Nil	Nil
	Rajesh Kumar Srivastava	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
4	At the beginning of the year	21,286,920	6.66	21,286,920	6.66
	Surinder Kumar Arora	Nil	Nil	21,286,920	6.66
	At the end of the year	21,286,920	6.66	-	-
5	At the beginning of the year	21,286,920	6.66	212,86,920	6.66
	Ashwani Kumar Arora	Nil	Nil	212,86,920	6.66
	At the end of the year	21,286,920	6.66	-	-
6	At the beginning of the year	Nil	Nil	Nil	Nil
	Radha Singh	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
7	At the beginning of the year	200,250	0.062	200,250	0.062
	Monika Chawla Jaggia				
	At the end of the year	200,250	0.062	-	-
8	At the beginning of the year	Nil	Nil	Nil	Nil
	Gokul Patnaik	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-
9	At the beginning of the year	Nil	Nil	Nil	Nil
	Suparas Bhandari	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	-	-

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

	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	68,627.08	-	-	68,627.08
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	23.27	-	-	23.27
Total (i+ii+iii)	68,650.35	-	-	68,650.35
* Addition	1525.70	-	-	1,525.70
* Reduction	(3,730.52)	-	-	(3,730.52)
Net Change	(2,204.82)	-	-	(2,204.82)
Indebtedness at the end of the financial year	-	-	-	-
i) Principal amount	66,422.26	-	-	66,422.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	77.01	-	-	77.01
	66,499.27	-	-	66,499.27

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(₹ In lakhs)

SN.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Vijay Kumar Arora	Ashwani Kumar Arora**	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	211.21	-	211.21
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.39	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total (A)	211.61	-	211.21
		10% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013		

B. Remuneration to other Directors (Amount in ₹ lakhs)

SN.	Particulars of remuneration	Name of Directors				Total amount
		Radha Singh	Parmod Bhagat	Gokul Patnaik	Suparas Bhandari	
1	Independent Directors					
	Fee for attending Board Committee meetings	6.75	6.35	4.75	3.40	21.25
	Commission	-	-	-	-	-
	others, please specify	-	-	-	-	-
	Total (A1)	6.75	6.35	4.75	3.40	21.25
2	Other Non-executive Directors					
	Fee for attending board Committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	others, please specify	-	-	-	-	-
	Total (A2)	-	-	-	-	-
3	Total B=(A1+A2)	6.75	6.35	4.75	3.40	21.25
4	Total Managerial remuneration	6.75	6.35	4.75	3.40	21.25
5	Celling as per Act	₹ 1 Lakh per meeting				

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

SN.	Particulars of remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	60.53	-	60.53
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	60.53	-	60.53

Directors' Report

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place: Gurugram
Date: August 08, 2019

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

ANNEXURE - II TO DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019**Key points of the Company's CSR policy****OBJECTIVE:**

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

CSR BUDGET

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

Events, such as marathons, awards, charitable contribution, advertisement or sponsorship of TV programmes and the like would not qualify as part of CSR expenditure.

PLANNING AND IMPLEMENTATION

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

Details of annual financial allocation

Baseline survey/Need assessment where considered necessary/feasible

Identification of beneficiaries

Signing of agreement with implementing agency.

Formulation of detailed project report with clear deadlines.

Preparation and implementation of a comprehensive and concurrent documentation procedure.

Regular monitoring and periodic review of the projects.

Evaluation and assessment by a third party.

Mandatory Reporting

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

Mode of carrying CSR activities:

- Through a society, non-profit organisation set up by the Company or its holding, subsidiary or associate Company.
- Implementation through the Agency
- Collaborating with other non-profit organisation, corporate, government.

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

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

(1) The Composition of the CSR Committee.

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

(2) Average net profit of the Company for last three financial years- ₹ 4854.5 lakhs**(3) Prescribed CSR expenditure (2% of the amount as in item three above) – ₹ 97.09 lakhs****(4) Details of CSR spend during the financial year.**

- (a) Total amount to be spent for the financial year: ₹ 97.09 lakhs
- (b) Amount unspent, if any;- ₹ 44.11 lakhs
- (c) The Company is exploring projects for CSR activities.

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

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

Directors’ Report

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

- The following table provides a summary of the domain-wise expenditure on CSR for 2017-18 along with the geographies. The list of partners with who we collaborate is available right below the table
- All our programmes are executed and implemented through our partners.

In the column ‘Cumulative expenditure till reporting period’, we have chosen to take 2017-18 as the base year. Many of our programmes go back more than three years and some more than five years. Given the practical challenges in reporting the cumulative expenditure from inception, we have chosen to start with the current year as the base year.

S.N	CSR project or activity identified	Sector in which the project is covered	Projects or programme: (i) Local area or other (ii) Specify the State or district where the projects or programmes were undertaken	Amount outlay (Budget) project or programme wise	Amount spent on project or programmes: Sub head: 1. Direct expenditure on project or programme	Amount spent: direct or through implementing agencies*
1.	School adoption project	Promoting Education	Sonepat (Haryana)	900,000	900,000	Fair Farming Foundation
2.	Developing rural infrastructure	Rural Development	Sonepat (Haryana)	2,700,000	2,700,000	Fair Farming Foundation
3.	Udayan Shalini Fellowships Programme Unutilised Funds	Promoting Education	Gurugram (Haryana)	702,845	651,640	Udayan Care
4.	Sarawaka Ind. Leprosy Foundation Unutilised Funds	Promoting skill Development	New Delhi	994,950	51,205 396,046	Leprosy Foundation
					598,904	

ABOUT FAIR FARMING FOUNDATION

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

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

Since inception, Fair Farming Foundation has been and continues to be involved in meaningful, welfare driven initiatives that

distinctively impact the quality of life of the rural poor with an aim to improve the social and economic situation of people in underdeveloped areas of rural India.

ABOUT UDAYAN CARE

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

ABOUT LEPROSY FOUNDATION

The Leprosy Mission was founded in 1874 as ‘The Mission to Lepers’ by an Irishman named Wellesley Cosby Bailey, in Ambala, India. Subsequently in 1973, The Leprosy Mission Trust India (TLMTI) was registered as a Society under the Societies Registration Act of 1860. TLMTI is the largest leprosy-focused non-governmental organisation in India and is headquartered in New Delhi, India. The organisation works with people affected by leprosy and other neglected tropical diseases (NTDs), people with disabilities, and marginalised communities, especially women. TLMTI has a diverse set of programmes – Healthcare, Sustainable Livelihood, Community Empowerment, Advocacy, and Research and Training. These programmes are implemented through 14 hospitals, two clinics, six vocational training centres, five residential care homes for elderly persons affected by leprosy, community empowerment projects, and a research laboratory, spread across 10 states of India.

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

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

ANNEXURE-III TO DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019**FORM NO. AOC -2**

(Pursuant to clause [h] of sub-section [3] of section 134 of the Act and Rule 8[2] of the Companies [Accounts] Rules, 2014). Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS.

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

2. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS ON ARM'S LENGTH BASIS.

S.N	Name of the related party & nature of relationship	Nature of contracts/arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
1	Dawaat Foods Limited (Subsidiary Company)	Sales/Purchases/Corporate guarantee given and charges income/Insurance Income/ Interest Income/Purchase of Fixed Assets/Sale of Fixed Assets/Investment	01.04.18 to 31.03.2019	56,558.34	24/05/2018, 13/08/2018, 14/11/2018, 05/02/2019 and 06/03/2019	-
2	Nature Bio Foods Limited (Subsidiary Company)	Sales/Purchase/Rent Income/ Fumigation Income/Guarantees given/Processing charges Income/ Insurance Income/Transport Income / Corporate guarantee charges income	01.04.18 to 31.03.2019	9,478.91	-do-	-
3	LT Foods America Inc. (Subsidiary Company)	Sales	01.04.18 to 31.03.2019	16,807.07	-do-	-
4	LT Foods Middle East DMCC (Fellow Subsidiary)	Sales	01.04.18 to 31.03.2019	11,149.72	-do-	-
5	Raghunath Agro Industries Private Limited (Subsidiary Company)	Sales/Purchase/Guarantees given/ Corporate guarantee charges income	01.04.18 to 31.03.2019	23,687.89	-do-	-
6	Eco Pure Specialities Limited (Fellow Subsidiary)	Sales of fixed assets	01.04.18 to 31.03.2019	461.66	-do-	-
7	Super Texfab Private Limited (Entities of KMP)	Purchase	01.04.18 to 31.03.2019	937.55	-do-	-
8	LT Foods International Limited, UK (Subsidiary Company)	Sales return	01.04.18 to 31.03.2019	52.62	-do-	-
9	Deva Singh Sham Singh Exports Private Limited (Subsidiary Company)	Sales/Purchase	01.04.18 to 31.03.2019	727.75	-do-	-
10	Genoa Rice Mills Private Limited (Joint Venture)	Interest income/Loan granted/Loan repaid purchase	01.04.18 to 31.03.2019	2,838.12	-do-	-
11	LT Foods Europe B.V. (Fellow Subsidiary)	Sales/Guarantees given/Corporate Guarantee charges income	01.04.18 to 31.03.2019	18,940.31	-do-	-
12	Daawat Kameda India Private Limited (Joint Venture)	Investment in Joint Venture / Purchases / Reimbursement of expenses received / Rental Income.	01.04.18 to 31.03.2019	2,379.11	-do-	-

For and on behalf of Board of Directors of

LT Foods Limited

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

Sd/-
Surinder Kumar Arora
Managing Director
DIN 01574728

Sd/-
Parmod Bhagat
Independent Director
DIN 00198902

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

Directors' Report

ANNEXURE-IV TO DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

(Pursuant to section 204(1) of the Companies Act, 2013 and rule Number 9 of the Companies [Appointment and Remuneration Personnel] Rules, 2014).

To,
The Members,
LT Foods Limited

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

Based on my verification of Foods Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

PARA ONE

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s LT Foods Limited ("the Company") for the financial year ended on March 31, 2019 to the extent applicable according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - (f) *The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- (vi) I have also examined the Compliances of the provisions of the following other laws applicable specifically to the Company wherein I have also relied on the Compliance certificates/declaration issued by the head of the respective department/management in addition to the checks carried out by me and found that the Company has complied with all the provisions of said Acts and also the afore mentioned Act except the below mentioned observations.
 - (1) The Stamp Duty Act, 1899
 - (2) The Employee's Provident fund and Miscellaneous Provisions Act, 1952
 - (3) The Equal Remuneration Act, 1976
 - (4) The Maternity Benefit Act, 1961
 - (5) The Minimum Wages Act, 1948
 - (6) The Water (Prevention and Control of Pollution) Act, 1974
 - (7) The Air (Prevention and Control of Pollution) Act, 1981
 - (8) The Environment (Protection) Act, 1986
 - (9) The Employee's State Insurance Act, 1948
 - (10) The Legal Metrology Act, 2009
 - (11) The Factories Act, 1948
 - (12) The Payment of Gratuity Act, 1972

* No event took place under these regulations during the audit period.

- (13) The Payment of Wages Act, 1956
- (14) The Contract Labour (Regulation and Abolition) Act, 1970
- (15) The Industrial Employment (Standing Orders) Act, 1946
- (16) The Industrial Dispute Act, 1947
- (17) The Payment of Bonus Act, 1965

Observations in clause (i) Para first of our Report

1. According to information, explanation and verification of forms and returns maintained by it, the Company, as required under Section 403, pays the prescribed additional fees in case of delayed filing.
2. During FY 2018-19, the Company spent ₹ 52.98 lakhs out of required ₹ 97.09 lakhs for the purpose of CSR activities, as prescribed under the Companies Act, 2013 and rules thereunder.
3. As per Management representation, all the related party transactions entered into by the Company during the financial year under review, are in its ordinary course of business and on arm's length basis. However, the Company will seek Shareholder's approval in the ensuing Annual General Meeting ratifying material related party transactions as required under regulation 23(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Observations in clause (vi) (12) of Para First of our Report

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

PARA SECOND

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

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records

maintained by the Company and also the information provided by the Company, its officers, agents, and its authorised representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, during the period under review, the Company has complied with the provisions of the Act, and its rules, regulations, guidelines, standards, and so on.

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

Adequate notice is given to all directors to schedule the Board meetings, while agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

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

1. Taken approval of Shareholders in Annual General Meeting of the Company held on September 24, 2018
 - (a) To ratify the resolution passed in the 27th AGM with respect to approval of all material related party transactions under Section 188 of the Companies Act, 2013 and Regulation 23 of the listing regulations for the FY 2017-18.

For D Dixit and Associates
Company Secretaries

Place: New Delhi
Date: August 05, 2019

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

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

Directors' Report

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

The Members,
LT Foods Limited

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

Place: New Delhi
Date: August 05, 2019

ANNEXURE-V TO DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2019

Statement containing certain financial information of subsidiaries, associate companies and joint ventures of LT Foods Limited as at March 31, 2019

**STATEMENT PURSUANT TO FIRST PROVISIO TO SUB-SECTION (3) OF SECTION 129, READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014
Part-A Subsidiaries**

(₹ In lakhs)

S. No.	Name of the subsidiary	Date Since When Subsidiary Was Acquired	Reporting period of the subsidiary if different from the Holding Company's reporting period	Reporting Currency And Exchange Rate as on The Last Date Of The Relevant Financial Year In The Case Of Foreign Subsidiaries	Share capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turn Over	Profit/ Loss Before Tax	Provision for Tax	Profit/ Loss After Tax	Proposed Dividend	Extent of shareholding (In %)
1	LT Overseas North America, Inc. USA (Wholly Owned Subsidiary)	02.11.2007	31.03.19	USD *	67.70	(13.48)	28.62	153.12	178.71	-	(0.12)	(0.12)	-	-	100.00%
2	LT Foods Americas, Inc. (Fellow Subsidiary)	21.10.2007	31.03.19	USD *	1.00	438.87	1292.33	852.46	-	1960.65	100.33	27.26	73.06	-	100.00%
3	LT Foods USA LLC (Fellow Subsidiary)	22.09.2010	31.03.19	USD *	-	(5.68)	60.96	71.75	-	-	(2.22)	(0.55)	(1.68)	-	100.00%
4	Universal Traders, Inc. (Fellow Subsidiary)	19.07.2012	31.03.19	USD *	0.10	-	0.11	0.00	-	-	-	-	-	-	100.00%
5	LT Foods Middle East DMCC (Fellow Subsidiary)	17.04.2013	31.03.19	AED **	10.00	33.25	318.06	274.80	-	821.22	(14.70)	-	(14.70)	-	100.00%
6	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	19.03.2005	31.03.19	AED **	65.20	6.87	62.42	0.35	10.00	2.40	0.45	-	0.45	-	100.00%
7	Daawat Foods Limited (Subsidiary)	04.05.2005	31.03.19	₹	1,915.53	20427.80	81438.05	59400.96	306.20	85500.41	5483.71	1,938.50	3,545.21	-	70.55%
8	Nature Bio Foods Limited (Subsidiary)	25.11.2005	31.03.19	₹	200.00	12376.05	25702.60	13140.47	14.02	34320.52	2850.70	1,036.68	1814.02	-	99.95%
9	Expo Services Private Limited (Fellow Subsidiary)	18.12.2009	31.03.19	₹	1.00	(1.00)	-	-	-	178.50	174.82	37.55	137.26	-	80.00%
10	SDC Foods India Limited (Subsidiary)	02.01.2009	31.03.19	₹	100.00	(321.86)	134.67	356.53	-	137.15	94.82	-	94.82	-	80.00%
11	Fresco Fruits & Nuts Pvt Limited (Fellow Subsidiary)	28.08.2014	31.03.19	₹	435.69	(543.79)	1.18	109.28	-	-	(1.20)	-	(1.20)	-	84.94%
12	LT Agri Services Private Limited (Fellow Subsidiary)	17.04.2009	31.03.19	₹	1.00	(2.40)	200.54	201.94	-	-	(0.12)	-	(0.12)	-	70.48%

Directors' Report

(₹ in lakhs)

S. No.	Name of the subsidiary	Date Since When Subsidiary Was Acquired	Reporting period of the subsidiary if different from the Holding Company's reporting period	Reporting Currency And Exchange Rate as on The Last Date Of The Relevant Financial Year In The Case Of Foreign Subsidiaries	Share capital	Reserves and surplus	Total Assets	Total Liabilities	Investments	Turn Over	Profit/Loss Before Tax	Provision for Tax	Profit/Loss After Tax	Proposed Dividend	Extent of shareholding (In %)
13	LT International Limited (Subsidiary)	12.01.1999	31.03.19	₹	200.00	(26.76)	174.13	0.89	-	-	(11.78)	(0.06)	(11.72)	-	89.98%
14	Raghuvesh Foods & Infrastructure Limited (Subsidiary)	03.09.2010	31.03.19	5.00	(5.00)	-	-	-	-	-	-	-	-	-	100.00%
15	Raghunath Agro Industries Private Limited (Subsidiary)	20.07.2015	31.03.19	₹	424.79	1,858.20	13422.18	11139.19	-	35392.49	160.24	45.71	114.53	-	96.00%
16	LT Foods International Limited (Wholly owned Subsidiary)	24.06.2016	31.03.19	USD*	0.80	30.40	8.75	60.21	82.66	1.34	(4.62)	(1.12)	(3.50)	-	100.00%
17	LT Foods Europe B.V. (Fellow Subsidiary)	06.09.2016	31.03.19	EURO***	0.00	32.87	316.24	283.37	-	327.54	(29.16)	(3.15)	(26.01)	-	100.00%
18	Deva Singh Sham Singh Export Private Limited (Wholly owned subsidiary)	12.04.2017	31.03.19	₹	1.00	(35.42)	101.40	135.82	-	933.49	13.13	-	13.13	-	100.00%
19	Nature Bio-Foods B.V. (Fellow Subsidiary)	06.11.2017	31.03.19	USD	0.00	3.69	25.10	21.41	-	82.14	4.79	1.10	3.69	-	100.00%
20	Ecopure Specialities Limited (Fellow Subsidiary)	01.11.2017	31.03.19	USD	5.00	(0.63)	545.85	541.48	-	-	(0.85)	(0.22)	(0.63)	-	100.00%

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

2. Nature Bio Foods Inc was dissolved on October 23, 2018.

3. Names of subsidiaries which have been liquidated or sold during the year: Raghuvesh Foods & Infrastructure Limited was struck off during the year.

4. Ecopure Specialities Limited was incorporated as wholly owned subsidiary of Nature Bio Foods Limited.

Profit and loss items dealt with:

* USD : Exchange Rate as on 31/03/2019 is ₹ 69.8889 per USD

**AED: Exchange Rate as on 31/03/2019 is ₹ 19.0331 per AED

*** EURO: Exchange Rate as on 31/03/2019 is ₹ 80.9288 per EURO

Balance Sheet items dealt with:

* USD : Exchange Rate as on 31/03/2019 is ₹ 69.1713 per USD

**AED: Exchange Rate as on 31/03/2019 is ₹ 18.8893 per AED

*** EURO: Exchange Rate as on 31/03/2019 is ₹ 77.6868 per EURO

(₹ In lakhs)

S. No.	Name of associates or joint ventures	Raghuvesh Agri Foods Private Limited (Associate)	Raghuvesh Warehousing Private Limited (Associate)	Raghuvesh Infrastructure Private Limited (Associate)	Genoa Rice Mills Private Limited (Joint Venture)	Daawat Kameda India Private Limited (Joint Venture)
1.	Last audited Balance Sheet date	31/03/2019	31/03/2019	31/03/2019	31/03/2019	31/03/2019
2.	Date on which the associate or joint venture was associated or acquired	20/05/2014	20/05/2014	24/08/2015	06/12/2016	14/03/2017
3.	Shares of the associate or joint venture held by the Company on the year end					
	Number	1,600,000	1,600,000	15,000	1,250,000	24,056,359
	Amount of investment in the associate or joint venture	160.00	160.00	1.50	121.94	2,405.85
	extent of holding (in percentage)	40	40	30	50	51
4.	Description of how there is significant influence	Holding more than 20% of total share capital of the Company				
5.	Reason why the associate/joint venture is not consolidated	Not applicable				
6.	Networth attributable to shareholding as per latest audited balance sheet	1,177.21	1,234.11	(139.53)	(514.12)	4,657.24
7.	Profit or Loss for the year					
	(i) Considered in consolidation	56.72	49.36	(36.87)	(93.79)	(107.27)
	(ii) Not considered in consolidation	85.08	74.05	(86.02)	(93.79)	(103.07)

- Names of associates or joint ventures which are yet to commence operations: Not Applicable
- Names of associates or joint ventures which have been liquidated or sold during the year: Genoa Rice Mills Private Limited
- Names of associates acquired during the year: Nil

CEO/CFO Certificate

To
The Board of Directors
LT Foods Limited

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

We have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder, the provisions of various statutes, wherever applicable, the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on March 31, 2019 and in our opinion and to the best of our information

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

For LT Foods Limited

Place: Gurugram
Date: May 16, 2019

Ashwani Kumar Arora
Chief Executive Officer & Chief Financial Officer

Corporate Governance Report

In order to emerge as a global Organisation, it is an imperative for us to acknowledge the full responsibility on our shoulders to endeavour towards making the society a more refined place to live. LT Foods Ltd. is associated with the business of consumer food Company and thus it is striving to adopt measures which will boost farm productivity across the country. Being one of India's principal employers, LT Foods takes active measures to apprise farmers of advanced farming techniques.

Accountability towards people, responsibility for our products, and reverence for everyone have always been the fulcrums guiding us towards sustainable growth and Brand Equity.

LT Foods continuously strives to adhere to the best practices of Corporate Governance.

We have prepared this Corporate Governance report on the basis of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the report contains the details of Corporate Governance systems and procedures followed within our Company. The two basic tenets of Corporate Governance are transparency and accountability and they form an integral part of our business strategy in guaranteeing fairness for each stakeholder, including our customers, investors, bankers and society as a whole. Our approach towards enhancing shared value is steered by strong principles and ethics established by our Board of Directors.

Corporate Governance, essentially, promotes and adheres to business integrity, transparency, fairness, and presents opportunities to stakeholders for redressal of their grievances. The customs and procedures associated with Corporate Governance is in accordance with our framework that is dedicated to releasing timely and accurate information regarding our financial and operational performance, as well as the Company's leadership and governance structure.

An active, well informed and Independent Board certifies the maintenance of the highest standards of Corporate Governance and safeguarding of long-term stakeholders' interest.

VISION- CUSTOMER DELIGHT THROUGH VALUE ADDED AGRI BUSINESS VALUES-

- Ownership**-Offering trust, dedication and commitment, alongside empowering resource. Accountability and responsibility to and respect for the people as well as the environment.
- Business Ethics**-Delivering the best by being honest, sincere and transparent in our processes.
- Passion for Excellence**-Persevering with endurance while never compromising in the process of upholding the best of quality standards.

- Innovation**-Improving consistently by means of experimentation with novel ideas to develop superior products and process.
- Customer Centricity**-Offering refined customer experience with safe and quality products that provide value for money.

WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Whistle Blower Policy of the Company allows a mechanism for employees/Board members and others to raise concerns, in good faith, regarding violations of the Company's Code of Conduct and protects individuals who take such actions from subsequent retaliation or any threat of the same. Direct access to interaction with the Chairman of the Audit Committee is also provided in the event of exceptional cases. The functioning of the vigil mechanism is evaluated by the Audit Committee from time to time. The Whistle Blowers have access to the Audit Committee of the Board. The details of the Whistle Blower Policy are given in the Report on Corporate Governance and are also available on the website of the Company at the following link: www.ltgroup.in; <http://www.ltgroup.in/pdf/whistle-blower-policy.pdf>

The amendment in regulation 9A (6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 requires a listed Company to have a Whistle Blower Policy and acquaint employees with the policy to enable them to report instances of disclosing of unpublished price sensitive information. The Company already has a Whistle Blower Policy in place which has been formulated in keeping with the Listing agreement. The customs associated with it have also been notified to the employees through an internal circular which familiarised them with their rights to report any instance of leak or suspected leak of UPSI.

POLICY ON PREVENTION OF INSIDER TRADING

In harmony with the amendments in the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has made all necessary changes in the existing policies and simultaneously adopted new policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information.

BOARD OF DIRECTORS

In stringent accordance with our corporate governance philosophy, we have a diverse Board with appropriate combination of skills as well as integrity of Independent Directors to maintain its autonomy. The Company has always recognised the advantages of a diversified Board in effecting better decision-making, better ideas, advancement of knowledge and improvement of brand and reputation.

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

- On March 31, 2019, our Board consisted of eight members, three of whom are Executive, four are Non-executive

Corporate Governance Report

independent members and one is Non-executive Nominee Director. The Company has one woman director on its Board. The Board has formed seven Committees. These are the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Capital Raising Committee, Management Committee, Governance Committee, Corporate Social Responsibility Committee.

No Non-executive Independent Director has served in more than seven listed companies and none of the Executive or Whole-time Directors serve as an Independent Director in any Listed Company.

The weblink for the details of terms of appointment of Independent Directors is <http://ltgroup.in/pdf/terms-and-conditions-of-appointment-of-independent-director.pdf>

- b) None of the Directors on the Board is member of more than ten committees or hold the post of Chairman in more than five Committees in other Companies. Necessary disclosures regarding the Committee positions on the Board of other Public Companies, as on March 31, 2019, have been made by the Directors.
- c) Since the Chairman of the Board is Executive, more than half of the Board is Independent.
- d) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year, and the numbers of Directorships and Committee Chairmanships/Memberships held by them in other Companies are given below:

The Composition of the Board and Attendance record of Directors for 2018-19:

Name & DIN	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2018-19		Whether attended last AGM	Number of Directorships in other public companies	Number of ¹ Committee positions held in public companies	
			Held	Attended			Chairman	Member
Vijay Kumar Arora 00012203	Chairman & Managing Director (Promoter & Executive)	21,286,920	6	4	NO	4	NIL	NIL
Ashwani Kumar Arora 01574773	Managing Director (Promoter & Executive)	21,286,920	6	6	NO	3	NIL	NIL
Surinder Kumar Arora 01574728	Managing Director (Promoter & Executive)	21,286,920	6	4	YES	4	NIL	NIL
Parmod Bhagat 00198092	Non Executive (Independent)	Nil	6	6	YES	1	2	NIL
*Rajesh Kumar Srivastava 00302223	Non-executive (Nominee Director)	Nil	6	3	NO	5	NIL	4
Radha Singh 02227854	Non-executive (Independent)	Nil	6	6	YES	2	1	3
Suparas Bhandari 00159637	Non-executive (Independent)	Nil	6	5	YES	1	NIL	2
Gokul Patnaik 00027915	Non-executive (Independent)	Nil	6	6	YES	1	NIL	2

* Mr. Rajesh Kumar Srivastava is Nominee Director representing India Agri Business Fund.

1 includes only Audit and Stakeholders Relationship Committees

- e) During the year, six meetings of the Board members were held and the interval between two meetings did not exceed one hundred twenty days. The dates on which these meetings were held are: May 24, 2018, August 13, 2018, August 31, 2018, November 14, 2018, February 05, 2019, and March 06, 2019.
- f) During the year, information, as mentioned in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements), has been placed before the Board for its consideration.
- g) None of the Non-executive Directors have any material or pecuniary relationship or transactions with the Company.
- h) There is no inter se relationship between the Independent Directors. However, Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora are related to each other.
- i) The Board reviews the compliance report pertaining to all applicable laws, as well as the steps taken by the Company to rectify the instances of non-compliance.

- j) The Non-executive Directors do not hold any convertible instruments in the Company.
- k) The Senior management has disclosed to the Board of Directors that they have not entered into any material, financial, commercial transactions which may have potential conflicts with the interest of the Company.
- l) No employee, including Key Managerial Personnel or Director or Promoter of a listed entity has entered into an agreement for himself or on behalf of any other person, with any shareholder or other third party, with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity.

- m) Details of other listed Companies in which Directors hold position of a Director along with their categories of directorship-

Name of Directors of the Company	Name of other Listed Companies	Category of Directorship
Vijay Kumar Arora	None	Executive Director/Promoter
Ashwani Kumar Arora	None	Executive Director/Promoter
Surinder Kumar Arora	None	Executive Director/Promoter
Parmod Bhagat	None	Non-Executive Director/ Independent
Rajesh Kumar Srivastava	Prabhat Dairy Limited	Non-Executive Director/ Nominee
Radha Singh	Chambal Fertilisers and Chemicals Limited	Non-Executive Director / Independent
Suparas Bhandari	J.K. Cement Limited	Non-Executive Director / Independent
Gokul Patnaik	Kerala Ayurveda Limited	Non-Executive Director/ Independent

- n) Skills of the Board of Directors required by the Company in context with its business and those that they possess.

Name of Directors of the Company	Qualification	Skills required in context with the business
Vijay Kumar Arora	B. Sc.	Promoter having vast experience in devising strategic roadmap of the Organisation and raising the Governance standards.
Ashwani Kumar Arora	B. Com	Promoter having vast experience in brand building, marketing and strategy of the Business.
Surinder Kumar Arora	Matriculate	Promoter having vast experience in paddy procurement and processes.
Parmod Bhagat	LL.B	Legal advisor on agricultural matters
Rajesh Kumar Srivastava	Bachelor's in Economics and Law, Postgraduate in Western History from Lucknow	Professional experience of working with a fund which invests or focuses on food and agri sector. Worked as regional head of Strategic Advisory and Research for food and agri business. He has experience of working in Agri business Consulting in a reputed organisation.
Radha Singh	Harvard Graduate in Public Administration Finance and Institution Building	Extensive years in public service in areas of rural and agricultural development, water resources, public finance and institution building.
Suparas Bhandari	Bachelor's in Science and Law	Founder of Agricultural Insurance Company, holding vast experience with the Agricultural Industry
Gokul Patnaik	Member of Indian Administrative Services	Vast experience in Agri sector. Headed number of PSUs, including Punjab Agro Industries Corporation (PAIC) and the Agricultural and Processed Food Products Export Development Authority (APEDA) under the Ministry of Commerce. He is also a member of the Chief Minister's Advisory Committee on Agriculture for the Government of Madhya Pradesh.

- o) The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and are Independent of the management.
- p) No Independent Director has resigned during the financial year 2018-19.

Corporate Governance Report

Role of the Board of Directors

The primary role of the Board is that of trusteeship, protecting and enhancing shareholder value by means of instilling strategic direction to the Company. As trustees, the Board has a fiduciary responsibility to ensure that the Company has clear goals that are aligned with its growth requirements and shareholders' value. The Board exercises its duties with care, skill and diligence, putting to use independent judgement, alongside earmarking strategic goals and holding itself accountable for their successful attainment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that lives up to stakeholders' aspirations and societal expectations.

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

Definition of Independent Directors

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

Familiarisation Programme of Independent Directors

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

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

The weblink for the details of familiarisation programme imparted to Independent Directors is <http://ltgroup.in/pdf/familiarisation-programme-for-independent-directors.pdf>. The Independent Directors attended a two-day programme on the five-year roadmap of the Organisation in financial year 2018-19, spending sixteen hours in the familiarisation programmes about the Company and its future outlook.

All business updates of the Company are communicated with the Directors so that they always remain cognisant.

Performance Evaluation of Independent Directors

The Board of Directors, on recommendation from the Nomination and Remuneration Committee, has laid down the criteria for performance evaluation of the Board of the Company, its Committees and individual Board members, including Independent Directors. Performance evaluation of the Board is done by each Director and during such assessment the Director being evaluated is not in participation. The criteria for performance evaluation are posted on the website of the Company.

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

Additionally, the performance of Chairman, Executive Directors and Independent Directors are evaluated using certain indices depending upon their roles and responsibilities. For the Chairman, the criteria includes leadership, relationship with stakeholders, and so on, while for the Executive Directors the criteria includes execution of business plans, risk management, achievement of business targets, development of plans and policies aligned to the vision and mission of the Company, among others. Similarly, ideals for evaluation of Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts to his/her role, high ethical standards, adherence to applicable codes and policies, effective participation and application of objective as well as independent judgement during meetings, among others. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2018-19 by way of oral evaluation at the time of personal interaction. The Independent Directors has met separately on February 05, 2019 without the presence of Non-Independent Directors and the Members of Management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and that of the Chairman of the Company, after taking into consideration the views of Executive and Non-executive Directors.

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

The evaluation of all the Independent Directors have been executed by the entire Board, excluding the Director being evaluated. Based on the Board's assessment, the decision of whether to extend or settle their term of appointment, whenever their respective tenure expires, is undertaken. The Directors expressed their satisfaction with the evaluation process.

Separate Meeting of Independent Directors

The Listed Company needs to conduct at least one meeting in a year wherein Independent Directors can evaluate the Board as well as fellow Independent Directors individually in addition to assessing the committees and the Board procedures of the Company. All Independent Directors met separately on February 5, 2019

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

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

Succession Plan

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

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

BOARD COMMITTEES

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

Corporate Governance Report

Audit Committee

Brief description and terms of reference:

The Audit Committee of the Board has been constituted in accordance with the requirements prescribed under Section 177 of the Companies Act, 2013 and Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Members of the Audit Committee possess financial accounting expertise and exposure.

The Committee oversees the work carried out by the Management and Internal Auditors with reference to the financial reporting process, as well as the safeguards employed by them.

Powers of the Audit Committee

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

Role of the Audit Committee

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible
- Recommendations for appointment, remuneration and terms of appointment of Auditors of the Company
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors
- Evaluation with the management, the annual financial statements and Auditors Report before submission to the Board for approval, with particular reference to:
 - a. Matters required to be included in the Directors' Responsibility Statement as well as the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgement by the management
 - d. Significant adjustments made in financial statements arising out of audit discoveries
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions; and

g. Qualifications in the draft Audit report

- Management review of the quarterly financial statements before submission to the Board for approval
- Monitoring and reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, right issue, preferential issue, and so on), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency overseeing the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and regulation the auditors' independence, performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with the related parties
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Assessment of Internal Financial Controls and Risk Management Systems
- Management's review of the performance of statutory auditors, internal auditors, adequacy of internal control systems
- Formulation of the scope, functioning, periodicity and methodology for conducting the internal audit
- Analysis of the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussions with internal auditors regarding any significant findings and follow-up thereon
- Thorough study of the discoveries from internal investigations by the auditors regarding matters where there could be suspected fraud, irregularity or a failure of internal control systems of a material nature, which also requires reporting of the matter to the Board.
- Discussion regarding the nature and scope of audit with statutory auditors before the audit commences as well as post audit discussion to ascertain any area of concern
- Arrival at reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders(in case of non-payment of declared dividends) and creditors
- Supervision of the functioning of the Vigil and Whistle Blower mechanism

- Approval of the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, among others of the candidate
- Execution of any other function as is mentioned in the terms of reference of the Audit Committee
- Examination of financial statements, in particular the investments made by the Company's unlisted subsidiaries
- Evaluation of the following information:
 - a) The Management Discussion and Analysis of financial condition and result of operations
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management
 - c) Management letters/letters of internal control weaknesses issued by the statutory auditors
 - d) Internal audit reports related to internal control weaknesses and
 - e) Material in relation to appointment, removal and terms of remuneration of the Chief Internal Auditor/Internal Auditors

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

May 24, 2018, August 13, 2018, August 31, 2018, November 14, 2018, February 05, 2019, and March 06, 2019.

Members of the Committee	Category and Designation	Number of the meetings held during the year 2018-19	
		Held	Attended
Parmod Bhagat	Independent, Non-executive (Chairman)	6	6
Radha Singh	Independent, Non-executive	6	6
Rajesh Kumar Srivastava	Nominee, Non-executive	6	3
Gokul Patnaik	Independent Non-executive	6	6

The Audit Committee invites executives who are considered fitting functional heads (particularly the head of finance), representatives of the Statutory Auditors and those of the Internal Auditors, to be present at the meeting. The Company Secretary also acts as the Secretary of the Audit Committee.

All the members of the Audit Committee are financially literate.

Mr. Parmod Bhagat was present at the twenty-eight Annual General Meeting of the Company to answer the queries of shareholders.

II. NOMINATION & REMUNERATION COMMITTEE

Brief Description and Terms of Reference:

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

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

In line with the strong emphasis of the Company on fair practices, the Nomination and Remuneration Committee outlined suitable policies and procedures to ensure prevention of violation of applicable laws. On behalf of the Board and shareholders, the Committee influences the Company's policy on specific remuneration packages for executive directors, including pension rights, and any compensation payment. ESOP plans, sitting fees to Non-executive Directors and similar functions are to be performed by the Remuneration Committee under the ESOP Guidelines. Beyond these duties, it also oversees other matters that may arise from time to time and attends to any statutory, contractual or other regulatory requirements that need the attention of such a Committee.

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

During the financial year, one Nomination & Remuneration/ Compensation Committee Meeting was held.

Corporate Governance Report

The dates and other details of these meetings are as follows

Dates: November 14, 2018

Members of the Committee	Category and Designation	Number of the meetings held during the year 2018-19	
Parmod Bhagat	Independent, Non-executive (Chairman)	1	1
Radha Singh	Independent, Non-executive	1	1
Rajesh Kumar Srivastava	Nominee, Non-executive	1	1

I. Remuneration Policy

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

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

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

II. Directors Remuneration Policy

- Independent Non-executive Directors - The Non-executive Directors are given sitting fees only, as recommended by Nomination & Remuneration Committee and approved by the Board.
- Executive Directors - The Executive Directors are remunerated on the recommendation of the Nomination & Remuneration Committee and the approval of Board of Directors and the Shareholders of the Company.

III. No remuneration was paid to Non-executive Directors during the financial year ended March 31, 2019, except sitting fees for attending meetings of the Board and other Committees.

The details of sitting fees paid to the Non-executive Directors for attending the meetings of the Board(s) and Committee(s) during the financial year ending March 31, 2019

(₹ In lakhs)	
Name of the Director	Sitting fees paid
Parmod Bhagat	6.35
Radha Singh	6.75
Gokul Patnaik	4.75
Suparas Bhandari	3.40

Service:

The Executive Directors have been appointed for a period of five years commencing from their respective dates of

appointment. The details of remuneration paid to the Executive Directors for the financial year ending March 31, 2019, are as under:

Name of Director	Vijay Kumar Arora	Ashwani Kumar Arora
Salary Components(INR)		
Salary	21,121,424	21,121,424
Benefits(perquisites)	39,600	Nil
Bonuses	Nil	Nil
Stock Option	Nil	Nil
Pension	Nil	Nil
Fixed Component	Nil	Nil
Performance linked incentive and performance criteria	Nil	Nil
Service Contract	Nil	Nil
Notice Period	Nil	Nil
Severance Fee	Nil	Nil
Stock Option details	Nil	Nil

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

Criteria for payment to Non-executive Directors is disclosed on the website of the Company.

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

There was no pecuniary relationship/transaction of Non-executive Directors vis-à-vis the Company.

III. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

The dates and other details of these meetings are as follows

Dates: May 24, 2018, August 13, 2018, November 14, 2018, and February 05, 2019

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

Members of the Committee	Category and Designation	Number of the meetings held during the year 2018-19	
		Held	Attended
Parmod Bhagat	Independent, Non-executive (Chairman)	4	4
Radha Singh	Independent, Non-executive	4	4
Rajesh Kumar Srivastava	Nominee, Non-executive	4	2
Suparas Bhandari	Independent Non-executive	4	4

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

Shareholder's Complaints: 2018-19

During the year, the Company received one complaint, which was duly resolved within the stipulated time.

IV. GOVERNANCE COMMITTEE

The Governance Committee comprises three members:

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

The dates and other details of these meetings are as follows

Dates: May 24, 2018, August 13, 2018, November 14, 2018, and February 05, 2019

Members of the Committee	Category and Designation	Number of the meetings held during the year 2018-19	
		Held	Attended
Vijay Kumar Arora	Executive (Chairman)	4	4
Ashwani Kumar Arora	Member, Executive Director	4	4
Rajesh Kumar Srivastava	Member, Nominee Director	4	1

V. CSR COMMITTEE

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

The dates and other details of these meetings are as follows

Dates: August 13, 2018 and February 05, 2019

The CSR Committee includes the following members:

Members of the Committee	Category and Designation	Number of the meetings held during the year 2018-19	
		Held	Attended
Radha Singh	Non-executive (Chairman) Independent	2	2
Vijay Kumar Arora	Member, Executive	2	1
Rajesh Kumar Srivastava	Member, Nominee Director	2	1
Gokul Patnaik	Member, Non-executive, Independent	2	2

RISK MANAGEMENT

LT Foods is subject to various business risks owing to its national and international exposure. The majority of these include procurement risk, currency risk, climate risk, market and product risk, interest rate risk, technology crisis and natural crisis. The Company has a comprehensive risk management platform in place that identifies the principal ones threatening

it, ascertaining that only the best practical procedures are employed to monitor and mitigate such perils.

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

Corporate Governance Report

A comprehensive risk management policy is formulated to notify members of the Board of Directors about effective risk assessment and minimisation procedures. The policy is available at weblink: <http://ltgroup.in/pdf/LT-Foods%20-Risk-Management.pdf>

MATERIAL SUBSIDIARY COMPANIES

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

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

Proceedings of all the unlisted subsidiaries were duly placed during the Board meeting of LT Foods Limited.

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

The Company has framed a policy for determining the material subsidiaries and it is available on our website www.ltgroup.in. The weblink for the same is: <http://ltgroup.in/pdf/policy-for-determining-material-subsiary-policy.pdf>.

DETAILS OF THE ANNUAL GENERAL MEETINGS

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

Financial Year	General Meeting	Location	Date	Time
2017-18	28th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	24.09.2018	03:00 PM
2016-17	27th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	19.09.2017	12.00 PM
2015-16	26th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	21.09.2016	03.00 PM

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

Financial Year	General Meeting	Particulars of Special Resolution(s) passed
2017-18	28th AGM	: Ratify material related party transactions entered by the company during financial year 2017-18.
2016-17	27th AGM	: Revise remuneration of Mr. Vijay Kumar Arora, Managing Director of the Company. : Revise remuneration of Mr. Ashwani Kumar Arora, Managing Director of the Company. : Approve related party transactions for the financial year 2017-18 : Fix remuneration of Mr. Ritesh Kumar Arora.
2015-16	26th AGM	: Appoint Mr. Ashok Kumar Arora as President (Punjab Operations). : Appointment of Mr. Gokul Patnaik as Independent Director of the Company. : Appointment of Mr. Adesh Kumar Gupta as Independent Directors of the Company. : Appointment of Mr. Suparas Bhandary as Independent Directors of the Company. : Create mortgage/charges/hypothecation on the whole or substantially whole of the undertakings. : Approve Employee Stock Option Plan 2016. : Authorise grant of employee stock options to the employees of the subsidiary company under employee stock option plan 2016. : Approve related party transactions for the Financial year 2016-17.

POSTAL BALLOT

No resolution was passed through postal ballot during the financial year 2018-19 and no resolution has been proposed to be passed through postal ballot.

DISCLOSURES

- During the financial year ended March 31, 2019, there were no materially significant transactions with related parties, including promoters, relatives, the management, and subsidiaries, among others, that may have a potential conflict with the interest of the Company at

large. The relevant disclosures on related parties and transactions with them are appearing in the Notes to the Accounts (Schedule-21). The Company has formulated a policy on materiality of Related Party transactions and on dealing with RPT, in accordance with the relevant provision of Companies Act, 2013 and Listing Regulations, 2015 (as amended from time to time). The policy has been on the website of the Company at weblink: http://ltgroup.in/pdf/policy_on_related_party_transactions.pdf under the investors section. Necessary disclosure has been made in Director's Report Annexure III.

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

Transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results. will get back

2. The Company has been entirely compliant and no penalty or stricture was imposed on it by any Stock Exchange, SEBI or statutory authority on account of non-compliance by the Company on any matter related to the Capital Market during the last three financial years.
3. The CEO/CFO Certificate in terms of Reg17 (8) of SEBI (Listing Obligations and Disclosure Requirements) 2015 has been placed before the Board.
4. In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended till date, on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly followed by its management, staff and relevant business associates. The Code expressly lays down the guidelines, the procedure to be followed and disclosures to be made, while dealing with shares of the Company. It also cautions them on the consequences of non-compliance thereof.
5. The Company follows the practice of 'Closure of Trading Window' prior to the publication of price sensitive information. During this period, a mechanism was formulated, whereby the management and relevant staff and business associates of the Company are informed regarding the same and advised not to trade in the Company's securities.
6. The Company complies with all the mandatory requirements of Listing Regulations, 2015.
7. Reconciliation of Share Capital Audit
A qualified Company Secretary carried out a secretarial audit to reconcile the total admitted equity capital with the National Securities Depository Limited (NSDL) and the

Central Depository Services Limited (CDSL), in addition to the total issued and listed equity capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in line with the total number of shares in the physical form and the total number of dematerialised shares held with NSDL and CDSL.

8. Disclosure of accounting treatment in preparation of financial statements.

The Company has followed prescribed accounting standards as laid down by ICAI in preparation of its financial statements.

9. LT Foods also established effective whistle blower mechanism and hereby affirms that no personnel or stakeholder has been denied access to the Audit Committee.
10. Necessary disclosures have been made on the website of the Company as required under Regulation 46(2) of LODR.

Required disclosures for the matters as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of LODR are there on the Company's website.

11. No personnel has been denied access to the Audit Committee under Vigil mechanism.
12. Details of the utilisation of funds raised through preferential allotment or qualified institutional investor as specified under regulation 37(2A) of SEBI (Listing Obligations and Disclosure Requirements) 2015. NA
13. All the mandatory recommendation (wherever required) of the Committee(s) are accepted by the Board.
14. Total fees of ₹ 69.95 lakhs was paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors and all entities in the network firm/ entity of which statutory auditor is a part.
15. One complaint was received by Sexual Harassment Committee formed in terms of Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013.
16. Disclosure of Commodity price risks and commodity hedging activities. NA

Corporate Governance Report

17. Compliance of Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of Listing Regulations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Board composition	17(1), 17(1A) & 17(1B)	yes
Meeting of board of directors	17(2)	Yes
Quorum of board meeting	17(2A)	Yes
Review of Compliance Reports	17(3)	yes
Plans for orderly succession for appointments	17(4)	yes
Code of Conduct	17(5)	yes
Fees/compensation	17(6)	yes
Minimum Information	17(7)	yes
Compliance Certificate	17(8)	yes
Risk Assessment & Management	17(9)	yes
Performance Evaluation of Independent Directors	17(10)	yes
Recommendation of board	17(11)	yes
Maximum number of directorship	17A	yes
Composition of Audit Committee	18(1)	yes
Meeting of Audit Committee	18(2)	yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	yes
Meeting of Nomination & Remuneration Committee	19(3A)	yes
Composition of Stakeholder Relationship Committee	20(1), 20(2) and 20(2A)	yes
Meeting of Stakeholder Relationship Committee	20 (3A)	yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	yes
Meeting of Risk Management Committee	21(3A)	yes
Vigil Mechanism	22	yes
Policy for related party Transaction	23(1),(1A),(5) (6),(7) & (8)	yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	NA
Approval for material related party transactions	23(4)	yes
Disclosure of related party transactions on consolidated basis	23(9)	yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	yes
Annual Secretarial Compliance Report	24(A)	yes
Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	yes
Meeting of independent directors	25(3) & (4)	yes
Familiarisation of independent directors	25(7)	yes
Declaration from Independent Director	25(8) & (9)	yes
Directors and Officers insurance	25(10)	NA
Memberships in Committees	26(1)	yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	yes

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Disclosure of Shareholding by Non-Executive Directors	26(4)	yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	yes
Other Corporate Governance Discretionary requirements	27	NA
Filing of Quarterly Compliance Report on Corporate Governance Website	27	Yes
(b) terms and conditions of appointment of independent directors;		
(c) composition of various committees of board of directors;		
(d) code of conduct of board of directors and senior management personnel;		
(e) details of establishment of vigil mechanism/ Whistle Blower policy;		
(f) criteria of making payments to non-executive directors , if the same has not been disclosed in annual report;		
(g) policy on dealing with related party transactions;		
(h) policy for determining 'material' subsidiaries;		
(i) details of familiarisation programmes imparted to independent directors including the following details:-		
(i) number of programmes attended by independent directors (during the year and on a cumulative basis till date),		
(ii) number of hours spent by independent directors in such programmes (during the year and on cumulative basis till date), and		
(iii) other relevant details		
	27	Yes

18. Dividend Distribution Policy

The Board of Directors of the Company has voluntary approved Dividend Distribution Policy .

Brief objectives of the policy are:

- This policy regulates the process of dividend declaration and its pay-out by LT Foods Limited in accordance with the provisions of Companies Act, 2013, read with the applicable rules framed thereunder, as may be in force for the time being and other bylaws as applicable to the company.
- To ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the company. The company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/recommending dividends on behalf of the company.
- Through this policy, the company would endeavour to maintain a consistent approach to dividend pay-out plans.

The detailed policy is available on <http://ltgroup.in/pdf/Dividend-Policy.pdf>

CODE OF CONDUCT

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

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

I hereby confirm that:

The Company has obtained, from all members of the Board and Senior management, personnel affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management personnel for the financial year 2018-19.

Sd/-

(Vijay Kumar Arora)

Chairman and Managing Director DIN: 00012203

Corporate Governance Report

MEANS OF COMMUNICATION

- The quarterly and annual results were generally published in the Economic Times, Financial Express and Jansatta.
- The quarterly results are also displayed on the website of the Company i.e., www.ltgroup.in, alongside being available on the website of BSE and NSE.
- The Management Discussion and Analysis (MDA) report, which covers the operations of the Company, forms part of the Annual Report.
- The Company has made presentation to Institutional Investors and also display official news releases during the financial year 2018-19.

Website link were on the official news released and can be played on this link - <http://www.ltoverseas.com/india/media.html#press>

GENERAL SHAREHOLDER'S INFORMATION

Twenty-ninth Annual General Meeting

Date and Time	September 30, 2019 at 12.00 noon
Venue	Siri Fort Auditorium, August Kranti Marg, New Delhi-110049
Financial Calendar for the Year 2018-19:	April 01, 2018 to March 31, 2019
Dividend	The final dividend of ₹ 0.15 per share, subject to shareholders' approval, shall be paid/credited on or before October 28, 2019
Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday September 24, 2019 to Monday, September 30, 2019, both days inclusive.

Registered Office and Corporate Office

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

Listing on Stock Exchanges

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

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

ISIN No. for NSDL & CDSL: INE818H01020

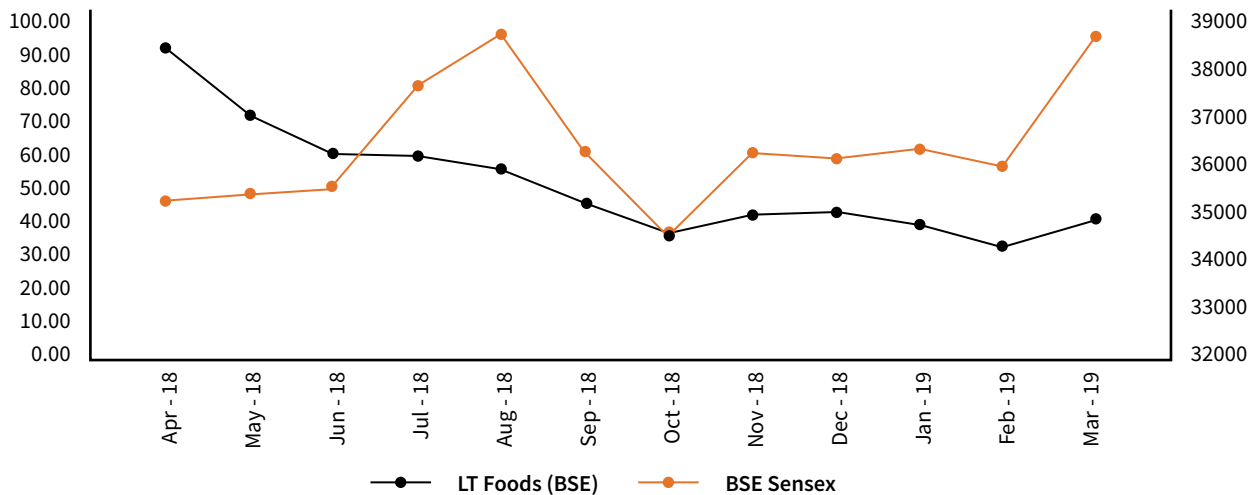
Listing Fees/Custodial Fees for 2018 -19:

The annual listing fees have been paid to BSE and NSE while the annual custodian fees have been paid to NSDL and CDSL for the financial year 2018-19.

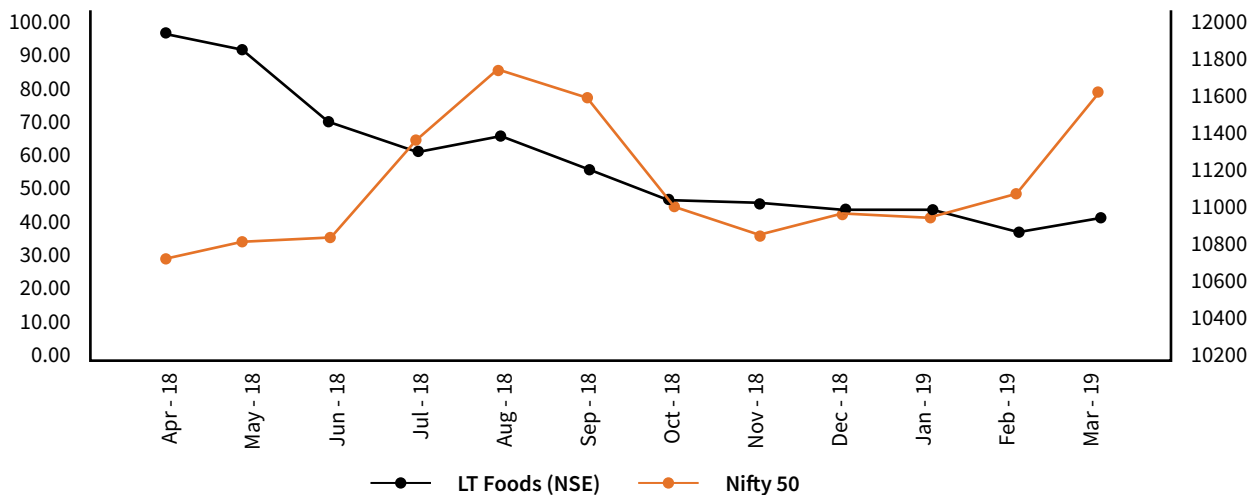
Stock Market Data on BSE and NSE

Month	Bombay Stock Exchange Limited					National Stock Exchange Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	Nifty 50
Apr-18	99.75	85.70	91.35	2702437	35160	98.70	85.50	97.70	2456074	10739
May-18	93.80	70.70	71.65	2240801	35322	93.20	70.90	91.50	4477935	10807
Jun-18	72.85	54.95	60.25	2318461	35423	72.80	54.85	69.90	2006040	10857
Jul-18	62.50	52.05	59.15	2426713	37607	62.75	52.00	61.25	2378510	11357
Aug-18	67.90	55.10	55.40	3042708	38645	68.00	55.00	65.95	2665339	11739
Sep-18	57.00	41.20	45.55	3849697	36227	57.00	41.15	55.80	3358545	11589
Oct-18	47.90	35.10	36.10	3381137	34442	47.75	35.55	46.75	1918797	11008
Nov-18	47.15	36.35	41.50	3111527	36194	47.20	36.20	46.55	5974545	10877
Dec-18	44.80	39.30	42.05	1449993	36068	44.90	39.10	44.25	1809440	10967
Jan-19	45.30	35.40	38.60	2670372	36257	45.25	35.50	44.05	4277600	10962
Feb-19	39.20	31.50	32.65	974374	35867	39.20	31.50	37.70	954599	11069
Mar-19	41.55	32.00	39.10	4920614	38673	41.60	32.30	40.65	6998002	11624

Stock Market Data on BSE and NSE



STOCK PRICE VS NSE NIFTY



Corporate Governance Report

Unclaimed Dividend

The shareholders who have not encashed their dividend warrants for the year 2017-18 are requested to claim the amount from the Registrar and Share Transfer Agent (in case shares are held in the demat form) or the Corporate Office (in case shares are held in the physical form).

As per Companies Act, 2013, any money transferred by the Company to the Unpaid Dividend Account, which remains unclaimed for a period of seven years from the date of the transfer shall be transferred to a fund called 'The Investor Education and Protection setup by the Central Government. There are no shares in the Unclaimed Suspense Account.

Share Transfer System and Registrar and Share Transfer Agent

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

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

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

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

Contact Person: Mr. N. V. K. Mohan Tel No. 022-28470652

Fax No. 022-28475207

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

The Board has authorised the Stakeholders Relationship Committee to sub-delegate its power to the officers of the

Company for prompt redressal of investor requests/complaints. Accordingly, the Committee has sub-delegated its powers to approve transfers/demat/remat/sub-division /consolidation of share certificates to the Company Secretary. A summary of requests for transfers/demat/remat approved by the Company Secretary between two meetings of the Committee is addressed during the subsequent meeting of the Committee.

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

Dematerialisation of Shares and Liquidity

Procedure for dematerialisation/rematerialisation of shares

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

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

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

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

Distribution of Shareholding as on dated March 31, 2019:**(A) Distribution of Shareholding by Ownership**

Category	Total Shareholders	% Of Shareholders	Voting Strength	%
ALTERNATE INVESTMENT FUND	2	0.0024	2,007,233	0.6276
CLEARING MEMBER	338	0.4118	3,995,441	1.2492
CORPORATE BODIES	432	0.5263	9,767,439	3.0538
DIRECTORS	4	0.0049	63,860,760	19.9662
EMPLOYEE	51	0.0621	3,030,066	0.9474
FINANCIAL INSTITUTIONS	1	0.0012	486,828	0.1522
FOREIGN COMPANY	1	0.0012	8,289,454	2.5917
FOREIGN PORTFOLIO INVESTOR	21	0.0256	4,997,216	1.5624
GROUP COMPANIES	2	0.0024	30,984,130	9.6872
NON NATIONALISED BANKS	1	0.0012	237,467	0.0742
NON RESIDENT INDIANS	1274	1.5521	2,909,738	0.9097
OVERSEAS CORPORATE BODIES	1	0.0012	500,000	0.1563
PROMOTERS	15	0.0183	84,360,040	26.3753
PUBLIC	79934	97.3796	75,030,878	23.4585
TRUSTS	2	0.0024	2,000	0.0006
MUTUAL FUND	5	0.0061	28,943,093	9.0491
IEPF	1	0.0012	442,917	0.1385
TOTAL	82085	100	319,844,780	100.0000

(B) Distribution of Shareholding by Size

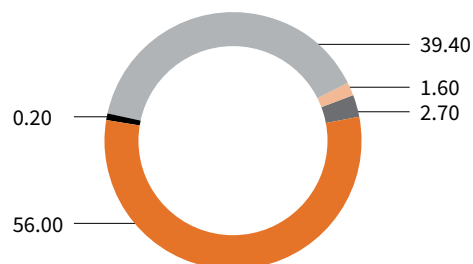
No. of shares (from)	No. of shares (to)	No of shareholders	% of total shareholders	Share Amount (₹)	% of total
1	5000	80280	97.8011	31,770,897	9.9332
5001	10000	934	1.1378	7,090,963	2.2170
10001	20000	422	0.5141	6,218,121	1.9441
20001	30000	145	0.1766	3,586,066	1.1212
30001	40000	68	0.0828	2,361,026	0.7382
40001	50000	36	0.0439	1,665,096	0.5206
50001	100000	81	0.0987	5,569,701	1.7414
100001	9999999999	119	0.1450	261,582,910	81.7843
Total		82085	100	319,844,780	100.0000

(C) Top ten Shareholders as on March 31, 2019

S. No.	FOLIO No.	NAME	Shares
1	GROUP COMPANIES	RAGHUVESH HOLDINGS PRIVATE LIMITED	30,984,130
2	PROMOTERS	GURUCHARAN DASS ARORA	21,286,920
3	DIRECTORS	SURINDER ARORA	21,286,920
4	PROMOTERS	ASHOK KUMAR ARORA	21,286,920
5	DIRECTORS	ASHWANI KUMAR ARORA	21,286,920
6	DIRECTORS	VIJAY KUMAR ARORA	21,286,920
7	INSTITUTIONAL INVESTOR	DSP BLACKROCK SMALL CAP FUND	13,297,872
8	PROMOTERS	VANDANA ARORA	8,396,500
9	PROMOTER	SAKSHI ARORA	8,371,500
10	PROMOTER	INDIAN AGRI BUSINESS FUND LIMITED	8,289,454

Corporate Governance Report

Shareholding Pattern as on March 31, 2019 (%)



- Promoters
- Financial Institutions / Banks
- Public & Others
- Foreign Inst. Investors
- Foreign Portfolio Investor

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

Company Secretary and Compliance Officer

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

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

Our credit rating has also been reaffirmed by CRISIL to A-with positive outlook for the financial year 2018-19.

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

I have examined the compliance of conditions of Corporate Governance by LT Foods Limited, for the year ended March 31, 2019 as stipulated in applicable Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as ‘SEBI Listing Regulations, 2015’).

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

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

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

Plant Locations:

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

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

Investors Correspondence:

Registered Office

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

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

For D Dixit & Associates
Company Secretaries

Place: New Delhi
Date: August 05, 2019

Debasis Dixit
FCS-7218, CP-7871

PRACTICING COMPANY SECRETARY'S CERTIFICATE THAT NONE OF THE DIRECTORS ON THE BOARD OF THE COMPANY HAVE BEEN DEBARRED OR DISQUALIFIED FROM BEING APPOINTED OR CONTINUING AS DIRECTOR OF THE COMPANIES BY THE BOARD /MINISTRY OF CORPORATE AFFAIRS OR ANY STATUTORY AUTHORITY.

As required by item 10(i) of Part C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, I certify that none of the Directors on the Board of LT Foods Limited have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

For D Dixit & Associates
Company Secretaries

Place: New Delhi
Date: August 05, 2019

Debasis Dixit
FCS-7218, CP-7871

Independent Auditor’s Report

To the Members of LT Foods Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of LT Foods Limited (‘the Company’), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 (‘Act’) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at March 31, 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Basis for Opinion

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

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition – Sale of products</p> <p>Refer Note 1(i) in the Summary of significant accounting policies and other explanatory information</p> <p>The Company recognised an amount of ₹ 219,255.55 lakhs as revenue for the year ended March 31, 2019, as disclosed in Note 29 to the financial statements.</p> <p>Revenue of the Company majorly comprises revenue from sale of rice and other food products.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Further, there is continuous pressure on the management to achieve planned results. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiple channels for sales, various categories of customers and significant variations in sales quantities during certain periods of the year. Further, there are sporadic high value transactions requiring special audit attention and evaluation as they involve varying terms of contracts with such customers.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of revenue stream of sale of rice and other food products. • Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc; • Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payments; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof. • Evaluated disclosures made in the financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.

Independent Auditor's Report

<p>Inventory existence and valuation</p> <p>Refer Note 1(a) in the Summary of significant accounting policies and other explanatory information</p> <p>The Company held inventories amounting to ₹ 89,940.79 lakhs as at March 31, 2019. The inventory primarily comprises of paddy and finished rice. Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy. Such inventory is stored in plants, warehouses, silos, yards and storage bags. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.</p> <p>The production process of rice involves mixing of different varieties of purchased rice and rice manufactured from paddy, and also leads to generation of by-products such as bran, husk and broken rice. Production process also involves ageing the paddy/ rice to achieve desired quality of end produce. The valuation of finished rice is a complex exercise and is carried out manually through excel spreadsheets. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> • Overhead absorption rates • Determination of yield, • Determination of net realisable value of by-products, and • Calculation of holding period and determination of weighted average borrowing cost. <p>Accordingly, existence and valuation of year-end inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <p>Existence:</p> <ul style="list-style-type: none"> • Obtained understanding of management process of inventory management and inventory physical verification performed at year end; • Evaluated the design effectiveness of controls over inventory management process/inventory physical verification and tested key controls for their operating effectiveness; • Observed physical count carried out by the management at locations selected based on materiality and risk factors; • During the above said observation, we noted whether the instructions given by senior management to stock count teams were followed, including ensuring proper segregation of stock, use of calibration scales/charts, separate identification of goods received after year end, identification of damaged inventory, if any, etc. • Recounted inventory on sample basis to match with inventory records and results of management conducted count; and • Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management. <p>Valuation:</p> <ul style="list-style-type: none"> • Obtained an understanding of management process of inventory valuation; • Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness; • Tested inputs into the valuation process from source documents/ general ledger accounts; • Tested reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate of yield during the year and to identify any abnormal production loss, • Compared key estimates, including those involved in computation of overhead absorption and borrowing cost, to prior years and enquired reasons for any significant variations, • Checked net realisable value of by-products from actual sales proceeds near/ subsequent to the year-end, and • Tested arithmetical accuracy of valuation calculations. <p>Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.</p>
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Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified

above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements

Independent Auditor's Report

that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. 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.
17. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the standalone financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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, 2019 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 16, 2019 as per Annexure B expressed an unmodified 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at March 31, 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

Neeraj Goel
Partner
Membership No.: 99514

Place: Gurugram
Date: May 16, 2019

Independent Auditor's Report

Annexure A to the Independent Auditor's Report of even date to the members of LT Foods Limited, on the standalone financial statements for the year ended March 31, 2019

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for 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. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has granted unsecured loan to one company, Genoa Rice Mills Private Limited, a joint venture with Future Consumer Limited covered in the register maintained under Section 189 of the Act; and with respect to the same:
 - (a) in our opinion the terms and conditions of grant of such loans are not, prima facie, prejudicial to the Company's interest; and
 - (b) the schedule of repayment of principal and payment of interest has been stipulated and the repayment/receipts of the principal amount and the interest are regular; and
 - (c) there is no overdue amount in respect of loans granted to such company.
- (iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments, loans and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185, and Section 186 of the Act in respect of security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii) (a) 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, except advance income tax where significant delays in deposit have occurred during the year. 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.

Independent Auditor's Report

- (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 (Financial Year)	Forum where dispute is pending
Income-tax Act, 1961	Income tax demands	57.54	-	2002-03	Income tax Appellate Tribunal ('ITAT')
Income-tax Act, 1961	Income tax demands	4.84	-	2006-07	ITAT
Income-tax Act, 1961	Income tax demands	327.62	850.00	2007-08	ITAT
Income-tax Act, 1961	Income tax demands	235.95	223.95	2008-09	ITAT
Income-tax Act, 1961	Income tax demands	346.01	103.38	2009-10	ITAT
Income-tax Act, 1961	Income tax demands	142.68	19.50	2011-12	ITAT
Income-tax Act, 1961	Income tax demands	175.61	108.16	2012-13	ITAT
Income-tax Act, 1961	Income tax demands	769.75	200.00	2013-14	Commissioner of Income Tax (Appeals) (CIT(A))
Income-tax Act, 1961	Penalty	36.27	36.27	1998-99	CIT(A)
Income-tax Act, 1961	Penalty	177.42	10.00	2009-10	CIT(A)
Income-tax Act, 1961	Income tax demands	19.36	-	2015-16	CIT(A)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any outstanding debentures or loans or borrowing payable to any financial institution or government during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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 and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has 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's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place: Gurugram
Date: May 16, 2019

Independent Auditor's Report

Annexure B to the Independent Auditor's Report of even date to the members of LT Foods Limited on the standalone financial statements for the year ended March 31, 2019

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, 2019, 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

Independent Auditor's Report

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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Neeraj Goel
Partner
Membership No.: 99514

Place: Gurugram
Date: May 16, 2019

Balance Sheet

as at March 31, 2019

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

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	19,848.88	18,862.42
Capital work-in-progress	2	1,833.66	293.39
Goodwill	3	0.51	0.63
Other intangible assets	3	124.02	255.21
Financial assets			
Investments	4	12,782.01	8,724.69
Loans	5	690.68	693.90
Other financial assets	6	459.17	26.78
Other non-current assets	7	161.57	98.41
Non-current tax assets	8	3,092.92	2,887.36
Total non-current assets		38,993.42	31,842.79
Current assets			
Inventories	9	89,940.79	86,246.39
Financial assets			
Trade receivables	10	30,951.13	35,016.95
Cash and cash equivalents	11	463.11	336.62
Other bank balances	12	577.95	519.43
Loans	13	98.82	782.61
Other financial assets	14	1,896.04	283.36
Other current assets	15	6,826.71	5,806.25
Total current assets		130,754.55	128,991.61
Total assets		169,747.97	160,834.40
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	3,198.45	3,198.45
Other equity	17	80,953.97	74,856.15
Total equity		84,152.42	78,054.60
Non-current liabilities			
Financial liabilities			
Borrowings	18	15.47	2,737.72
Other financial liabilities	19	7.00	9.78
Provisions	20	394.10	344.57
Deferred tax liabilities (net)	21	989.66	431.88
Other non-current liabilities	22	285.62	334.11
Total non-current liabilities		1,691.85	3,858.06
Current liabilities			
Financial liabilities			
Borrowings	23	66,273.74	64,748.04
Trade payables	24		
Due to micro and small enterprises		356.99	408.47
Due to others		13,075.77	9,637.17
Other financial liabilities	25	2,064.51	3,181.24
Other current liabilities	26	1,938.60	834.14
Provisions	27	125.29	85.85
Current tax liabilities (net)	28	68.80	26.83
Total current liabilities		83,903.70	78,921.74
Total liabilities		85,595.55	82,779.80
Total equity and liabilities		169,747.97	160,834.40

Statement of significant accounting policies

1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Ashwani Kumar Arora

Managing Director and

Chief Financial Officer

DIN 01574773

Parmod Bhagat

Director

DIN 00198092

For and on behalf of Board of Directors of

LT Foods Limited

Surinder Kumar Arora

Managing Director

DIN 01574728

Monika Chawla Jaggia

Company Secretary

Membership No. :- F5150

Place : Gurugram

Date : May 16, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

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

	Note	Year ended March 31, 2019	Year ended March 31, 2018
Revenue			
Revenue from operations	29	219,255.55	213,933.41
Other income	30	1,753.54	1,732.43
Total income		221,009.09	215,665.84
Expenses			
Cost of material consumed	31	184,377.09	180,732.34
Purchases of stock-in-trade	32	1,731.96	2,163.49
Changes in inventories of finished goods and stock in trade	33	(6,237.24)	(7,197.54)
Employee benefits expense	34	6,055.35	5,736.55
Finance costs	35	7,644.44	8,529.51
Depreciation and amortisation expense	36	2,336.18	1,810.23
Other expenses	37	16,779.14	18,533.98
Total		212,686.92	210,308.56
Profit before tax		8,322.17	5,357.28
Tax expenses	38		
Current tax		2,799.37	1,309.23
Deferred tax charge/ (credit)		74.26	(147.49)
Total tax expense		2,873.63	1,161.74
Profit for the year		5,448.54	4,195.54
Other comprehensive income			
1) Items that will not be reclassified to Statement of Profit or Loss			
Remeasurements of net defined benefit plans		49.55	(124.72)
Tax on above		(17.15)	-
2) Items that will be reclassified to Statement of Profit or Loss			
Gain on cash flow hedge reserve		1,837.30	-
Tax on above		(642.03)	-
Other comprehensive income/ (loss) for the year		1,227.67	(124.72)
Total comprehensive income for the year		6,676.21	4,070.82
Earning per equity share			
-Basic	39	1.70	1.49
-Diluted		1.70	1.49

Statement of significant accounting policies 1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Place : Gurugram

Date : May 16, 2019

Ashwani Kumar Arora

Managing Director and

Chief Financial Officer

DIN 01574773

Parmod Bhagat

Director

DIN 00198092

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

Surinder Kumar Arora

Managing Director

DIN 01574728

Monika Chawla Jaggia

Company Secretary

Membership No. :- F1510

Cash Flow Statement

for the year ended March 31, 2019

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

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities:		
Profit before tax	8,322.17	5,357.28
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,336.18	1,810.23
Loss on sale of fixed assets	2.31	0.77
Unrealised foreign exchange loss	196.53	19.71
Corporate guarantee charges	(388.80)	(256.77)
Amounts written off	110.52	1,078.41
Interest expense	7,644.44	8,263.22
Interest income	(667.00)	(66.94)
Loss on sale of investment	22.04	-
Dividend income	(0.63)	(0.05)
Liabilities written back	(50.80)	-
Provision for doubtful debts	(33.92)	-
Adjustment for:		
-Fair valuation of investments	-	(5.89)
-Impairment in value of investments	125.00	-
Operating profit before operating assets and liabilities	17,618.04	16,199.97
Changes in operating assets and liabilities		
Increase in trade payables	3,413.94	3,997.12
Increase/ (decrease) in provisions and other liabilities	1,022.68	(517.81)
Decrease/ (increase) in trade receivables	4,573.08	(3,062.04)
(Increase) in inventories	(3,694.40)	(17,417.86)
(Increase)/ decrease in other current and other non-current assets	(586.44)	2,045.23
Cash generated from operations	22,346.90	1,244.61
Income taxes paid (net of refunds)	(2,950.87)	(3,838.28)
Net cash generated/ (used in) from operating activities	19,396.03	(2,593.67)
	A	
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(5,319.43)	(4,628.77)
Proceeds from sale of fixed assets	558.22	78.48
Purchase of non-current investments	(4,245.93)	(2,267.70)
Proceeds from maturity of inter corporate deposits	525.97	-
Investments in inter corporate deposits	(545.54)	-
Interest received	111.64	66.94
Proceeds from sale/maturity of current investments	41.57	-
Investment in bank deposits (having original maturity of more than three months)	(484.08)	(86.87)
Dividends received	0.63	0.05
Net cash used in investing activities	(9,356.95)	(6,837.87)
	B	

Cash Flow Statement

for the year ended March 31, 2019

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

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from financing activities		
Proceeds from issue of equity shares (net of share issue expenses)	-	38,120.08
Proceeds from long-term borrowings	-	3,402.50
Repayment of long-term borrowings	(3,730.52)	(1,591.73)
Proceeds/(Repayment) of short term borrowings (net)	2,028.37	(21,899.23)
Interest paid	(7,632.05)	(8,336.53)
Dividends paid on equity shares	(479.77)	(400.12)
Tax on equity dividend paid	(98.62)	(81.45)
Net cash generated (used in)/ from financing activities	C (9,912.59)	9,213.52
Net increase/ (decrease) in cash and cash equivalents	A + B + C 126.49	(218.02)
Cash and cash equivalents at the beginning of the year	336.62	554.64
Cash and cash equivalents at the end of the year	463.11	336.62
Components of cash and cash equivalents (refer note 11)		
Cash on hand	168.73	94.17
Balances with banks		
- on current accounts	294.38	242.45
Total cash and cash equivalents	463.11	336.62

Statement of significant accounting policies

1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements.

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

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Place : Gurugram

Date : May 16, 2019

Ashwani Kumar Arora

Managing Director and

Chief Financial Officer

DIN 01574773

Parmod Bhagat

Director

DIN 00198092

For and on behalf of Board of Directors of

LT Foods Limited

Surinder Kumar Arora

Managing Director

DIN 01574728

Monika Chawla Jaggia

Company Secretary

Membership No. :- F5150

Statement of Changes in Equity

for the year ended March 31, 2019

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

A. Equity share capital

Balance as at April 01, 2017	2,666.32
Changes during the year	532.13
Balance as at March 31, 2018	3,198.45
Changes during the year	-
Balance as at March 31, 2019	3,198.45

B. Other equity

	Reserves and surplus					Total
	Retained earnings	General reserve	Securities premium reserve	Share options outstanding account	Cash flow hedging reserve	
Balance as at April 01, 2017	26,328.58	1,514.73	5,652.06	183.58	-	33,678.95
Profit for the year	4,195.54	-	-	-	-	4,195.54
Premium on issue of shares (net of expense)	-	-	37,587.95	-	-	37,587.95
Items of OCI for the year :-						
Remeasurement of defined benefit obligations	(124.72)	-	-	-	-	(124.72)
Total Comprehensive Income for the year	4,070.82	-	-	-	-	4,070.82
Transaction with owners						
Final dividend	(400.12)	-	-	-	-	(400.12)
Tax on dividend	(81.45)	-	-	-	-	(81.45)
Balance as at March 31, 2018	29,917.83	1,514.73	43,240.01	183.58	-	74,856.15
Balance as at April 01, 2018	29,917.83	1,514.73	43,240.01	183.58	-	74,856.15
Profit for the year	5,448.54	-	-	-	-	5,448.54
Transfer to general reserve	-	-	-	(183.58)	-	(183.58)
Transfer from share options outstanding account	-	183.58	-	-	-	183.58
Items of OCI for the year :-						
Gain on cash flow hedge (net of tax)	-	-	-	-	1,195.27	1,195.27
Remeasurement of defined benefit obligations (net of tax)	32.40	-	-	-	-	32.40
Total Comprehensive Income for the year	5,480.94	-	-	-	1,195.27	6,676.21
Transaction with owners						
Final dividend	(479.77)	-	-	-	-	(479.77)
Tax on dividend	(98.62)	-	-	-	-	(98.62)
Balance as at March 31, 2019	34,820.38	1,698.31	43,240.01	-	1,195.27	80,953.97

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Place : Gurugram

Date : May 16, 2019

Ashwani Kumar Arora

Managing Director and
Chief Financial Officer
DIN 01574773

Parmod Bhagat

Director
DIN 00198092

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

Surinder Kumar Arora

Managing Director
DIN 01574728

Monika Chawla Jaggia

Company Secretary
Membership No. :- F5150

Summary of Significant Accounting Policies

for the year ended March 31, 2019

1. i) Corporate Information

LT Foods Limited (the 'Company') is a public company should be in running with registered office Unit No. 134, 1st floor, Rectangle-1, Saket District Center, New Delhi-110017 domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. LT Foods Limited is primarily in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. LT Foods Limited operations include procurement, storage, processing, packaging and distribution. LT Foods Limited is also engaged in research and development to add value to rice and rice food products. The Company's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavored rice in the ready to cook segment.

ii) Basis of preparation

a) The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

The financial statements have been prepared on a historical cost basis, except:

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle*,

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

The Company 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 Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

c) The Company has applied the following standards and amendments for the first time for their annual reporting period commencing April 1, 2018:

- Ind AS 115, Revenue from Contracts with Customer (refer point no i);
- Amendment to Ind AS 20, Accounting of Government Grants and Disclosure of Government Assistance (refer point no q);
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effects of Changes in Foreign Exchange Rates (refer point no f);
- Amendment to Ind AS 12, Income Taxes (refer point no p);

The amendments listed above did not have any impact on the amounts recognised in the current period and are not expected to significantly affect the future periods.

iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period

Summary of Significant Accounting Policies

for the year ended March 31, 2019

to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

iv) Significant Accounting Policies

a) Inventory

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost of raw materials, components and stores and spares is determined on a 'First in First Out' basis and includes interest on raw materials as a carrying cost of materials where such materials are stored for a substantial period of time. Stores and spares having useful life of more than twelve months are capitalised as tangible assets under "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress

Lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion.

Finished goods

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

b) Property, Plant and Equipment

Recognition and initial measurement

Under the previous GAAP, Property plant and equipment were carried in the balance sheet at their cost of purchase less accumulated depreciation and impairment losses (if any).

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (against which input has not been availed) borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future

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

Subsequent measurement (depreciation and useful lives)

Depreciation on Property, plant and equipment is provided on the written down value arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013.

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

De-recognition

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

c) Intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

Intangible assets	Useful life (in years)
Goodwill	20
Brand	20
Software	03

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 and loss when the asset is derecognised.

Summary of Significant Accounting Policies

for the year ended March 31, 2019

d) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. 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.

e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) 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.

f) Functional and presentation currency

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

Foreign Currencies

Transactions and balances

Initial recognition

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

Subsequent measurement

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

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

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.

g) 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.

Company as a Lessee

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

Finance leases are 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

Summary of Significant Accounting Policies

for the year ended March 31, 2019

the Statement of profit and loss. A leased asset is depreciated over the useful life of the asset.

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.

h) 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

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

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

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

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

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

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

i) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, as, or when, the performance obligation is satisfied. The Company recognises revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes taxes and duties collected on behalf of the government. The Company recognises revenue from the following major sources:

Sale of goods:

Revenue from sale of goods is recognised when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from the customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

Customer has a right to return for defective goods. Since the quantity of goods returned has been minimal for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the rendering of logistics services. Revenue from rendering of logistic services provided to its customer after the transfer of control of underlying goods is recognised on net basis i.e. after deducting the amount contractually payable to transporters out of the total consideration received and is recognised once the facilitation of such service is done as the Company does not assume any performance obligation.

Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the

Summary of Significant Accounting Policies

for the year ended March 31, 2019

same time. Therefore, revenue from the sale of goods is recognised when the Company transfers control at the point in time the customer takes undisputed delivery of the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-180 days. No element of financing is deemed present as the sales are made with a credit term of 180 days, which is consistent with market practice.

Rental income:

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

Interest income:

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

For all financial assets measured at amortised cost, 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.

j) Financial instruments

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

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

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company

recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.

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

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

Financial assets

Classification and subsequent measurement

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

- Financial assets at amortised cost** – a financial instrument is measured at amortised cost if both the following conditions are met:
 - The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
 - Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

- Investments in equity instruments of subsidiaries** - Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial statements.
- Financial assets at fair value**
 - **Investments in equity instruments other than above** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Summary of Significant Accounting Policies

for the year ended March 31, 2019

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit and loss.

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

Financial liabilities

Subsequent measurement

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

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

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

Offsetting of financial instruments

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

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 48 details how the Company determines whether there has been a significant increase in credit risk.

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

k) Hedge accounting policy

Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised

at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

l) Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an

Summary of Significant Accounting Policies

for the year ended March 31, 2019

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

m) Retirement and other employee benefits

Defined Contribution plan

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

Defined benefit plans

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

Other Employee Benefits

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date out of which the obligations are expected to be settled with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to Statement of profit and loss in the period in which they occur. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Other short term benefits

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

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company 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 increase in the provision due to the passage of time is recognised as interest expense.

o) Earnings per share

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

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

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

p) Taxes

Current income tax

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

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

Summary of Significant Accounting Policies

for the year ended March 31, 2019

Deferred tax

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

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

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

q) Government grants and subsidies

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

r) Segment reporting

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

Identification of segments:

In accordance with Ind AS 108– Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from

which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:

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

Unallocated items:

Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses". Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

Segment accounting policies

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

s) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

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

t) 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.

u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised

Summary of Significant Accounting Policies

for the year ended March 31, 2019

because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

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

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

- a. Allowance for doubtful debts** – The allowance for doubtful debts reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.
- b. Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- c. Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- d. Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

e. Contingent liabilities – The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

f. Inventory – The valuation of finished rice involves estimations around determination of overhead absorption rates, rice yield from paddy and quantum of purchased rice and manufactured rice forming part of closing inventory. The production process also involves ageing the paddy/ rice to achieve the desired quality of rice and thus calculation of holding period and determination of weighted average borrowing cost involves management estimation. Further, management estimates the net realisable values of inventories including by-products, taking into account the most reliable evidence available at each reporting date.

vi) Standards not yet effective

Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

Summary of Significant Accounting Policies

for the year ended March 31, 2019

Amendment to Ind AS 12, Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is April 1, 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 19, Employee benefits

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial

assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Company is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 109, Financial instruments

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Company has not taken any specific borrowings during the period and hence the impact of the amendments is not applicable on the financial statements.

Notes to the Financial Statements

for the year ended March 31, 2019

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

2 (i) Property, plant and equipment

	Freehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
Gross carrying value							
As at April 01, 2017	3,194.22	9,546.99	20,790.49	794.70	846.38	1,498.78	36,671.56
Additions	76.16	949.54	3,430.94	26.95	51.66	113.79	4,649.04
Disposals	(51.00)	-	(806.55)	-	(12.34)	(42.61)	(912.50)
As at March 31, 2018	3,219.38	10,496.53	23,414.88	821.65	885.70	1,569.96	40,408.10
Additions	347.48	657.56	2,475.40	39.84	90.40	140.64	3,751.32
Disposals	(25.50)	-	(755.73)	-	(4.43)	(30.01)	(815.67)
As at March 31, 2019	3,541.36	11,154.09	25,134.55	861.49	971.67	1,680.59	43,343.75
Accumulated depreciation							
As at April 01, 2017	-	3,196.30	15,235.64	525.61	697.05	1,179.71	20,834.29
Charge for the year	-	430.21	873.51	73.79	62.51	106.15	1,546.17
Disposals	-	-	(788.84)	-	(10.46)	(35.49)	(834.79)
As at March 31, 2018	-	3,626.51	15,320.31	599.40	749.10	1,250.37	21,545.68
Charge for the year	-	496.28	1,480.88	60.11	58.04	109.01	2,204.33
Disposals	-	-	(222.98)	-	(3.87)	(28.29)	(255.14)
As at March 31, 2019	-	4,122.79	16,578.21	659.51	803.27	1,331.09	23,494.87
Net carrying value as at March 31, 2018	3,219.38	6,870.02	8,094.57	222.25	136.60	319.59	18,862.42
Net carrying value as at March 31, 2019	3,541.36	7,031.30	8,556.34	201.98	168.40	349.50	19,848.88

i. Contractual obligations

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

ii. Property plant and equipment pledged as security

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

2 (ii) Capital work-in-progress

	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	1,833.66	293.39

Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at April 01, 2017	375.54
Add: Additions during the year	4,166.78
Less: Capitalisation during the year	(4,248.93)
Capital work-in-progress as at March 31, 2018	293.39
Particulars	Amount
Capital work-in-progress as at April 01, 2018	293.39
Add: Additions during the year	1,765.69
Less: Capitalisation during the year	(225.42)
Capital work-in-progress as at March 31, 2019	1,833.66

Capital work-in-progress mainly comprises warehouse being constructed at Bahalgarh facility.

(iii) Capitalised borrowings cost

The Company has capitalised borrowing costs during the year ended March 31, 2019: ₹ 41.35 lakhs (March 31, 2018: ₹ 88.51 lakhs).

Notes to the Financial Statements

for the year ended March 31, 2019

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

3 Intangible assets

	Goodwill	Brand	Software	Total
Gross carrying value				
As at April 01, 2017	12.11	310.28	1,023.02	1,345.41
Additions	-	-	73.22	73.22
As at March 31, 2018	12.11	310.28	1,096.24	1,418.63
Additions	-	-	0.54	0.54
As at March 31, 2019	12.11	310.28	1,096.78	1,419.17
Amortisation				
As at April 01, 2017	11.33	254.30	633.10	898.73
Charge for the year	0.15	10.35	253.56	264.06
As at March 31, 2018	11.48	264.65	886.66	1,162.79
Charge for the year	0.12	8.42	123.31	131.85
As at March 31, 2019	11.60	273.07	1,009.97	1,294.64
Net carrying value as at March 31, 2018	0.63	45.63	209.58	255.84
Net carrying value as at March 31, 2019	0.51	37.21	86.81	124.53

4 Investments - Non-current

	As at March 31, 2019	As at March 31, 2018
Investments carried at cost		
(i) In subsidiary companies		
-in Equity instruments	7,816.18	7,816.18
-in Preference instruments	2,000.00	-
(ii) In associate companies	321.50	321.50
(iii) In joint ventures	2,405.64	295.85
	12,543.32	8,433.53
Investments at fair value through statement of profit and loss		
Key man insurance policies	237.96	226.82
Equity instruments - Quoted	0.68	0.83
Mutual funds - Quoted	-	63.46
Equity instruments - Unquoted	0.05	0.05
	238.69	291.16
	12,782.01	8,724.69
Aggregate amount of		
Quoted investments	0.68	64.29
Unquoted investments	12,986.33	8,740.40
Less: Impairment in value of investment	(205.00)	(80.00)
Total	12,782.01	8,724.69
Details of investment is as follows:		
Investments carried at cost		
Equity instruments - Unquoted		
(i) in subsidiary companies		
-LT International Limited		
1,799,581 (March 31, 2018: 1,799,581) fully paid up equity shares of ₹ 10 each	179.96	179.96
-Nature Bio Foods Limited		
2,000,000 (March 31, 2018: 2,000,000) fully paid up equity shares of ₹ 10 each	200.00	200.00
-Sona Global Limited		
65,200 (March 31, 2018: 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
-Daawat Foods Limited		
13,249,944 (March 31, 2018: 13,249,944) fully paid up equity shares of ₹ 10 each	1,324.99	1,324.99
250,050 (March 31, 2018: 250,050) fully paid up equity shares of ₹ 10 each	25.01	25.01
-SDC Foods India Limited		
800,000 (March 31, 2018: 800,000) fully paid up equity shares of ₹ 10 each	80.00	80.00
-LT Overseas North America, Inc		

Notes to the Financial Statements

for the year ended March 31, 2019

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

	As at March 31, 2019	As at March 31, 2018
338,500 (March 31, 2018: 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 (March 31, 2018: 49,994) equity shares fully paid up of ₹ 10 each	5.00	5.00
-LT Foods International Limited		
61,000 (March 31, 2018: 61,000) shares fully paid up equity shares of Pound 1 each	54.15	54.15
-Raghunath Agro Industries Private Limited		
4,078,020 (March 31, 2018: 4,078,020) equity shares fully paid up of ₹ 10 each	2,296.03	2,296.03
-Deva Singh Sham Singh Exports Private Limited	1.00	1.00
10,000 (March 31, 2018: 10,000) shares fully paid up equity shares of ₹ 10 each		
Less: Impairment in value of investment of SDC Foods India Limited (subsidiary)	(80.00)	(80.00)
Total	7,816.18	7,816.18
(ii) In associate companies		
-Raghuvesh Warehousing Private Limited		
1,600,000 (March 31, 2018: 1,600,000) equity shares of ₹ 10 each	160.00	160.00
-Raghuvesh Agri Foods Private Limited		
1,600,000 (March 31, 2018: 1,600,000) equity shares of ₹ 10 each	160.00	160.00
-Raghuvesh Infrastructure Private Limited		
15,000 (March 31, 2018: 15,000) equity shares of ₹ 10 each	1.50	1.50
Total	321.50	321.50
(iii) In joint ventures		
-Genoa Rice Mills Private Limited		
1,250,000 (March 31, 2018: 1,250,000) equity shares of ₹ 10 each	125.00	125.00
-Daawat Kameda India Private Limited		
24,056,359 (March 31, 2018: 1,708,500) equity shares of ₹ 10 each	2,405.64	170.85
Less: Impairment in value of investment of Genoa Rice Mills Private Limited	(125.00)	-
Total	2,405.64	295.85
Investment in subsidiary company carried at cost		
Preference shares - Unquoted		
-Daawat Foods Limited	2,000.00	-
1,562,500 10% Non cumulative redeemable preference shares (March 31, 2018: Nil)		
	2,000.00	-
Total investments carried at cost	12,543.32	8,433.53
Investments at fair value through statement of profit and loss		
Key man insurance policies	237.96	226.82
Equity instruments - Quoted		
Fully paid-up equity shares		
2,300 (March 31, 2018: 2,300) equity shares - Andhra bank of ₹ 10 each fully paid up	0.68	0.83
Mutual funds - Quoted		
Nil (March 31, 2018: 50,000) units of principal emerging bluechip fund regular plan growth	-	39.19
Nil (March 31, 2018: 48,875.855) units of Templeton India Equity Income Growth Fund	-	18.61
Nil (March 31, 2018: 12,999.619) units of HDFC MIP Long Term Dividend Fund	-	1.01
Nil (March 31, 2018: 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	-	0.58
Nil (March 31, 2018: 894.055) units of Reliance Vision Fund	-	4.07
Equity instruments - Unquoted		
Fully paid-up equity shares		
500 (March 31, 2018: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
Total	238.69	291.16
Total investments - non-current	12,782.01	8,724.69

Notes to the Financial Statements

for the year ended March 31, 2019

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

5 Loans

	As at March 31, 2019	As at March 31, 2018
Security deposits	662.40	652.73
Loan to employees (refer note (a) below)	28.28	41.17
	690.68	693.90
Break-up of security details		
Loans considered good-Secured	-	-
Loans considered good-Unsecured	690.68	693.90
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	690.68	693.90

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

6 Other financial assets

	As at March 31, 2019	As at March 31, 2018
Bank deposits with maturity of more than 12 months (refer note (a) below)	459.17	26.78
	459.17	26.78

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

7 Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	7.46	12.95
Capital advances	154.11	85.46
	161.57	98.41

8 Non-current tax assets

	As at March 31, 2019	As at March 31, 2018
Income tax assets	3,092.92	2,887.36
	3,092.92	2,887.36

9 Inventories

	As at March 31, 2019	As at March 31, 2018
Raw material		
Paddy*	29,544.89	32,291.34
Bardana	1,417.01	1,229.02
Finished goods (including goods in transit of ₹ 401.31 lakhs (March 31, 2018: ₹ 1,687.91 lakhs))*	55,664.37	48,387.54
Traded goods	719.80	1,759.39
Stores and spares	461.99	561.36
Packing material	2,132.73	2,017.74
	89,940.79	86,246.39

* Includes interest capitalised during the March 31, 2019: ₹ 2,240.61 lakhs (March 31, 2018: ₹ 1,474.59 lakhs).

Refer to note 31,32 and 33 for inventories recognised as an expense during the year

Notes to the Financial Statements

for the year ended March 31, 2019

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

10 Trade receivables

	As at March 31, 2019	As at March 31, 2018
Trade receivables*	30,985.05	35,016.95
Less: Allowance for expected credit loss	(33.92)	-
	30,951.13	35,016.95
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	29,856.11	34,910.39
Trade receivables which have significant increase in credit risk	1,128.94	106.56
Trade receivables - credit impaired	-	-
Total	30,985.05	35,016.95
Less: Loss allowance	(33.92)	-
Total trade receivables	30,951.13	35,016.95
(i) No trade receivables are due from director or other officers of the Company either severally or jointly with any other persons.		
*Includes receivables from related parties (refer note 50)		
LT Foods Americas Inc.	3,849.07	3,583.44
LT Foods Middle East DMCC	1,406.83	1,531.25
LT Foods Europe B.V.	1,152.84	117.01
Daawat Foods Limited	1,240.03	1,691.06
Raghunath Agro Industries Private Limited	4,667.64	-
Deva Singh Sham Singh Exports Private Limited	109.06	389.14
LT Foods International Limited	-	1,675.27
Nature Bio Foods Limited	-	1,544.29
VK Foods	-	4.50

- (ii) The Company assumes change in risk for trade receivables (other than receivables from related parties) overdue by 90 days and 365 days. Considering the past trend, the Company does not incur losses due to non payment of dues by trade receivables under former bucket. Thereby, loss allowance has been recognised on trade receivables overdue by 365 days.

Transferred receivables

The carrying amounts of trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and its prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The Company considers the held to collect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	As at March 31, 2019	As at March 31, 2018
Total transferred receivables	-	969.61
Associated secured borrowing	-	969.61

Refer note 48 for expected credit loss

11 Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with banks on current accounts	294.38	242.45
Cash on hand		
In Indian currency	166.37	92.88
In foreign currencies	2.36	1.29
	463.11	336.62

Notes to the Financial Statements

for the year ended March 31, 2019

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

12 Other bank balances

	As at March 31, 2019	As at March 31, 2018
Unpaid dividend accounts (earmarked)	19.07	12.24
Deposits with original maturity more than 3 months and less than 12 months	558.88	507.19
	577.95	519.43

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

13 Loans

	As at March 31, 2019	As at March 31, 2018
Security deposits	31.30	74.15
Loans/ advances to related parties (refer note 50)	-	641.49
Loan to employees	67.52	66.97
	98.82	782.61
Break-up of security details		
Loans considered good-Secured	-	-
Loans considered good-Unsecured	98.82	782.61
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	98.82	782.61
*Includes receivables from related parties (refer note 50)		
Genoa Rice Mills Private Limited	-	567.91
Raghuvesh Agri Foods Private Limited	-	52.49
Raghuvesh Warehousing Private Limited	-	21.09
Mr. Ashok Kumar Arora	0.95	-

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

14 Other current financial assets

	As at March 31, 2019	As at March 31, 2018
Derivative assets	1,324.44	22.54
Insurance claim recoverable	-	132.67
Others*	571.60	128.15
	1,896.04	283.36

*Includes receivables from related parties (refer note 50)

Eco Pure Specialities Limited	506.66	-
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15 Other current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	807.75	592.51
Balances with government authorities	123.11	102.80
Advance to suppliers*	5,895.85	5,110.95
	6,826.71	5,806.25
*Includes receivables from related parties (refer note 50)		
LT Agri Services Private Limited	1.22	1.22
Fresco Fruit N Nuts Private Limited	7.67	7.67
LT International Limited	-	112.65
SDC Foods India Limited	-	1.10
Raghuvesh Infrastructure Private Limited	92.10	-
Raghuvesh Agri Foods Private Limited	328.49	-
Raghuvesh Warehousing Private Limited	245.09	-
Daawat Kameda India Private Limited	-	0.75

Notes to the Financial Statements

for the year ended March 31, 2019

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

16 Share capital

	As at March 31, 2019	As at March 31, 2018
Authorised		
360,000,000 Equity shares of ₹ 1 each (March 31, 2018 : 360,000,000 equity shares of ₹ 1 each)	3,600.00	3,600.00
Issued, subscribed and paid up		
319,844,780 equity shares of ₹ 1 each (March 31, 2018 : 319,844,780 equity shares of ₹ 1 each)	3,198.45	3,198.45
	3,198.45	3,198.45

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

	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,198.45	3,198.45	2,666.32	2,666.32
Changes during the year	-	-	532.13	532.13
Equity shares at the end of the year	3,198.45	3,198.45	3,198.45	3,198.45

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

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 1 per share (March 31, 2018: ₹ 1 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, 2019 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.15 per share (March 31, 2018: ₹ 0.15 per share).

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

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

	As at March 31, 2019		As at March 31, 2018	
	No of shares	% holding	No of shares	% holding
Mr. Ashwani Arora	21,286,920	6.66%	21,286,920	6.66%
Mr. Surinder Arora	21,286,920	6.66%	21,286,920	6.66%
Mr. Gurucharan Dass Arora	21,286,920	6.66%	21,286,920	6.66%
Mr. Ashok Kumar Arora	21,286,920	6.66%	21,286,920	6.66%
Raghuvesh Holdings Private Limited	30,984,130	9.69%	30,984,130	9.69%
Mr. Vijay Kumar Arora	21,286,920	6.66%	21,286,920	6.66%
DSP Investment Managers Private Limited	16,622,340	5.20%	16,622,340	5.20%
	154,041,070	48.18%	154,041,070	48.18%

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

The Company on April 01, 2011 granted 648,329 of ₹ 10 each options to employees specified in the Employee Stock Option Scheme of 2010. According to Ind AS 102 Share based payments, the Company has recorded an expense basis fair valuation of the underlying options. The Remuneration Committee on February 07, 2013 has approved additional grant of 201,209 of ₹ 10 each options to the eligible employees of the Company. Further under the above Scheme, the Committee in the previous meetings had allotted 556,064 of ₹ 10 each to the employees who have exercised their options. However, 293,474 of ₹ 10 each options granted to the employees specified have lapsed upto March 31, 2018.

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

Notes to the Financial Statements

for the year ended March 31, 2019

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

17 Other equity

	As at March 31, 2019	As at March 31, 2018
(i) Retained earnings		
Opening balance	29,917.83	26,328.58
Add: Net profit for the current year	5,448.54	4,195.54
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefits obligation (net of taxes)	32.40	(124.72)
Less : Equity dividend	(479.77)	(400.12)
Less : Corporate dividend tax	(98.62)	(81.45)
Profit available for appropriation	34,820.38	29,917.83
(ii) General reserve		
Opening balance	1,514.73	1,514.73
Transferred from share options outstanding account	183.58	-
Closing balance	1,698.31	1,514.73
(iii) Securities premium reserve		
Opening balance	43,240.01	5,652.06
Change during the year	-	37,587.95
Closing balance	43,240.01	43,240.01
(iv) Cash flow hedging reserve		
Opening balance	-	-
Change during the year	1,195.27	-
Closing balance	1,195.27	-
(v) Share options outstanding account		
Opening balance	183.58	183.58
Transferred to General reserve	(183.58)	-
Closing balance	-	183.58
Total other equity	80,953.97	74,856.15

Dividends are recognised when the same is approved by the shareholders in the general meeting.

Nature and purpose of other reserves

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfer to general reserve, dividends or distributions paid to shareholder.

General reserve:

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

Securities premium reserve:

Securities premium reserve represents premium received on issue of shares. Further the securities premium reserve has been netted off with the share issue expenses incurred on issue of shares under qualified institutional placement amounting to Nil (March 31, 2018: ₹ 1,815.42 lakhs).

Share options outstanding amount:

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan. As at March 31, 2019, no share options were outstanding, thereby the amount earlier recognised has been transferred to general reserve.

Cash flow hedging reserve:

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

Notes to the Financial Statements

for the year ended March 31, 2019

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

18 Long-term borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
Term loans		
From banks	-	2,708.94
Vehicle loans		
From banks	15.47	28.78
	15.47	2,737.72
Current maturities of long-term borrowings		
Term loans	122.52	1,105.61
Vehicle loans	10.53	35.71
	133.05	1,141.32
	148.52	3,879.04

Details of borrowings are as follows:

Name of the bank	Repayments	Total amount of installment	As at March 31, 2019	As at March 31, 2018
a) Rupee term loans (refer point A part (i) for interest rate)				
Oriental Bank of Commerce (refer point C part (ii) for security)	12 equal quarterly	12.50	-	55.45
Allahabad Bank (refer point C part (i) for security)	32 quarterly	107.00	122.52	356.16
Yes Bank (refer point C part (ii) for security)	20 equal quarterly	173.50	-	3,402.94
b) Vehicle loans v (refer point A part (ii) for interest rate and point C part (iii) for security)				
HDFC Bank	36 - 60 months	2.26	24.95	51.50
ICICI Bank	60 months	1.06	1.05	12.99
			148.52	3,879.04

A. Details of interest rate for each type of borrowings

- The interest on above rupee term loans from banks are linked to the respective banks base rates/MCLR which are floating in nature. As of March 31, 2019 the interest rates is 12.80% per annum (March 31, 2018: 10.00% to 12.00% per annum).
- The interest on above vehicle loans from banks are linked to the respective banks base rates which are fixed in nature. As of March 31, 2019 the interest rates ranges from 8.50% to 10.05% per annum (March 31, 2018: 8.35% to 10.55% per annum).

B. Details of guarantee for each type of borrowings Guaranteed by directors

	As at March 31, 2019	As at March 31, 2018
Rupee Term loans	122.52	3,814.55
	122.52	3,814.55

C. Details of security for each type of borrowing :

- Rupee term loan from Allahabad Bank is secured against first exclusive charge on existing specific project assets of Wheat Silos Project located at Village Mulechak, Amritsar along with the personal guarantee of directors.
- Rupee term loans from Oriental Bank of Commerce, and Yes Bank outstanding during the previous year were secured against fixed assets of the Company, on First Pari-Passu Charge basis, except specific project assets of wheat silos project as mentioned in i) above, along with personal guarantee of directors and Second Pari-Passu Charge on current assets of the Company.
- Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.
Refer note 45 for assets pledged as security

Notes to the Financial Statements

for the year ended March 31, 2019

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

D. Reconciliation of liabilities arising from financing activities:

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

	Liabilities from financing activities		
	Long term borrowings	Short term borrowings	Total
Net debt as at April 01, 2017	2,068.71	86,380.95	88,449.66
Cash movement:			
- Proceeds	3,402.50	-	3,402.50
- Repayment	(1,591.73)	(21,899.23)	(23,490.96)
- Interest paid	(147.52)	(8,189.01)	(8,336.53)
Non cash movement			
- Impact of currency restatement on foreign currency borrowings	-	8.10	8.10
- Interest expense	147.08	8,381.99	8,529.07
- Interest capitalised	-	88.51	88.51
Net debt as at March 31, 2018	3,879.04	64,771.31	68,650.35

	Liabilities from financing activities		
	Long term borrowings	Short term borrowings	Total
Net debt as at April 01, 2018	3,879.04	64,771.31	68,650.35
Cash movement:			
- Proceeds	-	2,028.37	2,028.37
- Repayment	(3,730.52)	-	(3,730.52)
- Interest paid	(320.17)	(7,311.88)	(7,632.05)
Non cash movement			
- Impact of currency restatement on PCFC (Gain)	-	(502.67)	(502.67)
- Interest expense	320.17	7,324.27	7,644.44
- Interest capitalised	-	41.35	41.35
Net debt as at March 31, 2019	148.52	66,350.75	66,499.27

19 Other non-current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits from distributors	7.00	9.78
	7.00	9.78

20 Long-term provisions

	As at March 31, 2019	As at March 31, 2018
Provisions for employee benefits		
- Provision for gratuity	256.69	203.98
- Provision for compensated absences	137.41	140.59
	394.10	344.57

Refer note 46 on Employee benefit obligations

Notes to the Financial Statements

for the year ended March 31, 2019

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

21 Deferred tax liabilities (net)

	As at March 31, 2019	As at March 31, 2018
On temporary difference between the book base and tax base		
Deferred tax liability arising on account of:		
Property, plant and equipment and intangible assets	547.20	416.11
Key man insurance policy	83.15	79.26
Unrealised foreign exchange gain on forward contracts	466.37	5.72
Others	-	9.88
Deferred tax asset arising on account of:	1,096.72	510.96
Provision for employee benefits	46.60	56.82
Investment - impairment	47.76	18.64
Others	12.70	3.63
	107.06	79.09
Deferred tax liabilities (net)	989.66	431.88

Movement in deferred tax liabilities (net)

Particulars	April 01, 2017	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	March 31, 2018
Deferred tax liabilities arising on account of				
Property, plant and equipment and intangible assets	181.28	-	234.83	416.11
Key man insurance policy	77.11	-	2.15	79.26
Unrealised foreign exchange gain on forward contracts	379.85	-	(374.13)	5.72
Others	-	-	9.88	9.88
	638.24	-	(127.28)	510.97
Deferred tax assets arising on account of				
Provision for employee benefits	35.16	-	21.66	56.82
Investment - impairment	19.44	-	(0.80)	18.64
Others	4.27	-	(0.64)	3.63
	58.87	-	20.22	79.09
Net Deferred tax liabilities	579.37	-	(147.49)	431.88

Particulars	April 01, 2018	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	March 31, 2019
Deferred tax liabilities arising on account of				
Property, plant and equipment and intangible assets	416.11	-	131.09	547.20
Key man insurance policy	79.26	-	3.89	83.15
Unrealised foreign exchange gain on forward contracts	5.72	466.37	(5.72)	466.37
Others	9.88	-	(9.88)	-
	510.97	466.37	119.39	1,096.72
Deferred tax assets arising on account of				
Provision for employee benefits	56.82	(17.15)	6.93	46.60
Impairment in value of investment	18.64	-	29.12	47.76
Others	3.63	-	9.07	12.70
	79.09	(17.15)	45.12	107.06
Net Deferred tax liabilities	431.88	483.53	74.26	989.66

Notes to the Financial Statements

for the year ended March 31, 2019

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

22 Other non-current liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred government grant	285.62	334.11
	285.62	334.11

23 Short-term borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
-Rupee working capital loans	53,558.69	44,393.85
-Packing credit foreign currency loans	12,715.05	20,354.19
	66,273.74	64,748.04

Particulars	As at March 31, 2019	As at March 31, 2018
a) Rupee working capital loans		
The rupee working capital loans are secured by hypothecation of inventories and trade receivables of the Company, personal guarantee of Directors of the Company and First Pari-Passu Charge on certain fixed assets of the Company.	53,558.69	44,393.85
The rupee working capital loans are repayable on demand and interest on the above loans from banks are linked to the respective bank base rates/ MCLR which are floating in nature. The interest rate ranges from 8.55% to 12.55% (March 31, 2018: 8.55% to 12.00%) on rupee working capital loans		
b) Packing credit foreign currency loans		
The packing credit foreign currency loans are secured by hypothecation of inventories and trade receivables, personal guarantee of Directors of the Company and First Pari-Passu Charge on certain fixed assets of the Company.	12,715.05	20,354.19
The interest rate ranges from 4.55% to 6.47% (March 31, 2018: 4.00% to 6.00%) in case of packing credit foreign currency loans.		

24 Trade payables

	As at March 31, 2019	As at March 31, 2018
Dues to		
Micro and small enterprises	356.99	408.47
Others*	12,187.21	9,344.21
Acceptances	888.56	292.96
	13,432.76	10,045.64
*Includes payable to related parties (refer note 50)		
SDC Foods India Limited	9.42	-
Raghunath Agro Industries Private Limited	-	3,714.09
Daawat Kameda India Private Limited	9.06	-
Expo Services Private Limited	-	6.36
Super Texfab Private Limited	229.41	62.41
VK Foods	4.93	-
Genoa Rice Mills Private Limited	72.14	-
SK Engineering Company	0.51	17.17
Mr. Vijay Kumar Arora	7.27	13.70
Mr. Ashwani Kumar Arora	6.76	12.41
Mr. Ashok Kumar Arora	-	0.22
Mr. Gokul Patnaik	-	0.86
Mr. Parmod Bhagat	-	0.86
Ms. Radha Singh	-	0.86

Notes to the Financial Statements

for the year ended March 31, 2019

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

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

	As at March 31, 2019	As at March 31, 2018
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	356.99	408.47
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.	-	-
	356.99	408.47

25 Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term borrowings	133.05	1,141.32
Interest accrued but not due on borrowings	77.01	23.27
Unclaimed dividend *	19.07	12.24
Other liabilities	1,835.38	2,004.41
	2,064.51	3,181.24

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

26 Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advances from customers*	1,655.73	440.54
Statutory liabilities	248.40	348.48
Deferred government grant	34.47	45.12
	1,938.60	834.14
*Includes advances from related parties		
Nature Bio Foods Limited	1,126.71	-
LT Foods International Limited	80.58	-

*Refer note 44 Deferred government grants

27 Short-term provisions

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for gratuity	68.20	63.82
Provision for compensated absence	45.03	22.03
Others	12.06	-
	125.29	85.85
Movement in other provisions		
Other provisions		
Opening	-	-
Current year additions	12.06	-
Closing	12.06	-

Refer note 46 on Employee benefit obligations

Notes to the Financial Statements

for the year ended March 31, 2019

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

28 Current tax liabilities (net)

	As at March 31, 2019	As at March 31, 2018
Provision for taxation (net of advance tax)	68.80	26.83
	68.80	26.83

29 Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products *		
Export	86,270.49	70,746.76
Domestic	130,080.39	110,030.10
Sale of traded goods *		
Export	139.36	15,719.33
Domestic	2,094.52	16,588.76
Other operating revenue		
Service charges	549.38	727.05
Processing charges	18.67	18.67
Rental income (refer note A)	102.74	102.74
	219,255.55	213,933.41
*Details of products sold		
-Finished goods sold		
Rice	212,189.76	177,301.39
Others	4,508.65	3,475.47
-Traded goods sold		
Rice	-	29,214.17
Others	2,233.88	3,093.92
	218,932.29	213,084.95

A. The Company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2019 and March 31, 2018 was ₹ 102.74 and ₹ 102.74 respectively. The Company has not executed any non-cancellable operating leases.

30 Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Dividend from non trade investments	0.63	0.05
Interest income on fixed deposits with banks	37.68	32.67
loans	64.58	34.27
advances	367.62	-
income tax refund	187.74	-
Others	9.38	-
Rental income	84.06	55.00
Liabilities written back	50.80	120.72
Corporate guarantee charges	388.80	256.77
Government grant income (refer note 44)	59.14	64.25
Gain on investments carried at fair value through profit and loss	-	5.89
Net gain on foreign currency transactions	445.47	918.47
Miscellaneous receipts	57.64	244.34
	1,753.54	1,732.43

Notes to the Financial Statements

for the year ended March 31, 2019

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

31 Cost of material consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Paddy	32,291.34	23,104.03
Bardana	1,229.02	977.19
Packing material	2,017.74	1,382.34
	35,538.10	25,463.56
Add: purchases		
Paddy	79,751.29	69,036.05
Bardana	398.44	367.76
Packing material	5,827.38	5,909.76
Rice	95,956.51	115,493.31
	181,933.62	190,806.88
Less: closing stock		
Paddy	29,544.89	32,291.34
Bardana	1,417.01	1,229.02
Packing material	2,132.73	2,017.74
	33,094.63	35,538.10
	184,377.09	180,732.34
Consumption details		
Paddy	82,497.74	59,848.74
Bardana	210.45	115.93
Packing material	5,712.39	5,274.36
Rice	95,956.51	115,493.31
	184,377.09	180,732.34

32 Purchases of stock in trade

	Year ended March 31, 2019	Year ended March 31, 2018
Staples	1,198.51	1,575.57
Others	533.46	587.92
	1,731.96	2,163.49

33 Changes in inventories of finished goods and stock in trade

	Year ended March 31, 2019	Year ended March 31, 2018
Opening Stock	48,387.54	42,692.54
Finished goods	1,759.39	256.85
Traded goods		
Closing stock	55,664.37	48,387.54
Finished goods	719.80	1,759.39
Traded goods	(6,237.24)	(7,197.54)

34 Employee benefit expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	5,463.68	5,170.13
Contribution to provident and other fund (refer note 46)	311.51	346.02
Staff welfare expenses	280.16	220.40
	6,055.35	5,736.55

Notes to the Financial Statements

for the year ended March 31, 2019

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

35 Finance cost

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on working capital loans	6,484.79	7,361.29
Interest on term loans	320.17	147.52
Exchange differences regarded as an adjustment to borrowing cost	-	265.85
	6,804.96	7,774.66
Interest capitalised	(41.35)	(88.51)
Other borrowing costs	880.83	843.36
	7,644.44	8,529.51

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 9.52% p.a. (March 31, 2018 - 9.82% p.a.)

36 Depreciation and amortisation expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation on property, plant and equipment	2,204.33	1,546.17
Amortisation of intangible assets	131.85	264.06
	2,336.18	1,810.23

37 Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Warehouse rent (refer point A)	764.35	866.97
Wages and other manufacturing expenses	830.91	710.63
Factory insurance	171.32	64.06
Power and fuel	2,114.76	1,682.61
Security services	218.46	213.00
Packing expenses	487.65	393.04
Repairs		
- Plant and machinery	88.66	141.95
- Building	35.38	101.39
- Others	87.55	68.31
Stores and spares consumed	1,417.08	1,162.12
Advertisement	1,348.24	1,357.00
Insurance	50.08	142.39
Legal and professional charges	878.68	908.22
Rates and taxes	269.60	473.30
Donation and charity	64.12	49.44
Corporate social responsibility expense (refer point C)	52.98	61.75
Directors' sitting fees	21.25	25.92
Auditors' remuneration (refer point B)	51.90	53.37
Vehicle running and maintenance	164.51	153.90
Travelling and conveyance	1,333.93	1,192.71
Commission to selling agents	370.77	336.13
Clearing, forwarding and freight charges	4,037.27	4,745.32
Provision for doubtful debts	33.92	-
Loss from sale of fixed assets (net)	2.31	0.77
Loss on sales of investments	22.04	-
Impairment in the value of investment	125.00	-
Amounts written off	110.52	1,078.41
Joint venture losses absorbed	194.98	-
Business promotion expenses	176.57	278.73
Other selling expenses	589.02	1,561.81
Other administrative expenses	665.34	710.73
	16,779.14	18,533.98

Notes to the Financial Statements

for the year ended March 31, 2019

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

- A. The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2019 and 2018 was ₹ 764.34 lakhs and ₹ 866.97 lakhs respectively. The Company has not executed any non-cancellable operating leases. The operating leases are cancellable at the option of both the parties with a notice of one to six months.

B. Auditors' remuneration

	Year ended March 31, 2019	Year ended March 31, 2018
Statutory audit (including fees for limited reviews)	47.75	47.75
Certification fees	0.61	31.61
Out of pocket expenses	3.54	3.32
Goods and services tax/service tax	-	1.79
Less: Fees of qualified institutional placement (netted of from securities premium reserve)	-	(31.10)
	51.90	53.37

C. Corporate social responsibility expenditure

	Year ended March 31, 2019	Year ended March 31, 2018
i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013	97.09	89.44
ii) Amount spent (in cash) during the year on:		
-Construction/acquisition of an asset	52.98	61.75
-on purpose other than above	-	-
Unspent amount	44.11	27.69

38 Tax expense

	Year ended March 31, 2019	Year ended March 31, 2018
The income tax expense consists of the following :		
Current tax expense for the current year	2,799.37	1,309.23
Deferred tax expense/ (benefit)	74.26	(147.49)
Total income tax	2,873.63	1,161.74

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

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income taxes	8,322.17	5,357.28
At India's statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	2,908.10	1,854.05
Adjustments in respect of current income tax		
Donation and charities	21.65	28.83
Fines, penalties and interest on statutory dues	17.86	24.01
Employee share-based payment expense	-	(28.14)
Impact of Ind AS 32 adjustments	-	(628.28)
Tax pertaining to previous years	-	(69.94)
Impairment of investment	14.56	-
Impact of change in tax rates	4.19	-
Deductions under section 80 of Income-tax Act, 1961	(70.20)	-
Others	(22.53)	(18.79)
Total income tax expense	2,873.63	1,161.74

Notes to the Financial Statements

for the year ended March 31, 2019

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

39 Earnings per share

	Year ended March 31, 2019	Year ended March 31, 2018
Earnings per share		
Profit attributable to equity shareholders	5,448.54	4,195.54
Numbers of weighted average equity share outstanding at the year end for Basic	3,198.45	2,806.94
Numbers of weighted average equity share outstanding at the year end for Diluted	3,198.45	2,806.94
Nominal value per share	1.00	1.00
Earnings per equity share		
Basic	1.70	1.49
Diluted	1.70	1.49

40 SHARE-BASED PAYMENT

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognised in the income statement for the year ended March 31, 2019 is Nil (March 31, 2018 is Nil).

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

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

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

Grant date	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
	April 01, 2011	Feb 07, 2013
Fair value of option using the Black Scholes model (in ₹)	21.05	24.97
Fair value of shares at grant date (₹)	49.50	58.80
Exercise price (in ₹)	38.00	38.00
Expected volatility	67.00%	54.00%
Option life (in years)	4.00	4.00
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

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

Notes to the Financial Statements

for the year ended March 31, 2019

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

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

Particular	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	-	-	205,770	3.80
Granted during the year	-	-	-	-
Forfeited during the year	-	-	205,770	3.80
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of the year	-	-	-	-
Exercisable at end of the year	-	-	-	-

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

Particular	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	-	-	849,580	3.80
Granted during the year	-	-	-	-
Forfeited during the year	-	-	736,670	-
Exercised during the year	-	-	112,910	3.80
Expired during the year	-	-	-	-
Balance at end of the year	-	-	-	-
Exercisable at end of the year	-	-	-	-

41 Contingencies and commitments

	As at March 31, 2019	As at March 31, 2018
(A) Contingent liabilities		
I Income-tax demands (refer point a)	2,293.05	3,689.25
II Demand from Food Corporation India for differential price /freight /taxes	75.69	339.00
III Duty saved under EPCG licenses (export obligation outstanding ₹ 617.10 (March 31, 2018: ₹ 1,216.78)	105.75	222.45
IV Bank guarantees	2,067.20	2,167.70
V Guarantee given by Company to bank on behalf of subsidiaries (refer point b)	48,299.63	49,049.78
VI Guarantee given by Company on the behalf of subsidiaries for export obligation under EPCG scheme	14.68	14.68
Total	52,856.00	55,482.86

- a. The Company has pending appeals at ITAT for the AY 2003-04 to AY 2013-14 on the matters over which no relief was provided by CIT (Appeals) and CIT (Appeals) for the AY 2014-15 amounting to ₹ 1,290.25 lakhs (previous year ₹ 1,317.72 lakhs) and ₹ 769.75 lakhs (previous year ₹ 769.32 lakhs) respectively.

The Company's appeal for AY 1990-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹ 213.69 (previous year ₹ 213.69) are pending at various level of appeals.

During the financial year 2018-19, the Company has received demands under section 143(3) for the Assessment Year 2016-17 for ₹ 19.36 lakhs (previous year ₹ 36.27 lakhs). The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

The Company has paid ₹ 1,551.26 lakhs (previous year ₹ 1,538.08 lakhs) as per the directions of Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/ refunded, once the appeals are final.

Notes to the Financial Statements

for the year ended March 31, 2019

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

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

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

Name of bank	Name of subsidiary company	Sanction limit	As at March 31, 2019	As at March 31, 2018	Purpose
State Bank of India - Consortium	Daawat Foods Limited	30,469 (March 31 2018 30,469)	21,938.48	25,031.40	Working capital loan
Oriental Bank of Commerce	Raghunath Agro Industries Private Limited	7,600 (March 31 2018 7,600)	5,038.18	6,870.89	Working capital loan
ICICI Bank Limited	Nature Bio Foods Limited	3,000 (March 31 2018 3,000)			
Yes Bank Limited	Nature Bio Foods Limited	3,980 (March 31 2018 2,200)	8,746.91	9,782.25	Working capital loan
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	2,200 (March 31 2018 Nil)			
Dena Bank Limited	Nature Bio Foods Limited	Nil (March 31 2018 6,635)			
Indusind Bank Limited	Nature Bio Foods Limited	3,150 (March 31 2018 Nil)			
Cooperative Rabo Bank U.A. (Euro 7.30 million, March 31, 2018 Euro 7.30 millions)	L T Foods Europe BV, Netherland	5,672.28*	5205.49*	5,401.10*	Against plant and machinery
Cooperative Rabo Bank U.A. (Euro 10.00 million, March 31, 2018 Euro 2.50 millions)	L T Foods Europe BV, Netherland	7,770.24*	7,370.57*	1,964.14*	Working capital loan
Total		63,841.52	48,299.63	49,049.78	

Note: Cooperative Rabo Bank U.A. has taken over the facility of LT Foods Europe BV, Netherlands from De Lage Landen Financial Service B.V.

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

(B) Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 531.72 lakhs (March 31, 2018: ₹ 349.74 lakhs).

42 Segment information

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

43 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from April 01, 2001, the Company is required to use certain specified methods in computing arm's length price of international 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.

Notes to the Financial Statements

for the year ended March 31, 2019

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

44 Deferred government grants

Particulars	March 31, 2019	March 31, 2018
At the beginning of the year	379.23	221.03
Released during the year	59.14	64.25
Received during the year	-	222.45
At the end of the year	320.09	379.23

Particulars	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Government grants	34.47	285.62	45.12	334.11

45 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current assets		
First charge		
Property, plant, and equipments	12,501.17	10,761.87
Total non-current assets pledged as security	12,501.17	10,761.87
Current assets		
First charge		
Pari-passu		
Inventories	89,940.79	86,246.39
Trade receivables	30,951.13	35,016.95
Total current assets pledged as security	120,891.92	121,263.34
Total assets pledged as security	133,393.09	132,025.21

46 Employee benefit obligations

Particulars	As at March 31, 2019		As at March 31, 2018	
Gratuity	68.20	256.69	63.82	203.98
Compensated absences	45.03	137.41	22.03	140.59
Total	113.23	394.10	85.85	344.57

A Gratuity

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

Disclosure of gratuity

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

Description	March 31, 2019	March 31, 2018
Current service cost	90.27	65.84
Interest cost	21.89	3.01
Past service cost	-	66.30
Amount recognised in the statement of profit and loss	112.16	135.15

Notes to the Financial Statements

for the year ended March 31, 2019

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

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

Description	March 31, 2019	March 31, 2018
Remeasurement on the net defined benefit obligation		
Actuarial (gain)/loss arising from change in demographic assumption	-	18.53
Actuarial (gain)/loss arising from change in financial assumption	7.25	(27.69)
Actuarial (gain)/loss arising from change in experience assumption	(64.72)	127.07
Remeasurement on plan assets		
Return on plan assets (excluding interest)	7.92	6.81
Total actuarial (gain)/loss recognised in OCI	(49.55)	124.72

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

Description	March 31, 2019	March 31, 2018
Present value of defined benefit obligation as at the start of the year	584.64	328.19
Current service cost	90.27	65.84
Interest cost	46.56	25.68
Actuarial (gain)/ loss recognised during the year	(57.47)	117.91
Benefits paid	(16.97)	(19.28)
Past service cost	-	66.30
Present value of defined benefit obligation as at the end of the year	647.03	584.64

(iv) Change in fair value of assets:

Description	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	316.84	280.11
Interest Income Plan Assets	24.68	22.67
Actual Company Contributions	5.51	40.15
Actuarial gains/(losses)	(7.92)	(6.81)
Benefits paid	(16.97)	(19.28)
Fair value of plan assets at the end of the year	322.14	316.84

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

v) Actuarial assumptions

Description	March 31, 2019	March 31, 2018
Discount rate	7.57%	7.79%
Retirement age	58 years	58 years
Employee turnover:		
- Upto 30 years	10.00%	10.00%
- From 31 to 44 years		
- Above 44 years		
Rate of increase in compensation	5.00%	5.00%

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

vi) Movement in net liability recognised in balance sheet

Description	March 31, 2019	March 31, 2018
Defined Benefit Obligation	647.03	584.64
Fair value of Plan Assets	(322.14)	(316.84)
(Asset)/Liability recognised in the Balance Sheet	324.89	267.80

Notes to the Financial Statements

for the year ended March 31, 2019

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

vii) Sensitivity analysis for gratuity liability

Description	March 31, 2019	March 31, 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	647.03	584.64
- Impact due to increase of 1 %	(31.61)	(62.24)
- Impact due to decrease of 1 %	34.72	66.33
Impact of the change in salary increase		
Present value of obligation at the end of the year	647.03	584.64
- Impact due to increase of 1 %	31.16	59.32
- Impact due to decrease of 1 %	(29.66)	(52.70)

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

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

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

Description	March 31, 2019	March 31, 2018
Within next 12 months	70.73	66.26
Between 2-5 years	286.48	261.58
Between 6-10 years	291.17	267.58

B Compensated absence

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

(i) Actuarial assumptions

Description	March 31, 2019	March 31, 2018
Discount rate	7.57%	7.79%
Future basic salary increase	5.00%	5.00%
Employee turnover/ Withdrawal rate	10.00%	10.00%
Retirement age	58 years	58 years

Notes:

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

C Provident fund and ESI fund

Contribution made towards provident fund by the Company during the year is ₹ 160.63 lakhs (March 31, 2018: ₹ 159.26 lakhs)

Contribution made towards ESI fund by the Company during the year is ₹ 26.66 lakhs (March 31, 2018: ₹ 33.06 lakhs)

There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgement dated February 28, 2019 on provident fund on which the Company has obtained legal advice specifically on the retrospective applicability of the same. The Company has started recognising such expenditure/liability on account of enhanced provident fund contributions prospectively. Pending further clarification on the applicability of such ruling and on basis of the legal opinion so obtained, the management is of the view that such ruling is applicable prospectively. In view of the same, the Company has recorded an additional liability of ₹ 1.25 lakhs for the month of March 2019.

Notes to the Financial Statements

for the year ended March 31, 2019

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

47 Fair value disclosures

i) Financial instruments by category

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	238.64	-	-	291.16	-	-
Security deposits	-	-	693.70	-	-	726.88
Trade receivables	-	-	30,951.13	-	-	35,016.95
Cash and cash equivalents	-	-	463.11	-	-	336.62
Other bank balances	-	-	577.95	-	-	519.43
Derivative asset	1,324.44	-	-	22.54	-	-
Other financial assets	-	-	1,126.57	-	-	1,037.24
Total	1,563.08	-	33,812.46	313.70	-	37,637.12
Financial liabilities						
Borrowings	-	-	66,499.27	-	-	68,650.35
Trade payable	-	-	13,432.76	-	-	10,045.64
Other financial liabilities	-	-	1,861.45	-	-	2,026.43
Total	-	-	81,793.48	-	-	80,722.42

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

ii) Fair values hierarchy

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

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

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

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

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

March 31, 2019	Level 1	Level 2	Total
Financial assets			
Key man insurance policies	-	237.96	237.96
Equity instruments - Quoted	0.68	-	0.68
Derivative asset	-	1,324.44	1,324.44
Total financial assets	0.68	1,562.40	1,563.08
March 31, 2018	Level 1	Level 2	Total
Financial assets			
Key man insurance policies	-	226.82	226.82
Equity instruments - Quoted	0.83	-	0.83
Mutual funds - Quoted	63.46	-	63.46
Derivative asset	-	22.54	22.54
Total financial assets	64.29	249.36	313.65

Valuation process and technique used to determine fair value

- (i) The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.

Notes to the Financial Statements

for the year ended March 31, 2019

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

- ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) In order to arrive at the fair value of unquoted investments, the company obtains independent valuations. The techniques used by the valuer are as follows:
- Asset approach - Net assets value method
 - Income approach - Discounted cash flows (“DCF”) method
 - Market approach - Enterprise value/Sales multiple method
- (iv) Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India and Max New York Life Insurance Company Limited which represents surrender value for the investors.

Derivative financial assets:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2019		March 31, 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	693.70	693.70	726.88	726.88
Loan to related parties	Level 3	-	-	641.49	641.49
Loan to employees	Level 3	95.80	95.80	66.97	66.97
Other financial assets	Level 3	33,022.96	33,022.96	36,201.78	36,201.78
Total financial assets		33,812.46	33,812.46	37,637.12	37,637.12
Financial liabilities					
Borrowings	Level 3	66,499.27	66,499.27	68,650.35	68,650.35
Other financial liabilities	Level 3	15,294.21	15,294.21	12,072.07	12,072.07
Total financial liabilities		81,793.48	81,793.48	80,722.42	80,722.42

The management assessed that security deposits, loan to related parties, loan to employees, other financial assets, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- All the long term borrowing facilities (other than vehicles loans) availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

Notes to the Financial Statements

for the year ended March 31, 2019

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

48 Financial risk management

(i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Ageing analysis Credit ratings	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Indian Rupees(INR)	Cash flow forecasting Sensitivity analysis	Forward contract and hedging.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company has significant investments in equity shares, except for entities where it exercises control or significant influence.

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A : Low

B : Medium

C : High

Assets under credit risk –

Credit rating	Particulars	March 31, 2019	March 31, 2018
A: Low	Loans	789.50	1,476.51
	Investments	12,782.01	8,724.69
	Other financial assets	2,355.21	310.14
	Cash and cash equivalents	463.11	336.62
	Other bank balances	577.95	519.43
	Trade receivables	30,917.21	35,016.95
B: Medium	Trade receivables	33.92	-

Notes to the Financial Statements

for the year ended March 31, 2019

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

Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Expected credit losses for financial assets other than trade receivables

The Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	March 31, 2019			March 31, 2018		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	463.11	0.00%	463.11	336.62	0.00%	336.62
Other bank balances	577.95	0.00%	577.95	519.43	0.00%	519.43
Loans	98.82	0.00%	98.82	782.61	0.00%	782.61
Other financial assets	1,896.04	0.00%	1,896.04	283.36	0.00%	283.36

Expected credit loss for trade receivables under simplified approach

The Company recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met. Trade receivables are subject to credit limits, controls and approvals processes. The majority of receivables are from related parties where the company has greater visibility of creditworthiness. Further based on the historical experience, the risk of default in case of trade receivables is low.

Particulars	0-1 Year	1-3 Year
As at 31 March 2019		
Trade receivables	30,951.13	33.92
Default rate	-	100.00%
Expected credit loss	-	33.92
As at 31 March 2018		
Trade receivables	35,016.95	-
Default rate	-	100.00%
Expected credit loss	-	-

Notes to the Financial Statements

for the year ended March 31, 2019

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

Reconciliation of loss allowance	Trade receivables
Loss allowance on April 01, 2017	-
Add (Less): Changes in loss allowances	-
Loss allowance on March 31, 2018	-
Add (Less): Changes in loss allowances	33.92
Loss allowance on March 31, 2019	33.92

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the company operates.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of the Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings (excluding interest thereon)	66,483.80	15.47	-	66,499.27
Security deposit received	-	7.00	-	7.00
Trade payable	13,432.76	-	-	13,432.76
Other financial liabilities	1,854.45	-	-	1,854.45
Total	81,771.01	22.47	-	81,793.48

March 31, 2018	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	65,912.63	2,057.43	680.30	68,650.35
Security deposit received	-	9.78	-	9.78
Trade payable	10,045.64	-	-	10,045.64
Other financial liabilities	2,016.65	-	-	2,016.65
Total	77,974.92	2,067.21	680.30	80,722.42

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Company's policy is to hedge the risk of changes in foreign currency. The Company uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Company designate both change in spot and forward element of forward contracts and change in spot of PCFCs to hedge exposure in foreign currency risk on highly probable forecast sales.

Notes to the Financial Statements

for the year ended March 31, 2019

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

(i) **Exposure to currency risk:**

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency		In INR	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets				
Trade receivables				
EURO	13.06	54.20	1,014.76	4,369.96
USD	150.52	193.09	10,411.45	12,559.06
GBP	0.00	0.00	0.34	0.34
Foreign exchange derivative contracts				
EURO	(65.00)	(54.50)	(5,050.66)	(4,385.62)
USD	(379.00)	(367.20)	(26,215.92)	(24,514.88)
Financial liabilities				
Trade payables				
EURO	0.61	0.66	47.33	52.99
USD	1.52	12.42	105.04	807.85
Preshipment credit				
USD	183.82	312.93	12,715.05	20,354.19
Bill discounted				
USD	-	14.91	-	969.61
Net exposure:				
EURO	(52.55)	(0.96)	(4,083.23)	(68.65)
USD	(413.82)	(514.37)	(28,624.55)	(34,087.48)
GBP	0.00	0.00	0.34	0.34

Apart from above, the Company has a foreign currency liability (advances from customers) of ₹ 133.23 lakhs (USD 1.96 lakhs) (March 31, 2018: ₹ 20.59 lakhs (USD 0.32 lakhs))

The following significant exchange rates have been applied:

Particulars	Year end spot rate	Year end spot rate
	March 31, 2019	March 31, 2018
EURO	77.70	80.62
USD	69.17	65.04
GBP	90.48	92.28

(a) **Disclosure of effects of hedge accounting on financial position**

As at March 31, 2019

Type of hedge and risks	Nominal value		Carrying amount of edging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign currency risk									
(i) Foreign exchange forward contracts	31,266.58	-	1,324.44	-	April 30, 2019 - January 31, 2020	1:1	USD: ₹ 72.88 EURO: ₹ 84.22	1,324.44	(1,338.58)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	12,715.05	-	12,715.05	April 30, 2019 - September 30, 2019	1:1	USD: ₹ 70.50	428.43	(424.34)

Notes to the Financial Statements

for the year ended March 31, 2019

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

(b) Disclosure of effects of hedge accounting on financial performance

For the year ended March 31, 2019

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	1,334.63	0.21	(1,233.26)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	424.34	4.09	(1,598.81)	Revenue and other income

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

(c) Movements in cash flow hedging reserve

Particulars	Amount
As at April 01, 2018	-
Add: Changes in fair value of forward contracts	101.37
Add: Changes in fair value of forward PCFCs	(1,096.14)
Less: Amount reclassified to profit or loss	2,832.07
Less: Deferred tax relating to above (net)	(642.02)
As at March 31, 2019	1,195.27

Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Notes to the Financial Statements

for the year ended March 31, 2019

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

Particulars	Impact on profit after tax		Impact on equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade receivables				
EURO sensitivity				
INR/EURO increase by 100 bps (March 31, 2018 100 bps)*	6.60	28.58	-	-
INR/EURO decrease by 100 bps (March 31, 2018 100 bps)*	(6.60)	(28.58)	-	-
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	67.73	82.13	-	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	(67.73)	(82.13)	-	-
GBP sensitivity				
INR/GBP increase by 100 bps (March 31, 2018 100 bps)*	0.00	0.00	-	-
INR/GBP decrease by 100 bps (March 31, 2018 100 bps)*	(0.00)	(0.00)	-	-
Bill discounted				
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	-	6.34	-	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	-	(6.34)	-	-
Borrowings				
EURO sensitivity				
INR/EURO increase by 100 bps (March 31, 2018 100 bps)*	0.31	0.35	-	-
INR/EURO decrease by 100 bps (March 31, 2018 100 bps)*	(0.31)	(0.35)	-	-
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	0.68	5.28	-	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	(0.68)	(5.28)	-	-
GBP sensitivity				
INR/GBP increase by 100 bps (March 31, 2018 100 bps)*	(0.00)	(0.00)	-	-
INR/GBP decrease by 100 bps (March 31, 2018 100 bps)*	0.00	0.00	-	-
Preshipment credit				
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	-	133.10	82.72	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	-	(133.10)	(82.72)	-
Foreign exchange derivative contracts				
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	-	(160.31)	(170.55)	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	-	160.31	170.55	-
EURO sensitivity				
INR/EURO increase by 100 bps (March 31, 2018 100 bps)*	-	(28.68)	(32.86)	-
INR/EURO decrease by 100 bps (March 31, 2018 100 bps)*	-	28.68	32.86	-

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2019, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	Year end spot rate March 31, 2019	Year end spot rate March 31, 2018
Variable rate borrowing	66,473.27	68,585.86
Fixed rate borrowing	26.00	64.49
Total borrowings	66,499.27	68,650.35

Notes to the Financial Statements

for the year ended March 31, 2019

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

Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax March 31, 2019	Effect on profit after tax March 31, 2018
Total borrowings		
-Impact due to increase of 50 basis points*	(216.22)	(224.25)
-Impact due to decrease of 50 basis points*	216.22	224.25

*Holding all other variable constant

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk exposure

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

49 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio as at year end were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Total borrowings	66,499.27	68,650.35
Less : cash and cash equivalents	463.11	336.62
Net debt	66,036.16	68,313.73
Total equity	84,152.42	78,054.60
Adjusted net debt to adjusted equity ratio	0.78	0.88

Dividends

Particulars	As at March 31, 2019	As at March 31, 2018
Equity shares		
(i) Final Dividend		
For the year ended March 31, 2018 of ₹ 0.15 per share (excluding tax)	479.77	-
For the year ended March 31, 2017 of ₹ 0.15 per share (excluding tax)	-	400.12
(ii) Proposed Dividend		
For the year ended March 31, 2019 of ₹ 0.15 per share (excluding tax)	479.77	-
For the year ended March 31, 2018 of ₹ 0.15 per share (excluding tax)	-	479.77

Notes to the Financial Statements

for the year ended March 31, 2019

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

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

b) Loan covenants

Under the terms of major borrowing facilities, the Company is required to comply with the following covenants:

- the current ratio must be more than 1.25 times;
- the debt to equity ratio must not exceed 3 times;
- the interest coverage ratio must be more than 1.5 times;
- the promoter's holding must not be less than 51%;
- the debt service coverage ratio must be more than 1.2 times;
- the debt to tangible net worth ratio must not be more than 2.5 times;
- the adjustable tangible net worth of the Company must be more than ₹ 73,440.

The Company has complied with these covenants throughout the reporting period

50 Related party disclosures

The Company's related party transactions and outstanding balances are with its subsidiaries, associates and joint venture, key management and others as described below.

A. Relationships

a) Subsidiaries

Daawat Foods Limited
 SDC Foods India Limited
 Nature Bio Foods Limited
 LT International Limited
 LT Overseas North America, Inc.
 Sona Global Limited
 Raghuvesh Foods & Infrastructure Limited
 LT Foods International Limited
 Deva Singh Sham Singh Exports Private Limited
 Raghunath Agro Industries Private Limited

b) Step down subsidiaries

LT Foods America Inc.
 LT Foods USA LLC
 LT Foods Middle East DMCC
 Raghuvesh Power Projects Limited
 Universal Traders Inc.
 Ecolife LLC
 Fresco Fruit N Nuts Private Limited
 Nature Bio Foods B.V. (from February 07, 2018)
 Expo Services Private Limited
 LT Agri Services Private Limited
 LT Foods Europe B.V.
 Eco Pure Specialities Limited (from September 05, 2018)

c) Joint venture

Genoa Rice Mills Private Limited
 Daawat Kameda India Private Limited

d) Associate enterprises

Raghuvesh Agri Foods Private Limited
 Raghuvesh Warehousing Private Limited
 Raghuvesh Infrastructure Private Limited

Notes to the Financial Statements

for the year ended March 31, 2019

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

e) Key management personnel and Directors - Key management personnel

Name	Designation
Mr. Vijay Kumar Arora	Managing Director
Mr. Surinder Kumar Arora	Managing Director
Mr. Ashwani Kumar Arora	Managing Director and Chief Financial Officer
Mr. Ashok Kumar Arora	President - Punjab operations
Mr. Gokul Patnaik	Director
Mr. Suparas Bhandari	Director
Mr. Parmod Bhagat	Director
Ms. Radha Singh	Director
Mr. Rajesh Kumar Srivastava	Nominee Director

- Relatives of Key Management Personnel

Name	Relationship
Mr. Aditya Arora	Son of Mr. Ashok Kumar Arora
Mr. Ritesh Arora	Son of Mr. Ashwani Kumar Arora

Entities in which Key Management Personnel and their relatives have significant influence with whom transactions have taken place during the current year and/or previous year:

V.K Foods

SK Engineering Company

Super Textfab Private Limited

Transactions with subsidiary companies, step down subsidiary companies, joint venture, associate companies and entities where key management personnel has significant influence

Particulars	March 31, 2019	March 31, 2018
Sales		
LT Foods America Inc.	16,807.07	9,065.35
Raghunath Agro Industries Private Limited	10,199.17	4,164.77
LT Foods Middle East DMCC	11,149.72	9,847.64
Daawat Foods Limited	2,738.15	808.63
Nature Bio Foods Limited	124.60	5.35
V. K Foods	-	28.93
LT Foods International Limited	-	14,620.00
Deva Singh Sham Singh Exports Private Limited	571.38	1,472.31
LT Foods Europe B.V.	6,315.98	301.25
Sales return		
LT Foods International Limited	52.62	-
Purchases		
Raghunath Agro Industries Private Limited	8,390.48	10,337.80
Daawat Foods Limited	29,213.94	26,005.33
Nature Bio Foods Limited	415.81	404.75
Super Textfab Private Limited	937.55	790.20
Deva Singh Sham Singh Exports Private Limited	156.36	27.63
Genoa Rice Mills Private Limited	1,132.46	118.84
SK Engineering Company	-	0.57
Daawat Kameda India Private Limited	56.15	27.09
Rental income		
VK Foods	-	0.60
SK Engineering Company	-	0.60
Daawat Kameda India Private Limited	0.53	-
Nature Bio Foods Limited	67.09	80.92

Notes to the Financial Statements

for the year ended March 31, 2019

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

Particulars	March 31, 2019	March 31, 2018
Fumigation income		
Nature Bio Foods Limited	3.16	34.17
Reimbursement of expenses received		
Daawat Kameda India Private Limited	87.64	11.54
Processing charges income		
Nature Bio Foods Limited	28.93	18.67
Insurance income		
Nature Bio Foods Limited	11.63	-
Daawat Foods Limited	25.82	-
Transport income		
Nature Bio Foods Limited	13.40	-
Interest income		
Daawat Foods Limited	371.05	-
Genoa Rice Mills Private Limited	64.58	32.59
Corporate guarantee charges income		
LT Foods Europe BV	48.67	76.77
Daawat Foods Limited	212.67	180.00
Nature Bio Foods Limited	67.39	-
Raghunath Agro Industries Private Limited	60.07	-
Investments in joint venture		
Daawat Kameda India Private Limited	2,234.79	170.85
Investments in subsidiary		
Daawat Foods Limited	2,000.00	-
Deva Singh Sham Singh Exports Private Limited	-	1.00
Purchase of shares of Raghunath Agro Industries Private Limited		
Daawat Foods Limited	-	2,110.38
Loan granted		
Genoa Rice Mills Private Limited	545.54	425.00
Loan repaid		
Genoa Rice Mills Private Limited	1,095.54	-
Advances given		
LT Agri Services Private Limited	-	0.84
Sale of fixed assets		
Daawat Foods Limited	21.19	-
Eco Pure Specialities Limited	461.66	-
Purchase of fixed assets		
SK Engineering Company	-	13.95
Daawat Foods Limited	37.04	-
Transactions with key management personnel		
Director Remuneration (excluding long term employee benefit)		
Mr. Vijay Kumar Arora	211.61	169.00
Mr. Surinder Kumar Arora	-	58.69
Mr. Ashwani Kumar Arora	211.21	98.17
Total (A)	422.82	325.86
Defined benefit obligation for KMP		
Gratuity		
Mr. Vijay Kumar Arora	20.00	20.00
Mr. Ashwani Kumar Arora	2.21	0.75
Total (B)	22.21	20.75
Compensated absences		
Mr. Vijay Kumar Arora	9.73	-
Mr. Ashwani Kumar Arora	2.23	0.91
Total (C)	11.96	0.91

Notes to the Financial Statements

for the year ended March 31, 2019

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

Particulars	March 31, 2019	March 31, 2018
Employee benefits to the key management personnel		
Long term employee benefits (Total (B)+Total (C))	34.17	21.66
Short term employee benefits (Total (A))	422.82	325.86
Dividend paid to the key management personnel	127.72	127.72
Transactions with relatives of key management personnel		
Remuneration		
Mr. Ritesh Arora	40.94	34.85
Mr. Aditya Arora	-	1.98
Dividend paid to relatives of key management personnel	141.01	140.05
Director sitting fees		
Mr. Gokul Patnaik	4.75	6.09
Mr. Suparas Bhandari	3.40	3.52
Mr. Parmod Bhagat	6.35	7.75
Ms. Radha Singh	6.75	8.55

Mr. Vijay Kumar Arora, Mr. Ashwini Kumar Arora, and Mr. Surinder Kumar Arora, the Directors have given personal guarantees against the long term and short term borrowings (except vehicles loans) availed by the Company as disclosed under:

Particulars	As at March 31, 2019	As at March 31, 2018
Long-term borrowings	122.52	3,814.55
Short-term borrowings	66,273.74	64,748.04
Total	66,396.26	68,562.59

Particulars	As at March 31, 2019	As at March 31, 2018
Balances at the year-end {net receivable/(net payable)}		
SDC Foods India Limited	(9.42)	1.10
LT Foods Middle East DMCC	1,406.83	1,531.25
LT Foods America Inc.	3,849.07	3,583.44
Daawat Foods Limited	1,240.03	1,691.06
Expo Services Private Limited	-	(6.36)
Ecopure Specialities Limited	506.66	-
Nature Bio Foods Limited	(1,126.71)	1,544.29
LT International Limited	-	112.65
Raghuvesh Foods & Infrastructure Limited	0.00	0.00
LT Agri Services Private Limited	1.22	1.22
Raghunath Agro Industries Private Limited	4,667.64	(3,714.09)
Fresco Fruit N Nuts Private Limited	7.67	7.67
LT Foods International Limited	(80.58)	1,675.27
LT Foods Europe B.V.	1,152.84	117.01
Deva Singh Sham Singh Exports Private Limited	109.06	389.14
VK Foods	(4.93)	4.50
Raghuvesh Infrastructure Private Limited	92.10	-
Raghuvesh Agri Foods Private Limited	328.49	52.49
Raghuvesh Warehousing Private Limited	245.09	21.09
Genoa Rice Mills Private Limited	(72.14)	567.91
Daawat Kameda India Private Limited	(9.06)	0.75
Super Texfab Private Limited	(229.41)	(62.41)
SK Engineering Company	(0.51)	(17.17)
Mr. Vijay Kumar Arora	(7.27)	(13.70)
Mr. Ashwani Kumar Arora	(6.76)	(12.41)
Mr. Ashok Kumar Arora	0.95	(0.22)
Mr. Gokul Patnaik	-	(0.86)
Mr. Parmod Bhagat	-	(0.86)

Notes to the Financial Statements

for the year ended March 31, 2019

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

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Ms. Radha Singh	-	(0.86)
Corporate guarantees given (outstanding) on behalf of		
Daawat Foods Limited	21,938.48	25,031.40
Nature Bio Foods Limited	8,746.91	9,782.25
Raghunath Agro Industries Private Limited	5,038.18	6,870.89
LT Foods Europe BV	12,575.67	7,365.24

51 Details of loan, investment made and guarantee given covered under section 186(4) of Companies Act, 2013

(i) Loans granted

Name of the Loanee	Rate of interest	Maximum balance outstanding during the year	As at	As at
			March 31, 2019	March 31, 2018
Geona Rice Mills Private Limited (unsecured) (including accrued interest)	12.50% p.a.	1,355.05	-	580.89
Total			-	580.89

The above loan is given for business purpose.

(ii) Investments made

Name of the Investee	As at	As at
	March 31, 2019	March 31, 2018
Investments in equity shares and preference shares		
LT International Limited	179.96	179.96
Nature Bio Foods Limited	200.00	200.00
Sona Global Limited	907.73	907.73
Daawat Foods Limited	3,350.00	1,350.00
SDC Foods India Limited	80.00	80.00
Less: Impairment in value of investment	(80.00)	(80.00)
LT Overseas North America Inc.	2,822.31	2,822.31
Raghuvesh Foods and Infrastructure Limited	5.00	5.00
LT Foods International Limited	54.15	54.15
Raghunath Agro Industries Private Limited	2,296.03	2,296.03
Deva Singh Shyam Singh Exports Private Limited	1.00	1.00
Raghuvesh Warehousing Private Limited	160.00	160.00
Raghuvesh Agri Foods Private Limited	160.00	160.00
Raghuvesh Infrastructure Private Limited	1.50	1.50
Geona Rice Mills Private Limited	125.00	125.00
Less: Impairment in value of investment	(125.00)	-
Daawat Kameda India Private Limited	2,405.64	170.85
Total	12,543.32	8,433.53

The above investments are made for business purposes only.

Notes to the Financial Statements

for the year ended March 31, 2019

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

(iii) Guarantee provided

Name of bank	Guarantees outstanding, given behalf of	Purpose	As at March 31, 2019		As at March 31, 2018	
			Sanction amount	Outstanding amount	Sanction amount	Outstanding amount
State Bank of India - Consortium	Daawat Foods Limited	Working capital loan	30,469.00	21,938.48	30,469.00	25,031.40
Oriental Bank of Commerce, Amritsar	Raghunath Agro Industries Private Limited	Working capital loan	7,600.00	5,038.18	7,600.00	6,870.89
ICICI Bank Limited	Nature Bio Foods Limited	Working capital loan	3,000.00		3,000.00	
Dena Bank Limited	Nature Bio Foods Limited	Working capital loan	-		6,635.00	
Yes Bank Limited	Nature Bio Foods Limited	Working capital loan	3,980.00	8,746.91	2,200.00	9,782.25
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	Working capital loan	2,200.00		-	
Indusind Bank Limited	Nature Bio Foods Limited	Working capital loan	3,150.00		-	
"Cooperative Rabo Bank U.A. (Euro 7.30 million)"	L T Foods Europe BV, Netherland	Against plant and machinery	5672.28*	5205.49*	5882.26*	5,401.10*
"Cooperative Rabo Bank U.A. (Euro 10.00 million, March 31, 2018: Euro 2.30 million)"	L T Foods Europe BV, Netherland	Working capital loan	7770.24*	7,370.57*	1854.26*	1,964.14*
Total			63,841.52	48,299.63	57,640.52	49,049.78

Note: Cooperative Rabo Bank U.A. has taken over lease of LT Foods Europe BV, Netherlands from De Lage Landen Financial Service B.V.

Note: The above guarantees were made for business purposes only.

52 Interest in joint venture

The Company's interest and share in joint venture in jointly controlled entities are as follows:

Name of joint venture	Ownership interest as at		Country of incorporation
	March 31, 2019	March 31, 2018	
Geona Rice Mills Private Limited	50%	50%	India
Daawat Kameda India Private Limited	51%	51%	India

(a) Interest in jointly controlled entities of the Company

Company's share of	As at March 31, 2019	As at March 31, 2018
i) Geona Rice Mills Private Limited		
Assets		
Non current	5.96	66.36
Current	439.51	676.96
Liabilities		
Non current	0.82	0.67
Current	701.71	906.45
Revenue	3,012.42	1,211.96
Expenditure	3,106.21	1,435.72
Other comprehensive income	0.58	(0.12)
Contingent liabilities	0.06	0.10
ii) Daawat Kameda India Private Limited		
Assets		
Non current	315.67	0.00
Current	2,127.08	141.65
Liabilities		
Non current	-	-
Current	67.56	12.87
Revenue	83.06	19.19
Expenditure	190.33	58.68
Contingent liabilities	-	-

Notes to the Financial Statements

for the year ended March 31, 2019

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

53 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Company has adopted the standard on April 01, 2018 on a modified retrospective basis with a cumulative catch-up adjustment booked to retained earnings as at April 01, 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at April 1, 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any material adjustments to the Company's revenue or net income. There is no significant impact on the retained earnings as at April 01, 2018 and for the profit for the year ended March 31, 2019.

Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	440.54
Performance obligations satisfied in current year	(440.54)
Amount received in the current year having outstanding performance obligations	1,655.73
Amounts included in contract liabilities at the end of the year	1,655.73

Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by segment and type.

Revenue by segment	Amount
Revenue from contract with customer	
Revenue from sale of products	
Domestic	132,174.91
Export	86,409.85
Processing fees	568.05

Notes to the Financial Statements

for the year ended March 31, 2019

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

The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the expected duration is more than one year as at the reporting period.

Revenue by time	Total
Revenue recognised over time	-
Revenue recognised at point in time	219,152.81
	219,152.81

Assets and liabilities related to contracts with customers

Description	As at March 31, 2019		As at March 31, 2018	
	Non-current assets	Current assets	Non-current assets	Current assets
Contract assets related to sale of goods and services				
Trade receivables	-	30,951.13	-	35,016.95
Contract assets related to sale of goods and services				
Advance from customers	-	1,655.73	-	440.54

Reconciliation of revenue recognised with contract price

Description	March 31, 2019
Contract price	223,025.90
Adjustment for:	
Incentives	(2,841.89)
Rebate & discounts	(1,031.19)
	219,152.81

54 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

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Place : Gurugram

Date : May 16, 2019

Ashwani Kumar Arora

Managing Director and

Chief Financial Officer

DIN 01574773

Parmod Bhagat

Director

DIN 00198092

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

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 Audit of the Consolidated Financial Statements

Opinion

- We have audited the accompanying consolidated financial statements of LT Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at March 31, 2019, its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

- We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of insurance claim on loss of inventory by fire</p> <p>Refer note 9(i) in the Consolidated financial statements.</p> <p>A major fire occurred in the subsidiary company, Daawat Foods Limited, resulting in loss of inventory of raw material having a book value of ₹ 17,991.40 lakhs and the subsidiary company had filed an insurance claim of ₹ 18,971.02 lakhs. The insurance company has repudiated the insurance claim vide its order dated February 4, 2016 against which the subsidiary company filed a civil suit. On the basis of developments in the case including surveyor reports, the subsidiary company has written off claim of ₹ 4,400 lakhs. The carrying value of the insurance claim amounts to ₹ 13,410.53 lakhs as at March 31, 2019.</p> <p>The amounts involved are significant and determining the recoverability of the amount from the insurance company is dependent on future developments in the ongoing legal case which involves significant judgment considering the developments in the legal case because of the high estimation uncertainty involved, we have considered this matter to be a key audit matter in the current year.</p>	<p>Our audit procedures included, but were not limited to, the following:</p> <ul style="list-style-type: none"> Discussed and obtained understanding of the Group process for identification and monitoring of significant developments in relation to the pending claim. Evaluated the design and tested the operating effectiveness of key controls around the estimation of the likely outcome of the litigation and its resultant impact on the accompanying consolidated financial statements. Held discussions with the management and legal head of the Group to understand the developments and corroborated the same from the relevant documents available including correspondence with external lawyers. Assessed the appropriateness and tenability of the quantum of claim recognised with underlying supporting documents including claim filed by the subsidiary company and surveyors' reports. Obtained and evaluated independent external legal advice on the said matter. We also evaluated independence, competence and objectivity of the legal expert engaged by the management. Evaluated the appropriateness of the disclosures made in the accompanying consolidated financial statements with relation to this matter.

Basis for Opinion

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

Key Audit Matters

- Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor’s Report

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition – Sale of products</p> <p>Refer Note 2 (iv)(k) in the Summary of significant accounting policies and other explanatory information</p> <p>The Group recognised an amount of 389,043.22 lakhs as revenue for the year ended March 31, 2019, as disclosed in Note 35 to the financial statements.</p> <p>Revenue of the Group majorly comprises revenue from sale of rice and other food products.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Further, there is continuous pressure on the management to achieve planned results. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiple channels for sales, various categories of customers and significant variations in sales quantities during certain periods of the year. Further, there are sporadic high value transactions requiring special audit attention and evaluation as they involve varying terms of contracts with such customers.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of revenue stream of sale of rice and other food products. • Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc; • Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payments; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof. • Evaluated disclosures made in the financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.
<p>Inventory existence and valuation</p> <p>Refer Note 2 (iv) (c) in the Summary of significant accounting policies and other explanatory information</p> <p>The Group held inventories amounting to ₹ 189,124.50 lakhs as at March 31, 2019. The inventory primarily comprises of paddy, semi-finished and finished rice. Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy. Such inventory is stored in plants, warehouses, silos, yards and storage bags. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.</p> <p>The production process of rice involves mixing of different varieties of purchased rice and rice manufactured from paddy, and also leads to generation of by-products such as bran, husk and broken rice. Production process also involves ageing the paddy/ rice to achieve desired quality of end produce. The valuation of semi-finished and finished rice is a complex exercise and is carried out manually through excel spreadsheets. The valuation process involves estimation around determination of –</p>	<p>Our audit procedures included, but were not limited to the following:</p> <p>Existence:</p> <ul style="list-style-type: none"> • Obtained understanding of management process of inventory management and inventory physical verification performed at year end; • Evaluated the design effectiveness of controls over inventory management process/inventory physical verification and tested key controls for their operating effectiveness; • Observed physical count carried out by the management at locations selected based on materiality and risk factors; • During the above said observation, we noted whether the instructions given by senior management to stock count teams were followed, including ensuring proper segregation of stock, use of calibration scales/charts, separate identification of goods received after year end, identification of damaged inventory, if any, etc. • Recounted inventory on sample basis to match with inventory records and results of management conducted count; and • Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<ul style="list-style-type: none"> Overhead absorption rates Determination of yield, Determination of net realisable value of by-products, and Calculation of holding period and determination of weighted average borrowing cost. <p>Accordingly, existence and valuation of year-end inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.</p>	<p>Valuation:</p> <ul style="list-style-type: none"> Obtained an understanding of management process of inventory valuation; Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness; Tested inputs into the valuation process from source documents/ general ledger accounts; Tested reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate of yield during the year and to identify any abnormal production loss, Compared key estimates, including those involved in computation of overhead absorption and borrowing cost, to prior years and enquired reasons for any significant variations, Checked net realisable value of by-products from actual sales proceeds near/ subsequent to the year-end, and Tested arithmetical accuracy of valuation calculations. <p>Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.</p>

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit (consolidated financial performance

including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. 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 joint venture companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its

Independent Auditor's Report

associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, its associates and joint ventures (covered under the Act) have adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of certain subsidiaries, whose financial statements reflect total assets of ₹ 133,640.57 lakhs (net of eliminations ₹ 121,767.15 lakhs) and net assets of ₹ 50,624.45 lakhs as at March 31, 2019, total revenues of ₹ 251,269.48 lakhs (net of elimination ₹ 207,614.26 lakhs) and net cash inflows amounting to ₹ 2,507.26 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the

Independent Auditor's Report

Group's share of net profit (including other comprehensive income) of ₹ 106.08 lakhs for the year ended March 31, 2019 as considered in the consolidated financial statements, in respect of 2 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 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.

Further, of these subsidiaries, associates and joint ventures, certain subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above 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

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 3 above, on separate financial statements of the subsidiaries, associates and joint ventures, we report that the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act paid remuneration to their respective directors during the year

in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

17. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint ventures, we report, to the extent applicable, that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
 - e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act;
 - f) with respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and

Independent Auditor's Report

according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint ventures:

- i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures as detailed in Note 9(i) and 46 to the consolidated financial statements.;
- ii. the Holding Company, its associates and joint ventures did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2019;
- 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, associate companies and joint venture companies during the year ended March 31, 2019;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from November 8, 2016 to December 30, 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Neeraj Goel
Partner
Membership No.: 99514

Place: Gurugram
Date: May 16, 2019

Annexure A to the Independent Auditor's Report of even date to the members of LT Foods Limited on the consolidated financial statements for the year ended March 31, 2019

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

1. In conjunction with our audit of the consolidated financial statements of LT Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint ventures as at and for the year ended March 31, 2019 we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

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

financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the

Independent Auditor's Report

risks of material misstatement of the financial statements, whether due to fraud or error.

- We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company, its subsidiary companies, its associate companies and joint venture companies as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

- 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

- In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, associate companies and joint venture companies, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are

companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

- We did not audit the IFCoFR in so far as it relates to certain subsidiary companies which are companies covered under the Act, whose financial statements reflect total assets of ₹ 40,296.56 lakhs (net of elimination ₹ 33,333.42 lakhs) and net assets of ₹ 10,704.92 lakhs as at March 31, 2019, total revenues of ₹ 42,207.26 lakhs (net of elimination ₹ 27,767.26 lakhs) and net cash inflows amounting to ₹ 500.78 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ 106.08 lakhs for the year ended March 31, 2019, in respect of 2 associate companies, which are companies covered under the Act, whose IFCoFR have not been audited by us. The IFCoFR in so far as it relates to such subsidiary companies, associate companies and joint venture company have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, its subsidiary companies and associate companies as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Neeraj Goel
Partner
Membership No.: 99514

Place: Gurugram
Date: May 16, 2019

Consolidated Balance Sheet

as at March 31, 2019

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

	Note	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	2	50,874.26	47,007.64
Capital work-in-progress	3	4,218.05	2,753.91
Investment property	4	-	301.07
Goodwill	5	7,468.89	7,057.11
Other intangible assets	5	1,777.58	2,262.93
Investments accounted for using the equity method	6	3,223.43	989.83
Financial assets			
Investments	7	382.72	436.48
Loans	8	1,093.70	1,009.40
Other financial assets	9	14,107.09	13,627.29
Deferred tax assets (net)	10	2,076.92	1,218.38
Other non-current assets	11	773.20	618.16
Non-current tax assets	12	3,629.03	3,623.04
Total non-current assets		89,624.87	80,905.25
Current assets			
Inventories	13	189,124.50	172,870.88
Financial assets			
Trade receivables	14	53,487.10	46,799.48
Cash and cash equivalents	15	2,919.52	1,946.90
Other bank balances	16	847.33	958.92
Loans	17	788.53	1,832.18
Other financial assets	18	2,924.34	1,597.03
Other current assets	19	18,796.88	19,231.45
Current tax assets	20	31.58	55.51
Total current assets		268,919.78	245,292.35
Total assets		358,544.65	326,197.60
EQUITY AND LIABILITIES			
Equity			
Equity share capital	21	3,198.45	3,198.45
Other equity	22	129,713.74	114,746.38
Total equity		132,912.19	117,944.83
Non-controlling interest			
Non-current liabilities	23	10,542.28	5,540.93
Financial liabilities			
Borrowings	24	24,975.17	19,285.36
Other financial liabilities	25	25.67	13.66
Long-term provisions	26	804.63	614.24
Deferred tax liabilities (net)	27	1,215.07	561.61
Other non-current liabilities	28	382.92	415.80
Total non-current liabilities		27,403.46	20,890.67
Current liabilities			
Financial liabilities			
Borrowings	29	142,063.82	132,334.11
Trade payables	30		
Due to micro and small enterprises		439.92	528.65
Due to others		27,942.84	33,642.35
Other financial liabilities	31	12,866.49	7,510.65
Other current liabilities	32	2,185.48	3,033.53
Short term provisions	33	291.16	170.67
Current tax liabilities (net)	34	1,897.01	4,601.21
Total current liabilities		187,686.72	181,821.17
Total liabilities		215,090.18	202,711.84
Total equity and liabilities		358,544.65	326,197.60

Statement of significant accounting policies

1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements.

This is the Consolidated Balance Sheet referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Place : Gurugram

Date : May 16, 2019

Ashwani Kumar Arora

Managing Director and

Chief Financial Officer

DIN 01574773

Parmod Bhagat

Director

DIN 00198092

For and on behalf of Board of Directors of

LT Foods Limited

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, 2019

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

	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from operations	35	389,043.22	361,369.96
Other income	36	2,410.11	3,620.28
Total income		391,453.33	364,990.24
Expenses			
Cost of material consumed	37	280,129.89	276,889.60
Purchases of stock-in-trade	38	17,143.99	5,580.82
Changes in inventories of finished goods, work in progress and stock in trade	39	(3,457.40)	(15,332.45)
Employee benefits expense	40	15,188.65	13,502.56
Finance costs	41	13,867.58	14,657.57
Depreciation and amortisation expense	42	6,902.41	5,011.53
Other expenses	43	40,314.31	42,924.75
Total expenses		370,089.42	343,234.38
Profit before share of (loss) of investments accounted for using equity method and tax		21,363.91	21,755.86
Share of net loss of associates and joint ventures accounted for using the equity method		(1.19)	(175.88)
Profit before tax		21,362.72	21,579.98
Tax expense (Refer note 45)			
Current tax		7,023.79	6,736.91
Deferred tax expense		592.39	401.09
Total tax expense		7,616.18	7,138.00
Profit for the year		13,746.54	14,441.98
Other comprehensive income			
Items that will not be reclassified to statement of profit or loss			
Remeasurement of defined benefit plans		(3.39)	(137.32)
Tax on above		1.24	7.42
Items that will be reclassified to statement profit or loss			
Exchange differences on translation of foreign operations		1,476.61	479.71
Gain on cashflow hedge reserve		2,221.44	-
Tax on above		(776.26)	-
Other comprehensive income for the year		2,919.64	349.81
Total comprehensive income for the year		16,666.18	14,791.79
Profit attributable to owners			
Owners of LT Foods Limited		12,653.44	13,466.10
Non-controlling interest		1,093.10	975.88
		13,746.54	14,441.98
Total comprehensive income for the year			
Owners of LT Foods Limited		15,573.08	13,815.90
Non-controlling interest		1,093.10	975.88
		16,666.18	14,791.79
Earning per equity share			
Basic (₹)	44	3.96	4.80
Diluted (₹)	44	3.96	4.80
Statement of significant accounting policies			
1			

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the financial statements.

This is the Consolidated Statement of Profit and Loss referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Place : Gurugram

Date : May 16, 2019

Ashwani Kumar Arora

Managing Director and

Chief Financial Officer

DIN 01574773

Parmod Bhagat

Director

DIN 00198092

For and on behalf of Board of Directors of

LT Foods Limited

Surinder Kumar Arora

Managing Director

DIN 01574728

Monika Chawla Jaggia

Company Secretary

Membership No. :- F5150

Consolidated Cash Flow Statement

for the year ended March 31, 2019

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Net profit before tax	21,362.72	21,579.98
Adjustments for:-		
Depreciation and amortisation expense	6,902.40	5,011.53
Unrealised foreign exchange gain	182.35	(390.68)
(Profit) on sale of property, plant and equipment	(11.32)	(1.19)
Interest income	(357.96)	(155.91)
Finance charges	13,867.58	14,657.57
Dividend income	(0.63)	(0.05)
Gain on fair value of investments	-	(5.89)
Loss on sale of investments	22.04	-
Amounts written back	(188.91)	(121.07)
Trade receivables and other amounts written off	445.18	1,164.91
Share of loss in associates and joint venture	1.19	175.88
Operating profit before working capital changes	42,224.64	41,915.08
Adjustments for (increase) /decrease in operating assets:		
Trade Receivables	(7,153.77)	(1,100.10)
Inventories	(16,253.62)	(27,521.44)
Loan and advances given (current and non current)	409.35	(1,129.99)
Other financial assets (current and non current)	293.71	1,945.53
Other Assets (current and non current)	437.69	(5,778.92)
Adjustments for increase /(decrease) in operating liabilities:		
Trade payables	(5,380.08)	12,362.25
Other Liabilities (Current and non-current)	5,722.57	(2,630.91)
Other financial liabilities (current and non current)	12.01	(1,988.81)
Provisions	310.88	293.81
Cash generated from operations	20,623.38	16,366.50
Income tax paid (net of refunds)	(10,368.85)	(10,346.02)
Net cash generated from operating activities	10,254.53	6,020.48
Cash flows from investing activities		
Purchase of property, plant and equipment (including CWIP and capital advances)	(12,027.14)	(23,864.65)
Proceeds from sale of property, plant and equipment	695.52	927.25
Interest received	357.96	155.91
Dividend on non current investments	0.63	0.05
Investment in joint venture	(2,203.07)	(170.85)
Withdrawal from fixed deposits	118.42	10.48
Investment in fixed deposits	(478.81)	(200.63)
Investment in inter corporate deposit	(545.54)	(97.00)
Proceeds from maturity of Inter corporate deposits	525.97	-
Net cash used in investing activities	(13,556.06)	(23,239.44)

A

B

Consolidated Cash Flow Statement

for the year ended March 31, 2019

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

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flows from financing activities		
Proceeds from the issue of equity shares net	-	38,120.08
Proceeds from issuance of preference shares (net of transaction cost)	3,908.25	-
Proceeds from long-term borrowings	18,309.24	12,979.00
Repayment of the long-term borrowings	(13,774.92)	(523.22)
Proceeds from/(repayment) of short term borrowings (net)	10,330.14	(19,535.11)
Finance charges paid	(13,777.67)	(14,577.87)
Payment of dividend (including dividend tax)	(605.73)	(481.57)
Net cash generated from financing activities	4,389.31	15,981.31
Net increase/ (decrease) in cash and cash equivalents	1,087.78	(1,237.65)
(Gain) on reinstatement of foreign currency cash and cash equivalents	(115.16)	(87.62)
Cash and cash equivalents at the beginning of the year	1,946.90	3,272.17
Cash and cash equivalents at the end of the year	2,919.52	1,946.90

	For the year ended March 31, 2019	For the year ended March 31, 2018
Components of cash and cash equivalents		
Cash on hand	340.17	144.36
Balances with banks in current accounts	2,579.35	1,802.54
Total cash and cash equivalents	2,919.52	1,946.90

Statement of significant accounting policies

1

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

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

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

Neeraj Goel

Partner

Membership number:- 099514

Ashwani Kumar Arora

Managing Director and

Chief Financial Officer

DIN 01574773

Surinder Kumar Arora

Managing Director

DIN 01574728

Place : Gurugram

Date : May 16, 2019

Parmod Bhagat

Director

DIN 00198092

Monika Chawla Jaggia

Company Secretary

Membership No. :- F5150

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

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

A. Equity share capital

Balance as at April 01, 2017	2,666.32
Issued during the year	532.13
Balance as at March 31, 2018	3,198.45
Issued during the year	-
Balance as at March 31, 2019	3,198.45

B. Other equity

	Reserves and Surplus				Other Components of Equity		Attributable to owners of the parent	Non-controlling interest	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Share Options Outstanding account	Cash flow hedging reserve	Foreign currency translation reserve			
Balance as at April 01, 2017	55,441.08	1,633.22	6,868.15	183.58	-	(301.94)	63,824.10	4,705.91	68,530.00
Profit for the year	13,466.10	-	-	-	-	-	13,466.10	975.88	14,441.98
Exchange difference arising on translation of foreign operations	-	-	-	-	-	479.71	479.71	-	479.71
Remeasurement of defined benefit obligations	(129.90)	-	-	-	-	-	(129.90)	-	(129.90)
Total Comprehensive Income for the year	13,336.21	-	-	-	-	479.71	13,815.91	975.88	14,791.79
Interim dividend	(400.12)	-	-	-	-	-	(400.12)	-	(400.12)
Tax on dividend	(81.45)	-	-	-	-	-	(81.45)	-	(81.45)
Other adjustments	-	-	-	-	-	-	-	(140.86)	(140.86)
Premium on issue of shares (net of expenses)	-	-	37,587.95	-	-	-	37,587.95	-	37,587.95
Balance as at March 31, 2018	68,295.71	1,633.22	44,456.10	183.58	-	177.77	114,746.38	5,540.93	120,287.31
Balance as at April 01, 2018	68,295.71	1,633.22	44,456.10	183.58	-	177.77	114,746.38	5,540.93	120,287.31
Profit for the year	12,653.45	-	-	-	-	-	12,653.45	1,093.10	13,746.53
Gain on cash flow hedge (net of tax)	-	-	-	-	1,445.18	-	1,445.18	-	1,445.18
Transferred from share options outstanding account	-	183.58	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	(183.58)	-	-	-	-	-
Exchange difference arising on translation of foreign operations	-	-	-	-	-	1,476.61	1,476.61	-	1,476.61
Remeasurement of defined benefit obligations	(2.15)	-	-	-	-	-	(2.15)	-	(2.15)
Total Comprehensive Income for the year	12,651.30	-	-	-	1,445.18	1,476.61	15,573.09	1,093.10	16,666.18
Equity component of compound financial instruments	-	-	-	-	-	-	-	3,908.25	3,908.25
Interim dividend	(479.77)	-	-	-	-	-	(479.77)	-	(479.77)
Tax on dividend	(125.96)	-	-	-	-	-	(125.96)	-	(125.96)
Balance as at March 31, 2019	80,341.28	1,816.79	44,456.10	-	1,445.18	1,654.38	129,713.75	10,542.28	140,256.03

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

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner

Membership number:- 099514

Place : Gurugram

Date : May 16, 2019

Ashwani Kumar Arora

Managing Director and
Chief Financial Officer
DIN 01574773

Parmod Bhagat

Director
DIN 00198092For and on behalf of Board of Directors of
LT Foods Limited

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, 2019

1. i) Corporate Information

The consolidated financial statements of LT Foods Limited ('the Holding Company'), together with its subsidiaries (collectively referred to as the 'Group'), associates and jointly controlled entities having its registered office at Unit No 134, 1st Floor, Rectangle -1, Saket District Centre, New Delhi -110017 is primarily engaged in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. LT Foods Limited operations include procurement, storage, processing, packaging and distribution. The Group is also engaged in research and development to add value to rice and rice food products. The Group's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavored rice in the ready to cook segment.

2. Summary of significant accounting policies

i) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

ii) Basis of Preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

iii) 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 months for the purpose of current or non-current classification of assets and liabilities.

iv) Basis of consolidation

Subsidiaries

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

Non-controlling interests ('NCI')

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's Statement of Profit and Loss and net assets that is not held by the Group. Statement of Profit and Loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Holding Company and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

Equity accounted investees

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

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

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

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.

v) Significant accounting policies

a) Use of estimates

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

b) 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 and also includes interest as carrying cost.

Finished goods

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

of goods where such goods are stored for a substantial period of time.

c) Property, plant and equipment

Recognition and initial measurement

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

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

Subsequent measurement (depreciation and useful lives)

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

Based on internal assessment and independent technical evaluation carried out by external valuer, the management has re-estimated the useful life of Silos included in Plant and Machinery from 15 years to 40 years with effect from April 01, 2016. The management believes that the useful life represents the period over which the assets are expected to be used. The useful life of this asset is different from the useful life as prescribed under part C of Schedule II of the Companies Act, 2013.

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

Depreciation on the following property, plant and equipment of certain subsidiaries is charged on straight line basis, at the rates based on the useful life of the assets as estimated by the management

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

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

De-recognition

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

d) Intangible assets

Recognition and initial measurement

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

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

Intangible assets with finite lives are amortised over the useful economic life and impairment assessment is done annually. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Amortisation

The intangible assets are amortised over their useful lives as specified below.

Intangible assets	Useful life in years
Brands	20
Computer software	3
Goodwill	20
Intellectual property rights	7
Non-compete agreement	5 to 7
Customer relationships	7

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net

disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

The Investment properties are depreciated using straight line method of depreciation over their useful lives. Investment properties have a useful life of 15 years. The useful life has been determined based on technical evaluation performed by the management's expert.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its investment properties recognised as at April 01, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

f) 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.

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

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

After impairment, depreciation /amortisation 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 /amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

g) Functional and presentation currency

Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Holding Company.

Transactions and balances

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

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

Conversion

Functional and reporting currencies of foreign operations are different from the reporting currency of the Holding Company. For all the foreign operations of the Group, all assets and liabilities (excluding share capital and

opening reserves and surplus) are translated into INR using the exchange rate prevailing at the reporting date. Share capital, reserves and surplus are carried at historical cost. Revenues, costs and expenses are translated using the weighted average exchange rate during the reporting period. The resultant currency translation difference is recognised as foreign currency translation reserve under the head 'other equity'.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries, associates, joint ventures) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the reporting currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. April 01, 2016, in respect of all foreign operations to be nil at the date of transition. From April 01, 2016 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange differences on translating the financial statements of a foreign operation), except to the extent that the exchange differences are allocated to NCI.

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

h) 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.

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

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

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

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions

- Quantitative disclosures of fair value measurement hierarchy

- Investment in unquoted equity shares

- Financial instruments

i) Revenue Recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognised as revenue, as, or when, the performance obligation is satisfied. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes taxes and duties collected on behalf of the government. The Group recognises revenue from the following major sources:

Sale of goods:

Revenue from sale of goods is recognised when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from the customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

Customer has a right to return for defective goods. Since the quantity of goods returned has been minimal for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

In order to determine if it is acting as a principal or as an agent, the Group assesses whether it has exposure to the significant risks and rewards associated with the rendering of logistics services. Revenue from rendering of logistic services provided to its customer after the transfer of control of underlying goods is recognised on net basis i.e. after deducting the amount contractually payable to transporters out of the total consideration received and is recognised once the facilitation of such service is done as the Group does not assume any performance obligation.

Satisfaction of performance obligations

The Group revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

products and the fulfillment of the Group's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognised when the Group transfers control at the point in time the customer takes undisputed delivery of the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Group expects to be entitled to.

Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-180 days. No element of financing is deemed present as the sales are made with a credit term of upto 180 days, which is consistent with market practice.

Rental income

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

Service charges

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

Dividend income

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

Interest income

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

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

Service concession arrangements

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the

work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group.

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

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

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

Recognition and initial measurement

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

Subsequent measurement (depreciation and useful lives)

All finite – lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the liability of the industry, and known technological advances), and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised

Income from services:

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

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

j) Borrowing costs

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

k) Financial instruments

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

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

Financial assets

Classification and subsequent measurement

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

i. Financial assets at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

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

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

ii. Financial assets at fair value

- **Investments in equity instruments** – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive

income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

- If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI). There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.
- Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.
- **Mutual funds** – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- **Derivative assets** - All derivative assets are measured at fair value through profit and loss (FVTPL).

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

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

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

Impairment of financial assets

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

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

l) Hedge accounting policy

Initial and subsequent measurement

The Group uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in Other Comprehensive Income (OCI) and later reclassified to statement of profit and loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where group hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or

transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

m) Retirement and other employee benefits

Defined Contribution plan

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

Defined benefit plans

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

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

Other employee benefits

Compensated absences

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

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

Other short term benefits

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

n) Provisions

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

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

o) Earnings per share

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

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

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

p) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the

arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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

Group as a Lessee

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

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

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

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

Group as a Lessor

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

q) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate

r) Taxes

Current income tax

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

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

Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

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

Minimum alternate tax

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

s) Government grants and subsidies

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

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

t) Share based payments

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

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

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

For transactions between group entities, where the options are granted to employees of any of the group companies, the group company shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent.

u) Segment reporting

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

Identification of segments:

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

Allocation of common costs:

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

Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

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

v) Cash and cash equivalents

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

w) Cash dividend distribution to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

vi) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Recognition of deferred tax liability on undistributed profits

The extent to which the Holding Company can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Classification of leases

The Group enters into leasing arrangements for various assets. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset. The Group has also factored in overall time period of rent agreements to arrive at lease period to recognise rental income on straight line basis.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expense.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

Valuation of investment property

Investment property is stated at cost. However, as per Ind AS 40 there is a requirement to disclose fair value as at the balance sheet date. The Group engaged independent valuation specialists to determine the fair value of its investment property as at reporting date.

The determination of the fair value of properties requires the use of estimates such as future cash flows from the assets (such as lettings, future revenue streams, capital values of fixtures and fittings, any environmental matters and the overall repair and condition of the property) and discount rates applicable to those assets. In addition, development risks (such as construction and letting risk) are also taken into consideration when determining the fair value of the properties under construction. These estimates are based on local market conditions existing at the balance sheet date.

Inventory

The valuation of finished rice involves estimations around determination of overhead absorption rates, rice yield from paddy and quantum of purchased rice and manufactured rice forming part of closing inventory. The production process also involves ageing the paddy/ rice to achieve the desired quality of rice and thus calculation of holding period and determination of weighted average borrowing cost involves management estimation. Further, management estimates the net realisable values of inventories including by-products, taking into account the most reliable evidence available at each reporting date.

Summary of Significant Accounting Policies and other Explanatory Information

for the year ended March 31, 2019

(vi) Recent accounting pronouncements

Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after April 1, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Group is evaluating the requirements of the amendment and its effect on the financial statements.

Amendment to Ind AS 12, Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is April 1, 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events in accordance with Ind-AS 109. The Group is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 19, Employee benefits

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is April 1, 2019. The Group is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 109, Financial instruments

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 23, Borrowing costs

On March 30, 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. This amendment is effective for annual periods beginning on or after April 1, 2019. The Group has not taken any specific borrowings during the period and hence the impact of the amendments is not applicable on the financial statements.

Notes forming part of the Consolidated Financial Statements

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

2 Property, plant and equipment

Description	Freehold land	Leasehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
Gross carrying value								
As at April 01, 2017	4,616.62	615.67	14,695.63	34,381.88	1,534.23	1,432.26	2,465.02	59,741.31
Additions	832.18	-	5,089.25	16,971.07	79.55	1,060.77	315.45	24,348.27
Disposals	(51.00)	-	-	(806.55)	(2.62)	(13.25)	(54.60)	(928.02)
Translation adjustment	(5.72)	-	(46.68)	(16.99)	(1.89)	(0.58)	(0.10)	(71.96)
As at March 31, 2018	5,392.08	615.67	19,738.20	50,529.41	1,609.27	2,479.20	2,725.77	83,089.60
Additions	363.72	-	1,674.63	7,734.67	52.98	240.25	399.38	10,465.62
Disposals	(25.50)	-	(4.17)	(1,001.79)	(68.59)	(49.58)	(42.20)	(1,191.83)
Translation adjustment	63.34	-	237.68	(224.09)	33.20	(19.88)	1.55	91.80
Other adjustments**	-	-	404.74	-	-	-	-	404.74
As at March 31, 2019	5,793.64	615.67	22,051.08	57,038.20	1,626.86	2,649.98	3,084.49	92,859.94
Accumulated depreciation								
As at April 01, 2017	-	7.96	4,702.38	24,170.78	909.57	1,185.30	1,894.92	32,870.91
Charge for the year	-	7.96	800.02	2,677.07	201.39	176.56	204.47	4,067.46
Disposals	-	-	-	(788.84)	(2.62)	(11.36)	(45.70)	(848.52)
Translation adjustment	-	-	(2.23)	(3.19)	(1.66)	(0.69)	(0.10)	(7.87)
As at March 31, 2018	-	15.92	5,500.17	26,055.82	1,106.68	1,349.81	2,053.59	36,081.98
Charge for the year	-	0.69	1,350.41	4,136.05	149.63	274.13	274.32	6,185.21
Disposals	-	-	(1.47)	(356.83)	(62.20)	(47.12)	(40.01)	(507.63)
Translation adjustment	-	-	21.86	69.81	22.14	6.93	1.73	122.47
Other adjustments**	-	-	103.67	-	-	-	-	103.67
As at March 31, 2019	-	16.61	6,974.65	29,904.85	1,216.24	1,583.75	2,289.63	41,985.70
Net block as at March 31, 2018	5,392.08	599.75	14,238.03	24,473.59	502.59	1,129.39	672.18	47,007.64
Net block as at March 31, 2019	5,793.64	599.07	15,076.44	27,133.35	410.62	1,066.24	794.87	50,874.26

** The Group had an investment property located at South Ridge, Dubai, United Arab Emirates held for the purpose of capital appreciation. During the current year, the Group started using the said property for the purpose of its business. Consequently, such investment property has been reclassified as building in the schedule of property, plant and equipment.

(i) Contractual obligations

Refer note 46 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Property plant and equipment pledged as security

Refer note 56 for information on property, plant and equipment pledged as security by the Group.

(iii) Leased assets

Leasehold land includes the following amount where the group is a lessee under a finance lease:

	As at March 31, 2019	As at March 31, 2018
Leasehold land		
Cost	271.27	271.27
Accumulated depreciation	1.38	0.69
Net Carrying amount	269.89	270.58

3 Capital work-in-progress

	As at March 31, 2019	As at March 31, 2018
Capital work-in-progress	4,218.05	2,753.91
	4,218.05	2,753.91

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Movement in capital work in progress:

Particulars	Amount
Capital work-in-progress as at April 01, 2017	3,950.39
Add: Additions during the year	7,979.86
Less: Capitalisation during the year	(9,176.34)
Capital work-in-progress as at March 31, 2018	2,753.91
Capital work-in-progress as at April 01, 2018	2,753.91
Add: Additions during the year	3,886.06
Less: Capitalisation during the year	(2,421.92)
Capital work-in-progress as at March 31, 2019	4,218.05

Capitalised borrowing cost in respect of additions made to property, plant and equipment and capital work in progress

The borrowing costs capitalised during the year ended March 31, 2019 was ₹ 173.94 (March 31, 2018: ₹ 201.79).

4. Investment property

Description	Gross block			Accumulated depreciation			Net block
	April 01, 2017	Disposals/ Adjustments	March 31, 2018	April 01, 2017	Additions	March 31, 2018	March 31, 2018
Buildings	404.74	-	404.74	71.21	32.46	103.67	301.07
Total	404.74	-	404.74	71.21	32.46	103.67	301.07

Description	Gross block			Accumulated depreciation			Net block
	April 01, 2018	Disposals/ Adjustments *	March 31, 2019	April 01, 2018	Disposals/ Adjustments	March 31, 2019	March 31, 2019
Buildings	404.74	(404.74)	-	103.67	(103.67)	-	-
Total	404.74	(404.74)	-	103.67	(103.67)	-	-

*The Group had an investment property located at South Ridge, Dubai, United Arab Emirates held for the purpose of capital appreciation. During the current year, the Group started operating on the said investment property for the purpose of its business. Consequently, such investment property has been reclassified as building in the schedule of property, plant and equipment.

(i) Amount recognised in Statement of Profit and Loss for investment properties:

Particulars	March 31, 2019	March 31, 2018
Rental income	-	-
Direct operating expenses that generated rental income	-	-
Profit from leasing of investment properties	-	-

(ii) Fair value of investment properties

Particulars	March 31, 2019	March 31, 2018
Fair value	-	445.21

The Group obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties.

Notes forming part of the Consolidated Financial Statements

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

5 Intangible assets

Description	Goodwill	Brand/ Trademarks	Customer relationships	Non compete agreement	Intellectual property	Computer software	Total
Gross carrying value							
As at April 01, 2017	10,025.60	300.00	269.96	881.43	1,310.30	1,061.15	13,848.44
Additions	-	-	-	-	-	80.87	80.87
Translation adjustment	-	-	-	-	-	-	-
As at March 31, 2018	10,025.60	300.00	269.96	881.43	1,310.30	1,142.03	13,929.32
Additions	-	-	-	-	-	0.55	0.55
Disposals	-	-	-	-	-	37.12	37.12
Translation adjustment	738.67	-	111.04	38.74	39.79	-	928.24
As at March 31, 2019	10,764.27	300.00	381.00	920.17	1,350.09	1,105.46	14,820.99
Accumulated amortisation							
As at April 01, 2017	2,535.31	248.21	25.44	93.87	133.08	661.76	3,697.67
Charge for the year	433.18	10.35	36.51	40.86	132.25	258.46	911.61
As at March 31, 2018	2,968.48	258.56	61.95	134.73	265.33	920.22	4,609.28
Charge for the year	326.89	8.42	39.58	131.21	78.92	132.17	717.18
Disposals	-	-	-	-	-	35.86	35.86
Translation adjustment	-	-	0.30	1.33	282.29	-	283.92
As at March 31, 2019	3,295.38	266.98	101.83	267.26	626.54	1,016.52	5,574.51
Net block as at March 31, 2018	7,057.11	41.44	208.01	746.70	1,044.97	221.81	9,320.04
Net block as at March 31, 2019	7,468.89	33.02	279.17	652.91	723.55	88.94	9,246.47

Impairment testing of goodwill as applicable

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows:

-Milling, processing and marketing of branded and non-branded basmati rice CGU

Carrying amount of goodwill allocated to each of the CGUs:

Particulars	March 31, 2019	March 31, 2018
Milling, processing and marketing of branded and non-branded basmati rice	7,468.89	7,057.11

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed three-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management.

The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

Cash flow assumptions

Management's key assumptions include discount rate and change in profit margins, based on past experience in this market. For the year March 31, 2018 and March 31, 2019, the Group estimated the recoverable amount for aforesaid operating segment. Such recoverable amount was higher than the carrying value and hence, no impairment was recognised. Apart from the considerations in determining the value-in-use of the segments described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

Impairment loss

As a result of the analysis above, management has concluded that there is no impairment to the carrying value of goodwill.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

6 Investments accounted for using equity method

	As at March 31, 2019	As at March 31, 2018
Investments carried at cost (unquoted)		
Investments in associates and joint ventures		
(a) In associate companies		
-Raghuvesh Warehousing Private Limited 1,600,000 (March 31, 2018: 1,600,000) equity shares of ₹ 10 each	493.64	444.28
-Raghuvesh Agri Foods Private Limited 1,600,000 (March 31, 2018: 1,600,000) equity shares of ₹ 10 each	470.91	414.19
-Raghuvesh Infrastructure Private Limited 15,000 (March 31, 2018: 15,000) equity shares of ₹ 10 each	-	-
	964.55	858.47
b) In joint venture		
-Genoa Rice Mills Private Limited 1,250,000 (March 31, 2018: 1,250,000) equity shares of ₹ 10 each	-	-
-Daawat Kameda India Private Limited 24,056,359 (March 31, 2018: 1,708,500) equity shares of ₹ 10 each	2,258.88	131.36
	2,258.88	131.36
	3,223.43	989.83

7 Non-current investments

	As at March 31, 2019	As at March 31, 2018
Investments at fair value through Profit and Loss		
Key man insurance policies	246.99	236.89
Equity instruments - Quoted	0.68	0.83
Mutual funds - Quoted	-	63.46
Equity instruments - Unquoted	135.05	135.05
Investments carried at amortised cost		
Investments in debt securities	-	0.26
	382.72	436.48
Details of investment is as follows:		
Investments at fair value through Profit and Loss		
Keyman insurance policies	246.99	236.89
Equity instruments - Quoted		
Fully paid-up equity shares (quoted)		
2,300 (March 31, 2018: 2,300) equity shares - Andhra bank of ₹ 10 each fully paid up	0.68	0.83
Mutual funds - Quoted		
Nil (March 31, 2018: 50,000) units of principal emerging bluechip fund regular plan growth	-	39.19
Nil (March 31, 2018: 48,875.855) units of Templeton India Equity Income Growth Fund	-	18.61
Nil (March 31, 2018: 12,999.619) units of HDFC MIP Long Term Dividend Fund	-	1.01
Nil (March 31, 2018: 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	-	0.58
Nil (March 31, 2018: 894.055) units of Reliance Vision Fund	-	4.07
	-	63.46
Equity instruments - Unquoted		
Fully paid-up equity shares (unquoted)		
1,350,000 (March 31, 2018: 1,350,000) equity shares of Express Warehousing Limited of ₹ 10 each	135.00	135.00
500 (March 31, 2018: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
	135.05	135.05

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

	As at March 31, 2019	As at March 31, 2018
Investments in Debt securities		
National Saving Certificate*	-	0.26
	382.72	436.48
* National saving certificate of March 31, 2019: Nil (March 31, 2018: ₹ 0.21) is held in the name of an employee of a subsidiary company.		
Aggregate amount of :		
Quoted investments	0.68	64.29
Market value of quoted investments	0.68	64.29
Unquoted investments	382.04	372.20
	382.72	436.48

8 Loans

	As at March 31, 2019	As at March 31, 2018
Security deposits	1,006.09	966.63
Loan to employees (refer note (a) below)	87.61	42.77
	1,093.70	1,009.40
Break-up of security details		
Loans considered good-Secured	-	-
Loans considered good-Unsecured	1,093.70	1,009.40
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	1,093.70	1,009.40

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

9 Other financial assets

	As at March 31, 2019	As at March 31, 2018
Derivative component of compound financial instruments	0.99	-
Receivable from insurance company {Refer Note 9(i)}	13,410.53	13,410.53
Bank deposits with maturity of more than 12 months*	695.57	216.76
	14,107.09	13,627.29

* The deposits are restricted as they are held as margin money deposits against guarantees given by the Group.

Note 9(i): On June 07, 2014, a major fire occurred in the subsidiary company, Daawat Foods Limited, resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹ 17,991.40 lakhs. The subsidiary company has filed an insurance claim with the insurance company amounting to ₹ 18,971.02 lakhs and had recognised insurance claim to the extent of net books value of ₹ 17,810.53 lakhs in the books of account. The insurance company has repudiated the insurance claim vide its Order dated February 04, 2016. On the basis of claim assessment reports issued by the surveyors to the insurance company and obtained by the management of the Company under Right to Information Act (RTI), as matter of prudence a loss of ₹ 4,400.00 lakhs had been recorded, against the claim amount recoverable from the insurance company. The Subsidiary Company has filed a civil suit against the repudiation of the insurance claim and on the basis of legal opinion and other available information, the management is confident of recovery of the said claim.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

10 Deferred tax assets (net)

	As at March 31, 2019	As at March 31, 2018
On temporary difference between the book base and tax base		
Deferred tax assets arising on account of		
Property, plant and equipment, investment property and intangible assets	660.87	-
Provision for employee benefits	139.27	69.88
Provision for doubtful debts	3.66	3.65
Deferred income	-	3.24
Minimum alternate tax	3.54	4.88
Others (including share of loss of associates and unabsorbed losses)	1,303.73	1,575.77
	2,111.08	1,657.41
Deferred tax liabilities arising on account of		
Property, plant and equipment and intangible assets	-	398.28
Unrealised foreign exchange gain on forward contracts	34.16	40.75
	34.16	439.03
Deferred tax assets (net)	2,076.92	1,218.38

Particulars	April 01, 2017	Translation adjustments	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2018
Deferred tax assets arising on account of					
Property, plant and equipment, investment property and intangible assets	702.69	(68.49)	-	(1,032.48)	(398.28)
Provision for employee benefits	141.51	(1.35)	7.42	(77.70)	69.88
Provision for doubtful debts	233.61	(2.02)	-	(227.94)	3.65
Expenses disallowed for tax computation	73.39	-	-	(73.39)	-
Investment - impairment	5.12	-	-	(5.12)	-
Deferred income	7.02	-	-	(3.78)	3.24
Minimum alternate tax	4.88	-	-	-	4.88
Others (including share of loss of associates and unabsorbed losses)	41.10	(12.35)	-	1,547.02	1,575.77
	1,209.30	(84.21)	7.42	126.62	1,259.13
Deferred tax liabilities arising on account of					
Keyman insurance policy	74.65	-	-	(74.65)	-
Unrealised foreign exchange gain on forward contracts	-	-	-	40.75	40.75
	74.65	-	-	(33.90)	40.75
Net Deferred tax assets	1,134.65	(84.21)	7.42	160.52	1,218.38

Particulars	April 01, 2018	Translation adjustments	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2019
Deferred tax assets arising on account of					
Property, plant and equipment, investment property and intangible assets	(398.28)	1,296.74	-	(237.59)	660.87
Provision for employee benefits	69.88	-	10.71	58.68	139.27
Provision for doubtful debts	3.65	-	-	-	3.65
Deferred income	3.24	-	-	(3.24)	-
Minimum alternate tax	4.88	-	-	(1.34)	3.54
Others (including share of loss of associates and unabsorbed losses)	1,575.77	-	-	(272.02)	1,303.75
	1,259.13	1,296.74	10.71	(455.51)	2,111.08
Deferred tax liabilities arising on account of					
Unrealised foreign exchange gain on forward contracts	40.75	-	34.16	(40.75)	34.16
	40.75	-	34.16	(40.75)	34.16
Net Deferred tax assets	1,218.38	1,296.74	(23.45)	(414.76)	2,076.92

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

11 Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	17.60	20.72
Capital advances	755.60	597.44
	773.20	618.16

12 Non-current tax assets

	As at March 31, 2019	As at March 31, 2018
Income tax assets	3,629.03	3,623.04
	3,629.03	3,623.04

13 Inventories

	As at March 31, 2019	As at March 31, 2018
Raw material		
Paddy*	63,709.86	54,360.04
Bardana	3,998.14	4,221.19
Work-in-progress*	201.55	204.60
Finished goods* (including goods in transit of ₹ 1,513.54 lakhs (March 31, 2018: ₹ 1,687.91 lakhs))	112,088.37	104,226.05
Traded goods	4,634.30	4,785.87
Stores and spares	1,083.79	1,896.14
Packing material	3,408.49	3,176.99
	189,124.50	172,870.88

* Includes interest capitalised during March 31, 2019 of ₹ 2,990.38 (March 31, 2018: ₹ 1,892.74) Refer note 37, 38 and 39 for inventories recognised as an expense during the year.

14 Trade receivables

	As at March 31, 2019	As at March 31, 2018
-Trade receivables*	53,531.46	46,809.92
Less: Allowance for expected credit loss	(44.36)	(10.44)
	53,487.10	46,799.48
Break-up of security details		
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	52,402.52	46,703.36
Trade receivables which have significant increase in credit risk	1,128.94	106.56
Trade receivables - credit impaired	-	-
Total	53,531.46	46,809.92
Less: Loss allowance	(44.36)	(10.44)
Total trade receivables	53,487.10	46,799.48
(i) No trade receivables are due from director or other officers of the Holding company either severally or jointly with any other persons.		
* Includes receivables from related parties (refer note 52)		
V K Foods	-	4.50
Shri Balaji Trading Company	125.02	-
Raam Multisolvexindia Private Limited	173.31	-

(ii) The Group assumes change in risk for trade receivables (other than receivables from related parties) overdue by 90 days and 365 days. Considering the past trend, the Group does not incur loss due to non-payment of dues by trade receivables under former bucket. Thereby, loss allowance has been recognised on trade receivables overdue by 365 days.

Transferred receivables

The carrying amounts of trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Group has transferred the relevant receivables to the factor in exchange for cash and its prevented from selling

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

or pledging the receivables. However, the Group has retained late payment and credit risk. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing. The group considers the held to cloect business model to remain appropriate for these receivables and hence continues measuring them at amortised cost.

The relevant carrying amounts are as follows:

	As at March 31, 2019	As at March 31, 2018
Total transferred receivables	-	1,152.64
Associated secured borrowing	-	1,152.64
Refer note 50 for expected credit loss		

15 Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	2,579.35	1,802.54
Cash on hand	340.17	144.36
	2,919.52	1,946.90

Note: There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative year.

16 Other bank balances

	As at March 31, 2019	As at March 31, 2018
Unpaid dividend accounts (earmarked)	19.07	12.24
Deposits with original maturity more than 3 months and less than 12 months	828.26	946.68
	847.33	958.92

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

17 Loans

	As at March 31, 2019	As at March 31, 2018
Security deposits	691.34	1,119.95
Loans and advances to others	-	95.26
Inter-corporate deposits*	-	550.00
Loan to employees (refer note (a))	97.19	66.97
	788.53	1,832.18
*Includes inter corporate deposits recoverable from related parties (refer note 52)		
Genoa Rice Mills Private Limited	-	550.00
Break-up of security details		
Loans considered good-Secured	-	-
Loans considered good-Unsecured	788.53	1,832.18
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	788.53	1,832.18

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

18 Other current financial assets

	As at March 31, 2019	As at March 31, 2018
Derivative asset	2,168.60	139.16
Receivable from insurance company	-	132.67
Subsidy receivable	-	147.59
Commission receivable	323.68	11.84
Subvention on interest expense receivable	15.91	-
Export incentive recoverable	206.16	-
Others	209.99	1,165.77
	2,924.34	1,597.03

19 Other current assets

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses	2,777.78	1,972.43
Staff advances	354.75	12.28
Balances with government authorities	1,702.87	1,265.20
Advances recoverable in kind	467.81	2,630.21
Advance to suppliers	13,493.67	13,351.33
	18,796.88	19,231.45

20 Current tax assets (net)

	As at March 31, 2019	As at March 31, 2018
Income tax assets	31.58	55.51
	31.58	55.51

21 Share capital

	As at March 31, 2019	As at March 31, 2018
Authorised		
360,000,000 Equity shares of ₹ 1 each (March 31, 2018 : 360,000,000 equity shares of ₹ 1 each)	3,600.00	3,600.00
Issued, subscribed and paid up		
319,844,780 equity shares of ₹ 1 each (March 31, 2018 : 319,844,780 equity shares of ₹ 1 each)	3,198.45	3,198.45
	3,198.45	3,198.45

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

	As at March 31, 2019		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,198.45	3,198.45	2,666.32	2,666.32
Changes during the year	-	-	532.13	532.13
Equity shares at the end of the year	3,198.45	3,198.45	3,198.45	3,198.45

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

Notes forming part of the Consolidated Financial Statements

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

(b) Terms/ rights attached to equity shares

The Holding Company has only one class of equity shares having the par value of ₹ 1 per share (March 31, 2018: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees.

During the year ended March 31, 2019 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.15 per share (March 31, 2018: ₹0.15 per share).

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

(c) Details of shareholders holding more than 5% shares in the group

	As at March 31, 2019		As at March 31, 2018	
	No of shares	% holding	No of shares	% holding
Mr. Ashwani Arora	21,286,920	6.66%	21,286,920	6.66%
Mr. Surinder Arora	21,286,920	6.66%	21,286,920	6.66%
Mr. Gurucharan Dass Arora	21,286,920	6.66%	21,286,920	6.66%
Mr. Ashok Kumar Arora	21,286,920	6.66%	21,286,920	6.66%
Raghuvesh Holdings Private Limited	30,984,130	9.69%	30,984,130	9.69%
Mr. Vijay Kumar Arora	21,286,920	6.66%	21,286,920	6.66%
DSP Investment Managers Private Limited	16,622,340	5.20%	16,622,340	5.20%
	154,041,070	48.18%	154,041,070	48.18%

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

The Holding company on April 01, 2011 granted 648,329 of ₹ 10 each options to employees specified in the Employee Stock Option Scheme of 2010. According to Ind AS 102 Share based payments, the Holding company has recorded an expense basis fair valuation of the underlying options. The Remuneration Committee on February 07, 2013 has approved additional grant of 201,209 of ₹ 10 each options to the eligible employees of the Holding Company. Further under the above Scheme, the Committee in the previous meetings had allotted 556,064 of ₹ 10 each to the employees who have exercised their options. However, 293,474 of ₹ 10 each options granted to the employees specified have lapsed upto March 31, 2018.

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

22 Other equity

	As at March 31, 2019	As at March 31, 2018
(i) Retained earnings		
Opening balance	68,295.71	55,442.40
Add: Net profit for the current year	12,653.43	13,466.10
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post employment benefits obligations (net of taxes)	(2.15)	(131.21)
Less : Equity dividend	(479.77)	(400.12)
Less : Corporate dividend tax	(125.96)	(81.45)
Closing balance	80,341.26	68,295.71
(ii) General reserve		
Opening balance	1,633.22	1,633.22
Transferred from share options outstanding account	183.58	-
Closing balance	1,816.80	1,633.22
(iii) Securities premium reserve		
Opening balance	44,456.10	6,868.15
Change during the year	-	37,587.95
Closing balance	44,456.10	44,456.10

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

	As at March 31, 2019	As at March 31, 2018
(iv) Share options outstanding account		
Opening balance	183.58	183.58
Transferred to general reserve	(183.58)	-
Closing balance	-	183.58
v) Cash flow hedge reserve		
Opening balance	-	-
Change during the year	1,445.18	-
Closing balance	1,445.18	-
(vi) Foreign currency translation reserve		
Opening balance	177.77	320.00
Change during the year	1,476.61	(142.23)
Closing balance	1,654.38	177.77
Total other equity	129,713.74	114,746.38

Nature and purpose of other reserves

Retained earnings

Retained earnings are the profits that the Group has earned till date, less any transfer to general reserve, dividends or other distributions paid to shareholders.

General reserve:

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

Securities premium reserve:

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

Share options outstanding account:

The account is used to recognise the grant date value of options issued to employees under Employee stock option plan. As at March 31, 2019, no share options were outstanding, thereby the amount earlier recognised has been transferred to general reserve.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Statement of Profit and Loss when the net investment is disposed-off.

Cash flow hedging reserve

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

23 Non-controlling interests

	As at March 31, 2019	As at March 31, 2018
Opening balance	5,540.93	4,705.91
Share of profit for the year	1,093.10	975.88
Equity component of compound financial instruments	3,908.25	-
Other adjustments	-	(140.86)
Closing balance	10,542.28	5,540.93

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

24 Long term borrowings

	As at March 31, 2019	As at March 31, 2018
Term loans		
From banks	21,504.89	9,140.97
From others	1,296.46	9,932.35
Vehicle loans		
From banks	114.24	212.04
From others	29.61	-
Unsecured:		
Liability component of compound financial instrument - net of transaction costs	2,029.97	-
	24,975.17	19,285.36
Current maturities of long term debts		
Term loans	1,892.53	3,052.35
Vehicle loans	108.70	104.37
	2,001.23	3,156.72
	26,976.40	22,442.08

Name	Year of sanction	No of installments	Total amount of installment	As at March 31, 2019	As at March 31, 2018
a) Rupee term loans					
(refer point A part (i) and (ii) for interest rate)					
Allahabad Bank (refer point C part (ii) for security)	2011-12	32 equal quarterly	107.00	122.52	356.16
Oriental Bank of Commerce (refer point C part (iii) for security)	2016-17	12 equal quarterly	12.50	-	55.45
Yes Bank (refer point C part (iii) for security)	2017-18	20 equal quarterly	173.50	-	3,402.94
Mashreq Bank (refer point C part (vii) for security)	2016-17	180 equal monthly	6.58	281.19	681.67
JP Morgan Chase (refer point C part (iv) for security)	2016-17	36 - 295 equal monthly	108.23	-	7,222.36
Rabobank (refer point C part (v) for security)	2018-19	47 equal quarterly	389.09	18,309.24	-
De Lage Landen Financial services BV (refer point C part (x) for security)	2017-18	96 monthly	0.21 Euro monthly till July 01, 2018 and reafter 0.91 Euro	4,509.72	5,401.10
Hero Fincorp Limited (refer point C part (vi) for security)	2016-17	20 equal quarterly	118.69	185.87	1,824.00
Axis Finance (refer point C part (viii) for security)	2017-18	Bullet payment	-	645.53	1,482.00
STCI Finance Limited (refer point C part (ix) for security)	2017-18	Bullet payment	-	639.82	1,700.00
				24,693.89	22,125.67
b) Vehicle loans					
(refer point A part (iii) for interest rate and point C part (xi) for security)					
HDFC Bank	2013-14	36 - 60 equal monthly	8.25	90.55	172.05
ICICI Bank	2014-15	60 equal monthly	1.06	1.05	12.99
Toyota Finance	2017-18	36 equal monthly	0.63	13.38	19.48
Oriental Bank of Commerce	2014-15	60 equal monthly	1.67	16.81	-
Daimler Financial Services India Private Limited	2015-16	36 - 48 equal monthly	4.05	93.60	111.89
Yes Bank	2018-19	37 equal monthly	0.72	17.58	-
Bank of Baroda	2018-19	48 equal monthly	0.49	19.58	-
				252.54	316.41
				24,946.43	22,442.08

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

A. Details of interest rate for each type of borrowings

- i. The interest on above Rupee term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2019 the interest rates ranges from 10.50% to 13.15% per annum (March 31, 2018: 10.50% to 13.15% per annum).
- ii. The interest on above foreign currency term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2019 the interest rates ranges from LIBOR plus 1.5% to 2.5% per annum (March 31, 2018: LIBOR plus 1.5% to 2.5% per annum).
- iii. The interest on above vehicle loans from banks are linked to the respective banks base rates which are fixed in nature. As of March 31, 2019 the interest rates ranges from 7.95% to 14.00% per annum (March 31, 2018: 7.95% to 14.00% per annum).

B. Details of guarantee for each type of borrowings

Guaranteed by directors	As at March 31, 2019	As at March 31, 2018
Term loans		
From banks	23,397.42	11,662.20
From others	1,296.46	10,463.47
	24,693.88	22,125.67

C. Details of security for each type of borrowing :

- (i) Term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu charge on current assets of the Parent Company and personal guarantee of promoters.
- (ii) Rupee term loan from Allahabad Bank amounting to ₹ 122.52 (previous year: ₹ 356.16) availed by the LT Foods Limited (Parent Company) is secured against first exclusive charge on existing specific project assets of Wheat Silos Project located at Village Mulechak, Amritsar along with the personal guarantee of directors.
- (iii) Rupee term loans from Oriental Bank of Commerce, and Yes Bank amounting to Nil (previous year: ₹ 55.45) and Nil (previous year: ₹ 3,402.94) availed by the LT Foods Limited (Parent Company) outstanding during the previous year were secured against fixed assets of the Company, on First Pari-Passu Charge basis, except specific project assets of wheat silos project as mentioned in i) above, along with personal guarantee of directors and Second Pari-Passu Charge on current assets of the Company.
- (iv) USD Term loan nil (previous year: 5.53 million) from JP Morgan Chase availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage over warehouse at Houston.
 USD Term loan nil (previous year: 6.10 million) from JP Morgan Chase as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage against machinery in California and New Jersey.
 USD Term loan nil (previous year: 3.30 million) from JP Morgan Chase as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage against RTH Plant and machinery in California and New Jersey.
- (v) USD Term loan 2.65 million from Rabobank as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage against Plant and machinery and warehouse.
- (vi) Rupee term loan from Hero Fincorp Limited amounting to Nil (previous year: ₹ 1,125.00) availed by the Daawat Foods Limited (Subsidiary Company) is secured against first charge over the residential property owned jointly by relatives of the director of the group and pledge of shares held by group in which directors are interested. Rupee term loan from Hero Fincorp Limited amounting to ₹ 185.87 (previous year: ₹ 699.00) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by and Corporate Guarantee of a Company in which directors are interested and personal guarantee of directors.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

- (vii) AED Term loan from Mashreq Bank amounting 1.68 (previous year: 3.00 million) availed by LT Foods Middle East DMCC (Subsidiary Company) is secured by office property and undated cheques.
- (viii) Rupee term loan from Axis Finance amounting to ₹ 645.53 (previous year : ₹ 1,482.00) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by a company in which directors are interested and personal guarantee of directors.
- (ix) Term loan from STCI Finance Limited amounting to ₹ 639.82 (previous year : ₹ 1700.00) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by a company in which directors are interested and personal guarantee of directors.
- (x) Euro Term loan 7.3 million from De Lage Laden Financial Services B.V. as availed by LT foods Europe B.V. (Subsidiary Company) is secured by mortgage against machinery in Netherland and Corporate Guarantee of a company in which directors are interested and personal guarantee of directors.
- (xi) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

Refer note 56 for assets pledged as security

D. Reconciliation of liabilities arising from financing activities:

The changes in the Company's liabilities arising from financing activities can be classified as follows:	Liabilities from financing activities		Total
	Long term borrowings	Short term borrowings	
Net debt as at April 01, 2017	9,852.24	151,186.64	161,038.88
Cash movement:			
- Proceeds	12,979.00	-	12,979.00
- Repayment	(523.22)	(19,535.11)	(20,058.33)
- Interest paid	(439.49)	(14,138.38)	(14,577.87)
Non cash movement			
- Impact of currency restatement	134.06	424.36	558.42
- Interest expense	439.49	14,218.08	14,657.57
- Interest capitalised	-	201.79	201.79
Net debt as at March 31, 2018	22,442.08	132,357.38	154,799.46
Net debt as at April 01, 2018	22,442.08	132,357.38	154,799.46
Cash movement:			
- Proceeds	18,309.24	10,330.14	28,639.38
- Repayment	(13,774.92)	-	(13,774.92)
- Interest paid	(648.83)	(13,128.84)	(13,777.67)
Non cash movement			
- Impact of currency restatement	-	(600.43)	(600.43)
- Interest expense	648.83	13,218.75	13,867.58
- Interest capitalised	-	173.94	173.94
Net debt as at March 31, 2019	26,976.40	142,350.94	169,327.34

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

25 Other non-current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits from distributors	7.00	13.66
Long term maturities of finance lease obligations	18.67	-
	25.67	13.66

26 Long term provisions

	As at March 31, 2019	As at March 31, 2018
Provisions for employee benefits		
Provision for gratuity	411.42	300.07
Provision for leave encashment	167.25	176.85
Others	225.96	137.32
	804.63	614.24

(ii) Movement in provision related to others during the financial year:

	As at March 31, 2019	As at March 31, 2018
As at beginning of reporting period	137.32	47.45
Adjustments	88.64	89.87
As at end of reporting period	225.96	137.32

27 Deferred tax liabilities (net)

	As at March 31, 2019	As at March 31, 2018
On temporary difference between the book base and tax base		
Deferred tax liability arising on account of:		
Property, plant and equipment and intangible assets	626.38	545.84
Key man insurance policy	83.15	79.26
Unrealised foreign exchange gain on forward contracts	651.39	5.72
Others	2.85	9.88
	1,363.77	640.70
Deferred tax asset arising on account of:		
Provision for employee benefits	77.39	56.82
Investment - impairment	47.76	18.64
Others	23.56	3.63
	148.71	79.09
Deferred tax liabilities (net)	1,215.06	561.61

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Movement in deferred tax liabilities (net)

Particulars	April 01, 2017	Recognised in Statement of Profit and Loss	March 31, 2018
Deferred tax liabilities arising on account of			
Property, plant and equipment and intangible assets	-	545.84	545.84
Key man insurance policy	-	79.26	79.26
Unrealised foreign exchange gain on forward contracts	-	5.72	5.72
		9.88	9.88
	-	640.70	640.70
Deferred tax assets arising on account of			
Provision for employee benefits	-	56.82	56.82
Investment - impairment	-	18.64	18.64
Deferred grant	-	3.63	3.63
	-	79.09	79.09
Net Deferred tax liabilities	-	561.61	561.61

Particulars	April 01, 2018	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	March 31, 2019
Deferred tax liabilities arising on account of				
Property, plant and equipment and intangible assets	545.84	-	80.54	626.38
Key man insurance policy	79.26	-	3.89	83.15
Unrealised foreign exchange gain on forward contracts	5.72	466.37	179.30	651.39
Others	9.88	-	(7.02)	2.86
	640.70	466.37	256.71	1,363.78
Deferred tax assets arising on account of				
Provision for employee benefits	56.82	(9.47)	30.04	77.39
Investment - impairment	18.64	-	29.12	47.76
Others	3.63	-	19.93	23.56
	79.09	(9.47)	79.09	148.71
Net Deferred tax liabilities	561.61	475.84	177.62	1,215.07

28 Other non-current liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred government grant	344.57	415.80
Deferred rent	38.35	-
	382.92	415.80

29 Short-term borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
From banks	142,061.04	132,214.98
Unsecured		
From directors	-	100.00
From others	2.78	19.13
	142,063.82	132,334.11

*Includes loan from director (refer note 52)

Mr. Vijay Kumar Arora

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Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Particulars	As at	As at
	March 31, 2019	March 31, 2018
a) From banks		
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 12.55% per annum (March 31, 2018: 8.50% to 12.00% per annum) on working capital loan and 4.35% to 6.00% per annum (March 31, 2018: 4.00% to 6.00% per annum) on foreign currency working capital loans.	142,061.04	132,214.98
Working capital loans are secured by hypothecation of inventory and trade receivables of the Group.		

30 Trade payables

	As at	As at
	March 31, 2019	March 31, 2018
Dues to		
Micro and small enterprises	439.92	528.65
Others*	27,054.28	33,349.39
Acceptances	888.56	292.96
	28,382.76	34,171.00
* Includes payable to related parties (refer note 52)		
V K Foods	4.93	-
S K Engineering	0.51	17.17
SK Trading Company	0.05	-
Super Textfab Private Limited	557.04	62.41
R S Rice & General Mills	-	32.62

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

	As at	As at
	March 31, 2019	March 31, 2018
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	439.92	528.65
Interest accrued and remaining unpaid as at year end	-	-
ii) Amount of interest paid by the group to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	-
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
	439.92	528.65

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

31 Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debts	2,001.23	3,156.72
Interest accrued but not due on borrowings	113.18	23.27
Security deposit	11.50	11.50
Unclaimed dividend*	19.07	12.24
Book overdraft	7,570.57	-
Other liabilities	3,150.94	4,306.92
	12,866.49	7,510.65

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

32 Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advances from customers	1,117.32	1,064.67
Statutory liabilities	495.06	509.83
Deferred government grant	57.21	72.81
Other liabilities	515.89	1,386.22
	2,185.48	3,033.53

33 Short term provisions

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for gratuity	111.46	102.78
Provision for leave encashment	82.57	29.16
Others	97.13	38.73
	291.16	170.67

(i) Information about individual provisions and significant estimates

Refer note 47- Employee benefit obligations

(ii) Movement in provision related to others during the financial year:

	As at March 31, 2019	As at March 31, 2018
As at beginning of reporting period	38.73	2.87
Current year additions	58.40	35.86
As at end of reporting period	97.13	38.73

34 Current tax liabilities (net)

	As at March 31, 2019	As at March 31, 2018
Provision for income- tax (net)	1,897.01	4,601.21
	1,897.01	4,601.21

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

35 Revenue from operations

	For the year ended 31 March 2019	For the year ended March 31, 2018
Sale of products		
Rice	345,039.67	331,313.60
Others	42,204.31	28,061.04
Other operating revenue		
Service charges	549.38	727.05
Processing charges	972.94	991.36
Lease rental (refer note A)	174.18	174.18
Rental income (refer note B)	102.74	102.74
	389,043.22	361,369.96

A Daawat Foods Limited ('the subsidiary company') has entered into rent agreements as a lessor for its Kurkure plant, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2019 and March 31, 2018 was ₹ 174.18 and ₹ 174.18 respectively.

B The Holding company has entered into service agreements for storage facilities in Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2019 and March 31, 2018 was ₹ 102.74 and ₹ 102.74 respectively.

36 Other income

	For the year ended 31 March 2019	For the year ended March 31, 2018
Dividend from non trade investments	0.63	-
Profit on sale of property, plant and equipment	11.32	-
Interest on fixed deposits with banks	99.69	155.91
Interest others	258.27	-
Net gain on foreign currency transactions and translations	822.77	2,232.57
Government grant income (refer note 54)	86.82	98.06
Export incentives	252.07	39.32
Amounts written back	188.91	121.07
Rental income	13.97	187.91
Income from fleet lease	87.61	93.80
Miscellaneous receipts	588.05	691.64
	2,410.11	3,620.28

37 Cost of material consumed

	For the year ended 31 March 2019	For the year ended March 31, 2018
Opening stock		
Paddy	54,360.04	44,586.92
Bardana	4,221.19	3,659.77
Packing material	3,176.99	2,160.41
	61,758.23	50,407.10
Add: purchases		
Paddy	164,338.04	131,149.54
Bardana	392.90	629.38
Packing material	14,451.82	16,452.81
Other	3,199.78	3,544.66
Rice	107,105.61	136,464.33

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

	For the year ended 31 March 2019	For the year ended March 31, 2018
Less: closing stock	289,488.15	288,240.72
Paddy	63,709.86	54,360.04
Bardana	3,998.14	4,221.19
Packing material	3,408.50	3,176.99
	71,116.50	61,758.22
	280,129.88	276,889.60
Consumption details		
Paddy	154,988.22	121,376.42
Bardana	615.95	67.96
Packing material	14,220.31	15,436.23
Other	3,199.78	3,544.66
Rice	107,105.61	136,464.33
	280,129.88	276,889.60

38 Purchases of stock-in-trade

	For the year ended 31 March 2019	For the year ended March 31, 2018
Rice	6,137.30	-
Others	11,006.69	5,580.82
	17,143.99	5,580.82

39 Changes in inventories of finished goods, work in progress and stock in trade

	For the year ended 31 March 2019	For the year ended March 31, 2018
Opening Stock		
Finished goods	104,226.05	90,987.43
Work-in-progress	204.60	156.79
Stock in trade	4,785.87	2,501.03
Closing stock		
Finished goods	111,576.19	104,226.05
Work-in-progress	201.55	204.60
Stock in trade	3,283.27	4,785.87
Translation reserve	(5,844.49)	(15,571.27)
	2,387.09	238.82
	(3,457.40)	(15,332.45)

40 Employee benefit expense

	For the year ended 31 March 2019	For the year ended March 31, 2018
Salaries, wages and bonus	13,617.57	12,327.00
Contribution to provident and other fund (refer note 47 for employee benefit obligations)	821.58	685.77
Staff welfare expenses	749.50	489.79
	15,188.65	13,502.56

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

41 Finance cost

	For the year ended 31 March 2019	For the year ended March 31, 2018
Interest on working capital loans	11,880.73	12,642.98
Interest on term loans	648.83	439.49
Exchange rate fluctuations	-	265.85
	12,529.56	13,348.32
Interest capitalised on property, plant and equipment	(173.94)	(201.79)
Other borrowing cost	1,511.96	1,511.04
	13,867.58	14,657.57

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group general borrowings during the year.

42 Depreciation and amortisation

	For the year ended 31 March 2019	For the year ended March 31, 2018
Depreciation on		
Property, plant and equipment	6,185.21	4,067.46
Investment properties	-	32.46
Amortisation on		
Intangible assets	717.18	911.61
	6,902.41	5,011.53

43 Other expenses

	For the year ended 31 March 2019	For the year ended March 31, 2018
Rent (refer point A)	2,048.58	1,313.05
Wages and other manufacturing expenses	2,670.75	1,989.13
Factory insurance	171.32	154.06
Power and fuel	3,623.45	3,180.72
Security services	356.95	349.52
Repairs		
- Building	90.44	123.58
- Machinery	239.33	212.76
- Others	464.43	513.00
Stores and spares consumed	2,579.22	2,297.44
Packing expenses	764.29	697.82
Advertisement	3,866.55	3,477.29
Insurance	821.32	733.99
Legal and professional charges	2,607.16	2,401.61
Rates and taxes	880.95	552.15
Donation and charity	255.86	139.19
Auditors' remuneration (refer point B)	169.68	149.38
Vehicle running and maintenance	444.05	316.00
Commission to selling agents	969.33	908.20
Clearing and forwarding charges	10,059.69	10,728.22
Freight outward	4.31	577.38
Travelling and conveyance	2,485.88	2,280.40
Trade receivables and other amounts written off	445.18	1,164.91
Joint venture losses absorbed	194.98	-
Loss on sales of investments	22.04	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

	For the year ended 31 March 2019	For the year ended March 31, 2018
Business promotion expenses	435.04	539.53
Directors' sitting fees	26.49	32.13
Provision for legal claim	31.08	-
Provision for doubtful debts	33.92	-
Other administrative expenses	1,998.84	1,921.30
Other selling expenses	1,362.26	4,152.34
Market development expenses	-	2,004.82
Miscellaneous expenses	190.93	14.83
	40,314.31	42,924.75

- A. The Group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the year ended March 31, 2019 was ₹ 2,048.58 (March 31, 2018: ₹ 1,313.05) respectively. The Group has not executed any non-cancellable operating leases.

B. Auditors' remuneration

	For the year ended 31 March 2019	For the year ended March 31, 2018
Statutory audit (including fees for limited reviews)	157.05	133.04
Other matters	7.36	38.37
Out of pocket expenses	5.07	4.73
Goods and services tax / Service tax	0.20	4.34
Less: Fees of qualified institutional placement (netted of from securities premium reserve)	-	(31.10)
	169.68	149.38

44 Earning per share

	As at March 31, 2019	As at March 31, 2018
Profit attributable to equity shareholders	12,653.22	13,466.10
Number of weighted average equity share outstanding at the year end for Basic	3,198.45	2,806.94
Number of weighted average equity share outstanding at the year end for Diluted	3,198.45	2,806.94
Nominal value of each equity share (₹)	1.00	1.00
Earnings per equity share		
Earning per share (basic) (₹)	3.96	4.80
Earning per share (diluted) (₹)	3.96	4.80

45 Income tax

	As at March 31, 2019	As at March 31, 2018
The income tax expense consists of the following :		
Current tax (including taxes earlier years)	7,023.79	6,736.91
Deferred tax expense /(credit)	592.39	401.09
Total income tax	7,616.18	7,138.00

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 34.608% and the reported tax expense in the Statement of Profit or Loss are as follows:		
Accounting profit for the period before Share of profit in Associate and Joint venture	21,363.91	21,755.86
Applicable Indian statutory income tax rate of 34.944% (March 31, 2018: 34.608%)	7,465.41	7,529.27
Effect of non deductible expenses	85.94	44.21
Tax earlier year	7.33	(69.94)
Tax impact of exempted income	-	(6.68)
Difference in overseas tax rate and other foreign entities adjustments	167.17	170.44
Others adjustments of Indian entities	(58.21)	(529.30)
Impairment of investment (difference in tax rates)	14.56	-
Impact of change in tax rates	4.19	-
Deduction under section 80 of the Income -tax Act, 1961	(70.20)	-
Total income tax expense	7,616.18	7,138.00

Unrecognised deferred tax assets

For the year ended March 31, 2019	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	300.68	615.86	65.53	-	982.08
Unabsorbed depreciation	-	-	-	73.74	73.74
Capital losses	-	77.74	-	-	77.74
Unused tax Credit	-	32.66	0.11	-	32.77

For the year ended March 31, 2018	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	0.12	340.88	689.26	-	1,030.26
Unabsorbed depreciation	-	-	79.29	-	79.29
Capital losses	-	-	115.28	-	115.28
Unused tax Credit	-	28.57	0.33	-	28.90

No deferred tax asset has been recognised on these unutilised tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised by the respective entities.

46 Contingencies and commitments

	As at March 31, 2019	As at March 31, 2018
(A) Contingent liabilities		
I Income-tax demands (refer note 1)	2,732.70	4,059.41
II Guarantees given by Group	2,067.20	2,173.55
III FCI Demand for differential price/freight/ taxes	75.69	339.00
IV Claims against the Group (refer note 2)	2,098.57	161.24
V Duty saved under EPCG licenses (export obligation outstanding ₹ 2,685.02 (March 31, 2018: ₹ 3,796.05)	386.52	589.09
	7,360.67	7,322.29

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

1 Notes

- a) In case of Daawat Foods Limited (DFL), the Subsidiary Company had filed appeals in previous years against the order of Assessing Officer (AO) before Commissioner of Income tax (CIT (Appeals)) for the Assessment Year 2007-08 and Assessment Year 2009-10. The CIT (Appeals) has allowed substantial relief to the Subsidiary Company and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has been reduced to ₹ 59.57 lakhs (March 31, 2018: ₹ 59.57 lakhs). Out of the said demand ₹ 180 lakhs has been deposited under protest. The Company 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). The matter is still pending with ITAT.

During the financial year 2017-18, DFL had filed appeals against the order of AO before CIT (Appeals) for the Assessment Year 2012-13 to Assessment Year 2014-15 w.r.t the total demand of ₹ 746 against which ₹ 131.04 has been deposited under protest. The CIT (Appeals) has allowed substantial relief to the Company thus reducing the demand to ₹ 1.20 (March 31, 2018: ₹ 1.20) which shall be effective after the appeal effect order directed by the CIT (Appeals) is passed by the AO.

During the financial year 2017-18, DFL has received demands under section 143(3) for the Assessment Year 2015-16 for ₹ 298.74 (March 31, 2018: ₹ 298.74), out of the said demand ₹ 65.97 has been deposited under protest. The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

During the financial year 2017-18, DFL has received demands under section 271(1)(c) for the Assessment Year 2010-11 for ₹ 4.08 (March 31, 2018: ₹ 4.08). The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

During the financial year 2018-19, DFL has received demands under section 143(3) for the Assessment Year 2016-17 for ₹ 188.96. The said demand suffers from mistakes apparent from record and accordingly DFL had filed an application for rectification of mistake u/s 154 after which the demand will get reduced to ₹ 93.88. Against this demand of ₹ 93.88, the company has made provision of ₹ 22.98 and for the balance demand of ₹ 70.89 (March 31, 2018: Nil; March 31, 2017: Nil). DFL has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

- b) LT Foods Limited (Parent company), has pending appeals at ITAT for AY 2003-04 to AY 2013-14 on the matters over which

no relief was provided by CIT (Appeals) and CIT (Appeals) for the AY 2014-15 amounting to ₹ 1,290.25 lakhs (previous year ₹ 1,317.72 lakhs) and ₹ 769.75 lakhs (previous year ₹ 769.32 lakhs) respectively.

The Parent company's appeal for AY 1990-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹ 213.69 (previous year ₹ 213.69) are pending at various level of appeals.

During the financial year 2018-19, the Company has received demands under section 143(3) for the Assessment Year 2016-17 for ₹ 19.36 lakhs (previous year ₹ 36.27 lakhs). The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

The Company has paid ₹ 1,551.26 lakhs (previous year ₹ 1,538.08 lakhs) as per the directions of Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/ refunded, once the appeals are final.

The management is confident that its position is likely to be upheld in the appeals pending before 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 (other than provision considered as mentioned above).

2 Claims against the Group

Foreign Brokerage Firm, M/s Food Tech Solutions, engaged by Nature bio foods limited (NBFL) has made claim on account of commission on export sales, of USD 3 millions (equivalent to ₹ 2,098.57 lakhs) which were disputed and not accepted by NBFL. Subsequently, the said brokerage firm has invoked the arbitration clause and initiated legal proceedings in International Arbitration Court for recovery of the claim and the matter is still pending at the Jurisdiction court. Based on the legal advice from the external legal counsel :

- the likelihood of an unfavorable outcome against NBFL is only to the extent of Euro 40,000 (equivalent to ₹ 31.08 lakhs) NBFL has created a provision for this amount.
- NBFL is having good case on merits for the balance amount and the outcome of the case is expected to be in favor of NBFL and hence no provision has been created."

(B) Commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 733.47 lakhs (March 31, 2018: ₹ 940.66 lakhs).

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

47 Employee benefit obligations

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Gratuity	111.46	411.42	102.78	300.07
Compensated absences	82.57	167.25	29.16	176.85
Total	194.03	578.67	131.94	476.92

A Gratuity

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

Disclosure of gratuity

(i) Amount recognised in the Statement of Profit and Loss is as under:

Description	March 31, 2019	March 31, 2018
Current service cost	126.40	98.99
Interest cost	36.55	15.09
Past service cost	-	77.03
Adjustments	(3.13)	-
Actuarial loss/ (gain) recognised during the year	9.30	-
Amount recognised in the statement of profit and loss	169.12	191.10

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

Description	March 31, 2019	March 31, 2018
Actuarial (gain)/loss on arising from change in demographic assumption	0.83	18.53
Actuarial (gain)/loss on arising from change in financial assumption	(24.21)	17.60
Actuarial (gain)/loss on arising from experience adjustment	27.85	(166.64)
Remeasurement on plan assets		
Return on plan assets (excluding interest)	(7.86)	(6.81)
Total actuarial (gain)/loss recognised in OCI	(3.39)	(137.32)

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

Description	March 31, 2019	March 31, 2018
Present value of defined benefit obligation as at the start of the year	768.34	498.71
Current service cost	126.40	98.99
Interest cost	61.46	33.77
Actuarial loss/(gain) recognised during the year	(26.13)	82.78
Benefits paid	(37.24)	(22.93)
Past service cost	-	77.03
Present value of defined benefit obligation as at the end of the year	892.83	768.34

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

(iv) Change in fair value of assets:

Description	March 31, 2019	March 31, 2018
Fair value of plan assets at the beginning of the year	365.50	318.14
Interest income plan assets	28.43	25.81
Actual contributions	21.53	50.82
Actuarial Gains/(Losses)	(8.26)	(6.35)
Benefits paid	(37.24)	(22.93)
Fair value of plan assets at the end of the year	369.95	365.50

(v) Actuarial assumptions

Description	March 31, 2019	March 31, 2018
Discount rate	7.51% to 7.74%	7.79%
Retirement age	58 years	58 years
Employee turnover:		
- Upto 30 years		
- From 31 to 44 years	10% to 12.30%	2% to 10%
- Above 44 years		
Rate of increase in compensation	5% to 7%	5.00%

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

(vi) Movement in net liability recognised in balance sheet

Description	March 31, 2019	March 31, 2018
Defined benefit obligation	892.83	768.34
Fair value of plan assets	(369.95)	(365.50)
Liability recognised in the balance sheet	522.88	402.85

(vii) Sensitivity analysis for gratuity liability

Description	March 31, 2019	March 31, 2018
Impact of the change in discount rate		
Present value of obligation at the end of the year	892.83	768.34
- Impact due to increase of 1 %	(45.15)	(84.31)
- Impact due to decrease of 1 %	50.64	90.69
Impact of the change in salary increase		
Present value of obligation at the end of the year	892.83	768.34
- Impact due to increase of 1 %	45.35	82.78
- Impact due to decrease of 1 %	(41.54)	(74.41)

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

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

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

Description	March 31, 2019	March 31, 2018
Within next 12 months	92.67	80.50
Between 2-5 years	391.80	336.50
Between 6-10 years	403.59	380.32

(ix) Composition of plan assets

Description	March 31, 2019	March 31, 2018
The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited. The management of the fund is undertaken by both the trust.	369.95	365.50

B Compensated absences

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

(i) Actuarial assumptions

Description	March 31, 2019	March 31, 2018
Discount rate	7.51% to 7.74%	7.79%
Future basic salary increase	5.00% to 7.00%	5.00%
Employee turnover/ Withdrawal rate	10% to 12.30%	2% to 10%
Leave availment ratio	2.00%	2.00%
Retirement age	58 years	58 years

Notes:

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

C Provident fund and ESI fund

Contribution made by the Group towards Provident fund during the year is ₹ 271.79 (March 31, 2018: ₹ 259.56 lakhs)

Contribution made by the Group towards ESI fund during the year is ₹ 53.66 (March 31, 2018: ₹ 61.85 lakhs)

There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgement dated February 28, 2019 on provident fund on which the Group has obtained legal advice specifically on the retrospective applicability of the same. The Group has started recognising such expenditure/liability on account of enhanced provident fund contributions prospectively. Pending further clarification on the applicability of such ruling and on basis of the legal opinion so obtained, the management is of the view that such ruling is applicable prospectively. In view of the same, the Group has recorded an additional liability of ₹ 2.33 lakhs for the month of March 2019.

48 Share based payments

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

Under the Plan the Board of Directors of the Holding company have the powers to determine, from time to time, the persons eligible for grant of share options; when and how each option shall be granted; what type or combination of types of option shall be granted; the provisions of each option granted, including the time or times when a person shall be permitted to receive shares pursuant to an option grant. The Holding company has no legal or constructive obligation to repurchase

Notes forming part of the Consolidated Financial Statements

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

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, 2019 is Nil (March 31, 2018 is Nil).

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

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

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

Grant date	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
	April 01, 2011	Feb 07, 2013
Fair value of option using the Black Scholes model (in ₹)	21.05	24.97
Fair value of shares at grant date (₹)	49.50	58.80
Exercise price (in ₹)	38.00	38.00
Expected volatility	67.00%	54.00%
Option life (in years)	4.00	4.00
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

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

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

Particular	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	-	-	205,770	3.80
Granted during the year	-	-	-	-
Forfeited during the year	-	-	205,770	3.80
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Balance at end of the year	-	-	-	-
Exercisable at end of the year	-	-	-	-

Notes forming part of the Consolidated Financial Statements

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

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

Particular	Year ended March 31, 2019		Year ended March 31, 2018	
	Number of options of ₹ 1 each	Weighted average exercise price	Number of options of ₹ 1 each	Weighted average exercise price
Balance at beginning of the year	-	-	849,580	3.80
Granted during the year	-	-	-	-
Forfeited during the year	-	-	736,670	-
Exercised during the year	-	-	112,910	3.80
Expired during the year	-	-	-	-
Balance at end of the year	-	-	-	-
Exercisable at end of the year	-	-	-	-

49 Fair value disclosures

i) Financial instruments by category

Particulars	March 31, 2019			March 31, 2018		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments*	382.72	-	-	436.22	-	0.26
Security deposits	-	-	1,697.43	-	-	2,086.58
Trade receivables	-	-	53,487.10	-	-	46,799.48
Cash and cash equivalents	-	-	2,919.52	-	-	1,946.90
Other bank balances	-	-	847.33	-	-	958.92
Derivative asset	2,169.59	-	-	139.16	-	-
Other financial assets	-	-	15,046.64	-	-	15,840.17
Total	2,552.31	-	73,998.02	575.38	-	67,632.31
Financial liabilities						
Borrowings	-	-	169,153.40	-	-	154,799.46
Trade payable	-	-	28,382.76	-	-	34,171.00
Other financial liabilities	-	-	10,777.75	-	-	4,344.31
Total	-	-	208,313.91	-	-	193,314.78

*Investment in equity instrument of Joint venture and associates have been accounted using equity method of accounting and hence, not presented here.

ii) Fair values hierarchy

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

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

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

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

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

March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL				
Keyman insurance policies	-	246.97	-	246.97
Equity instruments - Quoted	0.68	-	-	0.68
Equity instruments - Unquoted	-	-	135.05	135.05
Mutual funds - Quoted	-	-	-	-
Derivative asset	-	2,169.59	-	2,169.59
Total financial assets	0.68	2,416.56	135.05	2,552.29
March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL				
Keyman insurance policies	-	236.89	-	236.89
Equity instruments - Quoted	0.83	-	-	0.83
Equity instruments - Unquoted	-	-	135.05	135.05
Mutual funds - Quoted	63.46	-	-	63.46
Derivative asset	-	139.16	-	139.16
Total financial assets	64.29	376.05	135.05	575.39

Valuation process and technique used to determine fair value

- (i) The fair value of investments in quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) In order to arrive at the fair value of unquoted investments, the Group obtains independent valuations. The techniques used by the valuer are as follows:
 - a) Asset approach - Net assets value method
 - b) Income approach - Discounted cash flows ("DCF") method
 - c) Market approach - Enterprise value/Sales multiple method"
- (iv) Keyman insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India and Max Newyork Life Insurance Company Limited which represents surrender value for the investors.

Derivative financial assets:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

Notes forming part of the Consolidated Financial Statements

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

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2019		March 31, 2018	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	1,697.43	1,697.43	2,086.58	2,086.58
Loan to others	Level 3	-	-	645.26	645.26
Loan to employees	Level 3	97.19	97.19	66.97	66.97
Other financial assets	Level 3	72,203.40	72,203.40	64,833.50	64,833.50
Total financial assets		73,998.02	73,998.02	67,632.31	67,632.31
Financial liabilities					
Borrowings	Level 3	169,153.40	169,153.40	154,799.46	154,799.46
Trade payables	Level 3	28,382.76	28,382.76	34,171.00	34,171.00
Other financial liabilities	Level 3	10,777.75	10,777.75	4,344.32	4,344.32
Total financial liabilities		208,313.91	208,313.91	193,314.78	193,314.78

The management assessed that security deposits, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

50 Financial risk management

i) Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting and Sensitivity analysis	Forward contract/ hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Group presently does not make any significant investments in equity shares.

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

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

A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High

Assets under credit risk –

Credit rating	Particulars	March 31, 2019	March 31, 2018
A: Low	Loans	1,882.23	2,841.58
	Investments	382.72	436.49
	Cash and cash equivalents	2,919.52	1,946.90
	Other bank balances	847.33	958.92
	Other financial assets	17,031.43	15,224.31
B: Medium	Trade receivables	53,487.10	46,799.48

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

b) Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	March 31, 2019			March 31, 2018		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	2,919.52	0.00%	2,919.52	1,946.90	0.00%	1,946.90
Other bank balances	847.33	0.00%	847.33	958.92	0.00%	958.92
Loans	1,882.23	0.00%	1,882.23	2,841.58	0.00%	2,841.58
Other financial assets	17,031.43	0.00%	17,031.43	15,224.32	0.00%	15,224.32

Expected credit loss for trade receivables under simplified approach

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). Trade receivables are subject to credit limits, controls and approvals processes. Based on the historical experience, the risk of default in case of trade receivables is low.

Particulars	0-1 Year	1-3 Year
As at March 31, 2019		
Trade receivables	53,487.10	44.36
Default rate	-	100.00%
Expected credit loss	-	44.36
As at March 31, 2018		
Trade receivables	46,799.48	10.44
Default rate	-	100.00%
Expected credit loss	-	10.44

Reconciliation of loss allowance	Trade receivables
Loss allowance on April 01, 2017	60.68
Add (Less): Changes in loss allowances	(50.24)
Loss allowance on March 31, 2018	10.44
Add (Less): Changes in loss allowances	33.92
Loss allowance on March 31, 2019	44.36

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

Maturities of financial liabilities (undiscounted)

The tables below analyse the Group's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

March 31, 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	143,690.38	9,184.66	16,278.35	169,153.40
Security deposit received	11.50	7.00	-	18.50
Trade payable	28,382.76	-	-	28,382.76
Other financial liabilities	10,759.25	-	-	10,759.25
Total	182,843.89	9,191.66	16,278.35	208,313.91

March 31, 2018	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	136,824.23	12,924.68	9,883.52	159,632.43
Security deposit received	11.50	13.66	-	25.16
Trade payable	34,171.00	-	-	34,171.00
Other financial liabilities	4,319.16	-	-	4,319.16
Total	175,325.89	12,938.34	9,883.52	198,147.75

C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the Group entities.

(i) Exposure to currency risk:

The Groups exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency		In INR	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial assets				
Trade receivables				
EURO	50.90	84.56	3,954.69	7,097.41
USD	228.48	374.10	15,805.07	24,454.34
GBP	1.29	0.31	117.10	28.52
Foreign exchange derivative contracts				
EURO	(65.00)	(101.50)	(5,050.66)	(8,174.86)
USD	(485.50)	(637.70)	(33,582.66)	(42,381.97)
Financial liabilities				
Trade payables				
EURO	1.62	3.43	125.35	276.10
USD	6.88	16.88	469.98	1,097.29
Preshipment credit				
USD	257.66	464.42	17,822.87	30,207.98
Bill discounted				
USD	-	17.51	-	1,138.86
GBP	-	0.15	-	13.78
Net exposure:				
EURO	49.28	81.13	3,829.34	6,821.31
USD	(36.07)	(124.71)	(2,487.77)	(7,989.80)
GBP	1.29	0.16	117.10	14.74

Notes forming part of the Consolidated Financial Statements

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The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	March 31, 2019	March 31, 2018
EURO	77.70	80.62
USD	69.17	65.04
GBP	90.48	92.28

(a) Disclosure of effects of hedge accounting on financial position

As at March 31, 2019

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign currency risk									
(i) Foreign exchange forward contracts	38,633.32	-	1,639.89	-	April 30, 2019 - January 31, 2020	1:1	USD: ₹ 72.88 EURO: ₹ 84.22	1,639.89	(1,626.84)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	17,822.87	-	17,822.87	April 30, 2019 - September 30, 2019	1:1	USD: ₹ 70.50	526.82	(522.10)

(b) Disclosure of effects of hedge accounting on financial performance

For the year ended March 31, 2019

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	1,104.01	0.25	(1,750.26)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	(448.27)	4.72	(2,569.18)	Revenue and other income

The Group hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

(c) Movements in cash flow hedging reserve

Particulars	Amount
As at April 01, 2018	-
Add: Changes in fair value of forward contracts	(129.25)
Add: Changes in fair value of forward PCFCs	(1,968.75)
Less: Amount reclassified to profit or loss	4,319.43
Less: Deferred tax relating to above (net)	(776.25)
As at March 31, 2019	1,445.18

The Outstanding forward exchange contracts in INR as at the end of the year entered by the Group for the purpose of hedging its foreign currency exposures are as follows:

Currency	March 31, 2019	March 31, 2018
EURO	5,506.83	8,174.86
USD	36,984.77	42,381.97
Total	42,491.59	50,556.83

Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at 31 March would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Impact on profit after tax		Impact on equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade receivables				
EURO sensitivity				
INR/EURO increase by 100 bps (March 31, 2018 100 bps)*	25.73	46.41	-	-
INR/EURO decrease by 100 bps (March 31, 2018 100 bps)*	(25.73)	(46.41)	-	-
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	102.82	159.91	-	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	(102.82)	(159.91)	-	-
GBP sensitivity				
INR/GBP increase by 100 bps (March 31, 2018 100 bps)*	0.76	0.19	-	-
INR/GBP decrease by 100 bps (March 31, 2018 100 bps)*	(0.76)	(0.19)	-	-
Foreign exchange derivative contracts				
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	-	(277.14)	(218.48)	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	-	277.14	218.48	-
EURO sensitivity				
INR/EURO increase by 100 bps (March 31, 2018 100 bps)*	-	(53.46)	(32.86)	-
INR/EURO decrease by 100 bps (March 31, 2018 100 bps)*	-	53.46	32.86	-
Trade payables				
EURO sensitivity				
INR/EURO increase by 100 bps (March 31, 2018 100 bps)*	0.82	1.81	-	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Particulars	Impact on profit after tax		Impact on equity	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
INR/EURO decrease by 100 bps (March 31, 2018 100 bps)*	(0.82)	(1.81)	-	-
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	3.06	7.18	-	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	(3.06)	(7.18)	-	-
Preshipment credit				
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	-	197.54	115.95	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	-	(197.54)	(115.95)	-
Bill discounted				
USD sensitivity				
INR/USD increase by 100 bps (March 31, 2018 100 bps)*	-	7.45	-	-
INR/USD decrease by 100 bps (March 31, 2018 100 bps)*	-	(7.45)	-	-
GBP sensitivity				
INR/GBP increase by 100 bps (March 31, 2018 100 bps)*	-	0.09	-	-
INR/GBP decrease by 100 bps (March 31, 2018 100 bps)*	-	(0.09)	-	-

* Holding all other variables constant

b) Interest rate risk

i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2018, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits all pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Variable rate borrowing	168,900.86	154,483.05
Fixed rate borrowing	252.54	316.41
Total borrowings	169,153.40	154,799.46

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	As at	As at
	March 31, 2019	March 31, 2018
Total borrowings		
-Impact due to increase of 50 basis points*	(549.40)	(502.50)
-Impact due to decrease of 50 basis points*	549.40	502.50

*Holding all other variables constant

ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

c) Price risk

Exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet as fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period :

Impact on profit after tax

Particulars	March 31, 2019	March 31, 2018
Mutual funds	-	63.46
Net assets value – increase by 100 basis points (March 31, 2018: 100 basis points)	-	0.41
Net assets value – decrease by 100 basis points (March 31, 2018: 100 basis points)	-	(0.41)
Key man Insurance	246.97	236.89
Net assets value – increase by 100 basis points (March 31, 2018: 100 basis points)	1.61	1.55
Net assets value – decrease by 100 basis points (March 31, 2018: 100 basis points)	(1.61)	(1.55)
Unquoted equity instruments	135.05	135.05
Value per share – increase by 100 basis points (March 31, 2018: 100 basis points)	0.88	0.88
Value per share – decrease by 100 basis points (March 31, 2018: 100 basis points)	(0.88)	(0.88)
Quoted equity instruments	0.68	0.83
Market price – increase by 100 basis points (March 31, 2018: 100 basis points)	0.00	0.01
Market price – decrease by 100 basis points (March 31, 2018: 100 basis points)	(0.00)	(0.01)

51 Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's adjusted net debt to equity ratio is as follows:

Particulars	March 31, 2019	March 31, 2018
Total borrowings	169,153.40	154,799.46
Less : cash and cash equivalents	2,919.52	1,946.90
Net debt	166,233.88	152,852.56
Total equity	132,912.19	117,944.83
Adjusted net debt to adjusted equity ratio	1.25	1.30

Dividends

Particulars	March 31, 2019	March 31, 2018
Equity shares		
(i) Final Dividend		
For the year ended March 31, 2018 of ₹ 0.15 per share (excluding tax)	479.77	-
For the year ended 31 March 2017 of ₹ 0.15 per share (excluding tax)	-	400.12
(ii) Proposed Dividend		
For the year ended March 31, 2019 of ₹ 0.15 per share (excluding tax)	479.77	-
For the year ended March 31, 2018 of ₹ 0.15 per share (excluding tax)	-	479.77

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes forming part of the Consolidated Financial Statements

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

52 Related party disclosures

The Group's related party transactions and outstanding balances are with its associates and joint venture, key management and others as described below.

A. Names of related parties and description of relationship

a) Associates

Raghuvesh Agri Foods Private Limited
Raghuvesh Warehousing Private Limited
Raghuvesh Infrastructure Private Limited

b) Joint Venture

Genoa Rice Mills Private Limited
Daawat Kameda India Private Limited (from November 24, 2017)

B. Key Management Personnel and their relatives

- Key Management Personnel

Name	Designation
Mr. Vijay Kumar Arora	Managing Director
Mr. Surinder Kumar Arora	Managing Director
Mr. Ashwani Kumar Arora	Managing Director
Mr. Ashok Arora	President-Punjab Operations
Mr. Abhinav Arora	Relative of Managing Director
Mr. Aditya Arora	Relative of President-Punjab Operations
Mr. Gursajan Arora	Relative of Joint Managing Director
Mr. Ritesh Arora	Relative of Joint Managing Director
Mr. Anmol Arora	Relative of Joint Managing Director
Ms. Sakshi Arora	Relative of Joint Managing Director
Ms. Ranju Arora	Relative of Managing Director

Entities in which Key Management Personnel have significant influence and with whom transactions have taken place during the current and/ or previous year:

V K Foods
S K Engineering
SK Trading Company
R. S Rice & General Mills
Ashok Arora HUF
Raghunath Arora HUF
Super Texfab Private Limited
Raam Multisolvexindia Private Limited

Notes forming part of the Consolidated Financial Statements

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

Transactions with key management persons and their relatives, entities which they exercise significant influence and joint ventures

Particulars	March 31, 2019	March 31, 2018
Sales		
V. K Foods	-	30.43
Raam Multisolvexindia Private Limited	447.73	-
Purchases		
S K Engineering	-	0.57
SK Trading Company	1,142.46	-
Super Textfab Private Limited	2,345.89	2,387.63
Genoa Rice Mills Private Limited	1,132.46	118.84
Daawat Kameda India Private Limited	56.15	27.09
Raam Multisolvexindia Private Limited	359.70	-
Directors remuneration (excluding long term employee benefit)		
Mr. Vijay Kumar Arora	211.61	169.00
Mr. Ashwani Kumar Arora	211.21	98.27
Mr. Surinder Kumar Arora	211.21	58.23
Mr. Ashok Kumar Arora	216.84	98.27
Total (A)	850.87	423.77
Defined benefit obligation for KMP (Gratuity)		
Mr. Vijay Kumar Arora	20.00	20.00
Mr. Ashwani Kumar Arora	2.21	0.75
Mr. Surinder Kumar Arora	0.99	0.04
Mr. Ashok Kumar Arora	9.72	1.61
Total (B)	32.92	22.40
Compensated absences		
Mr. Vijay Kumar Arora	9.73	-
Mr. Ashwani Kumar Arora	2.23	0.91
Mr. Surinder Kumar Arora	8.76	1.60
Mr. Ashok Kumar Arora	9.36	1.64
Total (C)	30.08	4.15
Employee benefits to the key management personnel		
Provision for long term benefits (B+C)	63.00	26.55
Short term (A)	850.87	423.77
Relatives of Key Management Personnel		
Mr. Abhinav Arora	517.18	383.50
Mr. Aditya Arora	113.48	1.98
Mr. Anmol Arora	50.87	11.52
Mr. Gursajan Arora	137.04	-
Mr. Ritesh Arora	40.94	34.85
Mr. Rohan Grover	-	7.30
Dividend paid		
Dividend paid to key management personnel	127.72	127.72
Dividend paid to relatives of key management personnel	141.01	140.05
Purchase of fixed assets		
S K Engineering	-	13.95
Rent expense		
Raghuvesh Agri Foods Private Limited	18.00	18.00
Raghuvesh Warehousing Private Limited	-	18.00
R S Rice & General Mills	8.00	8.00

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Particulars	March 31, 2019	March 31, 2018
Rental income		
V K Foods	-	0.60
S K Engineering	-	0.60
Interest expense		
Ashok Arora HUF	0.28	0.25
Raghunath Arora HUF	0.14	0.13
Ms. Ranju Arora	1.32	1.20
Ms. Sakshi Arora	0.24	0.22
Investment in Joint ventures		
Daawat Kameda India Private Limited	2,234.79	170.85
Interest income on inter-corporate deposits		
Genoa Rice Mills Private Limited	64.58	18.72
Loan granted		
Genoa Rice Mills Private Limited	545.54	425.00
Loan repaid		
Genoa Rice Mills Private Limited	1,095.54	-
Director sitting fees		
Mr. Gokul Patnaik	4.75	6.09
Mr. Supras Bhandari	3.40	3.52
Mr. Parmod Bhagat	8.75	7.75
Ms. Radha Singh	6.75	8.55
Balances at the year-end {(payable)/ receivable}		
Ashok Arora HUF	(8.75)	(2.36)
Raghunath Arora HUF	-	(1.16)
Ms. Ranju Arora	-	(11.04)
Ms. Sakshi Arora	-	(2.06)
V K Foods	(4.93)	4.50
Shri Balaji Trading Company	125.02	-
S K Engineering	(0.51)	(17.17)
SK Trading Company	(0.05)	-
Raam Multisolvexindia Private Limited	173.31	-
Super Texfab Private Limited	(557.04)	(62.41)
Genoa Rice Mills Private Limited	(72.14)	567.91
Raghuvesh Infrastructure Private Limited	92.10	-
Raghuvesh Agri Foods Private Limited	328.49	149.57
Raghuvesh Warehousing Private Limited	245.09	29.82
Daawat Kameda India Private Limited	(9.06)	0.75
R S Rice & General Mills	-	(32.62)
Mr. Vijay Kumar Arora	(7.27)	(113.70)
Mr. Ashwani Kumar Arora	(12.04)	(12.41)
Mr. Ashok Kumar Arora	0.95	(0.22)
Mr. Gokul Patnaik	-	(0.86)
Mr. Parmod Bhagat	-	(0.86)
Ms. Radha Singh	-	(0.86)

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53 Segment reporting

The business activity of the Group predominantly fall within a single reportable business segment viz. manufacture and storage of rice. There are no separate reportable business segments. As part of reporting for geographical segments, the Group operates in three principal geographical areas of the world, i.e., India, America and other countries (Rest of the world). The aforesaid is in line with review of operating results by the chief operating decision maker.

Information about products and services

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from external customers		
Rice	345,039.67	331,313.60
Others	42,204.31	28,061.04
Other operating revenue	1,799.24	1,995.33
Other income	2,410.11	3,620.28
Total	391,453.33	364,990.24

Information about geographical areas

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenues from external customers		
In India	142,175.36	138,585.02
In America	136,384.40	109,009.23
Others	112,893.57	117,395.99

Particulars	As at March 31, 2019	As at March 31, 2018
Non current assets located		
In India	44,132.29	37,917.91
In America	13,896.36	13,198.66
Others	13,997.15	13,497.10

54 Deferred government grants

Particulars	March 31, 2019	March 31, 2018
At the beginning of the year	488.61	364.22
Received during the year	-	222.45
Released to the Statement of Profit and Loss	86.82	98.06
At the end of the year	401.78	488.61

Particulars	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Government grants	57.21	344.57	72.81	415.80

55 Leases

In case of assets taken on operating lease

The Group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. The Group has not executed any non-cancellable operating leases.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease payments for the year recognised in the Statement of Profit and Loss	2,048.58	1,313.05

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In case of assets provided on operating lease

The Group has entered into rent agreements as a lessor for Silos, Kurkure plant and other office premises, which are in the nature of operating lease. The Group has not executed any non-cancellable operating leases.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Lease rentals for the year recognised in the Statement of Profit and Loss	276.92	276.92

In case of assets taken on finance lease

The Group has taken a lease of the piece of land in Mandideep at District Raisen comprising of an area measuring 20,072.41 square meters for a term of 99 years commencing from January 11, 2018 for the purpose of Non Polluting Industrial Activity. There are no restrictions imposed on the Group under the lease arrangement.

The total of minimum future lease payments under finance lease is as under:

Particulars	Minimum lease payments		Present value of Minimum lease payments	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Not later than one year	2.58	2.58	2.29	2.29
Later than one year but not later than five years	10.30	10.30	6.88	6.88
Later than five years	236.91	239.49	9.50	9.50

(ii) Non-cancellable operating Lease

The Group has taken on lease various offices and warehouses under non cancellable operating lease arrangements expiring within one year to 10 years. The leases have varying terms, escalation clause and renewal rights. Commitments for minimum lease payments in relation to non cancellable operating leases are given below :

	For the year ended March 31, 2019	For the year ended March 31, 2018
Minimum lease payments:		
Within one year	1,383.76	887.60
Later than one year but not later than five years	7,315.00	410.36
Later than five years	52.03	70.18

56 Assets pledged as security

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current asset		
First charge		
Property, plant and equipments	20,697.41	26,155.74
Total non-current asset pledged as security	20,697.41	26,155.74
Current assets		
First charge		
Pari-passu		
Inventories	152,881.03	115,793.27
Trade receivables	41,712.78	43,565.45
Cash and cash equivalents	364.80	-
Loans	4.90	-
Other financial assets	751.50	-
Total current asset pledged as security	195,715.01	159,358.72
Total assets pledged as security	216,412.42	185,514.46

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

57 Interests in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at March 31, 2019 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					As at March 31, 2019	As at March 31, 2018
Raghuvesh Warehousing Private Limited	India	40.00%	Associate	Equity method	493.64	444.28
Raghuvesh Agri Foods Private Limited	India	40.00%	Associate	Equity method	470.91	414.19
Raghuvesh Infrastructure Private Limited	India	30.00%	Associate	Equity method	-	-
Genoa Rice Mills Private Limited	India	50.00%	Joint venture	Equity method	-	-
Daawat Kameda India Private Limited	India	51.00%	Joint venture	Equity method	2,258.88	131.36
Total equity accounted investments					3,223.43	989.83

Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not LT Foods Limited's share of those amounts.

Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Non-current Assets						
Property, Plant and Equipment	-	-	0.12	-	-	-
Other Intangible Assets	191.85	191.85	477.94	477.94	1,320.82	1,320.82
Financial Assets						
Other financial assets	1,525.22	1,702.84	1,525.22	1,702.84	-	-
Income tax assets	68.22	44.66	86.57	44.95	46.20	24.98
Deferred tax assets	146.49	218.80	228.87	308.52	0.02	0.02
Total Non-current Assets	1,931.78	2,158.15	2,318.71	2,534.25	1,367.04	1,345.82
Current Assets						
Financial Assets						
Trade receivables	119.22	107.24	136.92	103.72	185.49	-
Cash and Cash equivalents	12.42	9.58	(0.23)	25.10	19.22	2.73
Loans	4.72	3.06	3.16	2.48	6.57	6.57
Other financial assets	177.99	147.86	177.62	147.49	-	200.13
Other assets	38.11	44.07	9.80	6.81	11.70	19.03
Total Current Assets	352.47	311.81	327.27	285.59	222.98	228.46
Non-current Liabilities						
Financial Liabilities						
Borrowings	716.94	791.53	923.06	977.54	-	-
Provisions	-	98.16	-	141.85	-	-
Other Liabilities	-	-	-	-	427.96	925.36
Total Non-current Liabilities	716.94	889.69	923.06	1,119.40	427.96	925.36

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Current liabilities						
Financial Liabilities						
Borrowings	60.00	283.75	50.00	325.21	-	-
Trade payables	2.12	3.26	8.44	7.60	-	-
Other financial liabilities	58.77	168.55	43.19	161.39	954.69	498.49
Other liabilities	212.30	14.00	444.07	170.81	346.90	167.06
Total Current liabilities	333.20	469.57	545.71	665.02	1,301.59	665.56
Net Assets	1,234.11	1,110.70	1,177.21	1,035.42	(139.53)	(16.64)

Balance Sheet	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Non-current Assets				
Property, plant and equipment	11.32	11.64	6.83	-
Capital work-in-progress	-	-	190.76	-
Other Intangible assets	0.16	0.31	-	-
Financial Assets				
Loans	-	4.16	0.10	-
Other Assets	0.44	116.51	407.67	9.28
Non current tax assets	-	-	13.60	1.05
Total Non-current Assets	11.92	132.62	618.96	10.33
Current Assets				
Inventories	-	713.17	37.82	3.82
Financial Assets				
Trade Receivables	694.66	285.15	20.04	10.79
Cash and Cash equivalents	58.65	348.35	1,412.29	246.67
Other bank balances	-	-	2,613.41	-
Other financial assets	125.30	-	-	-
Other assets	0.40	7.25	87.19	11.71
Total Current Assets	879.01	1,353.92	4,170.75	272.99
Non-current Liabilities				
Provisions	1.64	1.34	-	-
Total Non-current Liabilities	1.64	1.34	-	-
Current liabilities				
Financial Liabilities				
Borrowings	777.40	1,395.74	-	-
Trade payables	433.14	352.84	13.25	2.57
Other financial liabilities	169.12	58.46	101.31	21.97
Other current liabilities	23.72	5.84	17.91	1.20
Provisions	0.03	0.01	-	-
Total Current liabilities	1,403.41	1,812.89	132.47	25.74
Net Assets	(514.12)	(327.69)	4,657.24	257.58

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Reconciliation to carrying amounts

Summarised Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Opening net assets	1,110.70	1,112.58	1,035.43	1,207.92	(16.64)	4.75
Profit/(loss) for the year	123.41	(1.88)	141.79	(172.50)	(122.89)	(21.39)
Other comprehensive income	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Closing net assets	1,234.11	1,110.70	1,177.22	1,035.43	(139.53)	(16.64)
Group's share in %	40%	40%	40%	40%	30%	30%
Group's share in INR	493.64	444.28	470.91	414.19	(41.86)	(4.99)
Group's share of loss for the year adjusted through investment	-	-	-	-	41.86	4.99
Carrying amount	493.64	444.28	470.91	414.19	-	-

Summarised Balance Sheet	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Private Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Opening net assets	(327.46)	120.06	257.58	-
Increase in equity share capital	-	-	4,382.36	335.00
Loss for the year	(187.58)	(447.52)	(210.34)	(77.42)
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
Closing net assets	(515.04)	(327.46)	4,429.60	257.58
Group's share in %	50%	50%	51%	51%
Group's share in INR	(257.52)	(163.73)	2,258.88	131.36
Goodwill	257.52	163.73	-	-
Carrying amount	-	-	2,258.88	131.36

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue						
Revenue from operations	276.10	332.30	290.64	329.16	-	2,876.92
Other income	100.11	0.36	141.98	0.13	352.54	323.84
Total income	376.22	332.66	432.62	329.29	352.54	3,200.75
Expenses						
Costs of services rendered	-	-	-	-	-	2,876.92
Purchase of stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-
Employee benefit expense	13.20	19.38	15.20	20.82	75.45	58.03
Depreciation and amortisation expense	-	68.34	92.17	171.79	-	-
Finance costs	74.86	93.17	0.10	110.59	102.91	0.10
Other expenses	71.12	180.63	87.25	279.58	297.06	287.10
Total expenses	159.18	361.52	194.72	582.77	475.43	3,222.14

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax	217.04	(28.86)	237.90	(253.48)	(122.89)	(21.39)
Current tax expense	21.32	-	16.46	-	-	-
Deferred tax expense	72.31	(26.98)	79.65	(80.99)	-	-
Profit/(loss) for the year	123.41	(1.88)	141.79	(172.50)	(122.89)	(21.39)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss)	123.41	(1.88)	141.79	(172.50)	(122.89)	(21.39)

Note: Loss for Raghuvesh Infrastructure Private Limited has been recognised Nil (March 31, 2018: ₹ 1.50 lakhs). However, ₹ 36.87 lakhs (March 31, 2018: ₹ 4.92 lakhs) has not been recognised, since the Group share of losses exceeds its interest in the associate. Group share of loss for the previous year adjusted through investment.

Summarised Statement of Profit and Loss	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Private Limited	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue				
Revenue from operations	6,024.05	2,423.47	35.55	27.09
Other income	0.79	0.44	127.30	10.54
Total income	6,024.84	2,423.91	162.85	37.64
Expenses				
Cost of materials consumed	5,070.60	2,280.91	135.59	-
Purchase of stock-in-trade	-	-	-	24.45
Changes in inventories of finished goods, work-in-progress and stock-in-trade	223.74	(34.23)	(14.84)	-
Employee benefit expense	86.73	76.11	60.40	-
Depreciation and amortisation expense	2.64	1.06	1.56	-
Finance costs	211.72	70.36	0.09	-
Other expenses	616.99	477.22	190.38	90.61
Total expenses	6,212.42	2,871.43	373.19	115.06
Profit before tax	(187.58)	(447.52)	(210.34)	(77.42)
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Profit/(loss) for the year	(187.58)	(447.52)	(210.34)	(77.42)
Other comprehensive income	-	(0.23)	-	-
Total comprehensive income/(loss)	(187.58)	(447.75)	(210.34)	(77.42)

Note: Loss for Genoa Rice Mills Private Limited has been recognised Nil (March 31, 2018: ₹ 63.18 lakhs). However, ₹ 93.21 lakhs (March 31, 2018: ₹ 160.70 lakhs) has not been recognised, since the Group share of losses exceeds its interest in the Joint venture.

Total share of profits on account of equity accounting of the joint venture under Ind AS:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Share of profit/(loss) from associates	106.08	(73.21)
Share of loss from joint ventures	(107.27)	(102.67)
Total share of losses from associates and joint ventures	(1.19)	(175.88)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

58 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

The Group has adopted the standard on April 01, 2018 on a modified retrospective basis with a cumulative catch-up adjustment booked to retained earnings as at April 01, 2018 as if the standard had always been in effect. The standard is applied only to contracts that are not completed as at April 1, 2018. Comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. The adoption of the new standard did not result in any material adjustments to the Company's revenue or net income. There is no significant impact on the retained earnings as at April 01, 2018 and for the profit for the year ended March 31, 2019.

Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended March 31, 2019
Amounts included in contract liabilities at the beginning of the year	1,064.67
Performance obligations satisfied in current year	(1,064.67)
Amount received in the current year having outstanding performance obligations	1,117.32
Amounts included in contract liabilities at the end of the year	1,117.32

Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by segment and type.

Revenue by segment	Amount
Revenue from contract with customer	
Revenue from sale of products	387,243.98
Processing fees	1,522.32

The Group has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the expected duration is more than one year as at the reporting period.

Revenue by Time	Total
Revenue recognised over time	-
Revenue recognised at point in time	388,766.30
	388,766.30

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Assets and liabilities related to contracts with customers

Description	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Contract assets related to sale of goods and services				
Trade receivables	-	53,487.10	-	46,799.48
Contract assets related to sale of goods and services				
Advance from customers	-	1,117.32	-	1,064.67

Reconciliation of revenue recognised with contract price

Description	Amount
Contract price	391,703.18
Adjustment for:	
Incentives	(2,841.89)
Rebate and discounts	(1,617.30)
	387,243.98

59 Additional information required by Schedule III

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
Parent								
1 LT Foods Limited								
March 31, 2019	0.59	84,152.42	39.64%	5,448.54	42.05%	1,227.67	40.06%	6,676.21
March 31, 2018	63.21%	78,054.61	29.05%	4,195.55	-30.36%	(106.19)	27.65%	4,089.36
Subsidiaries (group's share)								
2 Daawat Foods Limited								
March 31, 2019	0.16	22,343.33	25.79%	3,545.25	8.11%	236.75	22.69%	3,782.00
March 31, 2018	15.03%	18,561.40	22.73%	3,282.15	-2.77%	(9.68)	22.12%	3,272.47
3 Nature Bio Foods Limited								
March 31, 2019	0.09	12,576.15	13.20%	1,814.02	-0.49%	(14.30)	10.80%	1,799.72
March 31, 2018	5.52%	6,818.53	17.00%	2,454.43	-1.08%	(3.77)	16.57%	2,450.65
4 SDC Foods India Limited								
March 31, 2019	(0.00)	(221.86)	0.69%	94.83	0.00%	-	0.57%	94.83
March 31, 2018	-0.26%	(316.69)	-0.06%	(8.62)	0.00%	-	-0.06%	(8.62)
5 LT International Limited								
March 31, 2019	0.00	173.24	-0.09%	(11.72)	0.00%	-	-0.07%	(11.72)
March 31, 2018	0.15%	184.97	-0.02%	(2.63)	0.00%	-	-0.02%	(2.63)
6 Raghuvesh Food and Infrastructure Limited								
March 31, 2019	-	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2018	0.00%	-	0.00%	(0.08)	0.00%	-	0.00%	(0.08)
7 Deva Singh Sham Singh Exports Private Limited								
March 31, 2019	(0.00)	(34.42)	0.10%	13.13	0.00%	-	0.08%	13.13
March 31, 2018	-0.04%	(47.55)	-0.34%	(48.55)	0.00%	-	-0.33%	(48.55)
8 Raghunath Agro Industries Private Limited								
March 31, 2019	0.02	2,283.00	0.83%	114.53	-0.24%	(7.08)	0.64%	107.45
March 31, 2018	1.76%	2,175.55	0.22%	31.59	-2.93%	(10.25)	0.14%	21.34

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
9 LT Agri Services Private Limited								
March 31, 2019	(0.00)	(1.40)	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
March 31, 2018	0.00%	(1.27)	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
10 Expo Services Private Limited								
March 31, 2019	-	-	1.00%	137.26	0.00%	-	0.82%	137.26
March 31, 2018	0.02%	23.07	0.00%	(0.31)	0.00%	-	0.00%	(0.31)
11 Raghuvesh Power Projects Limited								
March 31, 2019	-	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
12 Fresco Fruit N Nuts Private Limited								
March 31, 2019	(0.00)	(108.10)	-0.01%	(1.20)	0.00%	-	-0.01%	(1.20)
March 31, 2018	-0.09%	(106.90)	0.00%	(0.23)	0.00%	-	0.00%	(0.23)
13 Eco Pure Specialities Limited								
March 31, 2019	0.00	4.37	0.00%	(0.63)	0.00%	-	0.00%	(0.63)
March 31, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Foreign Subsidiaries								
14 Sona Global Limited								
March 31, 2019	0.01	1,349.64	0.06%	8.63	2.63%	76.70	0.51%	85.33
March 31, 2018	1.03%	1,268.94	-0.07%	(9.52)	0.00%	-	-0.06%	(9.52)
15 LT Food Middle East DMCC								
March 31, 2019	0.01	817.04	-2.09%	(286.96)	2.76%	80.62	-1.24%	(206.33)
March 31, 2018	0.83%	1,026.71	0.26%	37.32	0.00%	-	0.25%	37.32
16 LT Overseas North America, Inc.								
March 31, 2019	0.20	29,150.24	35.55%	4,887.42	60.13%	1,755.63	39.86%	6,643.04
March 31, 2018	18.23%	22,516.51	32.01%	4,622.42	0.00%	-	31.25%	4,622.42
17 LT Foods International Limited (UK)								
March 31, 2019	0.01	1,803.89	-1.78%	(244.38)	-6.74%	(196.92)	-2.65%	(441.30)
March 31, 2018	1.83%	2,255.51	8.73%	1,260.10	0.00%	-	8.52%	1,260.10
18 LT Foods Europe BV								
March 31, 2019	0.02	2,553.83	-15.31%	(2,104.89)	6.50%	189.79	-11.49%	(1,915.10)
March 31, 2018	3.84%	4,746.58	-6.74%	(973.39)	0.00%	-	-6.58%	(973.39)
19 Nature Bio Foods BV								
March 31, 2019	0.00	286.72	2.17%	298.92	-0.42%	(12.20)	1.72%	286.72
March 31, 2018	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Associates								
20 Raghuvesh Warehousing Private Limited								
March 31, 2019	0.00	493.64	0.36%	49.36	0.00%	-	0.30%	49.36
March 31, 2018	0.36%	444.28	-0.01%	(0.75)	0.00%	-	-0.01%	(0.75)
21 Raghuvesh Agri Foods Private Limited								
March 31, 2019	0.00	470.91	0.41%	56.72	0.00%	-	0.34%	56.72
March 31, 2018	0.34%	414.19	-0.49%	(70.96)	0.00%	-	-0.50%	(70.96)

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2019

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

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
22 Raghuvesh Infrastructure Private Limited								
March 31, 2019	-	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2018	0.00%	-	-0.01%	(1.50)	0.00%	-	-0.01%	(1.50)
Joint ventures								
23 Genoa Rice Mills Private Limited								
March 31, 2019	-	-	0.00%	-	0.02%	0.58	0.00%	0.58
March 31, 2018	0.00%	-	-0.44%	(63.18)	-0.03%	(0.12)	-0.43%	(63.30)
24 Daawat Kameda India Private Limited								
March 31, 2019	0.02	2,258.88	-0.78%	(107.27)	0.00%	-	-0.64%	(107.27)
March 31, 2018	0.11%	131.36	-0.27%	(39.49)	0.00%	-	-0.27%	(39.49)
25 Intragroup eliminations								
March 31, 2019	-11.78%	(16,897.05)	0.26%	35.11	-14.30%	(417.59)	-2.29%	(382.48)
March 31, 2018	-11.88%	(14,667.01)	-1.54%	(222.25)	137.17%	479.82	1.74%	257.57
Total								
March 31, 2019	100.00%	143,454.47	100.00%	13,746.54	100.00%	2,919.64	100.00%	16,666.18
March 31, 2018	100.00%	123,482.76	100.00%	14,441.98	100.00%	349.81	100.00%	14,791.79

60 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
Firm Registration Number:- 001076N/N500013

Neeraj Goel

Partner
Membership number:- 099514

Place : Gurugram
Date : May 16, 2019

Ashwani Kumar Arora
Managing Director and
Chief Financial Officer
DIN 01574773

Parmod Bhagat
Director
DIN 00198092

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

Surinder Kumar Arora
Managing Director
DIN 01574728

Monika Chawla Jaggia
Company Secretary
Membership No. :- F5150

Corporate Information

Board of Directors

Vijay Kumar Arora
Chairman and Managing Director

Surinder Kumar Arora
Managing Director

Ashwani Kumar Arora
Managing Director

Rajesh Kumar Srivastava
Nominee Director

Radha Singh
Independent Director

Parmod Bhagat
Independent Director

Suparas Bhandari
Independent Director

Gokul Patnaik
Independent Director

**Company Secretary
& Compliance Officer**
Monika Chawla Jaggia

Key Management Team Corporate Office

Ashok Kumar Arora
President Punjab Operations

Vivek Chandra
CEO-Global Branded Business

S. K. Salhotra
Group Head Treasury

Rajinder Wadhawan
Director Operations

Ritesh Arora
Head – India & Far East

Kamal Poplai
Head Quality

Dipol Dhole
Vice President HR & Admin

Sachin Gupta
General Manager - Finance

LT Foods Americas

Abhinav Arora
President

Mukesh Aggarwal
Chief Financial Officer

Andrew W Cops
Senior Vice President (Marketing)

Sai S. Krishnan
Vice President Supply Chain & Operations

Chris Skolmutch
Head Research & Development

Tim Pisarski
Executive Vice President of Sales

Marci Gerlach
Vice President, Human Resources

Steve Kline
Director, Quality

Nature Bio Foods Limited

J. S. Oberoi
CEO

Anmol Arora
Director

Rohan Grover
Director, NBFL B.V.

LT Foods Middle East

Vijay Malik
Associate Director & Head Middle East

Gursajan Arora
Director

LT Foods Europe

Aditya Arora
Director

Anubha Bajaj
Sales

Statutory Auditors

Walker, Chandio & Co

Internal Auditors

Pro Legal Advisory LLP

Secretarial Auditors

D Dixit & Associates

Manufacturing Facilities

Rice Plant: Bahalgarh, Sonapat, Haryana

Organic Plant: Kamaspur,
Sonapat, Haryana

Mandideep, Bhopal, Madhya Pradesh

Bhikiwind, Amritsar, Punjab

Varpal, Punjab

Rotterdam, Netherlands

Houston, United States

Kurkure

Kamaspur, Sonapat

Silos

Silos Plant, Punjab

Silos Plant, Madhya Pradesh

Packaging Facilities

Cypress

Houston

New Jersey

Bankers to the Company

Oriental Bank of Commerce (Lead Bank)

State Bank of India

Punjab National Bank

Corporation Bank

Allahabad Bank

ICICI Bank Ltd.

Kotak Mahindra Bank Ltd.

IndusInd Bank Ltd.

Yes Bank Ltd.

The South Indian Bank Ltd.

Union Bank of India

Indian Overseas Bank

Axis Bank



CORPORATE OFFICE

LT Foods Limited
4th Floor, MVL-I Park Sector 15,
Gurugam -122001, Haryana
Phone no. 0124-3055100
www.ltgroup.in

REGISTERED OFFICE

LT Foods Limited
Unit No. 134, 1st Floor, Rectangle-1,
Saket District Centre, New Delhi-110017
Phone no. 011-29565344,
CIN: L74899DL1990PLC041790

