



Building a Sustainable Growth Story with brands, products & leadership

Corporate Information

BOARD OF DIRECTORS

Mr. Vijay Kumar Arora
Chairman & Managing Director

Mr. Ashwani Kumar Arora
Joint Managing Director

Mr. Surinder Kumar Arora
Joint Managing Director

Mr. Jagdish Chandra Sharma
Independent Director

Mr. Rajesh Kumar Srivastava
Nominee Director

Ms. Radha Singh
Independent Director

Mr. Pramod Bhagat
Independent Director

Mr. Surender Kumar Tuteja
Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER

Ms. Monika Chawla Jaggia

PLANTS

43Km Stone, GT Road, Bahalgarh,
Sonapat, Kamaspur, Bahalgarh,
Sonapat-131001

Mandideep, Bhopal
Phoola Road, Amritsar
Varpal, Punjab

STATUTORY AUDITORS

Walker, Chandio & Co

INTERNAL AUDITORS

Protiviti Consulting Private Limited

BANKERS

Oriental Bank of Commerce
(Lead Bank)

Corporation Bank

Punjab National Bank

Allahabad Bank

Bank of Baroda

State Bank of Hyderabad

ICICI Bank Ltd

Indian Overseas Bank

IDBI Bank Limited

The Karur Vysya Bank Ltd.

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services (P) Ltd

E-2/3, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri(East), Mumbai-400072
Ph: 022-28470652

Fax: 022-28475207

Email: ipo@bigshareonline.com

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

REGISTERED OFFICE

Unit-134, 1st Floor, Rectangle-1,
Saket District Centre, New
Delhi-110017

CORPORATE OFFICE

Plot No. 119, Sector-44,
Institutional Area, Gurgaon,
Haryana-122002

Tel:0124-3055100, Fax: 0124-3055199



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Sustainable growth
is not just about
numbers; it is about
the moments of
happiness we create
for the consumers.



Growth, in order to be meaningful and impactful, needs to be sustainable.

The realisation of sustainable growth is, in turn, intrinsically linked with the overall corporate mindset and the ethos that drives the organisation and creates the necessary momentum for its progress.



For LT, sustainable growth is the result of the momentum that we have built over the years and which keeps the organisation continually on the path of growth. It is the cumulative outcome of the successful establishment of our brands, products and leadership position in the Indian and International markets, founded on **25 years of growing trust and excellence.**



It is the story of sustainable growth that we are continually building on the strength of our efficient and optimal functioning.

From brands, to products, to leadership, it is a story that is perpetually growing and developing to deliver impressive growth year after year.



With a diversified focus that enables us to look beyond our core business of Basmati rice into other value-added products, it is a story that continues to inspire us to strive for bigger goals as we move forward in our odyssey towards global leadership.

With a visionary management steering our growth journey in tandem with the dedicated efforts of our people, it is a story that we are constantly structuring to deliver greater worth across the Agri value chain.

Versatile domain specialists with years of experience in global conglomerates continue to invest their expertise to build the story of our growth, which seeks to maximise consumer delight with our ever-expanding basket of brands and products.



LT FOODS

vision & values



Our vision

Customer delight
through value added
Agri business

Our values

- **Ownership**
Trust, dedication and commitment by empowering resources.
Accountability and responsibility to the people and respect for all.
- **Passion for Excellence**
Perseverance and endurance, with no compromising to remain best in class.
- **Customer Centricity**
Offering superior customer experiences through safe and high quality products and provide value for money.
- **Business Ethics**
Sincerity and honesty in delivering the best by being honest and transparent in our processes.
- **Innovation**
Improving continuously by experimenting with new ideas for superior products and process.

Sustaining growth over the decades

EVERY DREAM HAS A SMALL BEGINNING. FOR LT FOODS, THE BEGINNING LAY IN A SMALL VILLAGE IN AMRITSAR IN 1990, WHERE OUR CHAIRMAN, MR. VIJAY KUMAR ARORA, SAW THE DREAM OF TAKING BASMATI RICE TO EVERY HOME AND EVERY HEART.



However, unlike the hundreds of other small traders in the country, he was driven by a vision of value addition and accretion, with focus on delivering the best of the produce to suit the diverse tastes of consumers across geographies. His strategic focus combined with a visionary zeal to result in a growth story that continues to sustain itself year after year, decade after decade.

Today, LT Foods is the **second largest Basmati rice producer in the country**, with a global presence that extends beyond this core business into a host of value-added business streams, including Organic Foods, Value-Added Staple Foods, Healthy Snacks and Grain Storage (Agri-Infrastructure).

LT Foods Ltd.





BASMATI RICE

- 'Daawat' Brand is #2 in the Indian market and Royal is #1 brand in US
- Branded sales account for 78% of the Basmati Rice sales
- Basmati Rice is exported to over 60 countries, with significant presence in USA and Middle East
- **Key Brands – Daawat, Royal, Devaaya, Heritage, Rozana, Chef's Secretz**



VALUE ADDED PRODUCTS

- Healthy snacks - Commercial launch scheduled in 2013. Product range includes Chips, Crisps and Mixes in multi variants
- Plans to introduce more value-added products on health & convenience platform
- **Key Brand – MyMy**
- Plans to launch value-added staples (atta, suji, maida, dalia)
- **Key Brand – Devaaya**



ORGANIC FOOD

- Products Portfolio includes Organic Rice (Basmati and non-Basmati), Soya, Maize, Wheat, Sugar, Pulses, Spices, Nuts
- Plans to introduce value-added organic food products
- **Key Brand – Ecolife**
- Private Label



INTERNATIONAL TRADING

- Currently, the Company trades in Basmati, non Basmati Rice, Maize, Wheat, Corn and Sugar
- Non-Basmati Rice constitutes more than 90% of the sales
- **Markets covered include Indonesia, Iraq, Russia and Africa**



OTHERS

- Grain Silos (Build Own and Operate model)
- By-products of rice (husk, bran)
- Grading of grains
- Rice palletes
- Wheat flour



Chairman's Message

Dear Shareholders,

We stand today at an exciting juncture of our journey, marked by over 25 years of building trust and enabling growth. As we celebrate more than 25 years of excellence for our reputed and well established 'Daawat' and 'Royal' brands, we do it with a strong sense of satisfaction at the successful culmination of the first phase of our journey of sustainable and holistic growth.

We have come a long way, indeed, from our fledgling beginnings. LT Foods today epitomises a story of distinctive brand and product strength combining with the vision of a strong leadership to steer its growth odyssey.

As we move into the next phase of this journey, we do so with the confidence in our ability to leverage these strengths to capitalise on the growing market opportunity across the Basmati rice business. Besides India, the increasing demand for Basmati rice in International markets such as Middle East, UK and US, as well as in the new markets of Australia and Africa, has ensured a favourable environment for the growth of our major brands, led by 'Daawat', 'Royal', 'Heritage' and 'Devaaya'.

BUILDING STRATEGIC GROWTH MOMENTUM

The trust we have built for our brands, and the excellence levels we are now successfully extending to our non-Rice business, have been made possible by the aggressive marketing and distribution initiatives that enable us to continually make deeper inroads into existing geographies while concurrently extending our reach to new geographies.

With greater thrust on operational efficiencies and better cost management, we continue to redefine the benchmarks of success for the entire industry, as evidenced by our exemplary growth year-on-year.

We have built a growth story that has set new standards of excellence on the strength of our strategic focus and planning. This focus is underlined by the launch of new, innovative brands and products, going beyond rice into value-added product streams, and our measurable initiatives to improve productivity. Armed with this focused thrust, we continue to expand our



Diversification into new, albeit synergistic, businesses remains a key to our future growth agenda, which we shall continue to pursue vigorously through our brand, product and leadership strengths.

value proposition to further grow our value-added global presence across the food chain.

DRIVING GROWTH THROUGH PERFORMANCE LEADERSHIP

LT Foods has always been a future-driven organisation rooted in a strong cost and growth driven performance culture. This ethos has consistently and continuously helped us evolve as a market leader in the Indian and International Basmati rice markets.

In Basmati rice segment, our flagship ‘Daawat’ brand continues to steer the Company’s growth, thanks to a novel sales strategy aimed at customised selling approaches through independent sales verticals. A constantly expanding product basket in the Foods and Organic Foods categories has led to the emergence of these segments as key growth drivers for the future.

With a strong and streamlined supply chain management complementing an extensive quality procurement network, we are confident that we shall successfully entrench ourselves in these value-added segments, just as we have done in the Basmati rice segment over the years. We are focused on creating value across the Agri food chain and our future growth strategy is completely aligned to this focus.

Diversification into new, albeit synergistic, businesses remains a key to our future growth agenda, which we shall continue to pursue vigorously through our brand, product and leadership strengths.

TOWARDS ACCELERATED GROWTH

As we move forward on our future roadmap, we do so with a strong belief in our inherent capabilities and confidence in our brand power. With quality and innovation driving our growth odyssey, we shall continue to focus on expansion of our geographical and product portfolio to further extend our brand equity.

The coming years shall see our endeavours to increase the availability and presence of our existing brands pursued with even great vigour, even as we enter new categories in the branded food segment (value-added staples, health snacks and other products).

Our subsidiary, Kusha Inc., is another key driver of our growth strategy as we aim to make it the premier South Asian-inspired food provider. Our Kusha strategy envisages its emergence as a leading provider of healthy and tasty ethnic foods, marked by superior quality and innovative range, to the ethnic as well as mainstream customers. The thrust of our

It is our vision to build a strong global, value-added Agri-business LT portfolio over the next five years.

Kusha business, going forward, shall be on increasing revenues over 30% over the next two years. The strategy envisages launch of several new value-added products (organic atta, lentils, private label business.

We also plan to launch sauces and chutneys under the Royal Curry Delight brand and a new tea variety (brand ‘Akbar’).

With our strategic decision to expand into Agri-infrastructure beginning to yield dividends, we are also looking at our Silos business as a great opportunity for growth going forward.

VISIONARY ROADMAP FOR FUTURE GROWTH

It is our vision to build a strong global, value-added Agri-business LT portfolio over the next five years. And we are confident of translating this vision into actionable goals with the support of our people, particularly the experienced sales staff, who continue to work in tandem with the home grown talent to build a sustainable model for growth.

It is a model that is founded on the belief that challenges throw up opportunities and inspire people to take risks. It is based on the realisation that the entire life cycle of an individual, beginning with birth, is a risk. And those willing to take the risk succeed in life.

We believe that we have that ability to take risks that shall enable us to move forward on the path to greater success and higher levels of sustainable growth. We are also confident that we have the right strategy in place to achieve our goals for the future and to build the most exciting story of sustainable growth that shall enable LT to deliver greater value for every stakeholder. We are also confident that beginning was made several decades ago and we are now ready to move into the next phase of collective progress for all of us.

Best regards,

Vijay Kumar Arora



From the CEO's desk

Dear Shareholders,

A successful corporate operates on a foundation of sustainable growth and is modelled on strategic flexibility. LT Foods has built its growth story on such a philosophy, with a strong thrust on leveraging its strengths to capitalise on new opportunities.

With a structured business model, focused around our brand, product and leadership strengths, we are continually expanding our growth frontiers across businesses and geographies (domestic and International). Our strong risk management system helps us counter the growing competition from unbranded Rice players to consistently grow our top line and bottom line.

Basmati Rice – our core business – continues to be our key focus area and we are pursuing an aggressive marketing strategy to expand the same in new and existing markets. We are also regularly plugging gaps in our distribution network, and investing in our Sales and Marketing teams, to reach out to new territories of growth.

Our partnership approach helps us leverage our distribution strength to extend our non-Rice offerings into our Rice markets – a strategy aligned to our vision to emerge as a full-service food industry player creating value across the Agri food chain.

We believe quality assurance to be the key to our sustainable growth strategy and, to this end, we are continually embarking on new initiatives to maintain quality supremacy across our business value chain. Operational efficiencies have been optimised, thus enabling us to capture growth in the categories of our presence.

Our people constitute another vital segment of our growth, and their passion and dedication shall steer our future growth, thereby enabling us to deliver greater value to each of our stakeholders.

It is our endeavour to initiate new measures, year on year, to realise our vision of becoming an industry leader within the Rice sector and across our other business offerings. As we move forward towards our goals, we do so with confidence in our ability not

Our partnership approach helps us leverage our distribution strength to extend our non-Rice offerings into our Rice markets – a strategy aligned to our vision to emerge as a full-service food industry player creating value across the Agri food chain.

only to address all challenges but also to make the most of the burgeoning opportunities in the food sector.

We perceive in this new scenario immense potential for growth for the Company to join the Government effort in achieving the targets under the Bill.

The roadmap for the future is well planned and I am confident that we shall achieve our goals with the continued support of all our team members, customers, JV partners and shareholders. On my own behalf, and on behalf of the Management of the Company, I would like to thank them all for their unstinted cooperation and encouragement.

Sincerely,

Ashwani Kumar Arora

The roadmap for the future is well planned and I am confident that we shall achieve our goals with the continued support of all our team members, customers, JV partners and shareholders.



The Company

Established in 1990, LT Foods Ltd. is one of India's Leading companies with a global footprint and a long track record

- LT Foods is a market leader in the branded rice business with well established brands having a significant consumer mindshare
- Both India and International markets have been mined extensively by LT Foods
- It has a global footprint with presence in over 60 countries and strong operations in US and the Middle East
- The high potential organic foods business has emerged as another high growth product category for the Company
- The Company is a fully integrated player with expertise across the value chain and strengths in procurement, manufacturing, branding, marketing and distribution
- Experienced promoters and professional top management that have extensive experience in the food industry are other key strengths of the Company

In a significant innovation, LT Foods became the first in the category to launch Quick Cooking Brown Rice, under the 'Daawat' brand, to a highly positive initial response.

Another notable launch of FY 13 was Daawat Tiba, which is aimed at catering to specific markets. Initiation of wheat flour export to USA and Australia was also a key milestone that underlined our growth story during FY 13. The launch of Atta under the Royal brand in USA and Australia, leveraging the strong dealer network in the two countries, is a significant step towards further diversification of our business as we chart out growth story for the future.

It also introduced "Organic Quick Cooking Brown Rice" in America and this well placed in around 400 stores of Trader Joe's.

Expansion into new geographies and plans to launch health snacks, Ready to Eat and Ready to Cook rice adjacencies, have further paved the way for adding momentum to our growth plans.

Having emerged as leading integrated player in the Basmati rice market, we are all set to leverage our strong supply chain capabilities, and global networks and collaborations, to continuously build our growth story.

Financial Snapshot

The Company's revenue has grown at a 5-year CAGR of 15.91% (FY 08-13)

INR mn	FY 09	FY 10	FY 11	FY 12	FY 13
Operating Revenues	10,657.70	10,738.00	12,656.10	14,355.00	22,295.80
Growth	52.5%	(0.75)%	17.86%	13.42%	55.31%
EBITDA	1,624.40	1,141.60	1,191.00	1,776.30	2,380.20
EBITDA Margin	15.24%	10.63%	9.41%	12.37%	10.68%



Branding a differential growth story

BRANDS THAT ARE BUILT ON A DIFFERENTIAL QUOTIENT, WITH INNOVATION, EFFICIENCIES AND QUALITY AS THE KEY DRIVERS, ARE DISTINGUISHED BY THE STRENGTH AND PACE OF THEIR GROWTH. THE LT BRAND STORY IS SUCH A DISTINCTIVE CHRONICLE THAT CONTINUES TO DELIVER EXCEPTIONAL VALUE TO EACH OF ITS STAKEHOLDERS, YEAR AFTER YEAR, LEVERAGING THE STRENGTH OF ITS STRATEGIC FOCUS ON BRANDS, PRODUCTS AND LEADERSHIP.

OUR BRAND-LED GROWTH STRATEGY

A brand portfolio that caters to every segment of the market – from Premium to Consumer and Food Services categories, powers the Company's sustainable growth story. Our leadership position across the Basmati rice segment, with ~14% share in India (A.C. Nielson report 2010-11), exemplifies the strength of our growth strategy. Our flagship brand, 'Daawat', continues to expand and grow its leadership strength across Indian and International

markets, with #2 ranking in the Indian market share. 'Royal' has the enviable position of #1 Basmati rice brand in USA, where it is today a market leader with more than 40% share. The 'Devaaya' and 'Heritage' brands have also established a niche presence in various regions of the world. The Middle East market continues to witness steady growth of 'Daawat' and other brands, with strong distribution partnerships leading the same.

OUR PRODUCT-LED GROWTH STRATEGY

While branded Basmati rice has been the Company's mainstay, we have strategically diversified into other synergistic food products, such as Organic Foods (rice, pulses, maize, wheat, sugar), Health Snacks and Value-Added Staples (flour, dalia, besan etc). Our International Trading business encompasses Non-Basmati rice, maize, wheat, sugar and corn, with plans to expand into edible oil, spices, nuts, pulses, etc.

OUR LEADERSHIP-LED GROWTH STRATEGY

An experienced management team, with eminent personalities on our Advisory Board and Board of Directors, leads our growth story. The Company continues to invest significantly in building its leadership strength across various levels to carry forward its future-centric growth strategy. Led by a strong and visionary management, having pioneering and strategic vision, the Company has emerged as thought leaders in the industry to deliver both, growth and leadership.



OUR CORPORATE STRENGTHS THAT DELIVER SUSTAINED GROWTH

Our sustained growth is the result of our ability to invest judiciously in value-accretive businesses, build efficiencies, drive cost optimisation and deliver results consistently.

NUCLEUS OF STRENGTHS



With focus on sustainable growth, LT Foods is continuously striving to have the best business practices in place through important strategic initiatives, aimed at improving operational efficiencies. The Company has in place a well-focussed Strategic Process improvement cell which is constantly striving to ensure internal cost controls in a vibrant culture of growth that prepares its people to face new challenges of business. The SIP network aims at: reduction in wastage, costs and errors, simplification of processes, skill enhancement and introduction of new culture (5S, Kaizen).

Another key initiative of the Company relates to hiring large consultancy firms like EY and Accenture to incorporate best practices across all business functions.

MANUFACTURING FACILITIES

We have five state-of-the-art multi-location manufacturing units, which are strategically located in proximity to high consumption areas to provide cost advantage with easy and uninterrupted access to raw materials. The manufacturing facilities at Haryana (Bahalgarh, Kamaspur), Punjab (Varpal Amritsar), Madhya Pradesh (Bhopal) have a total rice milling capacity of 67 TPH (installed capacity - 408,000 MT). Our Kamaspur facility also handles our organic rice milling operations, while the Bhopal facility caters to our value-added food products business. We have a modern packaging plant in Houston, US.



OUR QUALITY ASSURANCE

Cognizant of the criticality of quality to food business, we have made quality a key focus area across our value chain. Our quality thrust is evident in the various certification and endorsements that we have earned globally for our manufacturing facilities and processes. The manufacturing facilities are certified for quality standards and operations are standardised as per industry's best practices.

• LT Foods Ltd.:

Rice manufacturing facility in Bahalgarh (Sonepat) - ISO 9001:2008 (Quality Management), SQF (Safe Quality Food), BRC-Global Standard for Food Safety, ISO 14000:2004 (Environmental Management) and Kosher Certification (OU)

• Daawat Foods Ltd.:

Rice manufacturing facility in Bhopal (MP) - upgraded from ISO 22000:2005 standard to FSSC 22000:2010 - (Food Safety System Standard - Inclusive of ISO 22000 & ISO/TS 22002-1) certification falling in line with its food facility - the first to have been certified to FSSC 22000:2010 standard in India

• Nature Bio-Foods Ltd.:

Rice manufacturing facility in Kamaspur (Sonepat) - ISO 22000:2005 (Food Safety Standard), NOP (National Organic Programme) of USDA Organic Standard, NPOP (National Programme for Organic Production), and EEC 837:2007 (European Organic Standard), Kosher Certification from JK Kosher

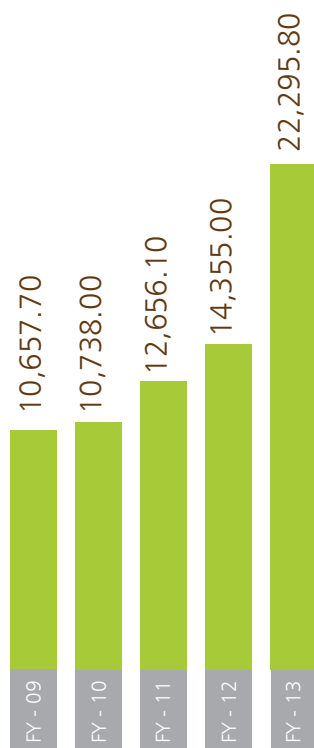


Building a number-led growth story

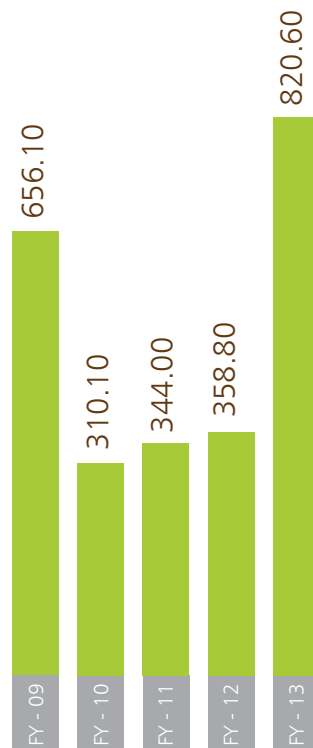
OPERATIONAL REVIEW						(₹ in Millions)
Particulars	FY 13	FY 12	FY 11	FY 10	FY 09	
Revenue	22,295.80	14,355.00	12,656.10	10,738.00	10,657.70	
EBITDA	2,380.20	1,776.30	1,191.00	1,141.60	1,624.40	
Profit before tax	820.60	358.80	344.00	310.10	656.10	
Exceptional items	-	360.20	5.40	(107.60)	291.20	
Profit after tax	600.70	(20.20)	252.00	331.50	302.00	
Earning per share (₹)	21.45	(0.41)	9.65	11.28	13.56	

FINANCIAL STRUCTURE					
Particulars	FY 13	FY 12	FY 11	FY 10	FY 09
Fixed assets	3,502.90	3,358.30	3,230.30	2,521.40	2,187.40
Investments	49.90	48.10	32.90	38.20	36.60
Net current assets	13,951.20	11,600.70	10,723.20	8,278.60	6,824.30
Total assets	19,727.40	15,983.50	15,239.40	11,810.80	10,699.30
Net worth	3,107.70	2,547.70	2,540.60	2,410.20	1,780.30
Term loans	1,620.50	1,913.40	1,462.90	1,452.30	1,290.10
Working capital loans	12,340.00	10,196.70	8,935.10	5,792.80	4,958.90
Unsecured loans	171.00	108.40	769.00	999.60	1,039.00
Capital employed	17,492.50	15,007.10	13,986.40	10,863.70	9,090.10

MARGINS & RATIO					
Particulars	FY 13	FY 12	FY 11	FY 10	FY 09
EBITDA (%)	10.68	12.37	9.41	10.63	15.24
Profit before tax (%)	3.68	2.50	2.72	2.89	6.16
Profit after tax (%)	2.69	(0.14)	1.99	3.09	2.83
Debt / Equity	0.52	0.75	0.58	0.60	0.72
Return on equity (%)	229.57	(7.71)	96.47	126.94	135.63



REVENUE
(₹ IN MILLION)



PROFIT BEFORE TAX
(₹ IN MILLION)



TOTAL ASSETS
(₹ IN MILLION)



CAPITAL EMPLOYED
(₹ IN MILLION)

A growing brand & product portfolio

Broad portfolio across consumer needs





Building sustainable growth through brand leadership



BASMATI RICE

Powered by our flagship 'Daawat' brand, we are continually posting greater sales of branded Basmati rice in both Indian and International markets.

Our story of sustainable growth continues to be steered by strong innovation and quality focus. Our growing numbers clearly exemplify our differential brands and product offerings which continue to build customer loyalty, resulting in impressive volume and value growth.



With focussed initiatives to strengthen our brands, products and leadership, we continue to augment our core business of rice through increased Basmati rice sales, expanded geographical presence and greater diversification of the product portfolio.

The 'Daawat' brand equity is witnessing exceptional growth across all markets, while the sale of 'Heritage' brand tripled during FY 13.

'Daawat', 'Heritage' and 'Devaaya' brands are benefiting from greater investments in promotions, consumer engagement (particularly across modern trade) and communications. The launch of the D40 club of 'Daawat' distributors in India has further strengthened the distribution network for the flagship brand.

The focus in the International market is on further building the brand through marketing campaigns in the existing geographies of Middle East, US, UK, Singapore, Africa, Australia, while concurrently strengthening the brand equity in Far East markets.

Our pioneering Quick Cooking Brown Rice, under Daawat brand, promises to propel rice-eating into a healthier and more convenient option.

Encouraged by the response to our HORECA range, we are making substantial investments in the business.

The Company is actively engaged in working towards the social and economic inclusion of its farming partners through a series of impactful initiatives, which include:

- 1 Promotion of new technologies for the sustainable development of the agriculture production
- 2 Improving the livelihood of the small and marginal farmers by increasing the productivity of the crops
- 3 Preservation of the natural resources like soil and water, conserving seed, flora and fauna of the region, encouraging diversified cropping system to maintain the natural crop diversity of the region
- 4 Creating market linkages for the diversified crops produced by the farmers
- 5 Empowerment of the farming community, including the women in the families, by providing technical training, providing necessary infrastructure, micro-finance and organising themselves into SHG (Self Help Group)

ORGANIC FOOD

Our Organic business, spearheaded by our subsidiary Nature Bio Foods Ltd. (NBF), is fast emerging a global leader, with its diversified range of organic products in India as well as in the International market. With a strong procurement network, backed by over 50,000 farming families associated with the business, our organic foods business continues to post exceptional growth, underlined by exponential sales (majorly contributed by exports) during FY 13. With plans to double the sales, the Company is focussed on significant investments in this business and in raising the standards of living of the farming community associated with it.

VALUE-ADDED PRODUCTS

Focussed expansion of value-added products also continues to give impetus to our growth story and we plan to launch our Health Snacks under the My-My brand during FY 14. Going forward, we shall introduce many more rice adjacencies and value-added products on the health and convenience platform. We are also planning to introduce value-added staples, such as Atta, Suji, Maida, Dalia, under Devaaya brand.

INTERNATIONAL TRADING

Our International Trading business continues to broaden its horizon and we now have a strong presence in Indonesia, Iraq, Russia and Africa.

OTHER BUSINESSES

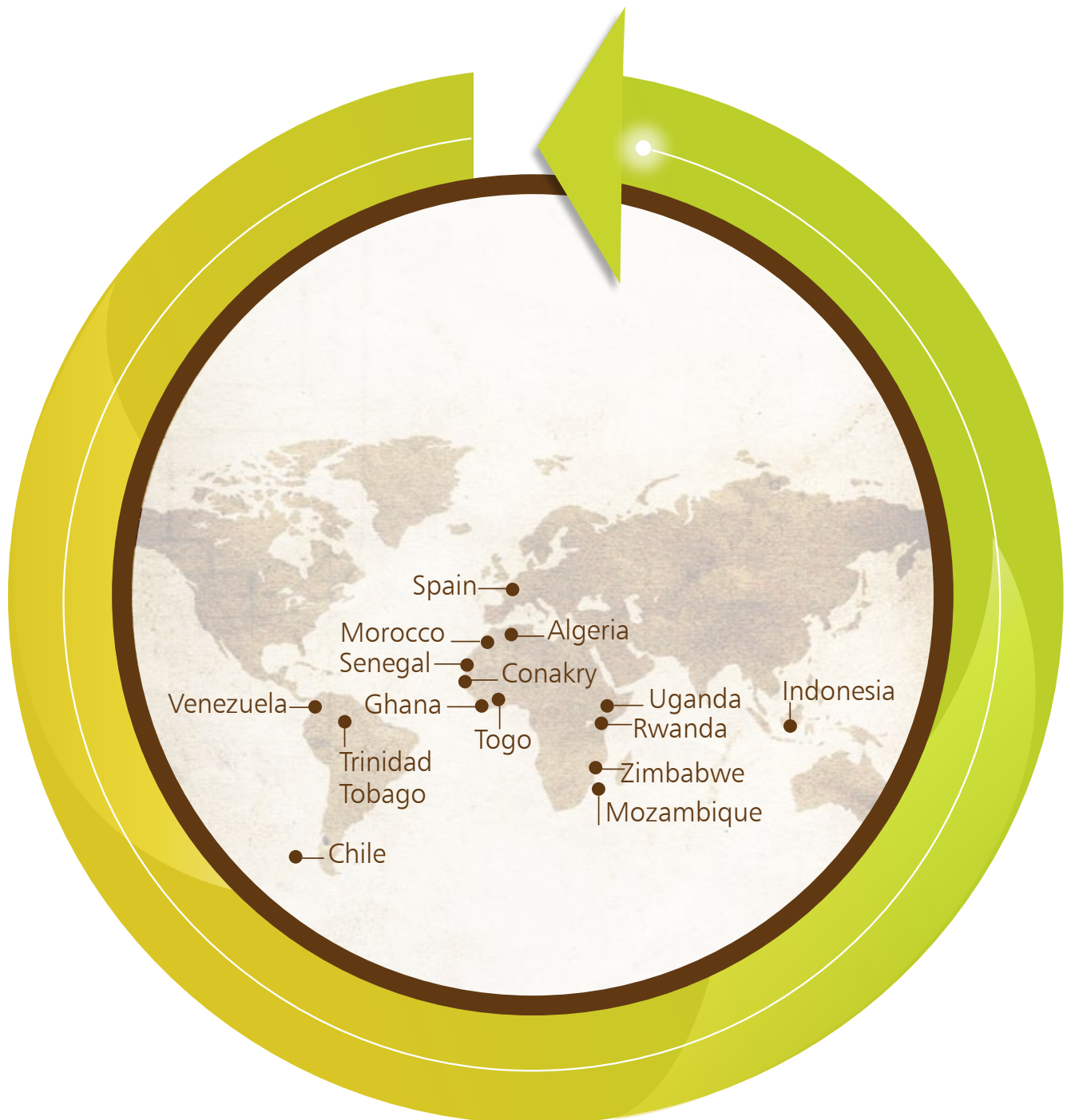
Our Agri-infrastructure business continue to build a new edge for the Company, which has won the IFC-Infrastructure Journal Gold Award for 'Top PPPs in Emerging Markets' that recognises successful partnerships where government, private firms, investors, international development institutions, and communities work together to address gaps in service and access. This award is a clear testimony to our successful pioneering foray into this high-potential area.

As we move forward in pursuance of our strategic growth agenda, we shall continue to explore more synergistically diversified streams of business, with greater thrust on value-added offerings that cater to the transforming aspirational needs of the new consumer, both within and outside India.



Building growth in new markets

With an innovative route to market approach, the Company forayed into 15 new geographies in the international market during FY 13, to further expand its geographical reach, which encompasses more than 60 countries.



LEADING GROWTH



A growth story endorsed by awards & accolades

OUR STRONG AND SUCCESSFUL GROWTH FOCUS FINDS ENDORSEMENT IN THE NUMEROUS AWARDS AND ACCOLADES THAT WE CONTINUE TO NOTCH YEAR AFTER YEAR. IT IS ALSO MANIFEST IN THE SPONSORSHIPS AND AWARDS THAT THE COMPANY HAS LAUNCHED AND INITIATED.



- 1 Readers' Digest Trusted Brand 2012 Survey, India, in the category Food & Beverages, Rice, for 'Daawat'
- 2 Planman's Consumer Voted 'Power Brand'
- 3 Gold Award from IFC-Infrastructure Journal for the hugely important PPP in Punjab State Silos Project, its reach and influence, for addressing the very serious issue of grain storage shortage
- 4 India Emerging Award for Nature Bio-Foods Ltd in the category of Agriculture & Food Processing, India 2013, rated by CRISIL, ICICI, CNBC TV18
- 5 Numerous awards from APEDA for quality produce and export achievement

Title sponsorship by Daawat of the prestigious International Chef Awards 2012 organised by the Indian Culinary Forum in association with the apex body, the Indian Federation of Culinary Associations & World Association of Chef Societies

'Daawat (The Basmati Specialist) Best Rice Chef Award' given to the participant with the best recipe using Daawat Chefs' Secretz Basmati rice



Leveraging our people strength LT Foods Ltd.

to build growth

25

THEME
PAGE

VIEW FROM
THE TOP

BUSINESS
REVIEW

MANAGEMENT
REPORT

FINANCIAL
STATEMENTS

LT FOODS HAS A VIBRANT WORK CULTURE THAT NURTURES A SENSE OF OWNERSHIP AND SELF DEVELOPMENT WITHIN EVERY MEMBER OF ITS TEAM.

We have always believed that our people are the true source of our competitive advantage. Today we employ 1,000 + people across geographies we operate. The management team that has an intimate knowledge of our business model, understands our systems and processes, shares our values and culture and carries our DNA. Our long-term commitment to the development of people across all levels has been one of the main reasons for our continuous growth and consistent performance.

As team appreciation replaced individual achievements, inter-team communications management came to the fore, leading to greater cohesiveness.

Our culture at LT Foods is entrepreneurial, team oriented and non-hierarchical. This encourages managers to take greater responsibility for their careers, both personally and professionally, and to contribute to the success of the company over the longer term. We are constantly developing this group by investing management time at the highest level and by putting them through a common rite of passage, which includes posting them to challenging conditions in emerging market countries and providing them with critical experiences that allow them to absorb our DNA and distinctive company culture. Our greatest strength as a company is our highly engaged, entrepreneurial and empowered managers who have developed an ownership mentality.

We have also been engaging services of HR experts and consulting firms such as EY to enable us to strengthen performance management system and retention policy and instituted ESOP to drive entrepreneurial and passion to perform.

This has enabled us to produce leaders who are capable of executing our ambitious growth objectives. We believe our success stems from our ability to concurrently execute multiple growth initiatives across brands, products and leadership.



Directors' Report and Management Discussion & Analysis

The Directors are pleased to present the 23rd Annual Report of your Company, together with the Audited Statement of Accounts for the Financial Year Ended 31st March 2013.

FINANCIAL PERFORMANCE (CONSOLIDATED)

The Company's progress was manifest in the excellent numbers as per the consolidated financial highlights for the year ended March, 31, 2013, as under:-

₹ in Crores

	FISCAL 2013	FISCAL 2012	CHANGE
	₹ in Crores	₹ in Crores	% change
Income	2229.58	1435.50	55.32
Expenses			
Material consumed	1,194.57	701.83	70.21
Purchase of traded goods	631.88	399.47	58.18
Changes in inventories of Finished goods and traded goods	(169.68)	(68.83)	146.52
Employee benefits	49.47	42.58	16.18
Other expenses	285.32	182.82	56.07
EBITDA	238.02	177.63	33.99
Finance cost	117.13	107.48	8.98
Depreciation & amortisation	38.84	33.96	14.37
Profit before prior period, exceptional items and tax	82.06	36.20	126.75
Prior period item/Exceptional items	(0.72)	36.21	
Profit before tax	82.78	(.02)	
Tax expense	22.71	2.00	
Profit after tax	60.07	(2.01)	

The financial year 2012-13 proved to be a landmark year for the Company which defied a contrarian economic environment to post exceptional performance across all parameters. The Company reported impressive numbers with the top line growing at 55 per cent over previous year to cross ₹ 2,000 Crores mark. PBT and PAT also showed significant increase over the previous year, thus underlining the financial robustness of the Company.

The Company reported increased sales, driven by expansion into new geographies, strengthening of

distribution network, diversification into new business and new product streams. Total revenue stood at ₹ 2,229.58 Crores, up from ₹ 1,435.50 Crores from previous year. Similarly, EBITDA stood at ₹ 238 Crores compared to ₹ 178 Crores in the previous year, representing an increase of 34 per cent.

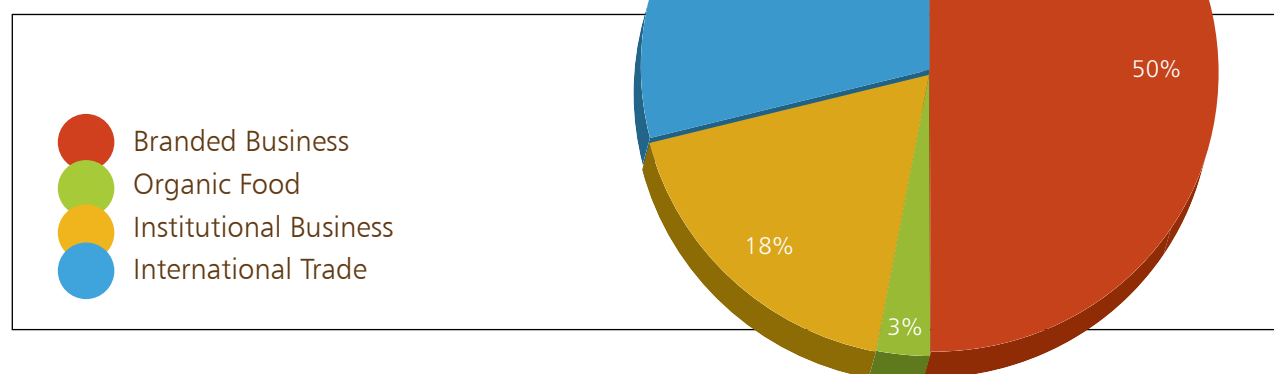
On standalone basis, the Company's revenues stood at ₹ 1667.48 Crores, representing a growth of 66.77 per cent over the previous year. Revenues from domestic sales stood at ₹ 713.55 Crores, an increase of 40.82 per cent, while revenue from export sales stood at

₹ 940.12 Crores, showing a significant increase over the previous fiscal - a clear indicator of the Company's sustainable growth charter.

The Company's growth story was scripted by aggressive marketing initiatives and a focused brand building drive. This judicious mix of branding and marketing initiatives augmented the leadership strength of its key Basmati Rice brands, thus adding to both its top and bottom line growth. 'Daawat' and 'Royal', which continue to be the consumers' first choice of branded Basmati Rice, contributed over 50 per cent of the total revenue of the Company. The other key Basmati Rice brands, such as 'Devaaya'

'Heritage' and 'Rozana', also strengthened the product basket, both in the Indian and International markets. All these immensely popular brands enabled the Company to be the first choice of consumers across all price points and this played a vital role in adding to the top line growth. Exports, too, improved as the Company continued to foray into new geographies, even as well established markets of Middle East, USA and UK posted excellent numbers. The Company, during the year, expanded its presence in another 15 geographies across Africa and Far East markets, opening new vistas of growth for the future.

PERCENTAGE SALES BREAK-UP OF COMPANY'S BUSINESSES



DIVIDEND

Your Directors have recommended a dividend of ₹ 2/- per equity share for the year ended 31st March, 2013, amounting to ₹ 523.37 Lacs, on which the Company paid tax of ₹ 88.95 Lacs. Dividend shall be paid to members whose names appear in the register of members as on 18th September, 2013; in respect of shares held in dematerialized form, it will be paid to members whose name are furnished by NSDL and CDSL, as beneficial owners as on that date.

UNCLAIMED DIVIDEND

Pursuant to provisions of Section 205A and Section 205C of The Companies Act, 1956, 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 Central Government.

The amount of dividend for the financial year 2005-2006, remaining unclaimed for the period of seven years, has been transferred to the IEPF of Central Government and cannot be claimed therefrom. The amount of dividend unclaimed/unpaid for the Financial years 2006-2007 to 2010 -2011 lies in the respective unpaid dividend accounts and can be claimed from Bigshare Services, the Registrar and Share transfer agent before the due date for transfer of the same.

The Company has already written to the shareholders informing them about the due dates for transfer of unclaimed dividend to IEPF. Attention of the stakeholders to this matter is again drawn through the Annual Report. Shareholders are requested to contact the Registrar for claiming the unclaimed dividend standing to the credit of their account.

Directors' Report and Management Discussion & Analysis

TRANSFER TO RESERVES

Out of the amount available for appropriation, your Directors propose to transfer Rs 253.69 Lacs to General Reserve and retain Rs 2,516.50 Lacs to profit and loss account.

TRANSFER OF AMOUNT TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 205A (5) and 205C of The Companies Act, 1956, relevant amount which remained unpaid or unclaimed for a period of seven years has been transferred by the Company to IEPF.

Pursuant to provision of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amount lying with the Company as on 19th September, 2012 (Date of last AGM) on its website, www.ltgroup.in, and also on the MCA website.

GLOBAL ECONOMIC SCENARIO

The global economic environment remained weak, with mature economies still languishing from the aftermath of the 2008-2009 financial crisis. Recession deepened in the Euro area, as low demand, depressed confidence, weak balance sheets and fears of complete collapse of nations financially crippled growth prospects. The U.S. economy expanded at a weak pace and, unlike in the past, the global challenges and uncertainties extended to the once insulated emerging economies. Economic growth was disappointingly low in several emerging economies and reflected, to a varying degree, infrastructure bottlenecks and other capacity constraints, slower external demand growth, lower commodity prices, financial stability concerns, and, in some cases, weak policy support as well as battered business and consumers' confidence.

While global growth dipped from 4.0 per cent in Calendar Year (CY) 2012 to 3.2 per cent in the year under review, GDP growth in emerging and developing economies regressed to 5.1 per cent for the year.

However, several important policy measures across different matured economies enabled the global economy climb the fiscal and financial cliff, as was evident in the cautious optimism of projected growth rates. The International Monetary Fund (IMF) has pegged the prospects for the coming

year as favourable, and foresees greater traction in the emerging markets and developing economies. As per the IMF World Economic Outlook (April 2013), the next two years are expected to see increase in the output growth.

This augurs well for the Agriculture sector, which constitutes upto 30 per cent of the GDP in most developing economies. Driven by favourable climatic, policy and market conditions, as well as the expected global economic recovery, Agriculture is expected to witness an impressive 1.5 per cent growth a year in production, on an average, over the coming decade, according to the OECD-FAO Agricultural Outlook 2013-2022.

India is the world's second largest producer of food next to China, and has the potential of becoming the biggest producer in the years to come.

INDIAN ECONOMIC SCENARIO

The uncertain global scenario also had a cascading effect on the Indian economy, which was already reeling under domestic woes caused by the lock jam of reforms process that was stifling growth and industry. The stringent monetary policy adopted by the Reserve Bank of India (RBI) led to a stubbornly high interest rate regime which adversely impacted growth. While the Government struggled to deal with the challenges unleashed by higher fiscal deficit, overall business and consumer confidence dampened, which weakened the demand scenario in the market.

The country's GDP developed the slowest over the decade, barely touching 5.0 per cent in FY 13. While some of the reform measures introduced by the Government during the second half of FY 13 held the promise of reversing the downtrend, the country now is faced with fresh crisis of the rupee weakening vis-à-vis the US dollar.

India, notably, is the world's second largest producer of food next to China, and has the potential of becoming the biggest agri-producer in the years to come. India ranks 10th in global agricultural and food exports, as per the Economic Survey 2012-13. Exports of Agricultural products are expected to cross US\$ 22 billion mark by 2014 and account for 5 per cent of the world's

Agriculture exports, according to the Agricultural and Processed Food Products Export Development Authority (APEDA). By and large, the Agriculture and Food sector growth stories remained intact during the year and presented a far more stabilised scenario despite economic environment remaining weak.

The IMF, in its April 2013 World Economic Outlook, has projected that India's Gross Domestic Product (GDP) growth is likely to improve to 5.7 per cent in 2013 and further to 6.2 per cent a year after. This is expected to give a further boost to investments in the Indian Food sector. The National Food Security Bill, 2013, is also expected to throw up immense growth opportunities for private food sector players by raising the demand for food supplies, particularly Wheat and Rice.

GLOBAL RICE OUTLOOK

With global economy expected to pick up, the global outlook for Rice production, import and export is also positive for the coming financial year. According to FAO Rice Market Monitor (RMM), April 2013, India, as a leading producer and exporter, is likely to be the major beneficiary of the improved Rice business scenario.

Global Rice production in 2013-14 is forecast to increase to a record high of around 499.1 million tonnes, up around 2 per cent from an estimated 489.9 million tonnes produced in the previous year, according to the UN's Food and Agriculture Organization (FAO).

The expansion, to a large extent, has been pegged on expectations of a recovery in India, with further significant gains anticipated in China (Mainland) and Indonesia. Rice Market Monitor (RMM), April 2013, attributed the increased production in India to good weather and to government price supports for farmers in both India and Thailand.

Forecasts of 2013 exports for India have been also upgraded to 8.3 million tonnes, and according to the RMM, Indian exports in 2013 would stand second only to the 2012 record. This clearly suggests that India will continue playing a leading role in international Rice trade again this year.

INDIA – BASMATI OUTLOOK

India is a leading global Rice player, with Basmati Rice its gift to the world. India is the leading exporter of the Basmati Rice, known as the 'King of Rice', to the global market. The country exported 3,456.41 thousand MT of Basmati Rice, valued at ₹ 19,390.53 Crores, during FY 13, as per statistics released by Agricultural and Processed Food Products Export Development Authority



(APEDA). Major export destinations during the year were the West Asian countries of Iran, Saudi Arabia, United Arab Emirates, Iraq and Kuwait.

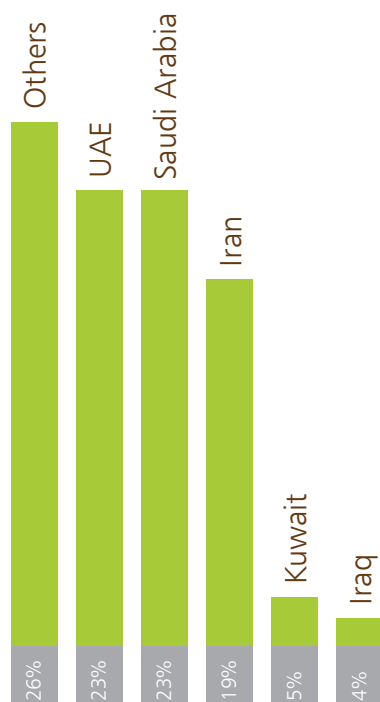
The Basmati Rice segment has benefited from increased consumption trends both within India and internationally. Volume sales of Basmati Rice in India have increased at a 25.0 per cent compound annual growth rate, or CAGR, between fiscal 2006 and 2012, while Indian Basmati rice exports increased at a 20 per cent+ CAGR between fiscal 2007 and 2012.

International sales of Indian Basmati Rice have also benefited from favourable pricing trends and have grown at a 40 per cent CAGR in value sales between fiscal 2007 and 2012. We expect to continue to benefit from this significant growth in global demand for Basmati and other specialty Rice, which we believe will outpace the growth of the overall Rice industry.

As per available data, around 45 per cent of the Basmati Rice demand emanates from exports and the balance from domestic consumption. West Asia continues to be the major source for global demand for Basmati Rice (West Asian countries together accounting for three-fourth of the total Basmati Rice exports from India).

Directors' Report and Management Discussion & Analysis

BASMATI EXPORTS 2011-12 (3.2MN TONNE)



Market data indicates that domestic consumption of Basmati Rice will continue to grow at a healthy CAGR of 15 per cent. The growth will be pushed by the increasing spending power of the middle-income sections of the society, proliferation of the modern retailing format and increasing shift from unbranded to branded Rice and from economy to premium brands.

BUSINESS OVERVIEW

LT Foods is a global packaged foods player present across the Agri value chain in over 60 countries, which is continuously diversifying to expand its business portfolio. It is a well integrated player, with strong backward and forward linkages that span multiple product streams. In its core business of Basmati Rice, the Company is the second largest producer in India. Its other business streams encompass Value-Added Products (Staples and Health Snacks), Organic Foods, International Trading, Grain Storage (Agri-Infrastructure).

The Company has built a strong brand, product and leadership base, which is continuously driving it to achieve new levels of excellence in its journey towards greater sustainable growth.

Though Basmati Rice constitutes more than 70 per cent of its sales, LT Foods is also trading in Non-Basmati Rice, Wheat, Corn, Sugar and many other products. The Company's relentless pursuit on R&D found manifestation in product launch of Quick Cooking Brown Rice and Dubar under 'Daawat' brand during the year under review. Its five state-of-the-art manufacturing facilities also continued to deliver high quality products to food connoisseurs around the world.

A strong pan India distribution network of over 400 plus distributors and more than 80,000 retail outlets enables the Company to leverage opportunities for growth pan India, across the Traditional Market, Modern Retail and HORECA segments. Keeping in view the criticality of its distribution function, the Company is continuously investing in its expansion, while constantly initiating new marketing strategies to complement the distribution efforts.

Proactively backed by several vital strategic initiatives, LT Foods posted significant sustainable growth during FY 13.

With its strategic growth plans firmly in place, the focus remained on expanding geographies and product portfolio to ensure sustainable growth across its key business functions.

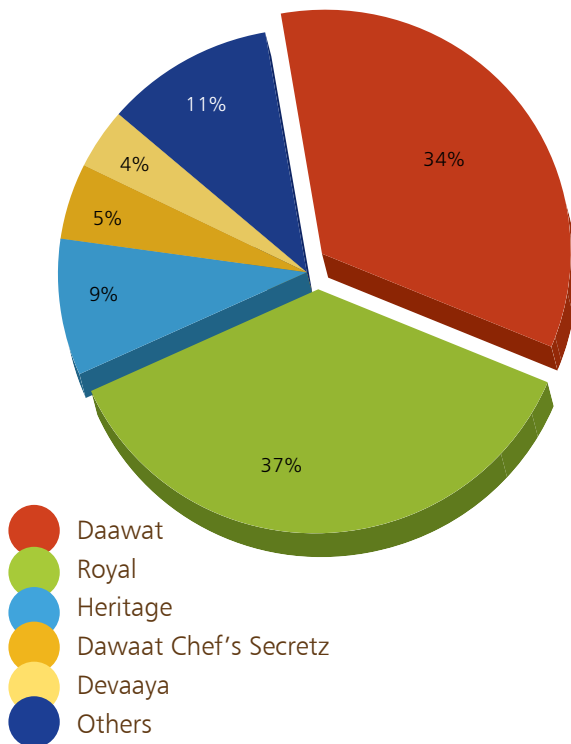
Keeping pace with the technological and other developments in the business of food grains across the world, LT Foods continued to invest in up gradation of its processes and systems to make them more productive and cost-effective through strategic optimisation measures

GROWING THE BASMATI RICE BUSINESS

The Company posted impressive growth in its core business of Basmati Rice, in which it is a market leader and has extensive expertise and experience. The Company continued to make significant investments during the year in further strengthening and building its share in the Basmati Rice segment. Extensive marketing campaigns and expansion of the distribution network steered the Basmati Rice growth story globally.

Extensive and focused promotional campaigns led to further enhancement in the popularity of its key Basmati Rice brands - 'Daawat', 'Royal', 'Devaaya' 'Heritage' and 'Rozana', in the Indian and International markets.

SALES BY BRAND IN FY 12-13



In the International market, the Company successfully leveraged its strong distribution network to strengthen its Basmati Rice business. Basmati Rice is exported by the Company to over 60 countries, with significant presence in UK, USA and the Middle East. 'Daawat' continued to witness steady growth in these regions on the back of well-planned marketing and distribution measures.

STRENGTHENING PRESENCE IN ORGANIC FOODS

Strengthening presence in Organic Foods While Rice continues to be its main business, the Company has also successfully entrenched itself in the fast-growing Organic Foods business, spearheaded by its subsidiary Nature Bio Foods Ltd. (NBF). This business spans a diverse range of products, including Organic Rice (Basmati and Non-Basmati), Soya, Wheat, Sugar, Pulses, Spices and Nuts. Its key organic food brand 'Ecolife' is leading the market growth in this segment.

An extensive procurement network, with more than 50,000 farming families supporting the venture with their knowledge and experience, is the pillar of the Organic Foods business growth. The Company's strong procurement system ensures smooth supply and maintenance of best quality authentic organic products across the world.

The Organic Food business stream showed significant growth during the year. Though exports were the key driver of this growth, India is also fast emerging as a popular destination for Organic Foods, generating a strong growth potential.

Endorsing its exciting success story, NBF won the coveted and prestigious "India Emerging Award" 2013, rated by CRISIL, ICICI, CNBC TV18. With this award, it has earned the highest laurel in the category of Agriculture & Food Processing.

Encouraged by its performance, the Company is now well on track to further expand its Organic Foods portfolio. It has strategic plans to double the sales of its Organic Food offerings over the next few quarters through introduction of new value-added organic food products and expansion of its marketing and distribution reach.



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Directors' Report and Management Discussion & Analysis

DELIVERING MORE THROUGH VALUE-ADDED PRODUCTS

In line with its strategic goal of building LT Foods with presence across the Agri food chain, the Company continued to work towards building a strong presence in the value-added food products business stream. Following extensive R&D, the Company is now all set for commercial launch of its value-added products based on health and convenience platform. Having invested significantly during FY 13 in this venture, LT Foods is geared up to launch Healthy Snacks (Chips, Crisps and Mixes in multi variants), under the My My brand in the coming quarters.

EXPANDING FOOTPRINTS THROUGH INTERNATIONAL TRADING

With its diversified focus, the Company has developed a robust core in its International Trading business, which was set up to explore opportunities and leverage the Company's strengths in global markets. The business is aimed at enhancing the global profile of LT Group in the key markets of Africa, Indonesia, Iraq, Russia, besides others. Currently, the biggest growth driver for this business vertical is trading Non-Basmati Rice, constituting more than 90 per cent of the International Trading sales.

EXTENDING EXPERTISE TO AGRI-INFRASTRUCTURE

The Company's strategic foray into grain storage (Agri-Infrastructure) started delivering results in the year FY 13, with LT leveraging its strengths and experience to successfully manage its 50,000 MT Punjab State Silos project in Amritsar on the build, own and operate model. The project won the Gold award from IFC - Infrastructure, Washington, for being amongst the top 40 public-private partnerships in emerging markets that demonstrate best practices for governments which collaborate with the private sector to provide a wide range of public services and spur economic development.

The Company now plans to replicate this success in other States where it sees immense potential to grow this business given the acute shortage of storage facilities in India. The Food Corporation of India has estimated a shortfall of 10-12 million MT for storage capacity for its Wheat storage.

LT Group, which is today amongst the two top players in this field, is fully geared to leverage the potential for growth in this business. Recent announcement by the Government of India for 2 million MT Silo construction programme will offer a unique opportunity for LT Foods to expand this business vertical as a key pillar of sustainable future growth.



AUGMENTING EFFICIENCIES

As a future-focused organization, LT Foods is consistently and constantly engaged in optimising growth through greater efficiencies. During the year under review, the Company undertook several strategic initiatives to augment operational efficiencies at the manufacturing facilities.

It also focused on Strategic Process Initiatives and created a cell with an aim to improve bottom line through internal cost controls, efficient processes and systems. SPI is working towards bringing efficiencies through cost optimisation, minimisation of errors and processes, as well as standardisation. It is also working towards enhancement of skill sets of human resources across manufacturing facilities, such as 5S, Kaizen, mean time to repair / recovery and mean time between failure.

PERFORMANCE OF KEY SUBSIDIARIES

The Company's strong performance was clearly mapped not only across its multiple business streams but also in the growth charter of its key subsidiaries.

Daawat Foods Limited (DFL)

Majority owned subsidiary Daawat Foods Limited (DFL) continued to maintain momentum of growth during FY 13. Backed by the significant performance of its manufacturing facility, the Company reported a strong double-digit growth over previous year in the top line.

With strong focus on building efficiencies, the subsidiary undertook some major initiatives to cut costs and optimise production. Certified as FSSC 22000 compliant, the Rice plant performed at near its full production capacity.

The Company is fully geared up to manufacture value-added food products, namely Rice based Chips, Mixes, Crispies,

Wheat flour etc, to further strengthen and expand the product basket to leverage the distribution network for future growth.

Nature Bio-Foods Limited (NBF)

Nature Bio-Foods Limited (NBF), another key subsidiary, is currently in the process of taking lead in the organic business. With a highly diversified organic product range both in India as well as International markets, it continued to deliver positive performance during the year under review.

The top line grew over 55 per cent during FY 13 over the previous year, on the back of an expanding product portfolio and geographic reach.

Nice International FZE

Growing demand in the Middle East markets helped Nice International FZE to further consolidate its gains in the region to post a remarkable 79.53 per cent growth during FY 13 over the previous year. It continues to grow its brand and market shares in the region with significant improvement in neighbouring consumer markets such as Iraq, as well as the wholesale and food services markets in Saudi Arabia.

Concerted efforts helped push sales and realization of parboiled "Sella" type Rice in key markets such as Iraq, UAE and Saudi Arabia. 'Daawat' emerged a clear leader in Iraq, where the Quick Cooking Brown Rice was launched during the year. Other initiatives in the region included launch of 'Daawat' range in Lebanon and Yemen, new distribution arrangement in Libya, launch of 'Hadeel' in Yemen and development of ground presence in Iran for launch of 'Daawat.'

As a step towards further expansion of its business, Nice International also developed its private label portfolio in the GCC markets of Iraq, Saudi Arabia, Oman, Kuwait and UAE.

Kusha Inc.

Kusha Inc. is the #1 importer of Basmati Rice in USA, marketed under its flagship 'Royal' brand, with a market share of over 40 per cent. In addition, Kusha also offers various other health foods such as Organic Rice, Couscous, Grape seed oils and premium Teas. A full-fledged "farm-to-fork" enterprise, Kusha provides premium food products to retail stores, food services, private labels and ethnic markets.

During FY 13, Kusha posted a strong double digit growth on the back of the expansion of its product portfolio and distribution network across mainstream markets. Concurrently, it also pushed deeper into ethnic and local markets of USA.

With an eye on future growth and opportunities, the Company plans to make Kusha the premier South Asian-inspired food-provider in the market, with its key offering of healthy and tasty ethnic foods backed by superior quality and innovative range.

QUALITY ASSURANCE



World-class testing systems are an essential component of its food control system and all products are tested on state-of-the-art equipment.

Given the importance of quality to the foods business, the Company has made this a key focus area of its entire business fabric. Armed with a strong commitment to the health and safety of its consumers, LT Foods ensures strict adherence to food safety, hygiene and sanitation standards in all its processes and deliveries to the clients. The Company also strives to provide value addition in its products, services and innovation initiatives in all its branded and private label products.

All food products from the Company's stable are taken through stringent tests at each stage of the chain. Its Quality Assurance Department (QAD) is focused on continuously pursuing the Company's relentless commitment to a robust quality programme.

Its world-class laboratory systems are an essential component of its food control system and all products are tested on state-of-the-art equipment. NABL, an accreditation body and a benchmark for certification of laboratory systems, has concluded audits and has recommended LT Foods Analytical Center for accreditation.

RISKS & CONCERNS

The Company's strong risk management system enables it to be well prepared at all times to counter industry-related and other cyclic or seasonal challenges. Based on the multi-pillar model of Business Risk Assessment, Operational Controls Assessment and Policy Compliance processes, the Company identifies, assesses and manages various risks it encounters in its business growth.

Directors' Report and Management Discussion & Analysis

The Company's risk mitigation strategy is centred around an efficient reporting system, better decision-making, a robust growth strategy, identification of synergies across business verticals and development of Company-wide risk culture.

Despite the strong risk management framework in place, there are several internal and external factors that threaten to challenge the Company's growth strategy. The Company continues to counter these risks through focused strategic initiatives.

PROCUREMENT RISK

Procurement of uninterrupted supplies of good quality paddy remains a key challenge for LT Foods, given that Rice is its main business and key revenue contributor.

RISK MITIGATION

The Company has a strong contract farming network, which it supports with supply of quality seeds and sharing of best farming techniques. The Company leverages this network to partially eliminate its dependence on purchase from open market. The Company's testing expertise also helps maintain a high level of quality in the paddy procured.

FOREIGN CURRENCY RISK

With exports a major contributor of the Company's revenue, volatility in the currency may impact the Company's profitability.

RISK MITIGATION

The Company has in place a robust foreign exchange policy to ensure risk mitigation from time to time.

CLIMATE RISK

Rice being a seasonal crop and heavily dependent on monsoon in India, climatic variations affect the Rice business.

RISK MITIGATION

The Company's contract farming initiative in collaboration with Pepsi has helped paddy cultivation with less water. The risk is also addressed by the Company's ground presence in the northern area, which is known for its well irrigated land.

MARKET RISK

Economic turbulence in the global markets especially developed ones is a factor determining the growth and profitability of the Company's business. In the domestic market, increasing competition and changes in consumer preferences could also impact business.



RISK MITIGATION

The market risk emanating from the developed nations is mitigated by the Company through geographic expansion helping to de-risk from dependence on a single country. As part of this strategy, the Company is expanding its footprints across Africa, MENA region, Australia, New Zealand etc.

On the domestic front, the Company is continuously expanding its product portfolio to meet the evolving needs of consumers and also has products touching various price points.

INTEREST RATE RISK

With ageing of paddy a sine quo non of good quality Basmati Rice, there is need for significant working capital investment. Rising costs and tightening fiscal environment could lead to increase in investment costs, thus impacting the Company's bottom-line.

RISK MITIGATION

The Company maintains excellent relations with its lenders and does not foresee any challenges in raising required funding at most competitive rates.

IMPACTING LIVES THROUGH CSR FOCUS

As a responsible multi-national business entity, LT Foods is fully committed to its social responsibility. The Company launched a number of Corporate Social Responsibility (CSR) initiatives through its subsidiary, Nature Bio Foods Ltd (NBF), in the year gone by.

Backed by strong economic and social linkages, it worked on various programmes to impact 50,000 farming families across the Indian sub-continent, notably in the States of Uttarakhand, Uttar Pradesh, Madhya Pradesh, Rajasthan, Maharashtra, Jammu & Kashmir, Haryana, Assam, Tripura, Tamil Nadu, Odissa, Bihar and Manipur.

Among the notable initiatives were:

Promoting "SUSTAINABLE GREEN REVOLUTION" across India:

NBF is working relentlessly to support organic agriculture production by the small and marginal farming families, thereby contributing to the protection of the environment.

Revolutionising Socio-economic Development of Small and Marginal Farmers:

NBF scaled up its activities during the year to partner more families under the organic agriculture programme. It provided its farmer members organic agriculture inputs through a dedicated organic production team.

Participatory Technology Development (PTD) – SRI techniques and others to the Himalayan Farmers under the Swiss collaborative project:

As part of an initiative in place since July 2011, NBF has expanded its network in the Himalayan mountainous region from 228 to 2,000 farming families to promote environment through sustainable organic farming methods. The Swiss collaborative partner 'COOP' (the country's second largest supermarket chain) is the buying partner.

Implementation of Internationally Renowned Fair, Ecological and Socially Responsible Business Standards - Fair Trade of FLO-Cert, Germany, ECOSOCIAL of IBD, Brazil:

To maintain its fair principles, the Company has introduced the international fair trade standards of FLO-Cert (Fair Trade Labelling Organisation) of Germany, through which it ensures fair price to the producers.

Integrated Watershed Management Programme in Tribal Areas of Madhya Pradesh:

The Government of Madhya Pradesh has given NBF the responsibility to develop "A Integrated Watershed Project" in an area of 6,550 hectare land, covering 2,200 farming families spread across nine villages in Harrai block of Chhindwara.

Small Scale Industrial Set-Up for the Tribal Farmers (Millets Processing Unit):

As a recognition of NBF's efforts in bringing visible change in the socio-economic conditions of the tribal families through organic farming, Department of Farmer Welfare and Agriculture Development District Chhindwara has awarded it three machines for various operations.

Empowerment of Farming Families including Women in Forming Self-Help Groups:

Under the Self-Help Group (SHG) programme, NBF has formed 70 SHGs at various places across India. These SHGs are doing good savings of ₹ 20-500 per member per-month based on their capabilities. After completion of the six months, these SHGs get linked with Government agencies like NABARD for getting the benefits.

Supporting Farmers with Appropriate Farming Equipments:

For convenient farming operations, NBF supported the maximum number of farmers before the onset of the Monsoon season and the start of Kharif season activities through distribution of farm implements in Madhya Pradesh.

NBF scaled up its activities during the year to partner more families under the organic agriculture programme.



Directors' Report and Management Discussion & Analysis

INTERNAL CONTROL SYSTEM

LT Foods has a well-established internal control system designed to accomplish specific goals and objectives of the Company. The system covers internal audit and corporate risk assessment and mitigation. The internal audit cover plan - encompassing factories, sales offices, warehouses and businesses and functions controlled centrally - is approved by the Audit Committee at the beginning of every year. Thereafter, as part of the ongoing process to track and mitigate risks, the Audit Committee of the Board is presented, every quarter, with key control issues and actions taken on past issues.

The efficacy of the system is tested by its ability to monitor operating systems and policies, their compliance and any deviation thereof. This is done with a view to identifying and assessing various risks and developing suitable mechanisms to mitigate them. Periodic reviews and development of time-bound action plans to improve operations and efficiencies are part of the Company's internal control system.



HUMAN RESOURCE DEVELOPMENT

At LT Foods, talent and resources are our most important asset and a source of competitive advantage. The human resources strategy is aimed at talent acquisition, development, motivation and retention. The HR function acts as an effective lever for driving the Company's strategic initiative and helps in integrating and aligning all people practices to LT's business priorities across verticals.

The Company has an unrelenting focus on talent development. The PRIDE based performance management system forms the backbone of this process which also institutionalised career development that intends to identify and groom future talent.

As of 31st March, the total number of people employed by LT Foods Ltd. stands at more than thousand.

PARTICULARS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956.

A statement pursuant to section 212 of the Companies Act, 1956, relating to subsidiary

Talent acquisition and retention, along with training and development, topped the HR agenda.

companies, is attached to this Annual Report. In terms of general exemption granted by the Ministry of Corporate Affairs vide its circular No. 2/2011 dated 8th February, 2010, the audited accounts and Report of Board of Directors and Auditors of the Company's subsidiaries have not been attached to this Annual Report. The Company has complied with the requirements as prescribed under the said circular. The annual accounts of the subsidiary companies and the related detailed information are open for inspection by any shareholder, including the shareholder of subsidiary company, at the registered office of the Company and its subsidiary during the working hours on all working days.

In accordance with the Accounting Standard, AS-21, issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by your Company include the financial information of all its subsidiaries.

CORPORATE GOVERNANCE

The Company has been in compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange, and a certificate from the Auditors to this effect is made part of the Annual Report

The Board lays strong emphasis on transparency, accountability and integrity. Its 'Governance Committee' has been specifically assigned the task of analysing the clause with respect to good governance practice. Doing the right thing in the right way, and ensuring that the right safeguards, checks and balances are in place, is a key component of the Company's Corporate Governance policy.

In terms of sub clause (v) of Clause 49 of Listing Agreement, Certificate of CEO/CFO, inter alias, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said clause, is also enclosed as a part of said Report.

COST AUDITOR

The Ministry of Corporate Affairs (MCA) has introduced The Companies (Cost Audit Report) Rules, 2011 and, vide its notifications, has made mandatory the

appointment of Cost Auditor for certain Companies. The same is applicable to the Company and, in accordance with provision of law, Mr Vipul Bhardwaj, Practising Cost Accountant, had been appointed to conduct cost audit for the financial year ending 31st March, 2012, and the cost audit report for the said financial year shall be filed with the Central Government within the prescribed time.

Mr Vipul Bhardwaj has been reappointed as Cost Auditor for the financial year 2012-2013 in accordance with the provisions of the law.

AUDITORS

Walker Chandiok & Co, Chartered Accountants,, the Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and have

confirmed their eligibility and willingness to accept the office of Statutory Auditors if reappointed. The Audit Committee and the Board of Directors recommend their reappointment as statutory auditors for the financial year 2013-2014 for shareholders' approval.

Paragraph B (10) of schedule 18 in the notes on accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

DEPOSITS

During the year, the Company did not accept any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

EMPLOYEES (DISCLOSURE UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956)

NAME	AGE (YEARS)	DESIGNATION	QUALIFICATION AND EXPERIENCE	GROSS REMUNERATION	DATE OF COMMENCEMENT OF EMPLOYMENT	PARTICULARS OF LAST EMPLOYMENT
Vijay Kumar Arora	55	Chairman and Managing Director	Graduate	7,800,000/-	29.09.2004	N. A.
Ashwani Kumar Arora	44	Joint Managing Director	Graduate	AED 435,000/-*	22.06.2007	N. A.
Surinder Kumar Arora	49	Joint Managing Director	Under Graduate	6,000,000/-	22.06.2007	N. A.
Vivek Chandra	55	CEO- Foods	MBA	8,000,000/-	24.11.2010	Associated British Foods
Anil Khandelwal	53	Director-Finance & Strategy	FCA, AIIA	7,000,000/-	03.05.2012	Director & Head M&A, Ranbaxy Labs Ltd.
Som Nath Chopra	44	Chief Financial Controller	CA	6,640,000/-	01.09.2006	Own Practice

- Employed throughout the year under review and were in receipt of remuneration for the year which, in aggregate, was not less than ₹ 6,000,000/- per annum
- Employed for a part of the year under review and were in receipt of remuneration for any part of the financial year at a rate, in aggregate, not less than ₹ 5,00,000/- p. m.: NIL

Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora are relatives within the meaning of Section 6 of the Companies Act, 1956.

*Mr Ashwani Kumar Arora was paid salary from overseas subsidiary Nice International FZE.

Directors' Report and Management Discussion & Analysis

RESEARCH & DEVELOPMENT

In line with its focus on building a sustainable growth story, the Company makes significant investments every year in Research and Development. These concerted efforts over the years have led to delivery of the highest possible yield of high quality milled Rice at the lowest cost by all its manufacturing facilities. The parboiled Rice plants at Bhopal (MP) and Varpal (Punjab) excels in low cost parboiling and high yields by optimising and properly controlling process conditions to get the best results.

The Company's R&D efforts are currently focused on development of Rice-based and value-added Rice products. The launch of the Quick Cooking Brown Rice during FY 13 endorses the success of these efforts. A diabetic institute in Chennai found LT Brown Rice to be the best Rice for the diabetic patients.

The newly developed Rice snacks, with 90 per cent less fat compared to all popular snack products on the shelf, is all set to hit the market under the brand 'My My' on the plank of taste and health. In addition, the Company is also working on number of new products keeping in mind the need of today's health conscious consumer looking for convenience as an important driver.

PARTICULARS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO

Information as required under Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988, is set out hereunder:

Conservation of energy

Sustainable growth requires greater focus on energy conservation, which is a priority area for the Company. The Company's continued efforts to reduce and optimise the use of energy consumption have shown positive results. Better controls are planned to achieve further reduction in energy consumption. All the new manufacturing facilities of the Company are equipped with hi-tech energy monitoring and conservation systems to monitor usage.

The Company has undertaken various initiatives at its Amritsar plant for energy conservation. These include:

- Installation of VFD drives to all motors above 40 HP capacity
- Soft starter graders attached with VFD
- 0.98 power factor maintained by all capacitors
- Installations of street lights with timers
- Interlocking and automation of electric motors for ideal running of motors
- Caution Alarms on steam and pressure headers to deliver best quality steam

Power & fuel Consumption (BHL Plant including Kamaspur)

PARTICULARS	2012-13	2011-12
Electricity		
Through Purchases		
Units	15,058,706	12,674,360
Total Amount (₹)	90,575,608	71,028,965
Rate / Unit (₹)	6.01	5.60
Through Diesel Generator		
Units generated	2,397,238	875,741
Total Amount (₹)	29,150,414	10,822,556
Cost / Unit (₹)	12.16	12.36

Power & fuel Consumption (Varpal Plant)

PARTICULARS	2012-13	2011-12
Electricity		
Through Purchases		
Units	3,439,157	3,480,079
Total Amount (₹)	23,199,870	20,999,147
Rate / Unit (₹)	6.75	6.03
Through Gen set		
Units generated	308,900	187,000
Total Amount (₹)	6,162,100	2,538,330
Cost / Unit (₹)	19.95	13.57

Technology Absorption, Adaptation and Innovation:

- During the year, the Company made significant strides in improving its overall infrastructure at its Rice milling unit by adding new Rice Silos, in addition to the paddy Silos it already had in place. The Company is also adding new packaging lines with new re-closable small packs for the mainstream stores across the world.
- The Company has gained the benefits derived as a result of the abovementioned efforts, e.g. product development, product improvement, cost reduction, automation, etc.

The said efforts also helped in satisfying consumer needs as well as business requirements of introducing new and consistent products with better quality. This will help the Company sustain the growth momentum built over the years and successfully take it forward into the future.

Imported Technology

To keep its manufacturing systems and processes upgraded at all times, the Company imports machinery for its various projects from time to time.

QUALIFICATIONS IN AUDITORS REPORT

- With regard to qualifications contained in the Auditors Report with respect to excess remuneration paid by the Company to the Managing Directors, we wish to inform that the same has been approved by Central Government on 27th May, 2013.

- With regard to qualifications for updating its records of fixed assets, we hereby confirm that the Company is in the process of updating its records for showing full particulars, including quantitative details and situation of fixed assets.

DETAILS OF FOREIGN EXCHANGE TRANSACTIONS

STANDALONE AMOUNT		(₹ in Lacs)
Import on CIF Basis		
Packing Material		7.42
Other Food Items		14.27
Capital Goods		94.67
Total		116.36
Expense in Foreign Exchange		4017.66
Earning in Foreign Exchange		90580.70

Directors' Report and Management Discussion & Analysis

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- (a) In preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2013, and of the profits of the Company for the year ended on that date;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis

The Company hereby states that it shall conform to the accounting policies as per the ESOP guidelines.

EMPLOYEE STOCK OPTION SCHEME

Under the Employee Stock Option Scheme of the Company, as based on the approval of members in the Annual General Meeting held on 30th September, 2010, and in accordance with the disclosures in compliance with Clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999, the same are set out in annexure to the Report.

During the period under review, the Company allotted 1,56,253 Equity shares of face value of Rs 10/- each, upon exercise of stock options by eligible employees/Directors of the Company/subsidiaries under LT Foods Employees Stock Option Plan 2010.

The Company hereby states that it shall conform to the accounting policies as per the ESOP guidelines. It further specifies that the valuation has been done on fair value.

FUTURE OUTLOOK

In line with its sustainable growth agenda, LT Foods is focused on expanding and strengthening its brand, product and leadership foundation. The thrust, going forward, shall be on multi-product and multi-geography expansion, backed by aggressive marketing and distribution campaigns and networks in both, the domestic and International markets.

Leveraging its strong supply chain capabilities, as well as global networks and collaborations, the Company shall continue to work on developing its Agri food business across the value chain. It shall also continue to expand its product basket with innovative offerings.

The focus on growing the Basmati Rice business shall remain. The Company shall further expand its geographic footprints in this business. While the Middle East will continue to be a key growth driver, the recently added African market also offers a huge growth potential, along with Australia and the Far Eastern region. Going forward, LT Foods plans to further expand its products offerings by launching its 'Ready-to-Eat' snacks in all overseas markets.

The Agri-infrastructure business vertical also offers exciting growth opportunity in view of the huge shortage of grain storage facilities, and the Company is well positioned to capitalise on it.



CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion and Analysis describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities, law and regulations. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of subsequent event or development. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations affecting selling price of finished goods, input availability and price, changes in Government regulations, tax laws, economic development within and outside the country and other factors such as litigation and industrial relations.

APPRECIATION

The Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.

TRADE RELATIONS

The Board desires to place its appreciation for the support and co-operation that the Company received from suppliers, distributors and others associated with the Company as its trading partners. The Company has always looked upon them as partners in its progress and has happily shared with them the rewards of growth. It will be the Company's endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other and consistent with customer interest.

ACKNOWLEDGEMENT

The Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory and government authorities and stock exchanges for their continued support. The directors also wish to place on record their appreciation of the contribution made by the business partners associated at all levels.

The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.



For and on behalf of the Board of Directors
LT Foods Ltd.

Place: Gurgaon
Date: 13.08.2013

Vijay Kumar Arora
Chairman & Managing Director

Particulars	Details		
	Date of Grant	April 01, 2011	February 07, 2013
Options granted	Total Options Granted	648,329	201,209
	Less options cancelled	48,100	53,763
	Less options exercised	156,253	---
	Total options outstanding under ESOP2010	443,976	147,446
Pricing formula	The options would be awarded at an exercise price of ₹ 38 (Rupees Thirty Eight Only)		
Vesting period	<ul style="list-style-type: none"> 25% of the Options shall vest on the completion of 12 months from the Grant Date 25% of the Options shall vest on the completion of 24 months from the Grant Date 25% of the Options shall vest on the completion of 36 months from the Grant Date 25% of the Options shall vest on the completion of 48 months from the Grant Date 		
Options vested (excluding the options that have been exercised)	300114		NIL
Options exercised	156, 253		NIL
The total number of shares arising as a result of exercise of options (including options that have been exercised)	156, 253		NIL
Options forfeited / lapsed / cancelled	48,100		53,763
Variation of terms of options	NIL		NIL
Money realized by exercise of options	5,937,614 (156,253*38)		NIL
Total number of options in force	443976		147446
Employee wise detail of options granted to:			
(i) Directors / Senior managerial personnel	Name of the senior managerial personnel	No. of options granted under ESOP 2010	
	Mr. S.K. Salhotra	48,472	
	Mr. Som Nath Chopra	46,318	
	Mr. Dipol Dhole	32,573	
	Mr. Vijay Malik	48,472	
	Mr. Vivek Chandra	86,173	
	Mr. Vikram Patil	45,241	
	Mr. Kevin Parker	53,858	
	Mr. Kamal Poplai	36,758	
	Mr. Mukesh Aggarwal	45,161	
	Mr. Sandeep Lamba	25,403	
	Mr. Gerald Taylor	53,226	
	Mr. Mrinal Mathur	23,656	
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	The following employees have received a grant in any one year of options amounting to 5% or more of the options granted during the year 2011-12	The following employees have received a grant in any one year of options amounting to 5% or more of the options granted during the year 2012-13	
	• Mr. S.K. Salhotra	• Mr. Mukesh Aggarwal	
	• Mr. Som Chopra	• Mr. Sandeep Lamba	
	• Mr. Dipol Dhole	• Mr. Gerald Taylor	
	• Mr. Vijay Malik	• Mr. Mrinal Mathur	
	• Mr. Vivek Chandra	• Mr. S. Venkatesh*	
	• Mr. Vikram Patil	*(On resignation, his options stands lapsed)	
	• Mr. Kevin Parker		
	• Mr. Kamal Poplai		
	• Mr. Mukesh Aggarwal		
	• Mr. Gerald Taylor		



(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	None		
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the AS 20 as on 31st March, 2013	₹ 12.80/-		
Lock-in	Nil		
Impact on profit and EPS of the last three years	Profit reduced by		Impact on EPS
	2012-13	₹ 42.40 lacs	₹ 0.15
	2011-12	₹ 71.08 lacs	₹ 0.02
	2010-11	NIL	NIL
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and on the Earnings Per Share of the Company		OPTION 1	OPTION 2
	Fair Value per option	₹ 21.05	₹ 24.97
	Intrinsic Value per option	₹ 11.50	₹ 20.80
	Difference per option	₹ 9.55	₹ 4.17
	Impact on profit of this difference	₹ 36.96 lacs	₹ 5.44 lacs
	Impact on profit of this difference	₹ 0.15	₹ 0.15
Impact on the profits of our Company and on the earnings per share of the last three years if the issuer had followed the accounting policies specified in clause 13 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years.	Profit reduced by		Impact on EPS
	2012-13	₹ 42.40 lacs	₹ 0.15
	2011-12	₹ 71.08 lacs	₹ 0.02
	2010-11	NIL	NIL
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock		OPTION 1	OPTION 2
	Weighted Average Exercise Price	₹ 38	₹ 38
	Weighted Average fair value of options	₹ 21.05	₹ 24.97
Method and significant assumptions used to estimate the fair value of options granted during the year			
Method used	Black Scholes Option Valuation Method		
Risk free return	6.52% (average over 4 year vesting schedule)		7.54%
Expected life	4 years (average over 4 year vesting schedule)		4 years (average over 4 year vesting schedule)
Expected volatility	57% (average of comparator companies' volatility)		53.57%
Expected dividends	₹ 1		₹ 1
Price of underlying shares in market at the time of the options grant	₹ 49.50	₹ 58.80	
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer *	N.A		
Intention to sell Equity Shares arising out of the ESOP 2009 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having equity shares arising out of the ESOP 2010 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A		

* In the last Annual Report 2011-12, the name of Mr. S. Venkatesh was reported inadvertently

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to the Subsidiary Companies

Name of the Subsidiary Companies	Nature Bio Foods Limited (Wholly Owned Subsidiary)	Daawat Foods Limited (Subsidiary)	LT Agri Services Private Limited (Fellow Subsidiary)	SDC Foods India Limited (Subsidiary)	Expo Services Private Limited (Fellow Subsidiary)	Raghuvesh Foods & Infrastructure Ltd (Subsidiary)	LT International Limited (Subsidiary)	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	Nice International UAE (Fellow Subsidiary)	Raghuvesh Power Projects Limited (Fellow Subsidiary)	LTO North America Inc. USA LLC (Wholly Owned Subsidiary)	Royal Curry Delights Traders INC. (Fellow Subsidiary)	Universal USA LLC (Wholly Owned Subsidiary)	Kusha USA LLC Corporation (Fellow Subsidiary)	Amount in ₹ Lacs
1. Financial year of the subsidiary ended on	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013	31.03.2013
2. Share of the subsidiary held by the Company on the above date:															
(a) Number and face value	50,000 Nos. of Equity shares of ₹10 each	1,34,99,994 Nos. of Equity shares of ₹10 each	7,048 Nos. of Equity shares of ₹10 each	8,00,000 Nos. of Equity shares of ₹10 each	80,000 Nos. of Equity shares of ₹10 each	50,000 Nos. of Equity shares of ₹10 each	17,99,581 Nos. of Equity shares of ₹10 each	65,200 Nos. of shares of AED 100 Each	1 Nos. of shares of AED 1,000,000	17,972 Nos. of Equity shares of ₹10 each	238,500 shares of US \$ 20 each	NIL	10,000 shares of US \$ 1 each	NIL	1 Million shares of US \$ 0.10 each
(b) Extent of holding	100.00%	70.48%	70.48%	80.00%	80.00%	100%	89.98%	100%	100%	35.94%	100%	100%	100%	100%	100%
3. Change if any in the holding Company's interest in the subsidiary	NIL	NIL	N.A.	NIL	N.A.	100%	NIL	NIL	NIL	NIL	N.A.	N.A.	N.A.	N.A.	N. A.
4. The net aggregate amount of Profits / (Losses) as far as it concerns the member of the L T Foods Limited and is not dealt within the accounts , its follows:															
i) For the financial year	366.91	1,231.48	(0.66)	40.90	(4.15)	(0.21)	(29.94)	(25.99)	126.26	(0.17)	(48.79)	(41.29)	-	(50.09)	1,295.35
ii) For the previous financial years	336.87	1,897.57	0.26	(280.64)	22.94	(3.05)	(25.98)	(90.99)	192.25	(0.32)	(739.26)	-	-	(75.00)	1,314.17
5. The aggregate amount of Profit / (Loss) of the subsidiary Company, which has been dealt with in accounts of the LT Foods Limited is as follows:															
i) For the financial year	NIL	-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) For the previous financial years	NIL	101.26	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6. Material changes between the end of Subsidiaries financial year and the end of Holding Company's financial year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7. Reporting Currency	INR	INR	INR	INR	INR	INR	INR	AED	AED	INR	US\$	US\$	US\$	US\$	US\$

Note: Indian Rupee equivalent of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2013 [1US\$ = ₹ 54.3893 and 1AED = ₹ 14.7945]

Financial Summary of the subsidiaries of the Company for the year ending 31st March, 2013 [Statement pursuant to exemption received under Section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies]

Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in Subsidiaries	Turnover (including Other Income)	Profit before Taxation	Provision for Taxation	Profit after Taxation	Dividend Paid	Country
Nature Bio Foods Limited	INR	1.00	5.00	703.78	7,359.58	6,650.80	4.01	5,965.69	541.90	175.00	366.91	-	India
Daawat Foods Limited	INR	1.00	1,915.53	5,943.12	35,686.49	27,827.85	100.00	31,092.77	1,502.95	271.47	1,231.48	-	India
LT Agri Services Pvt. Ltd.	INR	1.00	1.00	(0.29)	1.42	0.71	-	-	(0.65)	0.01	(0.66)	-	India
SDC Foods India Limited	INR	1.00	100.00	(309.89)	1,970.65	2,180.54	0.21	8,303.22	41.70	0.80	40.90	-	India
Expo Service Pvt. Ltd.	INR	1.00	1.00	24.52	479.59	454.08	-	0.15	(4.38)	(0.23)	(4.15)	-	India
Raghuvesh Foods & Infrastructure Limited	INR	1.00	5.00	(3.26)	5.73	3.99	-	0.14	(0.15)	0.06	(0.21)	-	India
Raghuvesh Power Project Limited	INR	1.00	5.00	(0.53)	5.19	0.72	-	-	(0.15)	0.02	(0.17)	-	India
LT International Limited	INR	1.00	200.00	(58.81)	2,088.70	1,947.51	135.00	-	(28.59)	1.35	(29.94)	-	India
Sona Global Limited	AED	14.79	907.73	(74.70)	833.62	0.59	-	-	(25.99)	-	(25.99)	-	UAE
Nice International FZE	AED	14.79	147.95	338.96	18,888.68	18,401.78	-	28,562.93	126.26	-	126.26	-	UAE
LTO North America Inc.	US\$	54.39	2,822.31	(1,015.10)	10,882.86	9,075.65	-	-	(81.09)	(32.30)	(48.79)	-	USA
LT Foods USA LLC	US\$	54.39	-	(124.95)	1,343.91	1,468.86	-	-	(75.82)	(25.73)	(50.09)	-	USA
Royal Curry Delights, LLC	US\$	54.39	63.64	(22.39)	41.25	-	-	16.86	(22.41)	-	(22.41)	-	USA
Universal Traders, INC.	US\$	54.39	5.44	-	55.62	50.18	-	203.85	-	-	-	-	USA
Kusha Corporation	US\$	54.39	1,142.18	5,011.70	22,401.87	16,247.99	-	42,462.40	2,103.55	808.20	1,295.35	-	USA

Note: Indian Rupee equivalent of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2013 [1US\$ = ₹ 54.3893 and 1AED = ₹ 14.7945]

Corporate

Governance Report

LT Foods' commitment to ethical and transparent business conduct lies at the core of its sustainable growth philosophy. The Company has built a strong Corporate Governance system, enabling it to create and deliver long-term value to each of its stakeholders on a platform of brands, products and leadership.

Corporate Governance

Corporate Governance is a system of rules, practices and processes by which a company is directed and controlled. Corporate Governance essentially involves balancing the interests of the many stakeholders in a company - these include its shareholders, management, customers, suppliers, financiers, government and the community. Since Corporate Governance also provides the framework for attaining a company's objectives, it encompasses practically every sphere of the management, from action plans and internal controls to performance measurement and corporate disclosure.

We, at LT Foods, consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Your Company continuously strives to excel in governance and implement responsible management practices, benchmarking these with the best from across the globe. The Company has, in fact, been implementing and practicing Corporate Governance principles since well before they became mandatory. Your Company believes that the success of an organisation is irrevocably linked to the maintenance of global standards of corporate conduct towards its stakeholders. Towards this end, your Company has always focused on good corporate governance as the key driver of sustainable corporate growth and long-term value creation.

Whistle Blower Policy

LT Foods believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting

the highest standards of professionalism, honesty, integrity and ethical behaviour. Its Whistle Blower Policy is founded on this belief with the purpose to create a fearless environment for the employees to report any instance of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy to the Independent Ombudsman.

Board of Directors

LT Foods' Board of Directors, which comprises an eclectic blend of professionals, has been constituted in compliance with the Companies Act, 1956, Listing Agreement entered into with Stock Exchanges and in accordance with good Corporate Governance practices. The Board functions both as a comprehensive whole and through its Committees, constituted to oversee specific operational areas. The Board has formed Six Committees - viz. Audit Committee, Remuneration/ Compensation Committee, Shareholders'/Investors Grievance Committee, Management Committee, Governance Committee and Selection Committee.

- The Board of your Company presently consists of eight (8) directors who constitute an optimum combination of professionalism, knowledge and experience. Of these eight directors, three are Executive Directors, four are Non-Executive Directors and one is a Non-Executive Nominee Director.
- None of the Directors on the Board are members of more than ten (10) committees or hold the post of Chairman on more than five Committees. Necessary disclosures regarding the Committee positions on the Board of other Public Companies, as on March 31, 2013, have been made by the Directors.
- 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 2012-13

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2012-13		Whether attended last AGM	Number of Directorships in other public companies	Number of ¹ Committee positions held in Public Companies	
			Held	Attended			Chairman	Member
Mr. Vijay Kumar Arora Chairman & Managing Director @	Chairman Executive	1,117,964	4	4	YES	6	NIL	NIL
Mr. Ashwani Kumar Arora Joint Managing Director	Managing Director, Executive	2,723,152	4	4	NO	6	1	1
Mr. Surinder Kumar Arora Joint Managing Director #	Managing Director, Executive	2,820,152	4	4	NO	4	NIL	NIL
Mr. Pramod Bhagat Director	Non Executive/ Independent	Nil	4	4	YES	1	1	2

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2012-13		Whether attended last AGM	Number of Directorships in other public companies	Number of ¹ Committee positions held in Public Companies	
			Held	Attended			Chairman	Member
Mr. Jagdish Chandra Sharma Director	Non Executive/ Non Independent	Nil	4	4	NO	1	1	2
Mr. Rajesh Kumar Srivastava Director	Non Executive Nominee Director	Nil	4	2	NO	5	NIL	3
Ms. Radha Singh Director	Non Executive/ Independent	Nil	4	4	NO	2	NIL	2
Mr. Alok Sinha Director*	Non Executive/ Independent	Nil	4	0	NO	2	NIL	NIL
Mr. Surender Kumar Tuteja**	Non Executive/ Independent	Nil	4	1	NA	14	5	5

¹ includes only Audit and Shareholders/ Investors Grievance Committees

@ Mr. Vijay Kumar Arora also holds 16, 06,320 Equity in joint holding with Mr. Ashwani Kumar Arora.

Mr. Surinder Kumar Arora also holds 11, 09, 520 Equity in joint holding with Mr. Gurucharan Dass Arora.

*Mr. Alok Sinha resigned from the Board wef 19th October, 2012.

**Mr. Surender Kumar Tuteja joined the Board on 07th Feb, 2013.

- d) During the year, four meetings were held and the gap between two meetings did not exceed four months. The dates on which these meeting were held are May 24, 2012; August 13, 2012; November 05, 2012 and February 07, 2013.
- e) During the year, information as mentioned in Annexure - 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.
- f) None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.

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

Board Committees

There are Six Committees within the Board of Directors. These Committees have the requisite powers to discharge their functions and they meet as often as required. These Committees are:

I. Audit Committee

The Audit Committee of the Board has been constituted in accordance with the requirements prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensuring accurate

and timely disclosures, transparency and integrity. It must ensure the overall quality of the Company's financial reporting.

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

Composition, Meetings and Attendance

The Audit Committee comprises two Non-Executive Independent Directors and one Non- Executive Nominee Director, viz Mr. Pramod Bhagat (Chairman), Mr. Jagdish Chandra Sharma (Member) and Mr. Rajesh Kumar Srivastava (Member), respectively.

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

Dates: May 24, 2012; May 2, 2013; August 13, 2012; November 05, 2012 and February 07, 2013.

Members of the Committee	Category and Designation	Number of meetings held during the year 2012-13	
		Held	Attended
Mr. Pramod Bhagat	Independent, Non Executive(Chairman)	5	5
Mr. Jagdish Chandra Sharma	Independent, Non Executive	5	5
Mr. Rajesh Kumar Srivastava	Nominee, Non Executive	5	3

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

All the members of the Audit Committee are financially literate.

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

The terms of reference and role of the Audit Committee include matters as stated in Clause 49 (II) (D) of the Listing Agreement.

II. Remuneration/ Compensation Committee

Brief Description & Terms of Reference:

The Committee comprises three Independent Directors and one Non-Executive Nominee Director, viz. Ms. Radha Singh (Chairman), Mr. Jagdish Chandra Sharma, Mr. Pramod Bhagat and Mr. Rajesh Kumar Srivastava (Members), respectively.

In line with the strong focus of the Company on fair practices, the Remuneration/Compensation Committee frames suitable policies and systems to ensure that there is no violation of any laws applicable in India or overseas. On behalf of the Board and the shareholders, it determines the Company's policy on specific remuneration packages for executive directors, including pension rights and any compensation payment. It exercises its powers with respect to ESOP plans and such functions as are required to be performed by the Remuneration Committee under the ESOP Guidelines. Over and above this, it oversees other matters that may arise from time to time and attends to any statutory, contractual or other regulatory requirements that need the attention of such a Committee.

During the financial year, two Remuneration/Compensation Committee Meetings were held.

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

Dates: May 24, 2012 and February 07, 2013

Members of the Committee	Category and Designation	Number of meetings held during the year 2012-13	
		Held	Attended
Mrs. Radha Singh	Independent, Non-Executive (Chairman)	2	2
Mr. Jagdish Chandra Sharma	Independent, Non- Executive	2	2
Mr. Rajesh Kumar Srivastava	Nominee, Non-Executive	2	0
Mr. Pramod Bhagat	Independent, Non- Executive	2	2

Details of Remuneration paid to Non-Executive Directors

No remuneration was paid to Non-Executive Directors during the financial year ended 31st March 2013, except sitting fees @ 10,000/- for attending meetings of the Board and other Committees.

The details of sitting fees paid to the Non-Executive Directors for attending the meetings of the Board(s)/ and Committee(s) during the financial year ending 31st March 2013 are as under:

(Amount in ₹)

Name of the Directors	Sitting Fees paid
Mrs. Radha Singh	100,000
Mr. Jagdish Chandra Sharma	150,000
Mr. Pramod Bhagat	150,000
Mr. Rajesh Kumar Srivastava	40,000
Mr. Surender Kumar Tuteja	10,000

Details of Remuneration paid to Executive Directors

The Executive Directors have been appointed for a period of three years from their respective dates of appointment. The details of remuneration paid to the Executive Directors for the financial year ending 31st March 2013, are as under:

Name of the Director	Salary & Allowances Amount
Mr. Vijay Kumar Arora	₹ 7,800,000.00
Mr. Ashwani Kumar Arora	AED 435,000*
Mr. Surinder Kumar Arora	₹ 6,000,000.00

* Mr. Ashwani Kumar Arora was paid remuneration from Nice International FZE, the wholly owned subsidiary.

III. Shareholders'/ Investors Grievance Committee

Brief Description & Terms of reference:

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

S.No.	Name	Category	Designation
1.	Mr. Jagdish Chandra Sharma	Chairman	Independent Non-Executive Director
2.	Mr. Pramod Bhagat	Member	Independent Non-Executive Director
3.	Mrs. Radha Singh	Member	Independent Non-Executive Director
4.	Mr. Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director

The Shareholders'/ Investors Grievance Committee looks into the redressal of investor requests/ complaints pertaining to transfers/transmissions/demat/remat/split of shares, non-receipt of dividend and annual accounts etc, and oversees the performance of Registrar and Share Transfer Agent of the Company.

The Committee also monitors the implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in keeping with SEBI (Prohibition of Insider Trading) Regulations, 1992.

Shareholder's Complaints: 2012-13

Investor's complaints received and resolved during the year is 5.

IV. Management Committee

Brief Description & Terms of Reference:

The Management Committee comprises three directors, viz.

S.No.	Name	Category	Designation
1.	Mr. Vijay Kumar Arora	Chairman	Executive & Managing Director
2.	Mr. Ashwani Kumar Arora	Member	Executive & Joint Managing Director
3.	Mr. Surinder Kumar Arora	Member	Executive & Joint Managing Director

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

V. Governance Committee

Brief Description & Terms of Reference:

The Governance Committee comprises three members.

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

Details of Annual General Meeting

Location, date and time where the Annual General Meetings (AGM) were held:

Financial Year	General Meeting	Location	Date	Time
2011-12	22nd AGM	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010	19.09.2012	3.00P.M.
2010-11	21st AGM	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010	21.09.2011	3.00P.M.
2009-10	20th AGM	PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	30.09.2010	3.00P.M.

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
2011-12	22nd AGM	1. Reappointment of Mr. Ashwani Kumar Arora as Joint Managing Director of the Company 2. Reappointment of Mr. Surinder Kumar Arora as Joint Managing Director of the Company 3. Waiver of excess remuneration paid to Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora & Mr. Surinder Kumar Arora
2010-11	21st AGM	No Special Resolution was passed

The Committee considers and discusses certain matters listed in Annexure IA of Clause 49 of the Listing Agreement and makes recommendations to the Board for their consideration and approval.

VI. Selection Committee

Brief Description & Terms of Reference:

The Selection Committee comprises three members:

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

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

Risk Management

The Company has laid down procedures to inform Board Members about the risk assessment and minimisation procedures. The procedures are periodically reviewed to ensure that the executive management controls risk through means of a properly defined framework.

Financial Year	General Meeting	Particulars of Special Resolution(s) passed
2009-10	20th AGM	1. To offer Equity shares to the Employees of the Company and to employees of the Subsidiaries under "LT FOODS EMPLOYEE STOCK OPTION PLAN-2010"

Postal Ballot

During the financial year under review, the members of the Company approved the following resolutions by way of Postal Ballot:-

Pursuant to Section-192A of the Companies Act, 1956, read with the Companies (Passing of the Resolution by Postal Ballot) Rules 2011, approval of the members of LT Foods Limited was sought by means of Postal Ballot vide notice dated 13.08.2012, for passing resolutions under Section 372A and Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 to give guarantee (s)/ provide any security(ies) in connection with loan(s) made either in rupees or in any other foreign currency, to the subsidiaries by any Bank/Financial Institution/Body

Corporate and/or any other person, situated within or outside the country, up to a limit of ₹ 100 crores and to borrow monies upto an amount of ₹ 950 crores and to create charge on the assets of the Company thereto from time to time, as required by the Company

Based on Scrutinizer's report dated 19.09.2012, the results of Postal Ballot were declared on 19.09.2012 at 3.00 P.M. at the Annual General Meeting of the Company held on Air Force Auditorium, Subroto Park, Dhaua Kuan, New Delhi-110010 as follows:-

Resolution No. 1 Special Resolution to give guarantee(s)/ provide any security(ies) in connection with loan(s) made either in rupees or in any other foreign currency, to the subsidiaries by any Bank/ Financial Institutional / Body Corporate and /or any other person, situated within or outside the country, upto a limit of ₹ 100 Crores:

Particulars	Number of members	Number of Votes	Percentage of Votes
Total Postal Ballots received:	44	16,520,829	
Postal Ballots - Valid	39	16,517,353	
Postal Ballots - Invalid	5	3,476	
Postal Ballots - in favour of the Resolution	36	16,517,347	99.999 i.e. approx. 100%
Postal Ballots - against the resolution	Nil	----	----
Postal Ballots - with no opinion on the resolution	3	6	----

The resolution was passed as Special resolution.

Resolution No. 2- Ordinary Resolution pursuant to Section 293(1)(a) and 293(1)(d) of the Companies Act, 1956 and other applicable provisions, if any, for the consent of the Board of Directors of the Company, to borrow monies upto an amount of ₹ 950 Crores and to create charge on the assets of the Company thereto from time to time, as required by the Company.

Particulars	Number of members	Number of Votes	Percentage of Votes
Total Postal Ballots received:	44	16,520,829	
Postal Ballots - Valid	39	16,517,353	
Postal Ballots - Invalid	5	3,476	
Postal Ballots- in favour of the Resolution	34	16,517,220	99.999 i.e. approx. 100%
Postal Ballots- against the resolution	-----	-----	----
Postal Ballots- with no opinion on the resolution	5	133	----

The resolution was passed as Ordinary Resolution.

- Raman Chawla, Practicing Chartered Accountant, was appointed as Scrutinizer for conducting Postal Ballot exercise.
- The Postal Ballot Process was conducted in accordance with Section 192A of the Companies Act, 1956, read with Companies(Passing of Resolution by Postal Ballot) Rules, 2011.

Disclosures

- During the financial year ended 31st March 2013, there were no materially significant transactions with related parties, viz. promoters, relatives, the management, subsidiaries, etc. that may have a potential conflict with the interest of the Company at large. The relevant disclosures on related parties and transactions with them appear in the Notes to the Accounts (Schedule-21).
- No penalty or stricture was imposed on the Company by any Stock Exchange, SEBI or any statutory authority on account of non-compliance by the Company on any matter related to the Capital Market during the financial year ended 31st March 2013.
- The CEO/CFO Certificate in terms of Clause 49 (V) has been placed before the Board.
- In Compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, as amended till date, on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The Code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company. It also cautions them on the consequences of non-compliance thereof.
- The Company follows the practice of 'Closure of Trading Window' prior to the publication of price sensitive information. During this period, the Company has set up a mechanism whereby the management and relevant staff and business associates of the Company are informed regarding the same and are advised not to trade in the Company's securities.
- The Company complies with all the mandatory requirements of Clause 49 on 'Corporate Governance'. It is in the process of also complying with the non-mandatory requirements of the Listing Agreement on 'Corporate Governance'.
- Reconciliation of Share Capital Audit
A qualified Company Secretary carried out a secretarial audit to reconcile the total admitted equity capital with the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total issued and listed equity capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.
- With regard to qualifications contained in the Auditors Report with respect to excess remuneration paid by the Company to the Managing Directors, we wish to inform

that the same has been approved by Central Government on 27th May, 2013.

- 9) With regard to qualifications contained in the Auditors Report with respect to updating its records of fixed assets, we hereby confirm that the Company is in the process of updating its records for showing full particulars, including quantitative details and situation of fixed assets.

Code of Conduct

The Company has adopted a Code of Conduct and Ethics for Directors and Senior Management personnel vide a Board meeting held on 12.12.2006. A copy of the Code has been put 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 2012-13.

(Vijay Kumar Arora)

Chairman and Managing Director

Means of Communication

- a) The Quarterly and Annual results were generally published in the Economic Times, Times of India, Financial Express and Navbharat Times.

- b) The Quarterly results are also displayed on the website of the Company, i.e., www.ltgroup.in.

- c) The Management Discussion and Analysis (MDA) report, which covers the operations of the Company, forms part of the Annual Report.

General Shareholder's Information

Twenty Third Annual General Meeting:

Date & Time : Monday, the 23rd September 2013 at 3.00 P.M.

Venue : Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010.

Financial Calendar for the Year 2012-13:

Financial Year : 1st April 2012 to 31st March 2013

Dividend : The Board of Directors has recommended a dividend of ₹ 2 per share for the financial year ended 31st March 2013.

Book Closure : The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 18th September, 2013 to Monday, 23rd September, 2013, both days inclusive.

Registered Office & Corporate Office:

Registered Office : Unit-134, 1st Floor, Rectangle-1, Saket District Center, New Delhi-110017

Corporate Office : Plot No - 119, Sector- 44, Institutional Area, Gurgaon-122002

Listing on Stock Exchanges:

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

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

ISIN No. for NSDL & CDSL: INE818H01012

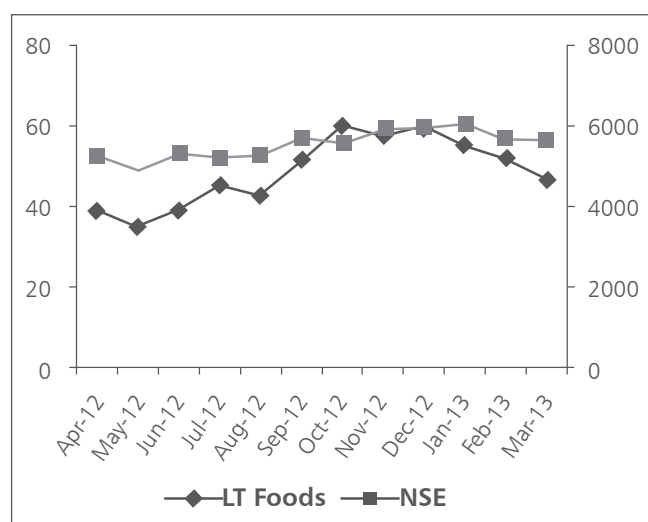
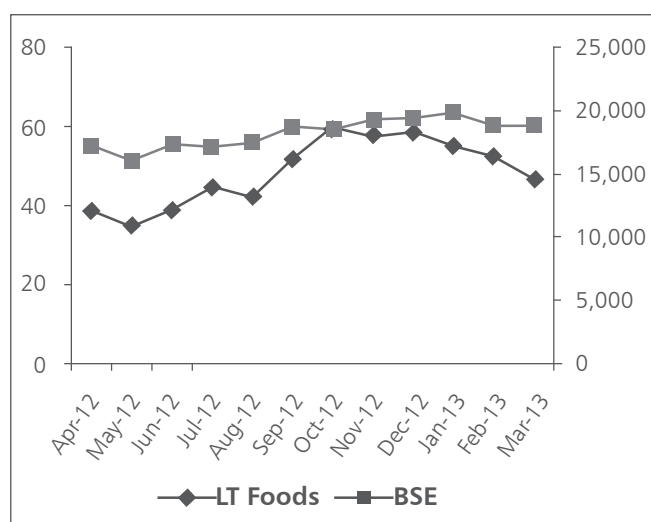
Listing Fees / Custodial Fees for 2012 -13:

The annual listing fees have been paid to BSE and NSE. Annual custodian fees have also been paid to NSDL & CDSL for the financial year 2012-13.

Stock Market Data

Month	Bombay Stock Exchange Limited					National Stock Exchange of India Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	S&P CNX Nifty
Apr-12	44.65	37.05	38.75	5,09,509	17,319	45.85	37.05	38.9	560,280	5248
May-12	40.25	32.05	34.75	1,58,696	16,219	40.45	34.3	34.85	498,553	4924
Jun-12	39.85	34.15	39.05	1,47,613	17,430	40.2	34	39.2	298,185	5279
Jul-12	48.3	38.9	44.8	7,45,255	17,236	48.45	38.8	45.25	707380	5229
Aug-12	49	41.2	42.45	2,88,051	17,430	49.3	41.4	42.85	484,716	5258

Month	Bombay Stock Exchange Limited					National Stock Exchange of India Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	S&P CNX Nifty
Sep-12	56.15	42.6	51.9	3,23,113	18,763	56.65	41.5	51.95	385,236	5703
Oct-12	69.85	51.6	60.2	8,23,790	18,505	70	52.2	60.2	556,751	5620
Nov-12	67.7	57.1	58	2,50,633	19,340	67.8	57.25	58	480,368	5880
Dec-12	67	58.05	59.45	1,91,060	19,427	67.4	58.2	59.8	425,258	5905
Jan-13	65	53.2	55.25	1,61,081	19,895	65.15	53.55	55.4	469,570	6035
Feb-13	60.35	51.7	52.75	4,72,114	18,862	60.4	52	52.35	224,811	5693
Mar-13	56	45.1	46.9	1,23,190	18,836	55.6	44.05	47	222,437	5683



The Board has proposed 20% dividend for the financial year 2012-13.

Payment of Dividend

Dividend, if any, will be paid by account payee non-negotiable instruments or through the Electronic Clearing Service (ECS), as notified by the SEBI through the Stock Exchanges.

Unclaimed Dividend

The shareholders who have not encashed their dividend warrants for the year 2010-11 are requested to claim the amount from the Registrar & Share Transfer Agent (in case shares are held in the demat form) or the Corporate Office (in case shares are held in the physical form).

As per Section 205 of the Companies Act, 1956, any money transferred by the Company to the Unpaid Dividend Account, which remains unclaimed for a period of seven years from the date of the transfer, shall be transferred to a fund called 'The Investor Education and Protection Fund' set up by the Central Government. No claim can be made against the fund or the Company in respect of these transferred amounts.

Share Transfer System and Registrar & Share Transfer Agent

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

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

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

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

The Board has authorised the Shareholders/Investors Grievance 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 power to approve transfers/demat/remat/sub-division/consolidation of share certificates, etc., to the Company Secretary. A summary of requests for transfers/demat/remat, etc., approved by the Company Secretary between two meetings of the Committee is placed at the subsequent meeting of the Committee.

As required under Clause 47C of the Listing Agreement of the Stock Exchanges, the Company obtains a certificate regarding

share transfer compliances, on a half-yearly basis, from a Practicing Company Secretary. A copy of this certificate is filed with the Stock Exchanges.

Dematerialization of Shares & Liquidity

Procedure for dematerialization/rematerialization of shares

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

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

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

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

Distribution of Shareholding as on dated 31.03.2013:

(A) Distribution of shareholding by ownership:-				
S.No.	Category	Total shareholders	Shares held	Voting Strength
1.	Clearing Member	28	8872	0.0339
2.	Corporate Bodies	296	1112982	4.2532
3.	Directors- Relatives	4	8267588	31.5938
4.	Foreign Institutional Investor	2	3838294	14.6677
5.	Promoter Owned Company	1	1395208	5.3317
6.	Non Resident Indians	66	108041	0.4129
7.	Overseas Corporate Bodies	1	50000	0.1911
8.	Promoters	15	6548172	25.032
9.	Public	14397	4838745	18.4908
10.	Trusts	5	493	0.0019
	Total	14815	26168395	100.0000

(B) Distribution of shareholding by size				
No. of shares	No of shareholders	% of total shareholders	Share Amount (₹)	% of total
1-5000	13480	90.9889	11696070	4.4695
5001-10000	634	4.2794	5385270	2.0579
10001-20000	332	2.2410	5298080	2.0246
20001-30000	99	0.6682	2495850	0.9538
30001-40000	55	0.3712	1928410	0.7369
40001-50000	54	0.3645	2577590	0.9850
50001-100000	77	0.5197	5608950	2.1434
100001 and above	84	0.5760	226693730	86.6288
Total	14815	100.0000	261683950	100.0000

(C) Top Shareholders as on 31st March, 2013

S. No.	Name of shareholder(s)	Category(As per Depository)	Shares	%
1.	India Agri Business Fund Ltd	Foreign Institutional Investor	3835015	14.6551
2.	Surinder Kumar Arora	Promoter	2820152	10.7769
3.	Ashwani Kumar Arora	Promoter	2723152	10.4063
4.	Ashok Kumar Arora	Promoter	2107640	8.0541
5.	Vijay Kumar Arora & Ashwani Kumar Arora	Promoter	1606320	6.1384
6.	Gurucharan Dass Arora	Promoter Group	1573932	6.0146
7.	Raghuvesh Holdings Private Limited	Promoter Group Company	1395208	5.3317
8.	Vijay Kumar Arora	Promoter	1117964	4.2722
8.	Gurucharan Dass Arora & Surinder Arora	Promoter Group	1109520	4.2399
9.	Parvesh Rani	Promoter	680000	2.5986
10.	Ashok Arora	Promoters	634778	2.4257
	Total		19603681	74.9136

Plant Locations:

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

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

Investors Correspondence:**Registered Office**

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

Corporate Office**& Investor Cell:**

Plot No.119, Sector – 44,
Gurgaon – 122002

Company Secretary & Compliance Officer

Name : Mrs. Monika Chawla Jaggia
Address : Plot No.119, Sector-44,
Institutional Area Gurgaon,
Haryana – 122002.

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

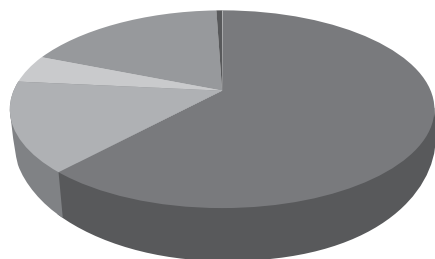
On behalf of the Board of Directors

Place: Gurgaon
Date: 13.08.2013

(Vijay Kumar Arora)
Chairman & Managing Director

Shareholding Pattern As on 31st March, 2013

- Promoters & Promoters Grp
- Corporate Bodies
- NRIs
- FIs
- Individuals
- Others



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

CEO/CFO Certification pursuant to Clause 49(V) of the Listing Agreement for the financial year ending 2012-13.

This is to certify that

- a. We have reviewed financial statements and cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee,
 - I. Significant changes in internal control over financial reporting during the year,
 - II. Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements And
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Thanking you,

For LT Foods Limited.

Ashwani Kumar Arora
CEO and Jt. Managing Director

Date: 26.05.2013
Place: Gurgaon

Compliance Certificate

from the Statutory Auditors of the Company

To
The Members
LT Foods Limited

We have examined the compliance of conditions of Corporate Governance by LT Foods Limited ("the Company") for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of Corporate Governance as stipulated in said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and as per representations made by Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further 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 **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No. 001076N

Per **Atul Seksaria**
Partner
Membership No.:86370

Place : Gurgaon
Date : August 13, 2013

To the Members of LT Foods Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of LT Foods Limited, ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. As stated in the note no. 37 of the accompanying financial statements, the Company has paid managerial remuneration to its directors in excess of the limits provided in Schedule XIII to the Companies Act, 1956, amounting to ₹ 119.25 lacs. The Company is in the process of seeking requisite approvals from the Central Government for such excess remuneration paid. Had the

Company adjusted such excess managerial remuneration during the year ended 31 March 2013, the net profits for the year ended 31 March 2013, reserves and surplus as at March 31, 2013 and the short term loans and advances would have been higher by the said amount. This was a subject matter of the qualification in our audit report for the year ended March 31, 2012.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph* the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
9. As required by Section 227(3) of the Act, we report that:
 - a. we have 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 appears from our examination of those books;
 - c. the financial statements dealt with by this report are in agreement with the books of account;
 - d. *Except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the financial statements comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act; and
 - e. on the basis of written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**
Partner
Membership No.: 86370

Place: Gurgaon
Date: May 26, 2013

Annexure to the Independent Auditors'

Report of even date to the members of LT Foods Limited, on the financial statements for the year ended March 31, 2013

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets, *except for assets at Bahalgarh unit, where the records are in the process of updations for showing full particulars, including quantitative details and situation of fixed assets.*
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to 4(iii)(d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.
- (b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) According to the information and explanations given to us, the Companies (Cost Accounting Records) Rules 2011 have become applicable to the Company during the current year and the said rules have not prescribed any specific formats for the cost statements relating to rice manufacturing operations. In terms with the clarification issued by the Ministry of Corporate Affairs, the management believes that its records currently maintained by Company provide the information required under the said rules. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's rice manufacturing operations and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service-tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. No undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax on account of any dispute are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount Paid Under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax demands raised against the Company	180.96	45.00	AY 2000-01	CIT (Appeals)
Income tax Act, 1961	Income tax demands raised against the Company	100.04	-	AY 2003-04	CIT (Appeals)
Income tax Act, 1961	Income tax demands raised against the Company	107.78	-	AY 2004-05	CIT (Appeals)
Income tax Act, 1961	Income tax demands raised against the Company	859.96	-	AY 2005-06	CIT (Appeals)
Income tax Act, 1961	Income tax demands raised against the Company	809.68	240.00	AY 2006-07	CIT (Appeals)
Income tax Act, 1961	Income tax demands raised against the Company	986.37	320.00	AY 2007-08	CIT (Appeals)
Income tax Act, 1961	Income tax demands raised against the Company	116.80	-	AY 2009-10	CIT (Appeals) Rohtak
Income tax Act, 1961	Income tax demands raised against the Company	1005.87	170.00	AY 2008-09	ITAT
Income tax Act, 1961	Income tax demands raised against the Company	335.75	-	AY 2009-10	ITAT

- (x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has no dues payable to a financial institution or debenture-holders during the year. Further, in our opinion, the Company has not defaulted in repayment of dues to banks during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) During the year, the Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**
Partner
Membership No.: 86370

Place: Gurgaon
Date: May 26, 2013

Balance Sheet

as at March 31, 2013

(₹ in lacs)

	Notes	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,616.84	2,611.84
Reserves and surplus	4	21,894.83	19,068.25
		24,511.67	21,680.09
Non-current liabilities			
Long-term borrowings	5	5,904.15	6,464.91
Deferred tax liabilities (net)	6	457.24	756.64
Other long term liabilities	7	8.68	8.63
Long-term provisions	8	117.52	200.21
		6,487.59	7,430.39
Current liabilities			
Short-term borrowings	9	80,843.88	69,107.19
Trade payables	10	8,082.77	7,749.83
Other current liabilities	11	6,671.68	4,809.49
Short-term provisions	8	887.82	113.84
		96,486.15	81,780.35
		127,485.41	110,890.83
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	17,132.12	17,667.91
Intangible assets	13	115.85	121.94
Capital work-in-progress		810.91	337.98
Non-current investments	14	5,773.97	5,664.69
Long-term loans and advances	15	1,607.99	1,297.49
Other non-current assets	16	4.69	55.23
		25,445.53	25,145.24
Current assets			
Inventories	17	63,216.30	49,987.59
Trade receivables	18	27,494.91	26,940.38
Cash and bank balances	19	1,678.00	2,473.55
Short-term loans and advances	15	9,650.67	6,342.53
Other current assets	16	-	1.54
		102,039.88	85,745.59
		127,485.41	110,890.83

Notes form an integral part of these financial statements.

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

For **Walker, Chandiok & Co**
Chartered Accountants

per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 26, 2013

For and on behalf of Board of Directors

Surinder Kumar Arora
Joint Managing Director

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary



Statement of Profit and Loss

for the year ended March 31, 2013

(₹ in lacs)

	Notes	March 31, 2013	March 31, 2012
Income			
Revenue from operations	20	165,366.58	98,419.93
Other income	21	1,380.95	1,565.72
Total revenue		166,747.53	99,985.65
Expenses			
Cost of materials consumed	22	94,128.38	52,066.50
Purchases of traded goods	23	46,946.12	22,051.74
Changes in inventories of finished goods and traded goods	24	(12,159.15)	(435.77)
Employee benefits	25	2,929.87	2,332.02
Finance costs	26	8,240.81	7,726.35
Depreciation and amortisation (Refer Note 12 and 13)		2,334.90	2,122.03
Other expenses	27	19,937.14	11,293.71
Total expenses		162,358.07	97,156.58
Profit before prior period items, exceptional items and tax		4,389.46	2,829.07
Prior period items		(29.88)	19.49
Exceptional item	28	-	2,412.77
Profit before tax		4,419.34	396.81
Tax expense			
Income tax		962.86	83.29
Minimum alternative tax receivable		373.38	(24.06)
Deferred tax		(299.40)	(106.71)
Profit for the year		3,382.50	444.29
Earnings per equity share in ₹			
Basic		12.95	1.70
Diluted		12.80	1.68
Notes form an integral part of these financial statements.			

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

For **Walker, Chandiok & Co**
Chartered Accountants

For and on behalf of Board of Directors

per **Atul Seksaria**
Partner

Surinder Kumar Arora
Joint Managing Director

Ashwani Kumar Arora
Joint Managing Director

Place : Gurgaon
Date : May 26, 2013

Monika Chawla Jaggia
Company Secretary

Cash Flow Statement

for the year ended March 31, 2013

(₹ in lacs)

	March 31, 2013	March 31, 2012
Cash flow from operating activities		
Profit before tax and prior period items	4,389.46	416.30
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operations	2,334.90	2,122.03
Profit on sale of fixed assets	(91.29)	(1.63)
Unrealized foreign exchange (gain)/loss	(173.50)	302.42
Provision for share based payments	42.40	71.08
Provision/(Reversal of provision) for impairment of investment	(80.00)	84.25
Provision for doubtful debts	390.21	113.10
Provision on loans and advances	52.03	49.71
Share of profit of partnership firm	(4.43)	(1.65)
Interest from partnership firm	(6.22)	(5.38)
Premium on forward contract	40.51	0.68
Interest expense	7,985.82	7,520.91
Interest income	(125.87)	(120.21)
Prior period items (net)	29.88	(19.49)
Dividend income	(0.08)	(0.10)
Operating profit before operating assets and liabilities	14,783.82	10,532.02
Changes in operating assets and liabilities :		
Increase in trade payables	332.94	1,149.18
Increase/(decrease) in provisions and other liabilities	1,010.33	(1,104.97)
Increase in trade receivables	(851.37)	(8,024.06)
(Increase)/decrease in inventories	(13,228.71)	4,449.35
Increase in loans and advances and other current assets	(2,838.80)	(1,000.31)
Decrease/(increase) in fixed deposits	385.42	(1,341.39)
Cash generated from/(used in) operations	(406.37)	4,659.83
Direct taxes paid (net of refunds)	(1,159.15)	(468.18)
Net cash flow from/ (used in) operating activities [A]	(1,565.52)	4,191.65
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, CWIP and capital advances	(2,408.84)	(1,937.35)
Proceeds from sale of fixed assets	234.18	30.42
Purchase of non current investments	(18.63)	(807.51)
Interest received	127.41	119.87
Deposit in unpaid dividend account	(0.51)	(1.79)
Dividends received from non trade investments	0.08	0.10
Net cash used in investing activities [B]	(2,066.31)	(2,596.26)
Cash flow from financing activities		
Proceeds from employee stock option plan	18.99	-
Proceeds from long term borrowings	3,104.18	1,747.00
Repayment of long term borrowings	(3,664.94)	(2,159.25)
Proceeds from short term borrowings	11,782.16	6,355.18
Interest paid	(8,019.20)	(7,587.96)
Dividends paid on equity shares	-	(287.13)
Net cash flow from/ (used in) financing activities [C]	3,221.19	(1,932.16)
Net increase in cash and cash equivalents [A+B+C]	(410.64)	(336.77)
Cash and cash equivalents at the beginning of the year	1,120.99	1,457.76
Cash and cash equivalents at the end of the year	710.35	1,120.99
Components of cash and cash equivalents		
Cash on hand	114.45	46.47
With banks on - current account	499.83	1,074.52
- on deposit account	96.07	-
Total cash and cash equivalents	710.35	1,120.99
Notes form an integral part of these financial statements.		

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

For **Walker, Chandio & Co**
Chartered Accountants

per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 26, 2013

For and on behalf of Board of Directors

Surinder Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Ashwani Kumar Arora
Joint Managing Director

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

1. Corporate information

LT Foods Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956, primarily in the business of milling, processing, storage and transportation of food grains and trading in other agri products. The company is marketing branded and non-branded basmati rice and manufacturing rice food products in the domestic and overseas market. Its 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. The company's operations include contract farming, procurement, storage, processing, packaging and distribution. The company is also engaged in international trade of non-basmati rice and other grains, warehousing facility, research and development to add value to rice and rice food products.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared to comply with the Accounting Standards referred to in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of section 642 and relevant provisions of the Companies Act, 1956 (the 'Act'). The financial statements have been prepared on a going concern basis under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company. All assets and liabilities have been classified as current or non-current as per the operating cycle of the Company or twelve months as applicable, as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956.

(b) Use of estimates

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

(c) Revenue recognition

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

Sale of goods:

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

Business support services:

Income from business support services is recognised on accrual basis in accordance with the terms of the contract entered into in respect thereof.

Income from concessionaire agreement:

Service charges/rental income from concessionaire agreement is recognised as per the terms of the contract

Dividend:

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

Interest:

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

(d) Fixed assets

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

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

(e) Depreciation and amortisation

Depreciation on fixed assets is provided on written down value method at the rates based on the estimated useful life of the asset which correspond to the rates in schedule XIV to the Companies Act, 1956.

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

Depreciation rates used in Note No. 12 & 13 are as follows:

Assets	Rate of depreciation
Factory buildings	10%
Building others	5%
Temporary structures	100%
Plant and Machinery (based on double shift)	20.87%
Plant and Machinery others	13.91%
Furniture and fixtures	18.10%
Computers	40%
Motor lorries	30%
Other vehicles	25.89%
Office Equipment	13.91%

Brand is amortised over a period of twenty years.

(f) Investments

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

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

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

(g) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

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

Work in progress

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

Finished goods

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

(h) Foreign currency transaction

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

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

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

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

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

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

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

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

(i) Employee benefits **Provident Fund**

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

Gratuity

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

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

Compensated absences

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

Other short term benefits

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

(j) Borrowing costs

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013



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

(k) Earnings per share

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

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

(l) Income tax

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

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

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

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

(m) Contingent liabilities and provisions

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

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

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

(n) Impairment of assets

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

(o) Share-based payment

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

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

Upon exercise of share options, the proceeds received up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as additional paid-in capital.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

3 Share capital

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Number	Amount	Number	Amount
Authorised share capital				
-Equity shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up capital				
-Equity shares of ₹ 10 each	26,168,395	2,616.84	26,118,414	2,611.84
Total	26,168,395	2,616.84	26,118,414	2,611.84

- a) During the year, the Company had issued and allotted 49,981 (Previous year Nil) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

b) Terms/rights attached to equity shares

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

During the year ended March 31, 2013 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 2 per share (previous year nil per share).

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

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

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each				
India Agri Business Fund Limited	3,835,015	14.68	3,835,015	14.68
Ashwani Arora	3,526,312	13.50	3,526,312	13.50
Surinder Arora	3,374,912	12.92	3,374,912	12.92
Gurucharan Dass Arora	2,128,692	8.15	2,128,692	8.15
Ashok Kumar Arora	2,107,640	8.07	2,107,640	8.07
Vijay Kumar Arora	1,921,124	7.36	1,921,124	7.36

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

The Company had reserved issuance of 8,49,538 (Previous year 6,48,329) Equity shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Plan (ESOP). During the year, the Company had issued and allotted 49,981 (Previous year Nil) equity shares to eligible employees of the Company and its subsidiaries under ESOP. The option would vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013



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4 Reserves and surplus

(₹ in lacs)

		March 31, 2013	March 31, 2012
Capital reserve (A)		108.61	108.61
Securities premium reserve (B)			
Balance at the beginning of the year		5,499.52	5,499.52
Add : Additions made during the year		13.99	-
Balance at the end of the year		5,513.51	5,499.52
General reserve (C)			
Balance at the beginning of the year		876.20	876.20
Add : Additions made during the year		253.69	-
Balance at the end of the year		1,129.89	876.20
Share options outstanding amount (D)			
Balance at the beginning of the year		71.08	-
Add : Additions made during the year		42.40	71.08
Balance at the end of the year		113.48	71.08
Surplus in the statement of profit and loss (E)			
Balance at the beginning of the year		12,512.84	12,068.55
Add : Transferred from statement of profit and loss		3,382.50	444.29
Less : Proposed dividend		(523.37)	-
Less : Corporate dividend tax		(88.94)	-
Less : Transfer to general reserve		(253.69)	-
Balance at the end of the year		15,029.34	12,512.84
Total reserves and surplus (A+B+C+D+E)		21,894.83	19,068.25

5 Long term borrowings

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Non current	Current	Non current	Current
Secured				
Rupee term loans				
From banks	4,401.50	2,138.67	6,398.31	3,625.43
Foreign currency term loans				
From banks	1,314.42	1,130.52	-	-
Vehicle loans	188.23	62.90	66.60	39.51
	5,904.15	3,332.09	6,464.91	3,664.94

a) Details of guarantee for each type of borrowings

Guaranteed by directors

Term loans				
From banks	8,985.11		10,023.74	

Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013

b) Details of rupee term loan:

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installments	March 31, 2013	March 31, 2012
Oriental Bank of Commerce	1,050	2010-11	12 equal quarterly	87.50	87.50	437.50
Oriental Bank of Commerce	1,200	2010-11	5 equal yearly	240.00	197.00	394.00
Oriental Bank of Commerce	500	2008-09	20 equal quarterly	25.00	84.58	184.58
Oriental Bank of Commerce	500	2009-10	20 equal quarterly	25.00	164.26	239.30
Oriental Bank of Commerce	675	2008-09	12 equal quarterly	56.25	-	112.50
Oriental Bank of Commerce	500	2011-12	12 equal quarterly	41.66	208.07	374.73
Oriental Bank of Commerce	1,710	2011-12	12 equal quarterly	142.50	997.50	1,425.00
Oriental Bank of Commerce	1,242	2012-13	12 equal quarterly	103.50	1,203.94	-
Corporation Bank	270	2010-11	12 equal quarterly	22.50	-	45.00
Corporation Bank	875	2012-13	12 equal quarterly	72.92	875.00	-
Corporation Bank	500	2007-08	20 equal quarterly	25.00	-	40.00
State bank of Hyderabad	1,550	2010-11	10 equal quarterly	155.00	-	310.00
Allahabad Bank	3,750	2010-11	24 equal quarterly	156.25	2,226.99	2,722.00
Allahabad Bank	2,700	2011-12	32 equal quarterly	156.25	2,320.87	2,526.00
Allahabad Bank	250	2011-12	12 equal quarterly	22.50	209.92	21.90
HDFC Bank	900	2010-11	equal monthly installments	26.47	-	179.04
ICICI Bank	1,000	2010-11	12 equal quarterly	83.33	333.33	666.66
Punjab National Bank	500	2008-09	20 equal quarterly	25.00	75.16	198.69
Punjab National Bank	500	2008-09	20 equal quarterly	25.00	-	146.84
					8,985.12	10,023.74

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2013 the interest rates ranges from 11.50% to 15.50% per annum.

c) Details of vehicle loan :

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installments	March 31, 2013	March 31, 2012
HDFC Bank	6.15	2008-09	48	0.2	-	2.23
HDFC Bank	10	2009-2010	48	0.32	1.55	5.06
HDFC Bank	17	2009-2010	48	0.54	2.64	8.60
HDFC Bank	9.65	2008-09	48	0.25	-	0.73
HDFC Bank	11.75	2008-09	48	0.3	-	0.90
HDFC Bank	11.75	2008-09	48	0.3	-	0.90
HDFC Bank	11.75	2008-09	48	0.3	-	0.90
HDFC Bank	11.75	2008-09	48	0.3	-	0.90
HDFC Bank	11.75	2008-09	48	0.3	-	0.90
HDFC Bank	7.5	2010-11	72	0.19	3.37	5.25
HDFC Bank	7.5	2010-11	72	0.19	3.37	5.25
HDFC Bank	7	2011-12	72	0.23	4.57	6.67
HDFC Bank	8	2011-12	36	0.26	3.64	6.19
ICICI Bank	17.83	2010-11	60	0.38	10.26	13.59
ICICI Bank	60	2010-11	60	1.27	37.20	48.04
HDFC Bank	51.46	2012-13	60	0.74	51.46	-
State bank of India	48.00	2012-13	60	0.68	42.58	-
HDFC Bank	18.59	2012-13	60	0.28	16.08	-
HDFC Bank	79.50	2012-13	60	1.10	74.41	-
					251.13	106.11

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2013 the interest rates ranges from 8.50% to 12.00% per annum.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

d) Details of security for each type of borrowings :

- (i) Rupee term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu on current assets of the Company.
- (ii) Rupee term loan from Allahabad Bank amounting to ₹ 2,226.99 lacs is secured against first exclusive charge over the entire fixed assets created under the Varpal, Amritsar project. Second charge on current assets on reciprocal basis with ceding of second charge on the fixed assets in favour of working capital loan bankers.
- (iii) Rupee term loan from Allahabad Bank amounting to ₹ 2,326.87 lacs is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar. Second pari -passu charge over fixed assets of Bahalgarh unit along with equitable mortgage over land and building on pari passu basis to secure entire credit facilities sanctioned by consortium.
- (iv) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

6 Deferred taxes

(₹ in lacs)

		March 31, 2013	March 31, 2012
a) Deferred tax liabilities arising on account of			
Timing difference on tangible assets depreciation		656.90	788.80
Keyman Insurance Policy		80.31	74.26
		737.21	863.06
b) Deferred tax assets arising on account of			
Provision for employee benefits		(15.90)	(12.31)
Provision for employees stock option scheme		(38.12)	(23.06)
Provision for doubtful debts and advances		(143.49)	(52.83)
Provision for disallowances under income tax act		(81.54)	-
Diminution in value of investment		(0.92)	(18.22)
		(279.97)	(106.42)
Net deferred tax liability		457.24	756.64

7 Other long term liabilities

(₹ in lacs)

	March 31, 2013	March 31, 2012
Security deposits from distributors	8.68	8.63
	8.68	8.63

8 Provisions

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Long term	Short term	Long term	Short term
Proposed dividend to equity shareholders (Also refer note (a) below)	-	523.37	-	-
Corporate dividend tax	-	88.95	-	-
Provisions for employee benefits (Also refer note (b) below)	117.52	12.72	70.07	14.09
Provision for taxation (net of advance tax)	-	262.78	130.14	-
Others	-	-	-	99.75
	117.52	887.82	200.21	113.84

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

a) Details with respect to proposed dividend

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Long term	Short term	Long term	Short term
Dividends proposed to				
Equity shareholders		523.37		Nil
Proposed dividend per share				
Equity shareholders		2.00		Nil

b) Employee benefits

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

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

(₹ in lacs)

	March 31, 2013	March 31, 2012
Change in projected benefit obligation		
Projected benefit obligation at the beginning of the year	152.79	123.92
Service cost	31.76	25.14
Interest cost	12.57	10.84
Actuarial loss / (gain)	23.62	(1.49)
Benefits paid	(18.69)	(5.62)
Projected benefit obligation at the end of the year	202.05	152.79
Change in plan assets		
Fair value of plan assets at the beginning of the year	106.56	84.78
Expected return on plan assets	10.86	8.65
Employer contributions	19.47	18.76
Benefits paid	(18.69)	(5.62)
Fair value of plan assets at the end of the year	118.20	106.57
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of projected benefit obligation at the end of the year	202.05	152.79
Funded status of the plan assets	118.20	106.57
Liability recognised in the balance sheet	83.85	46.22
Components of net gratuity costs are		
Service cost	31.76	25.14
Interest cost	12.57	10.84
Expected returns on plan assets	(10.86)	(8.65)
Recognized net actuarial loss / (gain)	23.62	(1.49)
Net gratuity costs	57.09	25.84
Assumptions used		
Discount rate	8.25%	8.75%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	9.25%	9.15%
Average remaining life	23.20	23.70

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

Notes

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

9 Short-term borrowings

(₹ in lacs)

	March 31, 2013	March 31, 2012
Secured		
Rupee working capital loans		
From banks	79,330.18	55,959.39
Foreign currency working capital loans		
From banks	-	13,112.83
Unsecured		
Working capital loans		
From banks	1,513.70	34.97
	80,843.88	69,107.19

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

The working capital demand loans is repayable on demand and the interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. The interest rate ranges from 11.50 % to 15.50 % on rupee working capital loans and 3.00% to 6.50% on foreign currency working capital loans.

10 Trade payables

(₹ in lacs)

	March 31, 2013	March 31, 2012
Dues to micro, small and medium enterprises	297.13	292.72
Other sundry creditors	4,894.34	4,932.03
Acceptances	-	12.98
Due to partnership firm in which Company is a partner	2,891.30	2,512.10
	8,082.77	7,749.83

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

Principal amount remaining unpaid	297.13	292.72
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The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2013 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act, 2006 is not expected to be material.

11 Other current liabilities

(₹ in lacs)

	March 31, 2013	March 31, 2012
Current maturity of long term debts (refer to note 5)	3,332.09	3,664.94
Interest accrued but not due on borrowings	67.01	100.39
Unclaimed dividend *	11.68	11.18
Forward payable (net)	81.99	-
Advances from customers	787.27	200.00
Other liabilities	2,391.64	832.98
	6,671.68	4,809.49

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

Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013

12 Tangible assets

(₹ in lacs)

a)	Gross block	Land Freehold	Buildings	Plant and equipment	Furniture and fixtures	Office equipment	Vehicles	Total
	Balance as at April 01, 2011	2,787.12	2,716.86	14,074.65	139.35	535.92	1,008.70	21,262.60
	Additions during the year	371.50	2,795.12	3,214.78	62.27	120.40	135.37	6,699.44
	Disposals during the year	-	-	(70.51)	(0.94)	(1.39)	(44.33)	(117.17)
	Interest capitalised	-	17.91	67.70	-	-	-	85.61
	Balance as at March 31, 2012	3,158.62	5,529.89	17,286.62	200.68	654.93	1,099.74	27,930.48
	Additions during the year	268.49	482.40	743.72	7.51	103.35	330.52	1,935.99
	Disposals during the year	(90.39)	-	(245.58)	-	(2.28)	(28.99)	(367.24)
	Borrowing costs	-	-	-	-	-	-	-
	Balance as at March 31, 2013	3,336.72	6,012.29	17,784.76	208.19	756.00	1,401.27	29,499.23
b)	Accumulated depreciation							
	Balance as at April 01, 2011	-	922.95	6,327.94	79.19	313.36	600.72	8,244.16
	Depreciation charge for the year	-	265.51	1,598.09	19.43	80.64	143.12	2,106.79
	Reversal on disposal of assets	-	-	(53.10)	(0.21)	(0.44)	(34.63)	(88.38)
	Balance as at March 31, 2012	-	1,188.46	7,872.93	98.41	393.56	709.21	10,262.57
	Depreciation charge for the year	-	359.23	1,716.18	19.66	82.60	151.14	2,328.81
	Reversal on disposal of assets	-	-	(202.95)	-	(0.48)	(20.84)	(224.27)
	Balance as at March 31, 2013	-	1,547.69	9,386.16	118.07	475.68	839.51	12,367.11
(a-b)	Net block							
	Balance as at March 31, 2013	3,336.72	4,464.60	8,398.60	90.12	280.32	561.76	17,132.12
	Balance as at March 31, 2012	3,158.62	4,341.43	9,413.69	102.27	261.37	390.53	17,667.91

13 Intangible assets

(₹ in lacs)

a)	Gross block	Goodwill	Brand	Total
	Balance as at April 01, 2011	12.11	300.00	312.11
	Balance as at March 31, 2012	12.11	300.00	312.11
	Balance as at March 31, 2013	12.11	300.00	312.11
b)	Accumulated Impairment			
	Balance as at April 01, 2011	9.92	165.00	174.92
	Impairment charge for the year	0.25	15.00	15.25
	Balance as at March 31, 2012	10.17	180.00	190.17
	Impairment charge for the year	0.09	6.00	6.09
	Balance as at March 31, 2013	10.26	186.00	196.26
(a-b)	Net block			
	Balance as at March 31, 2013	1.85	114.00	115.85
	Balance as at March 31, 2012	1.94	120.00	121.94

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

14 Non-current investments

(Valued at cost unless stated otherwise)

(₹ in lacs)

		March 31, 2013	March 31, 2012
	Trade investments		
	Investments in equity instruments (unquoted)		
(i)	Subsidiary companies		
	-L T International Limited		
	1,799,581 (previous year 1,799,581) fully paid up equity shares of ₹10 each	179.96	179.96
	-Nature Bio Foods Limited		
	49,994 (previous year 49,994) fully paid up equity shares of ₹10 each	5.00	5.00
	-Sona Global Limited- Dubai		
	65,200 (previous year 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
	-Daawat Foods Limited		
	13,249,944 (previous year 13,249,944) fully paid up equity shares of ₹10 each	1,324.99	1,324.99
	250,050 (previous year 250,050) non voting equity shares of ₹10 each fully paid up	25.01	25.01
	-SDC Foods India Limited (formally known as Staple Distribution Company Limited)		
	800,000 (previous year 800,000) fully paid up equity shares of ₹10 each*	80.00	80.00
	-LT Overseas North America, Inc		
	100,000 (previous year 100,000) shares fully paid up	2,822.31	2,822.31
	-Raghuvesh Foods and Infrastructure Limited		
	49,994 (previous year 49,994) equity shares fully paid up of ₹10 each	5.00	5.00
(ii)	Investment in partnership firm**		
	M/s Raghunath Agro Industries	163.97	153.33
(iii)	Investment in associate*		
	-L T Infotech Private Limited		
	42,500 (previous year 42,500) equity shares of ₹10 each	4.25	4.25
(iv)	Keyman insurance policies	247.52	228.88
	Other investments- Quoted		
(a)	Fully paid-up equity shares (quoted)		
	2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
(b)	Investment in mutual funds (quoted)		
	50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
	48,875.855 (previous year 48,875.855) units of Templeton India Equity Income Growth Fund	5.00	5.00
	12,999.619 (previous year 12,999.619) units of HDFC MIP Long Term Dividend Fund	1.50	1.50
	2,023.636 (previous year 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
	894.055 (previous year 894.055) units of Reliance Vision Fund	0.40	0.40

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

(₹ in lacs)

		March 31, 2013	March 31, 2012
	Other investments- Unquoted		
(a)	Fully paid-up equity shares (unquoted)		
	500 (previous year 500) equity shares of India International Marketing Limited	0.05	0.05
		5,778.22	5,748.94
	*Less: permanent diminution in value of investment	4.25	84.25
		5,773.97	5,664.69
	Aggregate amount of		
	Non trade quoted investments	12.43	12.43
	Market value of non trade quoted investments	23.70	14.38
	Unquoted trade investments	5,761.49	5,652.21
	Unquoted non trade investments	0.05	0.05
	** Share of Investments in partnership firm		

The Company has 4% interest in partnership firm M/s Raghunath Agro Industries, which is engaged in the business of milling and export of rice. The financial results of the partnership firm for the year ended March 31, 2013 are as under:

(₹ in lacs)

	March 31, 2013	March 31, 2012
Assets	9,320.48	8,147.08
Liabilities	7,758.64	6,851.44
Revenues	15,842.02	7,636.22
Expenditure	15,696.57	7,528.12
Outstanding capital/reserves	1,561.84	1,295.65

** During the year the Company earned income of ₹ 4.43 lacs (previous year ₹ 1.65 lacs) as share profit from partnership firm and ₹ 6.22 lacs (previous year ₹ 5.38 lacs) as interest on capital in partnership firm. The management has re-invested the same in the carrying amount of investment.

Name of the partner and share in profit (%)		
1 LT Foods Limited	4%	4%
2 Daawat Foods Limited	96%	96%

15 Loans and advances

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Long term	Short term	Long term	Short term
Unsecured, considered good, unless otherwise stated				
Capital advances	36.95	-	-	-
Security deposits	125.84	160.99	268.32	8.23
Loans and advances to related parties	-	577.98	-	518.42
Minimum alternative tax credit receivable	-	47.82	-	421.20
Advance income tax (net of provision for tax)	1,004.05	-	675.12	-
Balances with central excise authorities	352.90	-	262.20	-
	1,519.74	786.79	1,205.64	947.85
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good	88.25	8,863.88	91.85	5,394.68
- Consider doubtful	-	52.03	-	49.71
- Provision for doubtful advances	-	(52.03)	-	(49.71)
	88.25	8,863.88	91.85	5,394.68
	1,607.99	9,650.67	1,297.49	6,342.53

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

16 Other assets

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Non-current	Current	Non-current	Current
Interest accrued but not due on fixed deposits	-	-	-	1.54
Bank deposits with maturity of more than 12 months (Refer note 19)	4.69	-	55.23	-
	4.69	-	55.23	1.54

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

(₹ in lacs)

	March 31, 2013	March 31, 2012
Raw material		
Paddy	29,774.63	28,749.32
Bardana	928.59	839.62
Finished goods	27,930.77	18,343.14
Traded goods	3,893.57	1,322.05
Stores and spares	148.53	229.65
Packing Material	540.21	503.81
	63,216.30	49,987.59

18 Trade receivables

(₹ in lacs)

	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
-Unsecured considered good	484.43	552.06
-Doubtful	390.21	113.10
	874.64	665.16
Less : Provision for bad and doubtful debts	(390.21)	(113.10)
(a)	484.43	552.06
Other debts		
-Unsecured considered good	27,010.48	26,388.32
(b)		
(a + b)	27,494.91	26,940.38
Includes amounts due from related parties:		
Kusha, Inc	4,773.07	1,296.12
Nice International FZE	6,887.21	2,738.50
SDC Foods India Limited	1,966.05	3,719.68
Daawat Foods Ltd.	1,192.01	2,280.13
Nature Bio Foods Limited	92.75	320.59

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

19 Cash and bank balances

(₹ in lacs)

		March 31, 2013		March 31, 2012	
		Non-current	Current	Non-current	Current
	Cash and cash equivalents				
(a)	Cash in hand				
	In Indian currency	-	113.96	-	39.23
	In foreign currencies	-	0.49	-	7.24
(b)	Balances with banks				
	In current accounts	-	499.83	-	1,074.52
	In deposit account (with maturity upto 3 months)*	-	96.07	-	-
(c)	Other bank balances				
	Unpaid dividend account	-	11.68	-	11.17
	In deposit account (with maturity upto 12 months)*	-	955.97	-	1,341.39
(d)	Bank deposits with maturity of more than 12 months*	4.69	-	55.23	-
		4.69	1,678.00	55.23	2,473.55
	Less : Amounts disclosed under non-current assets (Refer note 16)	(4.69)	-	(55.23)	-
		-	1,678.00	-	2,473.55

* The deposits are restricted as they are held as margin money deposits against guarantees.

20 Revenue from operations

(₹ in lacs)

	March 31, 2013	March 31, 2012
Sale of products (rice)		
Export	45,139.11	27,824.04
Domestic	65,411.60	38,889.08
Sale of traded goods *		
Export	48,870.00	19,923.75
Domestic	2,198.89	9,064.46
Other revenue	3,746.98	2,718.60
	165,366.58	98,419.93
*Broad heads for sale of traded goods		
Rice	44,080.84	26,498.35
Maize	4,466.51	1,803.13
Soyabean	2,521.54	419.50
Others	-	267.23
	51,068.89	28,988.21

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013



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21 Other income

(₹ in lacs)

	March 31, 2013	March 31, 2012
Dividend from non trade investments	0.08	0.10
Profit from sale of fixed assets (net)	91.29	1.63
Share of profit in partnership firm	4.43	1.65
Interest from partnership firm	6.22	5.38
Interest on bank fixed deposits	125.87	120.21
Income from business support services	-	441.77
Export incentive	-	38.97
Reversal of impairment of investment	80.00	-
Miscellaneous	598.52	391.55
Income per concessionaire agreement	474.54	564.46
	1,380.95	1,565.72

22 Material consumed

(₹ in lacs)

	March 31, 2013	March 31, 2012
Opening stock		
Paddy	28,749.33	33,776.68
Bardana	839.62	740.08
Packing material	503.81	476.84
	30,092.76	34,993.60
Add: purchases		
Paddy	48,122.33	33,111.58
Bardana	420.26	491.12
Packing material	4,159.20	3,276.34
Broken rice/unpolished rice for consumption	42,577.26	10,286.61
	95,279.05	47,165.65
Less: closing stock		
Paddy	29,774.63	28,749.32
Bardana	928.59	839.62
Packing material	540.21	503.81
	31,243.43	30,092.75
	94,128.38	52,066.50

23 Purchases of traded goods

(₹ in lacs)

	March 31, 2013	March 31, 2012
Rice	40,506.14	19,599.95
Soyabean	2,508.20	227.96
Maize	3,931.78	2,017.40
Others	-	206.43
	46,946.12	22,051.74

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

24 Changes in inventories of finished goods and traded goods

(₹ in lacs)

	March 31, 2013	March 31, 2012
Opening stock		
Finished goods	18,343.14	18,947.68
Traded goods	1,322.05	281.74
Closing stock		
Finished goods	27,930.77	18,343.14
Traded goods	3,893.57	1,322.05
	(12,159.15)	(435.77)

25 Employee benefits

(₹ in lacs)

	March 31, 2013	March 31, 2012
Salaries, wages and bonus (Refer note b)	2,563.30	1,961.78
Contribution to provident and other fund (Refer note a)	129.50	86.35
Staff welfare expenses	99.07	105.36
Director's remuneration	138.00	178.53
	2,929.87	2,332.02

a) Provident fund

Contribution made by the Company during the year is ₹ 52.61 lacs (previous year ₹ 40.82 lacs).

b) Share-based payment

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognized in the income statement for the year ended March 31, 2013 is ₹ 42.40 lacs (March 31, 2012 ₹ 71.08 lacs).

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

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

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

	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
	April 01, 2011	Feb 07, 2013
Grant date		
Fair value of option using the Black Scholes model (in ₹)	21.05	24.97
Fair value of shares at grant date (INR)	49.5	58.8
Exercise price (in ₹)	38	38
Expected volatility	67%	54%
Option life (in years)	4	4
Dividend yield	2.02%	1.70%
Risk-free interest rate	5.80%	7.52%

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

ESOP-2010 (Grant I)

Share options granted to employees and others providing similar services

	March 31, 2013			March 31, 2012		
Number of options	Number of options	Weighted average exercise price	Weighted average remaining contractual life	Number of options	Weighted average exercise price	Weighted average remaining contractual life
		(in ₹)			(in ₹)	
Balance at beginning of the year	648,329	38	-	-	-	-
Granted during the year	-	-	-	648,329	38	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	49,981	38	-	-	-	-
Expired during the year	-	-	-	-	-	-
Balance at end of the year	598,348	38	-	648,329	38	-
Exercisable at end of the year	274,183	38	-	162,082	38	-

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

	March 31, 2013			March 31, 2012		
Number of options	Number of options	Weighted average exercise price	Weighted average remaining contractual life	Number of options	Weighted average exercise price	Weighted average remaining contractual life
		(in ₹)			(in ₹)	
Balance at beginning of the year	-	-	-	-	-	-
Granted during the year	201,209	38	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Balance at end of the year	201,209	38	-	-	-	-
Exercisable at end of the year	-	-	-	-	-	-

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

26 Finance costs

(₹ in lacs)

	March 31, 2013	March 31, 2012
Interest on working capital loans	6,154.94	5,682.17
Interest on term loans	1,830.88	1,924.35
	7,985.82	7,606.52
Less: Interest capitalised	-	(85.61)
	7,985.82	7,520.91
Bank charges	254.99	205.44
	8,240.81	7,726.35

27 Other expenses

(₹ in lacs)

	March 31, 2013	March 31, 2012
Warehouse rent	254.87	101.99
Wages and other manufacturing expenses	482.40	339.26
Factory insurance	44.83	47.33
Power and fuel	1,422.00	1,034.10
Security services	-	-
Research and development	-	-
Packing expenses	-	-
Repairs and maintenance	-	-
- Machinery	104.06	85.00
- Building	88.96	93.61
- Others	43.13	28.86
Stores and spares consumed	715.02	434.64
Advertisement	1,402.48	853.75
Insurance	100.16	46.29
Legal and professional charges	396.14	482.54
Rates and taxes	121.75	58.55
Donation and charity	37.89	31.59
Directors' sitting fees	4.90	3.40
Auditors' remuneration *	42.76	19.90
Fines and penalties	4.43	2.55
Rent	327.38	351.02
Vehicle running and maintenance	-	-
Other administrative expenses	-	-
Travelling and conveyance	750.53	534.35
Rebate and discounts	583.93	276.75
Commission to selling agents	-	-
Clearing, forwarding and freight charges	7,274.25	3,754.75
Market development expenses	-	-
Business promotion expenses	-	-
Freight outward	-	-
Other selling expenses	2,136.98	818.87
Amounts written off	366.66	19.60
Provision for doubtful recoveries	442.24	162.82
Impairment of investment	-	84.25
Loss on exchange fluctuation (net)	707.31	-
Miscellaneous expenses	2,082.08	1,627.94
Premium on forward contract	-	-
	19,937.14	11,293.71

* Auditors' remuneration

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

(₹ in lacs)

	March 31, 2013	March 31, 2012
Statutory audit (including fees for limited reviews)	34.8	16.25
Other matters	0.25	1.15
Out of pocket expenses	3.06	0.64
Service tax	4.70	1.86
	42.76	19.90

28 Exceptional items

(₹ in lacs)

	March 31, 2013	March 31, 2012
Loss on foreign exchange fluctuation	-	2,412.77
	-	2,412.77

29. Contingent liabilities

(₹ in lacs)

Nature of contingency	March 31, 2013	March 31, 2012
- Income-tax demands *	1,066.79	3,161.59
- Haryana rural development fund demand of market committee, Sonapat	30.78	30.78
- Food Corporation India demand for differential price /freight /taxes	339.00	339.00
- Duty saved under EPCG licenses(export obligation outstanding ₹ 3,464.05 lacs (previous year ₹ 3,815.92 lacs))	535.52	591.69
- Guarantees given by Company	58,159.50	58,891.87
Total	60,131.59	63,014.93

*The management has filed appeals against the order of Assessing Officer before CIT (A) for the Assessment Year 2003-04 to Assessment Year 2007-08. The CIT (A) vide its order dated March 28, 2013 for the Assessment Year 2004-05 to Assessment Year 2007-08 has allowed substantial relief to the Company. However, the appeal effect of order of CIT (A) is yet to be given by the Income Tax Department. Also, the Company is in the process of filing appeal before ITAT for the Assessment Year 2004-05 to Assessment Year 2007-08 on issues for which relief has not been given by CIT (A). The Company appeal for the Assessment Year 2008-09 and Assessment Year 2009-10 and Assessment Year 2000-01 are still pending before ITAT. The Company has paid ₹ 775.00 Lacs fixed instalment as per the directions of Income Tax Department and the same amount will be adjusted, once the appeal is final. The management is confident that it's position is likely to be upheld in the appeals pending before CIT(A) and ITAT and no liability will devolve on the Company on account of these proceeding.

30. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances - ₹ 92.30 lacs (previous year: ₹ 1.96 lacs).

31. Related party disclosures

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

(i) Names of related parties and description of relationship

- Subsidiary companies

Daawat Foods Limited
SDC Foods India Limited
Expo Services Private Limited
Nature Bio Foods Limited
LT International Limited
LT Overseas North America, Inc.
Kusha, Inc.
Sona Global Limited
Nice International FZE
Raghuvesh Foods & Infrastructure Limited
LT Foods USA LLC

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

Raghuvesh Power Projects Limited
Universal Traders Inc.
LT Agri Services Private Limited
Royal Curry Delights LLC

- **Partnership firm**

Raghunath Agro Industries

- **Associate enterprises**

LT Infotech Private Limited

Cordia LT Communications Private limited (till October 03, 2012)

- **Key Management Personnel**

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

- **Relatives of Key Management Personnel**

Abhinav Arora
Aditya Arora
Anita Arora
Gursajjan Arora
Parvesh Rani
Ranju Arora
Sakshi Arora
Vandana Arora

Transactions with subsidiary companies

	(₹ in lacs)	
Particulars	31-Mar-13	31-Mar-12
Sales		
SDC Foods India Limited	5,122.99	6,393.74
Kusha, Inc.	7,456.38	10,581.08
Nice International FZE	15,821.82	5,672.19
Daawat Foods Limited	5,511.53	2,444.34
Nature Bio Foods Limited	644.01	50.73
Purchases		
Nice International FZE	-	138.53
Daawat Foods Limited	7,800.97	3,466.04
Nature Bio Foods Limited	339.27	137.78
SDC Foods India Limited	83.4	16.79
Rent paid		
Daawat Foods Limited	48	42.24
Rent received		
Daawat Foods Limited	-	1.2
LT International Limited	5.64	-
Business Support Charges received		
Expo Services Private Limited	-	441.77
Processing Charges received		
Nature Bio Foods Limited	178.51	186.16
Daawat Foods Limited	2.35	-
Investment (Sona Global Limited)	-	788.25
Interest received		
Nature Bio Foods Limited	22.68	26.05
Sona Global Limited	-	20.25
LT International Limited		1.09

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013



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(₹ in lacs)

Particulars	31-Mar-13	31-Mar-12
Balances at the year end		
SDC Foods India Limited (net receivable)	1,966.05	3,701.53
Nice International FZE (net receivable)	6,887.21	2,904.80
Kusha, Inc.(net receivable)	4,622.50	569.68
Daawat Foods Limited(net receivable)	1,192.01	2,280.14
Expo Services Private Limited(net receivable)	328.76	316.2
Nature Bio Foods Limited (net receivable)	92.75	320.6
LT International Limited (net payable)	(67.37)	12.23
LT Overseas North America Inc.(net receivable)	138.92	138.92
Sona Global Limited(net receivable)	247.76	189.01
Raghuvesh Foods & Infrastructure Limited(net receivable)	1.10	0.95
LT Agri Services Private Limited (net receivable)	0.35	-
Guarantees given on behalf		
Kusha, Inc.	11,421.75	10,742.87
Daawat Foods Limited	20,138.68	24,103.68
Nature Bio Foods Limited	6,000.00	3,400.00
LT Overseas North America Inc.	5,438.93	11,766.00
SDC Foods India Limited	-	1,500.00
Nice International FZE	2,434.14	1,616.52
Balance with associate companies		
LT Infotech Private limited	-	66.73
Cordia LT Communications Private limited	-	32.69
Transactions with partnership firm (Raghnath Agro Industries)		
Sales	6,109.49	1,060.58
Purchases	3,275.1	2,087.37
Interest income	6.22	5.38
Share of profit	4.43	1.65
Balance payable at the year end	2,891.30	2,512.10
Guarantees given on behalf of partnership firm	11,460.00	5,195.00
Transactions with key management persons		
Remuneration paid		
Vijay Kumar Arora	78.00	78.00
Ashwani Kumar Arora	-	52.49
Surinder Kumar Arora	60.00	60.00
Perquisites		
Surinder Kumar Arora	-	0.76
Dividend paid		
Key management persons	-	110.10
Relatives of key management persons	-	10.29

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

32. Information pursuant to provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956:

(I) Raw material consumed

(₹ in lacs)

Particulars	March 31, 2013		March 31, 2012	
	Value	Percentage	Value	Percentage
Paddy				
Indigenous	47,097.04	100%	38,194.48	100%
Imported	-	-	-	-
Total	47,097.04	100%	38,194.48	100%
Bardana				
Indigenous	331.29	100%	331.29	100%
Imported	-	-	-	-
Total	331.29	100%	38,194.48	100%

(II) Rice consumed

(₹ in lacs)

Particulars	March 31, 2013		March 31, 2012	
	Value	Percentage	Value	Percentage
Indigenous	42,577.26	100%	10,286.61	100%
Imported	-	-	-	-
Total	42,577.26	100%	10,286.61	100%

(III) Consumable and Spares consumed

(₹ in lacs)

Particulars	March 31, 2013		March 31, 2012	
	Value	Percentage	Value	Percentage
Indigenous	714.59	99.94%	420.99	96.86%
Imported	0.43	0.06%	13.65	3.14%
Total	715.02	100%	434.64	100%

(IV) Packing material consumed

(₹ in lacs)

Particulars	March 31, 2013		March 31, 2012	
	Value	Percentage	Value	Percentage
Indigenous	4,111.60	99.73%	3,245.71	99.89%
Imported	11.20	0.27%	3.66	0.11%
Total	4,122.80	100%	3,249.37	100%

(V) Value of imports on CIF basis

(₹ in lacs)

	March 31, 2013	March 31, 2012
Capital goods	94.67	225.01
Packing materials	7.42	7.44
Stores and spares	-	14.08
Other Food Items	14.27	-
	116.36	246.53

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

(VI) Expenditure in foreign currency

(₹ in lacs)

	March 31, 2013	March 31, 2012
Legal fees	124.54	17.60
Interest and other charges to bank	507.67	1,277.34
Steamer freight	2,721.20	1,329.13
Sales promotion	72.57	217.59
Commission on export sales	87.22	66.15
Others	504.47	200.34
	4,017.66	3,108.15

(VII) Earnings in foreign currency

(₹ in lacs)

	March 31, 2013	March 31, 2012
FOB value of exports		
Rice	83,741.06	43,327.55
Others	6,839.64	2,452.15
	90,580.70	45,779.70

33. Earnings per share

Particulars	March 31, 2013	March 31, 2012
Net profit attributable to equity shareholders before Exceptional item (₹ in lacs)	3,382.50	2,857.06
Exceptional item (₹ in lacs)	-	2,412.77
Net profit attributable to equity shareholders after Exceptional Loss (₹ in lacs)	3,382.50	444.29
Numbers of weighted average equity share outstanding at the year end (₹ in lacs)		
Basic	261.26	261.18
Diluted	264.16	264.38
Nominal value of equity share (₹)	10	10
Earnings per share		
Basic (₹)	12.95	1.70
Diluted (₹)	12.80	1.68

34. 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, 2013 and 2012 was ₹ 582.25 lacs and ₹ 453.01 lacs respectively. The Company has not executed any non-cancelable operating leases.

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

	March 31, 2013 (₹ in lacs)	March 31, 2012 (₹ in lacs)	March 31, 2013 (FC in lacs)	March 31, 2012 (FC in lacs)
i) Receivables in Foreign				
Currency				
- Sundry debtors	18,596.39	13,145.58	USD 348.51	USD 256.80
				GBP 0.15
ii) Payables in Foreign				
Currency				
- Sundry creditors	15.85	12.10	USD 0.27	USD 0.28
			EURO 0.06	EURO 0.0036
			YEN (4.92)	

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

36. Transfer Pricing

As per the international transfer pricing norms introduced in India with effect from April 1, 2001 and the domestic transfer pricing norms introduced with effect from April 1, 2012, the Company is required to use certain specified methods in computing arm's length price of international 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.

37. The remuneration paid to Mr. Vijay Kumar Arora (Chairman and Managing Director), Mr. Ashwani Kumar Arora (Joint Managing Director) and Mr. Surinder Kumar Arora (Joint Managing Director) was approved by the shareholders of the Company. However, owing to the insufficient profits during the previous year, not determinable on the date of such approval, the remuneration paid during the year ended March 31, 2012 is in excess of the limits specified under the provisions of the Companies Act, 1956 by ₹ 119.25 lacs. The Company is taking necessary steps to seek approval from the shareholders and Central Government for excess remuneration paid.
38. In accordance with AS-17 "Segment Reporting", segment information has been given in the consolidated financial statements of LT Foods Limited, and therefore, no separate disclosure on segment information is given in these financial statements.

39. Previous year figures

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

For **Walker, Chandiok & Co**
Chartered Accountants

per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 26, 2013

For and on behalf of Board of Directors

Surinder Kumar Arora
Joint Managing Director

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

To the Board of Directors of LT Foods Limited

1. We have audited the accompanying consolidated financial statements of LT Foods Limited, ("the Company") and its subsidiaries (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

6. As stated in the note no. 35 of the accompanying consolidated financial statements, consolidated financial

statements for the year ended 31 March 2012 include managerial remuneration amounting to ₹ 126.32 lacs, paid in excess of the limits specified under the provisions of the Companies Act, 1956. The Company is in the process of seeking requisite approvals from the Central Government for such excess remuneration paid. Had the Company adjusted such excess managerial remuneration during the year ended 31 March 2013, the net profits for the year ended 31 March 2013, reserves and surplus as at March 31, 2013 and the short term loans and advances would have been higher by the said amount. This was a subject matter of the qualification in our audit report for the year ended March 31, 2012.

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, except for the effects of the matter described in the Basis for Qualified Opinion paragraph the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
 - ii) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter

8. We did not audit the financial statements of certain subsidiaries, associates and a partnership firm included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 42,188.56 lacs as at March 31, 2013; total revenues (after eliminating intra-group transactions) of ₹ 89,106.28 lacs and net cash flows aggregating to ₹ (1,205.20) lacs for the year then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the year then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Atul Seksaria**
Partner
Membership No. 86370

Place: Gurgaon
Date: May 26, 2013

Consolidated Balance Sheet

as at March 31, 2013

(₹ in lacs)

	Notes	March 31, 2013	March 31, 2012
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	2,616.84	2,611.84
Reserves and surplus	4	28,459.68	22,865.63
		31,076.52	25,477.47
Minority interest		2,404.65	1,981.12
Non-current liabilities			
Long-term borrowings	5	11,600.13	12,502.65
Deferred tax liabilities (net)	6	128.62	428.28
Other long term liabilities	7	8.68	15.83
Long-term provisions	8	182.37	237.23
		11,919.80	13,183.99
Current liabilities			
Short-term borrowings	9	125,109.58	103,050.18
Trade payables	10	15,378.49	7,243.02
Other current liabilities	11	9,230.39	8,244.97
Short-term provisions	8	2,154.28	654.66
		151,872.74	119,192.83
		197,273.71	159,835.41
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	12	26,882.31	26,214.68
Intangible assets	13	6,977.22	6,835.40
Capital work-in-progress		1,169.25	533.32
Non-current investments	14	499.23	480.59
Long-term loans and advances	15	2,382.83	1,992.64
Other non-current assets	16	379.90	385.70
		38,290.74	36,442.33
Current assets			
Inventories	17	105,988.05	82,956.44
Trade receivables	18	37,218.04	26,736.77
Cash and bank balances	19	3,773.05	5,423.62
Short-term loans and advances	15	11,962.83	8,229.04
Other current assets	16	41.00	47.21
		158,982.97	123,393.08
		197,273.71	159,835.41

Notes form an integral part of these financial statements

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

For **Walker, Chandiok & Co**
Chartered Accountants

per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 26, 2013

For and on behalf of Board of Directors

Surinder Kumar Arora
Joint Managing Director

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2013

(₹ in lacs)			
	Notes	March 31, 2013	March 31, 2012
Income			
Revenue from operations	20	220,767.51	142,176.44
Other income	21	2,190.50	1,373.84
		222,958.01	143,550.28
Expenses			
Material consumed	22	119,456.79	70,183.53
Purchases of traded goods	23	63,187.94	39,947.12
Changes in inventories of finished goods and traded goods	24	(16,967.72)	(6,882.68)
Employee benefits	25	4,947.04	4,257.78
Finance costs	26	11,712.90	10,748.14
Depreciation, amortisation and impairment (Refer Note 12 and 13)		3,883.84	3,395.98
Other expenses	27	28,531.70	18,281.52
		214,752.49	139,931.39
Profit before prior period, exceptional items and tax		8,205.52	3,618.89
Prior period items		(72.15)	18.39
Exceptional item		-	3,602.34
Profit/ (loss) before tax		8,277.67	(1.84)
Tax expense			
Income tax		2,314.72	583.38
Minimum alternative tax receivable		285.14	(36.87)
Deferred tax		(329.65)	(346.85)
Profit/ (loss) after tax		6,007.46	(201.50)
Share of (profit)/ loss transferred to minority		(402.27)	79.90
Profit/ (loss) after tax and minority interest		5,605.19	(121.60)
Earnings per equity share (₹)			
Basic		21.45	(0.47)
Diluted		21.22	(0.46)
Notes form an integral part of these financial statements			

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

For **Walker, Chandiok & Co**
Chartered Accountants

per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 26, 2013

For and on behalf of Board of Directors

Surinder Kumar Arora
Joint Managing Director

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Consolidated Cash Flow Statement

for the year ended March 31, 2013

(₹ in lacs)

	March 31, 2013	March 31, 2012
Cash flow from operating activities		
Profit before tax and prior period items	8,205.52	16.55
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation/amortization on continuing operations	3,883.83	3,395.98
(Profit)/Loss on sale of fixed assets	(95.08)	1.77
Employee stock compensation expense	42.40	71.08
Unrealised foreign exchange (gain)/loss	(281.65)	387.45
Provision for impairment of investment	-	4.25
Provision for doubtful debts	833.75	317.39
Provision for advances	52.03	49.71
Amount written back	-	(4.32)
Premium on forward contract	54.61	29.11
Loss on Investment	-	(3.47)
Miscellaneous expenditure written off	-	53.60
Interest expense	11,208.91	10,357.63
Interest income	(156.21)	(137.15)
Prior period items (net)	72.15	(18.38)
Dividend income	(0.08)	(0.10)
Operating profit before operating assets and liabilities	23,820.18	14,521.10
Changes in operating assets and liabilities :		
Increase/(decrease) in trade payables	11,811.97	(1,335.12)
Increase/(decrease) in provisions and other liabilities	953.78	(618.47)
(Increase)/decrease in trade receivables	(11,902.86)	4,139.15
Increase in inventories	(21,993.81)	(265.85)
Increase in loans and advances and other assets	(4,987.07)	(6,122.37)
Decrease/(increase) in fixed deposits	339.52	(1,341.39)
Cash generated (used in)/from operations	(1,958.29)	8,977.05
Direct taxes paid (net of refunds)	(1,516.42)	(836.59)
Net cash generated (used in)/from operating activities [A]	(3,474.71)	8,140.46
Cash flow from investing activities		
Purchase of fixed assets including intangible assets, CWIP and capital advances	(4,779.86)	(3,135.00)
Proceeds from sale of fixed assets	265.11	44.58
Purchase of non current investments	(18.63)	(155.26)
Investment in bank deposits (having original maturity of more than three months)	-	(61.40)
Interest received	157.39	126.81
Deposit in unpaid dividend account	(0.51)	(1.79)
Dividends received from subsidiary company	0.08	0.10
Dividends received from other investments		
Net cash used in investing activities [B]	(4,376.42)	(3,181.96)
Cash flow from financing activities		
Proceeds from employee share option plan	18.99	-
Proceeds from long term borrowings	4,719.30	6,912.51
Repayment of long term borrowings	(10,025.41)	(7,439.80)
Proceeds from short term borrowings	22,771.42	7,529.23
Interest paid	(11,213.58)	(10,355.62)
Dividends paid on equity shares	101.26	(352.85)
Proceeds from issue of share capital to minority	21.24	1.95
Net cash generated from/(used in) financing activities [C]	6,393.22	(3,704.58)
Net increase in cash and cash equivalents [A+B+C]	(1,457.91)	1,253.92
Effect of exchange difference on cash and cash equivalents held in foreign currency	146.35	151.06
Cash and cash equivalents at the beginning of the year	4,047.10	2,642.12
Cash and cash equivalents at the end of the year	2,735.54	4,047.10
Components of cash and cash equivalents		
Cash on hand	164.69	94.17
With banks on current account	2,382.49	3,947.88
- on deposit account	188.36	5.05
Total cash and cash equivalents	2,735.54	4,047.10
Notes form an integral part of these financial statements		

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

For **Walker, Chandio & Co**
Chartered Accountants

For and on behalf of Board of Directors

per **Atul Seksaria**
Partner

Surinder Kumar Arora
Joint Managing Director

Ashwani Kumar Arora
Joint Managing Director

Place : Gurgaon
Date : May 26, 2013

Monika Chawla Jaggia
Company Secretary

Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013

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FINANCIAL
STATEMENTS

1. Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared on accrual basis under the historical cost convention, in accordance with the generally accepted accounting principles applicable in India, the accounting standards referred under section 211 (3C) of the Companies Act, 1956 and the Rules framed there under.

2. Significant accounting policies

a) Principles of consolidation

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

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

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

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

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

b) Use of estimates

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

c) Revenue recognition

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

Sale of goods:

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

Rental income:

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

Interest:

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

Service charges:

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

Dividend:

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

d) Fixed assets

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

Intangible assets are stated at the cost of acquisition less accumulated amortisation and impairment losses (if any).

e) Depreciation and amortisation

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

Depreciation rates used in Note No. 12 & 13 are as follows:

Tangible assets is charged on written down line basis, at the rates based on the useful life of the assets as estimated by the management, which are either equal to or higher than the rates prescribed under Schedule XIV to the Companies Act, 1956:

Asset Description	Depreciation Rate
Building	5.00 % to 10.00%
Plant and Machinery	15.00% to 100.00%
Furniture, fixtures and office equipment's	13.91% to 15.00%
Vehicles	25.89% to 30.00%

Depreciation on the following tangible assets of some overseas subsidiaries is charged on straight line basis, at the rates based on useful life of the assets as estimated by the management, which are higher than the rates prescribed under Schedule XIV to the Companies Act, 1956:

Asset Description	Useful Lives of Assets
Building	15 to 39 and ½ years
Plant and equipment	4 to 10 years
Furniture, fixtures and office equipment's	4 to 10 years
Vehicles	4 to 10 years

Intangible assets, except for goodwill are amortised over their estimated useful life as follows:

Brand equity: 20 years

Computer software: 5 years

f) Investments

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

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

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

g) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

Lower of cost and net realisable value. Cost is determined on 'First In First Out' basis and includes

interest as a carrying cost of materials where such materials are stored for a substantial period of time.

Work in progress

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

Finished goods

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

h) Foreign currency transactions/translations

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

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

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

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

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

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

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

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

The Company classifies all its foreign operations as either "integral foreign operations" or "non- integral foreign operations".

The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Items of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average quarterly rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

i) Employee benefits

Provident fund

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

Gratuity

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

The defined benefit/ obligation is calculated at the balance sheet date by an independent actuary using projected unit credit method. The actuarial gains or

losses are recognised immediately in the statement of profit and loss.

Compensated absences

Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on March 31, 2012. The actuarial gains or losses are recognised immediately in the statement of profit and loss.

Share-based payment

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

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

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

Other short term benefits

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

j) Borrowing costs

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

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

k) Earning per share

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

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

l) Income tax

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

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

m) Contingent liabilities and provisions

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

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

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

n) Impairment of assets

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



Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013

3. Share capital

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Number	Amount	Number	Amount
Authorised share capital				
-Equity shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00
Issued, subscribed and fully paid up capital				
-Equity shares of ₹ 10 each	26,168,395	2,616.84	26,118,414	2,611.84
Total Issued, subscribed and fully paid up capital	26,168,395	2,616.84	26,118,414	2,611.84

- a) During the year, the Company had issued and allotted 49,981 (Previous year Nil) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

b) Terms/rights attached to equity shares

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

During the year ended March 31, 2012 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 2 per share (previous year nil).

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

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

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each				
India Agri Business Fund Limited	3,835,015	14.68	3,835,015	14.68
Ashwani Arora	3,526,312	13.50	3,526,312	13.50
Surinder Arora	3,374,912	12.92	3,374,912	12.92
Gurucharan Dass Arora	2,128,692	8.15	2,128,692	8.15
Ashok Kumar Arora	2,107,640	8.07	2,107,640	8.07
Vijay Kumar Arora	1,921,124	7.36	1,921,124	7.36

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

The Company had reserved issuance of 8,49,538 (Previous year 6,48,329) Equity shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Plan (ESOP). During the year, the Company had issued and allotted 49,981 (Previous year Nil) equity shares to eligible employees of the Company and its subsidiaries under ESOP. The option would vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

4 Reserves and surplus

(₹ in lacs)

		March 31, 2013	March 31, 2012
Capital reserve/subsidy (A)		108.61	108.61
Securities premium reserve (B)			
Balance at the beginning of the year		6,715.61	6,715.61
Add : Additions made during the year		13.99	-
Balance at the end of the year		6,729.60	6,715.61
General reserve (C)			
Balance at the beginning of the year		1,033.84	1,033.84
Add : Additions during the year		253.69	-
Less : Deletions made during the year		-	-
Balance at the end of the year		1,287.53	1,033.84
Share options outstanding amount (D)			
Balance at the beginning of the year		71.08	-
Add : Additions made during the year		42.40	71.08
Balance at the end of the year		113.48	71.08
Surplus in the statement of profit and loss (E)			
Balance at the beginning of the year		14,777.55	14,899.15
Add : Transferred from statement of profit and loss		5,605.19	(121.60)
Less : Proposed dividend		(523.37)	-
Less : Corporate dividend tax		(88.95)	-
Less : Transfer to general reserve		(253.69)	-
Balance at the end of the year		19,516.73	14,777.55
Foreign currency translation reserve (F)		703.73	158.94
Total reserves and surplus (A+B+C+D+E+F)		28,459.68	22,865.63

5 Long term borrowings

	March 31, 2013		March 31, 2012	
	Non current	Current	Non current	Current
Secured				
Term loans				
From banks				
-Rupee term loans	11,311.47	4,487.26	12,301.71	6,428.28
-Vehicle loans	288.66	118.10	200.94	75.41
	11,600.13	4,605.36	12,502.65	6,503.69



Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013

a) Details of rupee term loan :

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Total amount of installments	March 31, 2013	March 31, 2012
Oriental Bank of Commerce	1,050.00	2010-11	12 equal quarterly	87.50	87.50	437.50
Oriental Bank of Commerce	1,200.00	2010-11	5 equal yearly	240.00	197.00	394.00
Oriental Bank of Commerce	500.00	2008-09	20 equal quarterly	25.00	84.58	184.58
Oriental Bank of Commerce	500.00	2009-10	20 equal quarterly	25.00	164.26	239.30
Oriental Bank of Commerce	675.00	2008-09	12 equal quarterly	56.25	-	112.50
Oriental Bank of Commerce	500.00	2011-12	12 equal quarterly	41.66	208.07	374.73
Oriental Bank of Commerce	1,710.00	2011-12	12 equal quarterly	142.50	997.50	1,425.00
Oriental Bank of Commerce	1,242.00	2012-13	12 equal quarterly	104.00	1,203.94	-
Corporation Bank	270.00	2010-11	12 equal quarterly	22.50	-	45.00
Corporation Bank	500.00	2005-06	20 equal quarterly	25.00	-	-
Corporation Bank	500.00	2007-08	20 equal quarterly	25.00	-	40.00
Corporation Bank	875.00	2012-13	12 equal quarterly	73.00	875.00	-
State Bank of Hyderabad	1,550.00	2010-11	10 equal quarterly	155.00	-	310.00
Allahabad Bank	3,750.00	2010-11	24 equal quarterly	156.25	2,226.99	2,722.00
Allahabad Bank	2,700.00	2011-12	32 equal quarterly	156.25	2,326.87	2,526.00
Allahabad Bank	250.00	2011-12	12 equal quarterly	22.50	204.92	21.90
HDFC Bank	900.00	2010-11	equal monthly installments	26.47	-	179.04
ICICI Bank	1,000.00	2010-11	12 equal quarterly	83.33	333.33	666.66
Punjab National Bank	500.00	2008-09	20 equal quarterly	25.00	75.16	198.69
Punjab National Bank	500.00	2008-09	20 equal quarterly	25.00	-	146.84
Bank of Baroda, Deira, Dubai	304.87	2010-11	180 equal monthly	1.78	275.17	282.72
Allahabad Bank	USD 10.00 million	2011-12	USD 0.25 million for 4 quarterly installments then USD 0.75 million per quarter	USD 0.25 Million	2,719.46	2,557.83
Encore bank USA	USD 1.70 Million	2010-11	108 equal monthly	USD 0.004 million	867.45	-
Axis Bank	USD 13.00 million	2008-09	16 equal quarterly	332.52	-	2,835.65
US Finance	USD 0.1 million	2012-13	36 equal monthly	19.52	56.06	-
Allahabad Bank	2,500.00	2011-12	12 equal quarterly	208.40	1,458.00	2,291.68
Allahabad Bank	150.00	2012-13	12 equal quarterly	5.47	16.41	-
Dena Bank	1,500.00	2011-12	87 equal monthly	18.52	1,333.06	77.96
State Bank of India	2,395.00	2011-12	12 equal monthly	27.33	88.00	660.41
State Bank of Hyderabad	1,370.00	2009-10	19 equal quarterly	72.11	-	-
					15,798.73	18,729.99

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2013, the interest rate ranges from 11.50 % to 15.50 % on rupee term loan and 3.00% to 6.50% on foreign currency term loan per annum.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

b) Details of vehicle loan :

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	"No of installments"	Total amount of installments	March 31, 2013	March 31, 2012
HDFC Bank	6.15	2008-09	48	0.20	-	2.23
HDFC Bank	10	2009-2010	48	0.32	1.55	5.06
HDFC Bank	17	2009-2010	48	0.54	2.64	8.60
HDFC Bank	9.65	2008-09	48	0.25	-	0.73
HDFC Bank	11.75	2008-09	48	0.30	-	0.90
HDFC Bank	11.75	2008-09	48	0.30	-	0.90
HDFC Bank	11.75	2008-09	48	0.30	-	0.90
HDFC Bank	11.75	2008-09	48	0.30	-	0.90
HDFC Bank	11.75	2008-09	48	0.30	-	0.90
HDFC Bank	7.5	2010-11	72	0.19	3.37	5.25
HDFC Bank	7.5	2010-11	72	0.19	3.37	5.25
HDFC Bank	7	2011-12	72	0.23	4.57	6.67
HDFC Bank	8	2011-12	36	0.26	3.64	6.19
ICICI Bank	17.83	2010-11	60	0.38	10.26	13.59
ICICI Bank	60	2010-11	60	1.27	37.20	48.04
HDFC Bank	3.37	2012-13	60	0.11	51.46	-
State bank of India	9274.31	2012-13	60	193.87	42.58	-
HDFC Bank	18.59	2012-13	60	-	16.08	-
HDFC Bank	3.37	2012-13	60	0.11	74.41	-
HDFC Bank	7.5	2008-09	60	0.16	-	1.83
HDFC Bank	19.07	2011-12	48	0.50	-	15.68
HDFC Bank	19.07	2011-12	48	0.50	-	15.68
HDFC Bank	19.10	2011-12	48	0.49	15.67	17.14
HDFC Bank	19.10	2011-12	48	0.49	15.67	17.13
HDFC Bank	20.10	2011-13	48	0.49	15.66	17.13
HDFC Bank	19.10	2011-12	48	0.49	15.66	17.13
HDFC Bank	19.10	2011-12	48	0.49	15.66	17.13
HDFC Bank	19.10	2011-12	48	0.49	15.66	17.13
HDFC Bank	19.10	2011-12	48	0.49	15.66	17.13
HDFC Bank	19.10	2011-12	48	0.49	15.67	17.13
ICICI Bank	9.00	2012-13	36	0.30	8.33	-
Bank of Baroda	22.31	2012-13	60	0.32	21.99	-
					406.76	276.35

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2013, the interest rate ranges from 8.50 % to 11.50 % per annum.

c) Details of security for each type of borrowings :

- Rupee term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu on current assets of the Company.
- Rupee term loan from Allahabad Bank is secured against first exclusive charge over the entire fixed assets created under the Varpal, Amritsar project. Second charge on current assets on reciprocal basis with ceding of second charge on the fixed assets in favour of working capital loan bankers.
- Rupee term loan from Allahabad Bank is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar. Second pari -passu charge over fixed assets of Bahalgarh unit along with equitable mortgage over land and building on pari passu basis to secure entire credit facilities sanctioned by consortium.
- Rupee term loan from Dena Bank is secured against first exclusive charge over the entire fixed assets created under the Kurkure plant, Kamasapur.
- USD term loan from Allahabad Bank is secured by assignment of "Kusha" brand.
- Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

6 Deferred taxes

(₹ in lacs)

	March 31, 2013	March 31, 2012
Deferred tax liabilities arising on account of :		
Depreciation and amortisation	359.67	847.06
Keyman insurance policy	80.31	74.26
Others	-	16.67
	439.98	937.99
Deferred tax assets arising on account of :		
Provision for employee benefits	(31.11)	(413.93)
Provision for employee stock option plan	(38.12)	(23.06)
Provision for doubtful debts	(159.54)	(54.13)
Diminution in value of investment	(0.92)	(18.22)
Expenses disallowed for tax computation	(81.54)	-
Others	(0.13)	(0.37)
	(311.36)	(509.71)
	128.62	428.28

7 Other long term liabilities

(₹ in lacs)

	March 31, 2013	March 31, 2012
Security deposits from distributor	8.68	15.83
	8.68	15.83

8 Provisions

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Long term	Short term	Long term	Short term
Provisions for employee benefits	182.37	79.84	107.09	14.46
Proposed dividend to equity shareholders	-	523.37	-	-
Corporate dividend tax	-	88.95	-	-
Provision for taxation (net of advance tax)	-	1,462.12	130.14	540.45
Others	-	-	-	99.75
	182.37	2,154.28	237.23	654.66

a) Employee benefits (Gratuity)

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

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	(Funded)	(Non funded)	(Funded)	(Non funded)
Change in projected benefit obligation				
Projected benefit obligation at the beginning of the year	152.79	17.12	123.92	11.39
Current service cost	31.76	12.16	25.14	4.53
Interest cost	12.57	1.41	10.84	1.00
Actuarial (gain) / loss	23.62	12.70	(1.49)	0.22
Benefits paid	(18.69)	-	(5.62)	-
Past service Cost	-	-	-	-
Projected benefit obligation at the end of the year	202.05	43.40	152.79	17.14

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

	March 31, 2013		March 31, 2012	
	(Funded)	(Non funded)	(Funded)	(Non funded)
Change in plan assets				
Fair value of plan assets at the beginning of the year	106.56		84.78	
Expected return on plan assets	10.86		8.65	
Employer contributions	19.47		18.76	
Benefits paid	(18.69)		(5.62)	
Fair value of plan assets at the end of the year	118.20		106.57	

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

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	(Funded)	(Non funded)	(Funded)	(Non funded)
Present value of projected benefit obligation at the end of the year	245.45		169.92	
Funded status of the plans	118.20		106.57	
Liability recognised in the balance sheet	127.25		63.35	
Components of net gratuity costs are				
Service cost	31.76	12.16	25.14	4.53
Interest cost	12.57	1.41	10.84	1.00
Expected returns on plan assets	(10.86)	-	(8.65)	-
Past service cost	-	-	-	-
Recognized net actuarial (gain)/ loss	23.62	12.70	(1.49)	0.22
Net gratuity costs	57.09	26.27	25.84	5.75
Assumptions used				
Discount rate	8.25%	8.25%	8.75%	8.75%
Long-term rate of compensation increase	5.00%	8.18%	5.00%	5.00%
Rate of return on plan assets	9.25%	N.A.	9.15%	N.A.
Average remaining life	23.20	25.40 to 25.60	23.70	23.70 to 24.10

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

9 Short-term borrowings

(₹ in lacs)

	March 31, 2013	March 31, 2012
Secured		
From banks	123,400.04	101,966.58
Unsecured		
Working capital loans		
From banks	1,513.70	34.97
From directors	31.10	28.68
From other parties	164.74	1,019.95
	1,709.54	1,083.60
	125,109.58	103,050.18

- The working capital loans is repayable on demand and the interest on above term loans from bank are linked to the respective banks base rates which are floating in nature. The interest rate ranges from 11.50 % to 15.50 % on rupee working capital loan and 3.00% to 6.50% on foreign currency working capital loans.
- Working capital loans are secured by hypothecation of stocks and book debts of the Company.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

10 Trade payables

(₹ in lacs)

	March 31, 2013	March 31, 2012
Dues to micro, small and medium enterprises (Also, refer note (a) below)	323.90	403.35
Other sundry creditors	15,054.59	6,826.69
Acceptances	-	12.98
	15,378.49	7,243.02

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

Principal amount remaining unpaid	323.90	403.35
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The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2013 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the (MSMED) Act, 2006 is not expected to be material.

11 Other current liabilities

(₹ in lacs)

	March 31, 2013	March 31, 2012
Current maturity of long term debts (refer to note 5)	4,605.36	6,503.69
Interest accrued but not due on borrowings	115.03	127.79
Unclaimed dividend *	11.68	11.18
Forward payable (net)	81.99	-
Advances from customers	972.50	464.75
Other liabilities	3,440.15	1,137.56
Security deposits from customer	3.68	-
	9,230.39	8,244.97

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

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

12 Tangible assets

(₹ in lacs)

a)	Gross block	Land freehold	Land leasehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicle	Total
	Balance as at April 01, 2011	3,932.20	596.72	5,412.66	18,877.28	303.38	756.81	1,320.48	31,199.53
	Additions	375.82	0.00	3,285.63	4,185.91	98.88	159.75	397.80	6,503.79
	Disposals	-	-	0.00	(104.45)	(1.51)	(20.45)	(44.33)	(170.74)
	Foreign exchange fluctuation	56.27	-	121.86	37.69	7.80	5.50	6.81	235.93
	Borrowing costs	-	-	17.91	67.70	-	-	-	85.61
	Balance as at March 31, 2012	4,364.29	596.72	8,838.06	23,064.13	408.55	901.61	1,680.76	39,854.12
	Additions	268.49	19.98	934.07	2,461.64	23.04	223.89	390.78	4,321.89
	Disposals	(90.39)	-	-	(269.99)	-	(4.94)	(37.89)	(403.21)
	Foreign exchange fluctuation	19.37	-	51.85	(54.87)	6.05	(7.76)	13.40	28.04
	Borrowing costs	-	-	-	-	-	-	-	-
	Balance as at March 31, 2013	4,561.76	616.70	9,823.98	25,200.91	437.64	1,112.80	2,047.05	43,800.84
b)	Accumulated depreciation								
	Balance as at April 01, 2011	-	-	1,267.10	8,071.72	113.45	410.84	705.11	10,568.22
	Depreciation charge	-	-	442.41	2,302.58	53.10	110.65	230.45	3,139.19
	Reversal on disposal of assets	-	-	-	(70.89)	(0.36)	(8.75)	(34.63)	(114.63)
	Translation Reserve	-	-	7.84	27.80	2.50	4.30	4.22	46.66
	Balance as at March 31, 2012	-	-	1,717.35	10,331.21	168.69	517.04	905.15	13,639.44
	Depreciation charge	-	-	584.98	2,577.40	58.66	126.96	256.81	3,604.81
	Reversal on disposal of assets	-	-	-	(205.20)	-	(1.84)	(26.05)	(233.09)
	Translation reserve	-	-	30.25	(137.02)	0.28	3.46	10.40	(92.63)
	Balance as at March 31, 2013	-	-	2,332.58	12,566.39	227.63	645.62	1,146.31	16,918.53
	Net block								
	Balance as at March 31, 2013	4,561.76	616.70	7,491.40	12,634.52	210.01	467.18	900.74	26,882.31
	Balance as at March 31, 2012	4,364.29	596.72	7,120.71	12,732.92	239.86	384.57	775.61	26,214.68

Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013



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13 Intangible assets

(₹ in lacs)

Gross block	Goodwill	Brands Trademarks	Computer software	Total
Balance as at April 01, 2011	7,001.29	300.00	-	7,301.29
Additions	30.79	-	14.30	45.09
Disposals	(192.02)	-	-	(192.02)
Foreign exchange fluctuation	888.39	-	-	888.39
Balance as at March 31, 2012	7,728.45	300.00	14.30	8,042.75
Foreign exchange fluctuation	531.51	-	-	531.51
Balance as at March 31, 2013	8,259.96	300.00	14.30	8,574.26
Accumulated impairment and amortisation				
Balance as at April 01, 2011	785.55	165.00	-	950.55
Impairment and amortisation	239.05	15.00	2.75	256.80
Foreign exchange fluctuation	-	-	-	-
Acquisitions through business combinations				-
Balance as at March 31, 2012	1,024.60	180.00	2.75	1,207.35
Impairment and amortisation*	271.37	6.00	1.66	279.03
Foreign exchange fluctuation	110.65	-	-	110.65
Acquisitions through business combinations				-
Balance as at March 31, 2013	1,406.62	186.00	4.41	1,597.03
Net block				
Balance as at March 31, 2013	6,853.34	114.00	9.89	6,977.23
Balance as at March 31, 2012	6,703.85	120.00	11.55	6,835.40

*includes impairment loss of ₹ 271.27 lacs (previous year ₹ 219.73 lacs) on goodwill owing to reduction in value of subsidiary Kusha Inc.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

14 Non-current investments (Valued at cost unless stated otherwise)

(₹ in lacs)

	March 31, 2013	March 31, 2012
Trade investments		
(i) Investment in associate		
42,500 (previous year 42,500) equity shares of		
-L T Infotech Private Limited of ₹ 10 each*	4.25	4.25
(ii) Keyman insurance policies	251.53	232.89
Other investments- Quoted		
(a) 2,300 (previous year 2,300) equity shares - Andhra bank of ₹ 10 each fully paid up	0.23	0.23
(b) Investment in mutual funds (quoted)		
50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
48,875.855 (previous year 48,875.855) units of Templeton India Equity Income Growth Fund	5.00	5.00
12,999.619 (previous year 12,999.619) units of HDFC MIP Long Term Dividend Fund	1.50	1.50
2,023.636 (previous year 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
894.055 (previous year 894.055) units of Reliance Vision Fund	0.40	0.40
Other investments- Unquoted		
Fully paid-up equity shares (unquoted)		
(a) 500 (previous year 500) equity shares of India International Marketing Limited of ₹ 10 each fully paid up.	0.05	0.05
(b) 13,50,000 (previous year 13,50,000) equity shares of Express Warehousing Limited	135.00	135.00
(c) Investment in Mutual funds		
10,00,000 (previous year 10,00,000) units of ₹ 10 each of CIG Realty Fund	100.00	100.00
(d) In Government securities		
National Saving Certificate **	0.22	0.22
	503.48	484.84
*Less: permanent diminution in value of investment	4.25	4.25
	499.23	480.59
**National saving certificate of ₹ 0.22 lacs is held in the name of an employee.		
Aggregate amount of :		
Non trade quoted investments	12.43	12.43
Unquoted non trade investments	235.27	235.27
Unquoted trade investments	251.53	232.89
Market value of quoted investments	23.70	14.38



Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013

15 Loans and advances

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Long term	Short term	Long term	Short term
Unsecured, considered good unless otherwise stated				
Capital advances	180.72	-	213.44	-
Security deposits				
- Unsecured, considered good	453.02	203.78	503.88	11.52
- Consider doubtful	1.60	-	-	-
- Provision for doubtful advances	(1.60)	-	-	-
Minimum alternative tax credit receivable	2.75	569.12	-	997.68
Advance income tax (net of provision for tax)	1,288.79	481.12	841.61	390.68
Balances with central excise authorities	352.90	43.55	262.20	22.86
	2,278.18	1,297.57	1,821.13	1,422.74
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good	104.65	10,665.26	171.51	6,806.30
- Consider doubtful	-	63.18	-	49.71
- Provision for doubtful advances	-	(63.18)	-	(49.71)
	104.65	10,665.26	171.51	6,806.30
	2,382.83	11,962.83	1,992.64	8,229.04

16 Other current assets

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Non current	Current	Non current	Current
Interest accrued but not due on fixed deposits	-	41.00	-	29.09
Deferred premium on forward contracts	-	-	-	14.10
Forward receivable (net)	-	-	-	4.02
Bank deposits with maturity of more than 12 months (refer note 19)	175.68	-	193.67	-
Others	204.22	-	192.03	-
	379.90	41.00	385.70	47.21

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

(₹ in lacs)

	March 31, 2013	March 31, 2012
Raw material		
Paddy	48,097.20	42,946.86
Bardana	1,614.62	1,479.87
Packaging Material	860.46	790.64
Finished goods	48,365.62	35,956.08
Traded goods	6,838.02	1,460.52
Stores and spares	212.13	322.47
	105,988.05	82,956.44

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

18 Trade receivables

(₹ in lacs)

	March 31, 2013	March 31, 2012
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	729.34	874.74
Considered doubtful	517.20	151.53
	1,246.54	1,026.27
Less : Allowances for bad and doubtful debts	(517.20)	(151.53)
	729.34	874.74
Other debts :		
Unsecured considered good	36,488.70	25,862.03
	37,218.04	26,736.77

19 Cash and bank balances

(₹ in lacs)

	March 31, 2013		March 31, 2012	
	Non current	Current	Non current	Current
Cash and cash equivalents:				
Cash in hand				
In Indian currency	-	158.96	-	85.20
In foreign currencies	-	5.73	-	8.97
Balances with banks				
- in current accounts	-	2,382.49	-	3,947.88
- in deposit account (with maturity upto 3 months)*	-	188.36	-	5.05
Other bank balances:				
Unpaid dividend account	-	13.48	-	11.17
In deposit account (with maturity upto 12 months)*	-	1,024.03	-	1,365.35
Security against the borrowings / guarantees		-		-
Bank deposits with maturity of more than 12 months*	175.68		193.67	-
	175.68	3,773.05	193.67	5,423.62
Less : Amounts disclosed as Other non-current assets (Refer note 16)	(175.68)	-	(193.67)	-
	-	3,773.05	-	5,423.62

* The deposits are restricted as they are held as margin money deposits against guarantees.

20 Revenue from operations

(₹ in lacs)

	March 31, 2013	March 31, 2012
Sale of products		
Rice	207,712.15	131,031.17
Other items	13,055.36	10,498.40
	220,767.51	141,529.57
Sale of services	-	646.87
	220,767.51	142,176.44

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

21 Other income

(₹ in lacs)

	March 31, 2013	March 31, 2012
Dividend from non trade investments	0.08	0.10
Profit from sale of fixed assets (net)	94.98	1.63
Interest on bank fixed deposits	154.87	137.15
Export incentive	16.27	52.81
Amounts written back	-	4.32
Other receipts	627.42	765.28
Rental income	40.59	21.00
Service charges	1,256.29	391.55
	2,190.50	1,373.84

22 Material consumed

(₹ in lacs)

	March 31, 2013	March 31, 2012
Opening stock		
Paddy	42,946.86	49,366.69
Bardana	1,479.87	1,354.43
Packing material	790.64	681.00
	45,217.37	51,402.12
Add: purchases		
Paddy	73,332.76	47,973.32
Bardana	486.17	664.77
Packing material	2,903.54	4,323.62
Broken rice/unpolished rice for consumption	48,076.44	10,997.31
Others	12.79	48.95
	124,811.70	64,007.97
Less: closing stock		
Paddy	48,097.20	42,946.86
Bardana	1,614.62	1,479.87
Packing material	860.46	790.64
Others	-	9.19
	50,572.28	45,226.56
	119,456.79	70,183.53

23 Purchase of traded goods

(₹ in lacs)

	March 31, 2013	March 31, 2012
Rice (traded)	53,593.04	35,237.33
Soyabean	3,689.34	265.60
Maize	3,931.78	2,397.79
Others	1,973.78	2,046.40
	63,187.94	39,947.12

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

24 Changes in inventories of finished goods and traded goods

(₹ in lacs)

	March 31, 2013	March 31, 2012
Opening stock		
Finished goods	35,956.09	29,986.89
Traded goods	1,460.52	281.74
Translation adjustment	819.31	265.29
Closing stock		
Finished goods	48,365.62	35,956.08
Traded goods	6,838.02	1,460.52
	(16,967.72)	(6,882.68)

25 Employee benefits

(₹ in lacs)

	March 31, 2013	March 31, 2012
Salaries, wages and bonus *	4,157.14	3,747.07
Contribution to provident and other fund	167.64	121.49
Staff welfare expenses	158.21	152.00
Directors' remuneration	464.05	237.22
	4,947.04	4,257.78

* The Company maintains an equity settled share-based payment scheme LT foods employee stock option plan-2010, hereinafter referred to as 'the Plan') adopted and approved by share-holders on September 30, 2010.

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognized in the income statement for the year ended March 31, 2013 is ₹ 42.40 lacs (March 31, 2012 ₹ 71.08 lacs).

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

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

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

	ESOP-2010 (Grant I)	ESOP-2010 (Grant II)
Grant date	April 01, 2011	Feb 07, 2013
Fair value of option using the Black Scholes model(in ₹)	21.05	24.97
Fair value of shares at grant date (INR)	49.5	58.8
Exercise price (in ₹)	38	38
Expected volatility	67%	0.5357
Option life (in years)	4	4
Dividend yield	2.02%	0.017
Risk-free interest rate	5.80%	0.0752



Summary of significant accounting policies

and other explanatory information for the year ended March 31, 2013

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

	March 31, 2013			March 31, 2012		
	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Balance at beginning of the year	648,329	38	-	-	-	-
Granted during the year	-	-	-	648,329	38	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	49,981	38	-	-	-	-
Expired during the year	-	-	-	-	-	-
Balance at end of the year	598,348	38	-	648,329	38	-
Exercisable at end of the year	274,183	38	-	162,082	38	-

ESOP-2010 (Grant II)

Share options granted to employees and others providing similar services

	March 31, 2013			March 31, 2012		
	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Balance at beginning of the year	-	-	-	-	-	-
Granted during the year	201,209	38	-	-	-	-
Forfeited during the year	-	-	-	-	-	-
Exercised during the year	-	-	-	-	-	-
Expired during the year	-	-	-	-	-	-
Balance at end of the year	201,209	38	-	-	-	-
Exercisable at end of the year	-	-	-	-	-	-

26 Finance costs

(₹ in lacs)

	March 31, 2013	March 31, 2012
Interest on working capital loans	9,001.53	8,325.70
Interest on term loans	2,207.51	2,117.54
	11,209.04	10,443.24
Less: Interest capitalised	-	(85.61)
	11,209.04	10,357.63
Bank charges	503.86	390.51
	11,712.90	10,748.14

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

27 Other expenses

(₹ in lacs)

	March 31, 2013	March 31, 2012
Warehouse rent	374.24	78.55
Wages	1,006.14	675.03
Job work	34.70	10.63
Factory insurance	44.83	47.33
Power and fuel	2,116.19	1,627.94
Repairs and maintenance		
- Machinery	143.66	123.13
- Building	116.37	107.90
- Others	79.14	73.59
Stores and spares consumed	1,139.75	641.73
Advertisement	1,749.31	1,132.62
Insurance	307.11	182.54
Legal and professional charges	922.16	745.76
Rates and taxes	184.83	167.20
Donation and charity	38.05	31.81
Directors' sitting fees	8.30	5.40
Auditors' remuneration *	85.80	52.45
Fines and penalties	4.43	2.55
Rent	427.22	534.94
Other administrative expenses	760.58	876.64
Commission to selling agents	680.67	435.65
Clearing, forwarding and freight charges	9,478.83	5,328.11
Other selling expenses	2,465.47	1,074.75
Amounts written off	983.77	70.77
Provision for doubtful recoveries	521.75	367.11
Deferred revenue expenses written off	-	54.99
Loss on exchange fluctuation (net)	695.72	-
Miscellaneous expenses	4,162.68	3,819.20
Preliminary expenses written off	-	13.20
	28,531.70	18,281.52
* Auditors' remuneration		
Statutory audit	73.42	46.31
Tax audit	0.45	0.45
Other matters	2.69	1.9
Out of pocket expenses	3.06	0.75
Service tax	6.18	3.04
	85.80	52.45

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

28. Contingent liabilities

(₹ in lacs)

Nature of contingency	March 31, 2013	March 31, 2012
- Income-tax demands *	1,137.99	4,197.51
- HRDF Demand of Market Committee, Sonapat	30.78	30.78
- Guarantees given by Company	1,291.69	676.33
- FCI Demand for differential price/freight/ taxes	339.00	339.00
-Claims against the company	126.14	35.25
-Duty saved under EPCG licenses (export obligation outstanding ₹ 6,861.43 lacs (previous year ₹ 5,483.07 lacs))	1,037.64	869.33
- House of Spices breach of contract for distributor rights	1,305.34	1,227.76
Total	5,268.58	7,375.96

*The Company has filed appeals against the order of the AO before CIT (A) against these demands and the CIT (A) vide its order dated March 25, 2013 and March 28, 2013 has allowed substantial relief to the company in the case of LT Foods Limited and Daawat Foods Limited.

However, the appeal effect of the order of CIT (A) is yet to be given by the Income Tax Department. The Company has paid ₹ 955 lacs as fixed installment as per the directions of the Income Tax Department and the same amount will be adjusted once the appeal is final. The Company has filed and/or is in the process of filing appeal before the ITAT on issues for which relief has not been given by CIT (A). The management is confident that its position is likely to be upheld and no financial liability will devolve on the Company on account of these proceedings.

29. Capital Commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 524.33 lacs (previous year: ₹ 775.42 lacs)].

30. Related party disclosures

In accordance with the requirements of Accounting Standard (AS)-18 on "Related Party Disclosures" as prescribed under the Companies (Accounting Standard) Rules, 2006 the names of related parties where control exist and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management, are:

(i) Names of related parties and description of relationship

-Associates

LT Infotech Private Limited
Cordia LT Communications Private Limited (till Oct 3, 2012)

- Key Management Personnel and their relatives

Name	Designation
Vijay Kumar Arora	Chairman and Managing Director
Abhinav Arora	Son of Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Joint Managing Director
Ashok Arora	President-Punjab Operations

Transactions with key management persons and their relatives

(₹ in lacs)

Particulars	March 31, 2013	March 31, 2012
Remuneration paid		
Vijay Kumar Arora	78.00	78.00
Ashwani Kumar Arora	64.31	59.56
Surinder Kumar Arora	60.00	60.00
Ashok Arora	36.00	36.00
Abhinav Arora	214.54	49.22
Dividend paid to key management personnel	-	110.10
Dividend paid to relatives of key management personnel	-	38.06
Interest paid (Ashok Arora)	2.58	2.39
Balance at year end		
Ashok Arora	31.00	28.68

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

Transactions with associates

(₹ in lacs)

Particulars	March 31, 2013	March 31, 2012
Balance receivable at year end		
LT Infotech Private Limited	-	66.73
Cordia LT Communications Private Limited	-	32.69

31. Earnings per share

Particulars	March 31, 2013	March 31, 2012
Net profit attributable to equity shareholders after minority interest and before exceptional item (₹ in lacs)	5,605.19	3,495.86
Exceptional item (₹ in lacs)	-	(3,602.34)
Net profit attributable to equity shareholders after minority interest and exceptional item (₹ in lacs)	5,605.19	(121.60)
Numbers of weighted average equity share outstanding at the year for basic (₹ in lacs)	261.26	261.48
Numbers of weighted average equity share outstanding at the year for diluted (in lacs)	264.16	264.38
Nominal value of equity share (₹)	10	10
Earnings per share after exceptional item		
Basic (₹)	21.45	(0.47)
Diluted (₹)	21.22	(0.46)

32. The following subsidiary companies and / or partnership concerns are considered in the consolidated financial statements:

Name of subsidiary	Country of operations	Percentage of holding by LT Foods Limited
Subsidiaries		
Daawat Foods Limited	India	70.48%
Nature Bio Foods Limited	India	100.00%
SDC Foods India Limited	India	80.00%
LT International Limited	India	89.98%
Sona Global Limited	Dubai	100%
LT Overseas North America, Inc	USA	100%
Raghuvesh Foods & Infrastructure Limited	India	100%

Name of subsidiary	Country of operations	Percentage of holding by LT Foods Limited
Step subsidiaries		
Nice International FZE	Dubai	100%
Kusha Inc.	USA	100%
LT Foods USA LLC	USA	100%
Universal Traders Inc.	USA	100%
Royal Curry Delights LLC	USA	66.67%
LT Agri Services Private Limited	India	100%
Expo Services Private Limited	India	80%
Raghuvesh Power Projects Limited	India	51%
Name of partnership firm		
Raghunath Agro Industries	India	100%*

* LT Foods Limited has 4% share and Daawat Foods Limited has 96% share.

Summary of significant accounting policies and other explanatory information for the year ended March 31, 2013

33. The Group is engaged in the business of manufacture and storage of rice, which as per accounting standard 17 on "Segment Reporting" as prescribed under the Companies (Accounting Standard) Rules, 2006, is considered to be the only reportable business segment. Accordingly only secondary segment information has been disclosed below.

(₹ in lacs)

Particulars	India	North America	Rest of the world	Total
Revenue from operations				
External	100,912.62	43,597.52	76,257.36	220,767.50
Previous year	56,408.87	30,889.46	54,878.10	142,176.44
Total revenue	103,080.95	43,597.52	76,279.53	222,958.01
Previous year	56,408.87	30,889.46	54,878.10	142,176.44
Segment assets	6,720.27	4,834.03	25,663.74	37,218.04
Previous year	3,946.31	8,294.42	14,496.03	26,736.77
Unallocated assets*				160,055.67
Previous year				133,098.64
Capital expenditure**				4,660.50
Previous year				8,548.87

*The assets, other than receivables, used for earning revenue from geographical locations above are not maintained separately as the same is impractical and not feasible.

**Includes addition of fixed assets from capital work in progress ('CWIP') and hence movement in CWIP has not been separately disclosed.

34. The 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, 2013 and 2012 was ₹ 801.46 lacs and ₹ 613.49 lacs respectively. The Group has not executed any non-cancelable operating leases.
35. The remuneration paid to Mr. Vijay Kumar Arora (Chairman and Managing Director), Mr. Ashwani Kumar Arora (Joint Managing Director) and Mr. Surinder Kumar Arora (Joint Managing Director) was approved by the shareholders of the Company and one of its subsidiaries (in case of Mr. Ashwani Kumar Arora). However, owing to the insufficient profits during the previous year, not determinable on the date of such approval, the remuneration paid during the year ended March 31, 2012 is in excess of the limits specified under the provisions of the Companies Act, 1956 by ₹126.32 lacs. The Company and one of its subsidiaries are taking necessary steps to seek approval from the shareholders and Central Government for excess remuneration paid.

36. Previous year figures

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

For **Walker, Chandio & Co**
Chartered Accountants

per **Atul Seksaria**
Partner

Place : Gurgaon
Date : May 26, 2013

For and on behalf of Board of Directors

Surinder Kumar Arora
Joint Managing Director

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

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BIGGER BITE PepsiCo ties up with LT Foods to enhance Kurkure output

Heema Khan
New Delhi, Aug 15

Global food and beverage player PepsiCo has signed up with Delhi-based LT Foods for manufacturing, processing and packaging of its rice-based snack, Kurkure. LT Foods is known for its Daawat Basmati rice brand.

A new plant with a capacity of 796 tonnes a month has been set up under Daawat Foods Ltd, which is a majority-owned subsidiary of the LT foods. The plant is located at Kamapur, near Sonapat, Haryana, on the outskirts of Delhi.

Praveen Somenwar, CEO (Foods), PepsiCo India, said, "Our India food business has been a growth driver for PepsiCo globally, recording consistent high double-digit growth rates over the past few years. Our flagship snack brands, Lay's and Kurkure, have sales of more than Rs 1,000 crore each."

To build on this opportunity, we are looking at greater support from our business partners and have tied up with LT Foods as one of our co-packers for Kurkure, he added.

PepsiCo works on an out-sourced model. Its food division has three self-owned plants and a few co-packers



across India.

Vijay Arora, Chief Managing Director, LT Foods, said, "During the stabilisation period of 90 days, PepsiCo would be training our workforce. The commercial run at the plant has already begun. This is mainly to fill the gap between demand and supply for brand."

The tie-up would enable Foods being paid co-charge— a combination turn on investment and saving cost.

With this, LT Foods is barking on a new venture engaging their manufacturing and packaging facilities for a brand other than its own. The company is also exploring production of other products with PepsiCo as out.

heema.k@thehindu.co.in

Lt Foods looks for supply base in Africa to beat policy, trade uncertainties at home

LOSING INTEREST

What's driving them away?

Uncertainties in commodity trade and lack of investor-friendly policies. Land acquisition and periodic curbs also slowing investments down

What's the govt doing about it?

It's firming up a long-term export policy for several farm

commodity and processed food items by lend stability to trade and set right the country's image as a reliable supplier.

Setting bases abroad: Tills oil makers Nuchi Soya and KS Oil have bought palm plantations in Malaysia, Indonesia. Cut-rice player Kanchan Global has set up bases in Ethiopia



THE GOVERNMENT IS IN THE PROCESS OF FIRING UP A LONG-TERM EXPORT POLICY FOR SEVERAL FARM COMMODITY AND PROCESSED FOOD ITEMS TO LEND STABILITY TO TRADE AND SET RIGHT THE COUNTRY'S IMAGE AS A RELIABLE SUPPLIER

organic and any base there will enable the company to leverage that edge. The commitment is also expected to dent its grain imports by 2020, which explains why so many companies are looking to cash in on the opportunities.

The western countries are seeking Africa through the aid route. China is entering through the infrastructure route and some Indian companies are taking the farm route to set up bases in the continent. And ultimately, the agri route would remain the most sustainable," he said.

With expanding sales, LT Foods is aiming to raise its turnover by 45% to 12,000 crore in the current fiscal through March 2013, Venkatesh said. The company doubled its sales to 11,000 crore in the first half of 2012-13, compared with 4,87 last year. The firm's net profit, too, jumped to 12,30 crore between April and September from a loss of 10.3 crore a year earlier.

Many grain exporters struggled to achieve profitability in the first half of the 2012-13 fiscal as the government lifted a nearly four-year ban on non-Basmati rice shipments in September last year.

LT Foods' Q3 net at Rs 14.91-cr

The company had posted a loss of Rs 8.2 cr in the same period last year



Leading agribusiness and packaged foods company LT Foods posted a consolidated net profit of Rs 14.91 crore for the quarter ended December 31, 2012 compared to a loss of Rs 8.24 crore in the corresponding period last year.

The "Daawat" brand basmati rice produced 577.35 crore for the third quarter of 2012, compared to 430.90 crore in the same period previous

LT Foods Q3 consolidated sales up 34%

India Infoline News Service/ Mumbai 17:44 / Feb 07, 2013

During the same period, the company reported Net Profit of ₹ 14.91 crore as compared to loss of ₹ 8.24 crore in Q3FY12.

LT Foods Limited, India's leading agribusiness and packaged foods company with its flagship brand Daawat, has continued with its strategy of pursuing profitable growth by reporting 34 % rise in its consolidated sales to ₹ 577.35 crore for the quarter ended 31st December, 2012 as against ₹ 430.90 crore, in the corresponding quarter of last year. During the same period, the company reported Net Profit of ₹ 14.91 crore as compared to loss of ₹ 8.24 crore in Q3FY12.

EBIDTA for the quarter stood at ₹ 59.74 crore as against ₹ 30.68 crore in Q3FY12. EPS for the quarter stood at ₹ 5.38.

During the nine months period ended December 31st 2012, the company reported sales of ₹ 1587.18 crore as against ₹ 900.21 crore in the corresponding period of last year; an increase of 76%. EBIDTA for 9MFY13 stood at ₹ 163.88 crore as against ₹ 81.28 crore; while net profit zoomed 226% to ₹ 38.35 crore against loss of ₹ 30.39 crore.

Business Highlights in the last quarter: The company has continued to leverage its expertise and experience to become a global agri player by expanding its reach in the Africa and other global markets. The company has registered steady growth by strengthening its product mix, improved margins with better price realization.

LT FOOD LIMITED Q1 NET RISES ₹585.39 CR

LT Foods Limited, leading processor and exporter of packaged rice announced its reviewed Q1 results for the quarter ended on 30 June, 2012. The company reported PAT of ₹8.23cr compared to ₹4.06cr in the corresponding quarter of previous year. Net Income of ₹585.39 cr in Q1 of FY13 compared to ₹ 255.94 in the correspondent quarter of previous

अफ्रीकी देशों को एग्री उत्पादों का निर्यात बढ़ाएगी एलटी फूड्स

आर एस राणा • नई दिल्ली

एलटी फूड्स लिमिटेड अफ्रीकन देशों में एग्री उत्पादों का निर्यात और गैर-खासमती चावल के साथ ही मक्का और सोयाबली के निर्यात को बढ़ाएगी। इसके लिए कंपनी इन देशों की सरकारों के साथ बात कर रही है साथ में प्राइवेट भागीदारों के साथ भी समझौता करने की योजना है। जालू वित्त वर्ष 2012-13 में खासमती चावल को छोड़ अन्य एग्री उत्पादों का निर्यात बढ़कर 600 से 700 करोड़ रुपये का होने का अनुमान है।

एलटी फूड्स लिमिटेड के इंटरनेशनल ट्रेड हेड एस. वेंकटेश ने बिजनेस भास्कर को बताया कि सेनेगल, केन्या, मोजम्बिक, घाना और नाइजीरिया सहित अन्य अफ्रीकन देशों में एग्री उत्पादों के निर्यात की काफी संभावनाएं हैं। इसीलिए कंपनी इन देशों में एग्री उत्पादों खासकर के गैर-खासमती चावल, मक्का और सोयाबली के निर्यात पर जोर देगी। इन देशों में कंपनी जिसों के उत्पादन और एग्री उत्पादों के मल्टी प्रोडक्ट बनाने की भी योजना है। कई अफ्रीकन देशों की सरकारों के साथ ही प्राइवेट भागीदारों से भी कंपनी की बातचीत चल रही है।

उन्होंने बताया कि एलटी फूड्स एग्री उत्पादों के निर्यात के साथ ही पैकेजिंग, ऑर्गेनिक फूड्स, खाद्य के भंडारण और हेल्टी स्नेक्स का उत्पादन भी करती है। कंपनी करीब 50 देशों को एग्री उत्पादों का निर्यात कर रही है। वित्त वर्ष 2012-13 में खासमती चावल को छोड़ अन्य एग्री उत्पादों गैर-खासमती चावल, मक्का और सोयाबली का निर्यात बढ़कर 600 से 700 करोड़ रुपये का होने का अनुमान है जबकि वित्त वर्ष 2011-12 में 250-300 करोड़ रुपये का निर्यात हुआ था। उन्होंने कहा कि एग्री उत्पादों के निर्यात के लिए सरकार को लंबी अवधि की नीति बनानी चाहिए।

उन्होंने बताया कि खासमती चावल के साथ ही गैर-खासमती चावल का निर्यात



खुलासा
सेनेगल, केन्या, मोजम्बिक, घाना और नाइजीरिया सहित अन्य अफ्रीकन देशों में एग्री उत्पादों के निर्यात की काफी संभावनाएं हैं। इसीलिए कंपनी इन देशों में एग्री उत्पादों खासकर के गैर-खासमती चावल, मक्का और सोयाबली के निर्यात पर जोर देगी। इन देशों में कंपनी जिसों के उत्पादन और एग्री उत्पादों के मल्टी प्रोडक्ट बनाने की भी योजना है। कई अफ्रीकन देशों की सरकारों के साथ ही प्राइवेट भागीदारों से भी कंपनी की बातचीत चल रही है।

अच्छा हो रहा है तथा जालू वित्त वर्ष में खासमती चावल का निर्यात पिछले साल के 32 लाख टन से बढ़ने की संभावना है। जबकि सितंबर 2011 से अभी तक गैर-खासमती चावल का रिकार्ड मात्रा में निर्यात हो चुका है। कंपनी ने हाल ही में ईएन को निर्यात के लिए 30,000 टन खासमती चावल की निविदा भरी है। दक्षिण पूर्वी एशियाई देशों को मक्का के निर्यात की काफी अच्छी संभावना है तथा कंपनी ने 80 हजार टन मक्का के निर्यात सौदे भी किए हैं। कंपनी की रीं चावल की 1,000 टन और पारबाल्ड चावल की 750 टन की दैनिक प्रोसेसिंग क्षमता है। इसके अलावा ऑर्गेनिक चावल की 150 टन की दैनिक प्रोसेसिंग की क्षमता भी है।



नई दिल्ली में आयोजित नवें दशम शोक एलटी फूड्स लिमिटेड के सीएमडी वीके

एलटी फूड्स बढ़ाएगी बिजनेस

मुंबई • कई तरह के खाद्य कारोबार से जुड़ी कंपनी एल. टी. फूड्स आनेवाले दिनों में कई देशों में नए होटलों के साथ अपने व्यवसाय को जोड़ने की योजना बना रही है। 1100 कर्मचारियों और 1400 करोड़ रुपये के कारोबार वाली एलटी फूड्स के बेयरमैन वीके अरोड़ा ने कहा कि फिलहाल 50 देशों में मौजूदगी है और इस उद्योग में यह सबसे भव्यत ब्रांड है। अरोड़ा ने कहा कि हमारे एजेंट ब्रांड को 2012 का शोक अवार्ड मिलना इस बात का संकेत है कि जो हमने प्रमुख होटलों और शोक के साथ समझौते की है, उनको अच्छी सेवाएं मिल रही है।



LT Foods Ltd.

REGISTERED OFFICE

Unit No.-134, 1st Floor, Rectangle-1, Saket District Centre,
New Delhi-110 017, Tel.: +91-11-2685 7099 Fax: +91-11-2685 9344

CORPORATE OFFICE

Plot No.-119, Sector-44, Institutional Area, Gurgaon,
Haryana-122 002, Tel.: +91-124-3055 100, Fax: +91-124-3055 160



LT Foods Ltd.

CORPORATE OFFICE

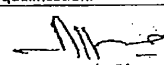

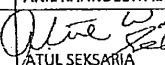
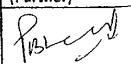
Plot No. 119, Sector 44, (Institutional Area), Gurgaon-122001,
Haryana, India. T. +91-124-3055100 F. +91-124-3055199

Regd. OFFICE

Unit - 136, 1st Floor, Rectangle 1, Saket District Center, Saket,
New Delhi-110017, India. T. +91-11-25565344 F. +91-11-25565349

FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	LT FOODS LIMITED
2.	Annual Financial Statements for the year ended	31 March 2013
3.	Type of Audit qualification	Qualified Opinion
4.	Frequency of qualification	a) 2 years (since 31 March 2012)
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<p>Standalone and Consolidated Financial Statements</p> <p>The Company has paid managerial remuneration to its directors in excess of the limits provided in Schedule XIII of the Companies Act, 1956 amounting to Rs.119.25 lacs as stated in the note no. 37 of the audited annual financial statements (Page no. 86 of the Annual Report). The Company is in the process of seeking requisite approvals from Central Government for such excess managerial remuneration during the year ended 31 March 2013. This was a subject matter of the qualification in audit report for the year ended 31 March 2012.</p>
6.	Additional comments from the Board / Audit committee chair:	The Company received the Central Government approval on 27 May 2013 in respect of above qualification.
7.	To be signed by-	
	• CEO/ Managing Director	 ASHWANI KUMAR ARORA
	• CFO	 ANIL KHANDELWAL
	• Auditor of the company (Walker, Chandok & Co.) (Chartered Accountants)	 ATUL SEKSARIA (Partner)
	• Audit Committee Chairman	 PRAMOD BHAGAT

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DEVAAYA

