



# LT Foods

**CORPORATE OFFICE**

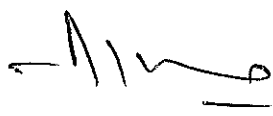

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**Regd. OFFICE**

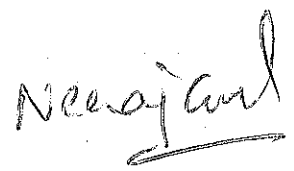
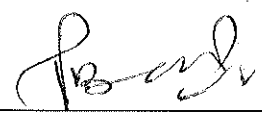
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**Form A**

1.	Name of the Company	LT Foods Limited
2.	Annual Financial Statements for the year ended	31 March 2015
3.	Type of Audit Observation	<p>Emphasis of Matter in the Independent Auditors' Report dated 27 May 2015 on the Consolidated financial statements:</p> <p>The report of Statutory Auditors contains the following observations on the consolidated financial statement:</p> <p>We draw attention to Note 36 in the consolidated financial statements which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments with respect to recognition of insurance claim amounting to Rs. 17,991.40 lacs, against loss of inventory by fire, in respect of its subsidiary, Daawat Foods Limited. Our opinion is not qualified in respect of this matter.</p>
4.	Frequency of Observation	Observation in Consolidated financial statement has appeared in the current year ended 31 March 2015.
5.	To be signed by -  CEO/Managing Director Mr. Ashwani Kumar Arora  CFO Mr. Som Nath Chopra	 

www.ltgroup.in

**DAAWAT****ROYAL****DEVAAYA****MY-MY**

<p><b>Auditor of the Company</b></p> <p>For Walker Chandiok &amp; Co LLP Chartered Accountants Firm Registration No.: 001076N/N500013</p> <p>Per Neeraj Goel Partner Membership No. 099514</p> <p>Place: New Delhi Date: 27 May 2015</p> <p><b>Audit Committee Chairman</b> Mr. Pramod Bhagat</p>	          
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ANNUAL REPORT  
2014-15



TRADITIONAL  
BASMATI RICE  
*Original Rich Aroma*



**TOMORROW  
STARTS TODAY**



# 65+

Our brands and products are sold in more than 65 countries across Asia, North & South America, Europe, Australia and Africa

# 250,000+

We sell over 250,000 MT of packaged basmati rice every year

# 100,000+

In India, our brands have shelf presence at more than 100,000 retail outlets





4,000+

We access over 4,000 food service outlets in India

20%+

Our branded business in India has been growing at a CAGR of over 20% for the last 4 years

## LEADERSHIP BRANDS

Our brands 'Royal' and 'Daawat' enjoy No.1 & No.2 positions in US and India respectively

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# TOMORROW STARTS TODAY

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Many of today's dreams go on to shape tomorrow's world. Without those successfully realised dreams, the world could have been a lesser-progressed place today. Adding deadlines adds purpose and urgency to dreams. For, without an assigned deadline, a dream might lose intensity in its chase to realization.

At LT Foods, our dream is to become a global speciality food company and the same is a matter of great purpose and urgency. While we have added significantly to our strengths in the recent past, we have much more to accomplish. That too, in much lesser time, in order to realize our cherished dream faster. Treating time as a priceless asset in our armory, we approach our work with a firm belief that **'tomorrow starts today'**.

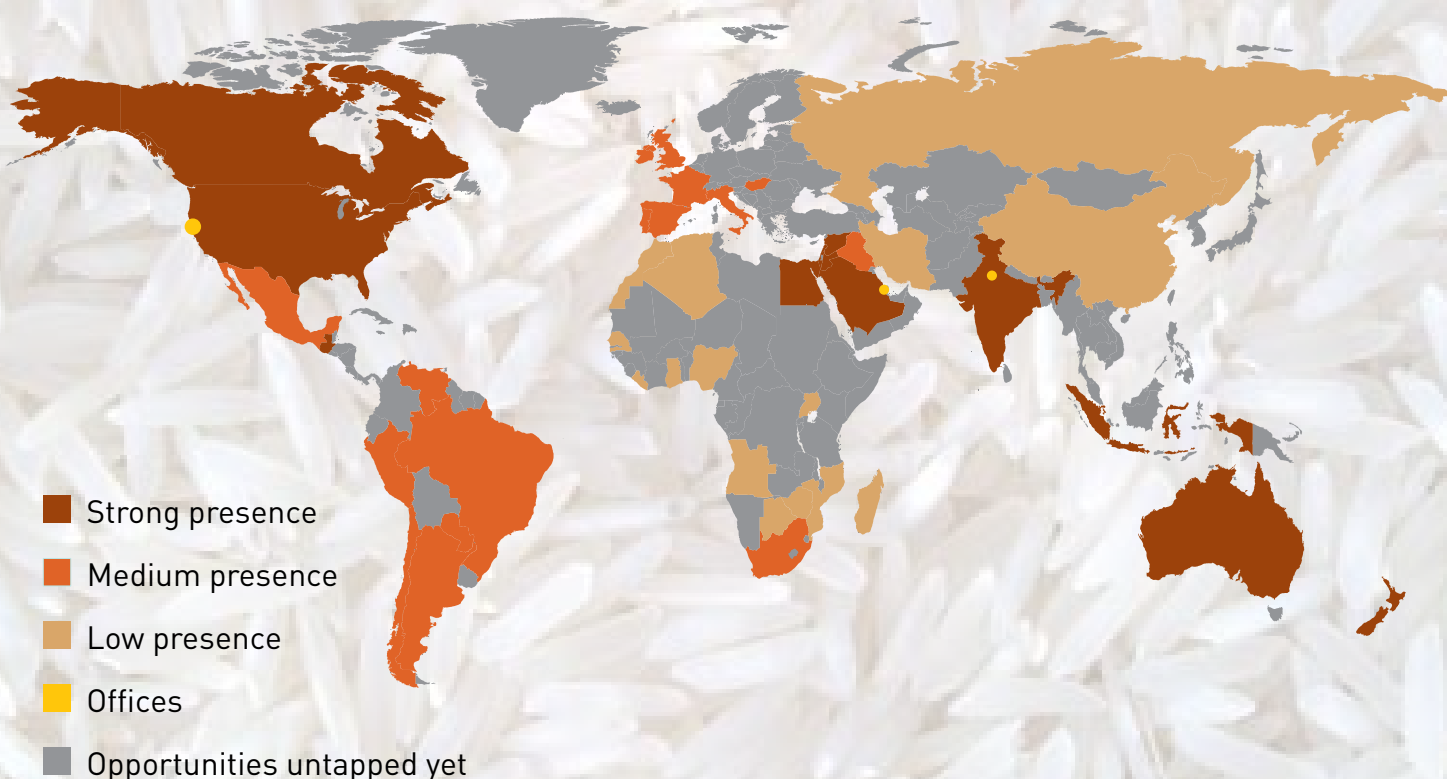


# THE WORLD OF LT FOODS

Aspiring to become a global speciality food company, we are a leading branded food company from India, offering basmati rice, value-added staples and organic food. While branded basmati rice constitutes c70% of our revenue, the share of other segments has been on a steady rise. Our integrated operations span the entire rice value chain – right from farm to fork. Outpacing the growth of the industry, our revenue has grown at an impressive CAGR of more than 20% for the last four years.

## OUR MARKET FOOTPRINTS

With annual sales of more than 250,000 MT of packaged rice, we enjoy a market share of 14% in the branded basmati rice in India. Outside India, we sell our products in more than 65 countries with US, Middle East and Europe being the top-three regions in that order.





₹ 2,780 crore  
Net Sales (FY15)

₹ 309 crore  
EBITDA (FY15)

21.36%  
Revenue CAGR (FY11-FY15)

## OUR MANUFACTURING ASSETS

In addition to our 5 state-of-the-art units, we deploy 5 more third-party facilities to manufacture high quality food products.



Own Manufacturing

Third-party Manufacturing

Facility	Capacity (TPH)	Area (Acres)	Specialization
Bahalgarh, Sonapat, Haryana	33	42	Processing of raw rice
Kamaspur, Sonapat, Haryana	5	9	Processing of organic rice
Mandideep, Bhopal, Madhya Pradesh	25	56	Value-added products viz. par-boiled rice, health snacks, grains, flour etc.
Varpal, Punjab	12	27	Raw and par-boiled rice
Amritsar, Punjab	2	4	Raw and par-boiled rice

## OUR BRAND PORTFOLIO

Our branded segment has raised its revenue contribution from less than 20% until a decade ago to c70% today. This revolutionary turnaround has been achieved with increased management focus on quality and investments on developing and strengthening our consumer brands.





LT Foods

# WE'RE A FOOD COMPANY. BUT WE'RE ALWAYS HUNGRY.

Just numbers doesn't satiate our hunger. It's the trust of our customers we aim for. That's why when we became the leading brand in India and the No. 1 brand in the US, we didn't stop. We wanted to achieve more. Our hunger to deliver the finest, made us a trusted brand in over 65

countries, and also won us three prestigious awards in India this year. Our penchant for innovation became a benchmark for others to follow. The current year financial results mirror our philosophy of growth through innovation and commitment to quality. And at LT Foods, we're still hungry to achieve more.

## Our Achievements



Brand's Digest  
Trusted Brand - 2014



The Economic Times  
Best Brands - 2014



Vijaya Vittala  
Best Brand - 2014

## Audited Financial Results

(Amount in ₹ Crores)

	Year 2013	Year 2014	Growth
Net Revenue	2779.78	3102.68	11.52%
Operating EBITDA	309.02	293.84	9.64%
Cash Profit	122.59	122.20	0.64%



LT Foods

SAARWAT

ROYAL

Devaaya

ecolife



# HIGHLIGHTS

## Sustainable Growth

Outpacing the growth of the industry and c70% contribution is being made by Branded Business.

## Customers

Launching products after understanding trends and needs of the Customers.

## Technology

Made investment in new ERP and launched SAP across the group.

## Brand

Continuous development on brand globally and has been recognized as Most Trusted Brand.

## People & Culture

Continuous investment on developing right skill set and culture to take business to next ladder.

## Operations

Dedicated team to implement and monitor efficiency initiatives at backend to be competitive in the Industry.

## Distribution

Expanding distribution across channels globally and launched Daawat in additional 6 Countries during the year.

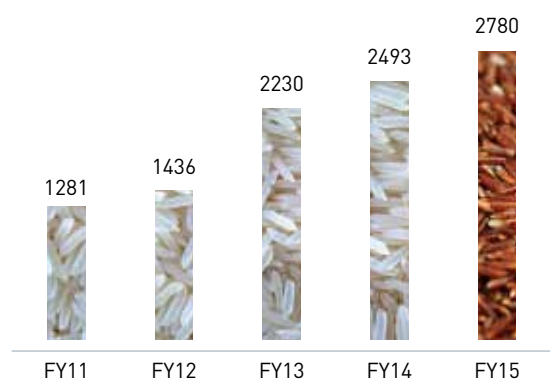
## KEY FIGURES

(₹ crores)

Particulars	FY15	FY14	FY13	FY12	FY11	FY10	FY09	FY08	FY07	FY06
Total Income	2,780	2,493	2,230	1,436	1,281	1,084	1,066	699	504	442
EBITDA	309	282	238	178	119	124	169	89	55	34
EBITDA MARGIN %	11.1%	11.3%	10.7%	12.4%	9.3%	11.4%	15.9%	12.7%	10.9%	7.7%
PBT	111	131	83	-0	34	42	36	37	23	13
PAT	76	85	60	-2	25	33	30	32	21	12
Net Current Assests	1,713	1,475	1,322	1,140	1,052	812	686	573	328	231
Capital Employed	2,137	1,873	1,705	1,477	1,371	1,065	907	726	412	285
Net Worth	463	391	311	255	254	241	178	149	120	61
RoCE %	12.3%	13.1%	11.7%	9.7%	6.8%	9.4%	16.4%	10.6%	11.7%	9.8%
RoNW%	16.5%	21.7%	19.3%	-0.8%	11.0%	15.3%	16.9%	21.5%	17.5%	19.7%
EPS (₹)	27.47	29.82	21.45	-0.47	8.92	11.25	13.56	14.76	12.77	15.85
Book Value	175	149	119	98	87	82	80	67	54	84

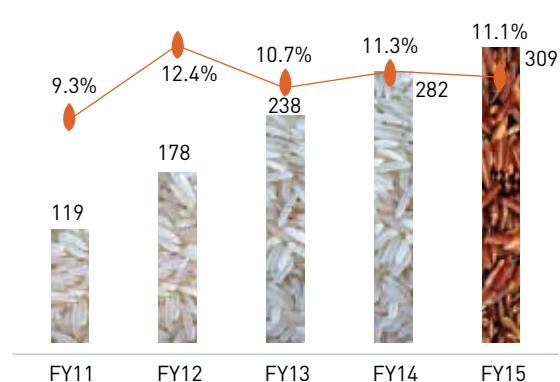
## Net Sales (₹ crore)

▲ CAGR 21.3%



## EBITDA (₹ crore) EBITDA Margin (%)

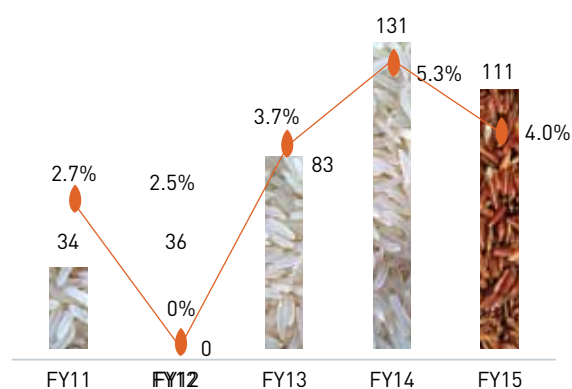
▲ CAGR 26.9% (EBITDA)



## PBT (₹ crore)

## PBT Margin (%)

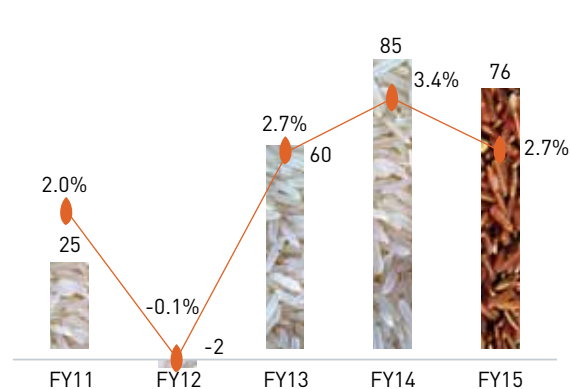
▲ CAGR (PBT) 34.4%



## PAT (₹ crore)

## PAT Margin (%)

▲ CAGR (PAT) 32%



# CHAIRMAN'S LETTER

## Dear Shareholders,

Fiscal year 2014-15 (FY15) has been yet another year of strengthening brand leadership and continued delivery of a spirited performance by your Company. Riding our corporate values of Ownership, Passion for Excellence, Customer Centricity, Business Ethics and Innovation, the journey is becoming even more exciting, as we move forward with our firm belief of 'Tomorrow Starts Today'.

## Investments for tomorrow

During the year, we further increased the intensity of our brand promotion exercise across multiple geographies. In India, our brand campaign of 'Daawat' featuring dual ambassadors, legendary superstar, Amitabh Bachchan and celebrity chef, Sanjeev Kapoor helped us raise the affiliation and premium quotient of the brand. Our brand campaign encompassed multiple mediums including TV, Print and Digital. Our marketing investments are all targeted towards creating a robust brand with a strong impression for product quality and premium. Our brand promotion activities are no more limited just to India. FY15 marked the commencement of an aggressive phase of brand promotion for 'Daawat' brand in the high potential markets such as Europe, Middle East & Far East Asia and Africa. In north America, promotional activities of 'Royal' too intensified.

## Creating new brands for tomorrow

Having created two robust brands, 'Royal' which is the largest selling basmati rice brand in US and 'Daawat' which is one of the leading basmati brands in India; we are adding future pillars to our brand portfolio. 'Devaaya' and 'Ecolife', though at quite a nascent stages of their respective evolution, are two brands that hold tremendous potential. As the demographics in India evolves towards quality-assured products, your Company's offering of pure & safe staples under 'Devaaya' brand would help us reap early-movers' advantage in times to come. 'Devaaya' range of staples are tested and cleared for 500 impurities before hitting the stores. Having met with greater acceptance and appreciation of our organic food brand, 'Ecolife', in advanced overseas markets, we are geared up its pan-India launch in the ensuing year.

## Adding synergistic businesses for tomorrow

During the year, your Company has successfully constructed two advanced grain storage silos in Madhya Pradesh under the PPP model. Besides adding to the Company's revenue, the successful delivery of silos, on the back of a similar performance earlier in Punjab, would show the path for the future of grain storage in India. We look forward to play a pioneering and stellar role in this segment.

## Adding innovative products for tomorrow

At LT Foods, we treat newness and innovation to be our key differentiators. Our R&D center at Gurgaon is assiduously working towards developing healthy and tasty food options in line with the evolving customer tastes. During the year, we established another state-of-the-art R&D Center at our USA unit in Cypress, California. The center would focus on global flavor trends and technologies to enhance the overall nutritional value in food and further expand and strengthen our vast bouquet of product offerings.

## The Company tomorrow

Your Company has grown more than 5 times over the last one decade. As I write this letter, we are gearing up for the next level of growth. We have roped in world renowned consultants, McKinsey to help us streamline our business processes across the various business segments and geographies. Our endeavour is to further strengthen our internal control systems and make your Company's growth sustainable. The Company has also appointed Hay Group for improving effectiveness of the Board & strengthening the process to match the higher standards of corporate governance.



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**In India, our brand campaign of Daawat featuring dual ambassadors, legendary superstar Amitabh Bachchan and celebrity chef Sanjeev Kapoor, helped us raise the affiliation and premium quotient of Daawat.**

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### **Demand scenario for tomorrow**

As economic growth in India and elsewhere in our operating geographies gains momentum, the demand for quality and premium food products would further increase. With our strong brand presence, vast bouquet of product offerings and large distribution network; we are very well placed to make the most of the growing growth prospects. Your Company would continue to expand the distribution reach in India as well as in international Market. The Company is also exploring avenues for inorganic opportunities at International level to further accelerate the growth momentum.

### **To our stakeholders of today and tomorrow**

I am very thankful to all our stakeholders for believing in our dreams and partnering us in the journey so far. I would personally like to thank all our employees, the true brand carriers of the Company, for enabling it become a global force in quality food segment today. I invite you all to be part of the next leg of our journey, one where we strive to transform LT Foods from a leading basmati rice company to a global speciality food company, with a firm belief that 'tomorrow starts today'.

Best Regards,

**Vijay Kumar Arora**

Chairman



# FROM THE CEO'S DESK



## Dear Shareholders,

The fiscal year 2014-15 has been yet another exciting and challenging year. During the year, we intensified our brand promotion exercise across all operating geographies with special emphasis on India, US and Europe. Resulting in enhancing salience, affinity and premium quotient of our various brands, our continued endeavor led to a significant increase in the contribution of branded business to the total revenue, which rose to almost C70% in FY15.

Along with our established brands 'Daawat' and 'Royal', our newly introduced brands 'Devaaya' and 'Ecolife' are witnessing fast acceptance across markets. We have further augmented our product portfolio with successful launch of value-added staples under brand 'Devaaya'. Several staple products such as Maida, Suzi, Daliya, Poha, Besan and Atta are fast entering more and more kitchens, riding a promising customer proposition of *Saaf Bhi aur Safe Bhi* (not only clean but also safe).

Currently available in 4 states, we have started to take 'Devaaya' national from July, 2015. We plan to leverage our vast distribution channel of 'Daawat' for introduction and growth of 'Devaaya'.

Riding on our intensified brand campaign, our revenue grew by 11.5% to reach ₹ 2,779.78 crore in FY15. The realization for most of our products has improved. The operating profit during the year witnessed a growth of 9.6% to reach ₹ 309.02 crore. The lapse of the interest subvention scheme for exports in April 2014, however, impacted us adversely due to higher finance cost. Consequently, our PBT margin dropped to 4.0% from 5.3% in the previous year. The net profit for the year stood at ₹ 76.41 crore whereas the net profit margin stood at 2.7%.

During the year, we continued our endeavor on enhancing operational efficiency, cost management and efficient control system. We initiated a Maintenance Improvement Program (MIP), as part of our Manufacturing Excellence Program (MEP) with a view to reduce maintenance cost, improve overall equipment effectiveness, optimize spare parts inventory, improve equipment reliability and improve asset life. The Company has taken several initiatives to reduce power consumption. By achieving a lower unit consumption per quintal, our polishing plant of Bahalgarh has set a good example in this direction.

For our subsidiary, LT Foods Americas, FY15 has been a strong year with 16% revenue growth in dollar terms. During the year, leveraging on our robust 'Royal' brand in US, we have introduced Royal Chakki Atta, which was very well accepted across various markets. To promote this newly introduced product, we have introduced Amitabh Bachchan as the brand ambassador, which would further increase the brand recall. We have also planned many other branding activities across various medium to further promote this brand that holds great potential in the US market.

Basmati Rice continues to be the key focus area and we are pursuing an aggressive marketing strategy to expand the same in new and existing markets. We are also enhancing our

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**We have further augmented our product portfolio with successful launch of brand Devaaya. Several staple products such as Maida, Suzi Daliya, Poha, Besan and Atta are fast entering customer kitchens, riding a promising customer proposition of *Saaf Bhi aur Safe Bhi*.**

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distribution network and investing in our sales and marketing teams, with an aim to reach out to new territories for growth. Our partnership approach helps us leverage our distribution strength to extend our non-Rice offerings into our Rice markets.

With a very strong brand lineage and continuously expanding product basket, your Company is successfully moving along its strategy of becoming a global speciality food company. In order to build a sustainable growth momentum, the Company has developed many new systems and processes with consultation from experts.

I would like to take this opportunity to thank all our stakeholders, partners, customers and employees for their continued support and patronage.

Best regards,

**Ashwani Kumar Arora**  
Chief Executive Officer

# TOMORROW'S DREAMS. PURSUED TODAY.

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To emerge as one of the leading global speciality food companies is the cherished dream that we are pursuing with ardor and intensity. Growing brands, expanding distribution network, increasing investments in advertising and brand promotion, and diversifying our customer offerings through sustained research & development have been the four key pivots of our global growth strategy. The same strategy has yielded rich dividends over the last 10 years.

## BRAND FOCUS

Our steady and sustained focus on creating a vibrant brand portfolio has culminated in two strong brands, 'Daawat' and 'Royal', both earning annual revenue of more than ₹ 500 crore each. In terms of geography, India and US both contribute more than ₹ 500 crore of annual revenue each. With intensified brand push and associated marketing activities, we are well on course to take these two brands as well as two countries to the next level of Rs. 1000 crore in the coming years.


Simultaneously, brands/countries with Rs. 100 crore potential are also in focus. One such landmark has already been crossed by our organic foods business. At a time when the demand growth for authentic organic food is consistently outpacing the supply growth, our organic brand 'Ecolife' is rightly placed with surging brand equity and product authenticity to realise its early-mover's advantage. The brand got launched in India during the year.

Our recent foray into branded staples under 'Devaaya' brand has stabilized very well. With products being tested for and freed of more than 500 impurities, 'Devaaya' is living up to its brand promise of 'Saaf Bhi, Safe Bhi' (not just clean, safe too). The brand has gained fast acceptance among consumers as well as distribution channel. Having created surplus capacities to support future demand growth, we are geared up for its pan-India launch in FY16, from its current distribution in just four states.

Having signed Amitabh Bachchan as our global brand ambassador, we have steadily been increasing our advertising budgets. With a view to leverage the Bollywood icon's appeal amongst South Asian diaspora, we are taking our brand campaign to key overseas markets as well.

Daawat	Royal	Other Brands
		
The 2 <sup>nd</sup> largest basmati rice brand in India with 14% market share.	No.1 basmati rice brand in US with more than 40% market share.	Increased cross-selling opportunities at existing outlets, driving growth for distribution base.





While robust and mature distribution platform in India and US presents opportunities in sales of value added staples, our established global and regional brands present opportunities of new launches in adjacent categories.



## AWARDS & ACCOLADES

Growing popularity of company's brands got reflected in many awards and accolades received during the year, the notable ones being:

- 'Trusted Brand Award' by Reader's Digest
- 'Brand Excellence Award' by Economic Times
- 'Voted Product of the Year Award' by Nielsen

## NEW PRODUCT DEVELOPMENT

Following the success of fast cooking brown rice, innovators of our research & development team are passionately working to translate our consumer promise of Health, Taste and Convenience into new food products. Our pipeline possesses many new products including Rice Cakes, Sauces and Retort Rice at varied stages of developments. To give impetus to our R&D efforts and with a view to keep abreast of new global flavor trends and technologies, a new R&D Center has been added at LT Foods Americas' Cypress unit in California.

## INTEGRATED OPERATIONS

Integrated operations with the absolute coverage of food value chain – right from the farm to fork – has remained the bedrock of our sustained growth over recent times. It is this access and control over the entire value chain that enables us deploy best level of quality assurance, thereby ensuring consistent product quality in line with brand expectations. In-house expertise to determine paddy quality helps us optimize procurement while modern milling facilities and packaging plants deploy global best practices. Iconic celebrities as brand endorsers aptly support our well-established distribution network



	Premium Range	Health Range	Institutional Range	Mid-Price Range	Value Range
<b>Daawat Brand Umbrella</b>	Traditional Basmati, Biryani Basmati, Pulav Basmati, Super Basmati	FCBR - Fast Cooking Brown Rice	Chef Secretz Basmati, Chef Secretz Light, Chef Secretz Sella, Alrarif/ Daawat Golden Sella	<b>Daawat</b> <b>Devaaya</b> <b>Rozana</b> <b>Heritage</b>	Apple, Elina, Vijay Kalash, Surbhi etc.
<b>Other Brands</b>	<b>Royal</b>	<b>Ecolife</b>			



With a view to propagate globally accepted and permitted agronomics in basmati cultivation, we have initiated a unique 'Controlled Pesticide Residue Farming Programme' in Madhya Pradesh and Haryana, in partnership with Bayer Crop Sciences.

## RESPONSIBLE BASMATI CULTIVATION

With sustained rise in popularity and demand from across the globe including highly developed and regulated regions of North America and Europe, Indian basmati has fast become a global food item. It has, thus, become imperative to adopt globally accepted and permitted farming methods and inputs for basmati cultivation.

Certain crop protection chemicals being lawfully used in basmati cultivation in India are not permitted in developed markets including USA. As a result, chances of basmati consignment that are considered safe to consume elsewhere being confiscated on landing in those countries remain high. On occurrence, such incidents lead to additional costs and supply disruptions.

With a view to propagate globally accepted and permitted agronomics in basmati cultivation, we have initiated a unique 'Controlled Pesticide Residue Farming Programme' in Madhya Pradesh and Haryana, in partnership with Bayer Crop Sciences.



Through this programme, we aim to procure paddy that is free of pesticide residue. Among various benefits to enrolling farmers is a financial incentive that we plan to pay in the interest of end quality of product. Having launched the project on pilot scale during the year under review, we intend to scale it up in terms of spread and depth over the coming years.

## EXPANDING DISTRIBUTION

Having remained steadfast on developing a robust sales network that covers all kinds and geographies of consumers has started to yield rich dividends. Today, our entire product portfolio is sold across all channels with the only exception of Chef's Secretz, which is an exclusive range for Food Service channel. We deploy a specialized and highly trained sales force which operates with an individual vertical focus. Close involvement of top distributors in our business strategy and planning, association and sponsorship of prestigious culinary events, intensive training of sales force and dedicated in-house customer service cell for HoReCa segments are our key distribution initiatives.

Our traditional trade channel reaches out to more than 700 towns across India. Deploying our access to about 3000 wholesalers, our brands have established shelf presence at more than 100,000 retail outlets in securing an average coverage of 93% in towns having more than 2 lac population. We are assiduously working towards doubling our reach over coming years.



	Value added staples	Organic food products
<b>Brands</b>		
<b>Product portfolio</b>	Wheat flour, refined flour, chickpea flour, semolina, flattened rice	Rice, pulses, soya and spices
<b>Strategy</b>	Optimise existing distribution platform. Leverage a larger product basket to further expand distribution network	Leverage strength of existing supply chain. Capitalise on rising global demand for organic products
<b>Current Stage</b>	Pilot run successfully in 3 states, Pan-India distribution planned for FY15	Consumer launch planned in India (Daawat umbrella) and US (Royal umbrella)

In modern trade, our brands are present at almost every retailer of repute and size. Accessing 2500 modern trade stores including 121 hypermarkets, 298 supermarkets and 462 mini markets, we are the first rice player in India to place Brown Basmati Rice in medical retail chains such as Apollo Pharmacy and MedPlus Pharmacy.

Additionally, our access to over 4400 food service outlets with customized range 'Daawat Chefs Secretz' makes us the No.1 supplier of branded basmati rice to premium hotels and restaurants with close to 50% market share. Alliances with oil retail companies and retail units of India army further extend our brands' reach.

## NORTH AMERICA BUSINESS

Our business in North America got a potential springboard when LT Foods acquired Kusha Inc. in 2007. The Company stands rechristened as LTFoods America and transformed inside out. Annual revenues have grown at an impressive CAGR of 38% to reach USD131 mn in FY15 from USD14 mn in FY08.

## A BROAD PORTFOLIO OF PRODUCTS

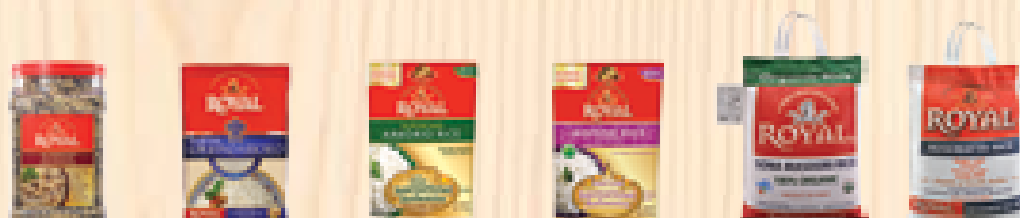
### BASMATI RICE

Brown, Sela, Organic, Traditional, Super, White



### SPECIALITY RICE (non-basmati)

Jasmine Thai, Brown Jasmine, Arborio, Sona Masoori, Sona Masoori Organic



### OTHER FOOD PRODUCTS

Carry paste, Wheat flour, Couscous, Tea, Ecolife organic, Rice mixes, Grape seed oil



While Basmati rice remains our core proposition, our vision is to emerge as a well-rounded food company, admired for its wider range of quality products.

Gaining fair share of natural growth of the market by reinforcing 'Royal' brand through intensive consumer-connect and geographic presence is the mainstay of our growth strategy. Another focus is on expanding our distribution platform to grow presence in Canada and Mexico, further intensify our share in mainstream retail in USA, and develop appeal among new ethnicities. We are further strengthening our value-added proposition with sharp focus on flavored rice, organic products, and curries and sauces.

## REST OF THE WORLD

Outside India and North America, Middle East and Europe are the top two regions of our business. Targeting the south Asian diaspora and rice-eating ethnicities, we have steadily expanded our international market to 65 countries. We segregate international markets in three broad categories by market size and maturity and deploy differentiated strategies for each of them.

Leveraging a unique route-to-market approach, we added 6 new countries in our global-market footprints in FY15.

## FUTURE GROWTH FOUNDATIONS

Our strategy is to leverage existing strengths towards pursue specific growth opportunities, across brands and regions. With the premium basmati range lending a solid foundation to our India business, the mid-price and value ranges are poised to accelerate our growth momentum over the coming years. While robust and mature distribution platform in India and US present opportunities in sales of value-added staples, our established global and regional brands present opportunities of new launches in adjacent categories. Likewise, our premium packaged basmati rice continues to open avenues into new unexplored market geographies.

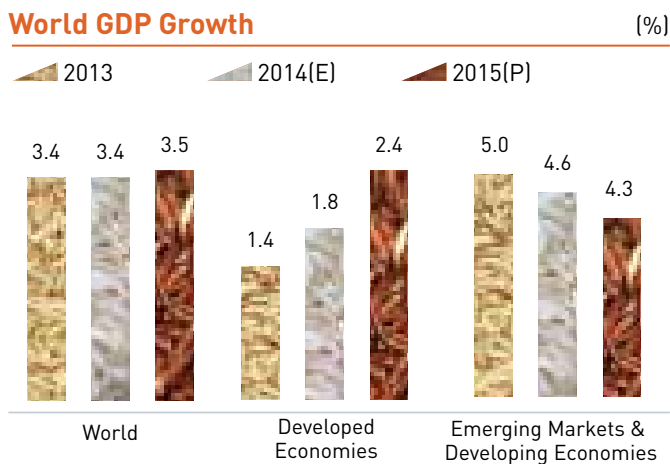


# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMIC OVERVIEW

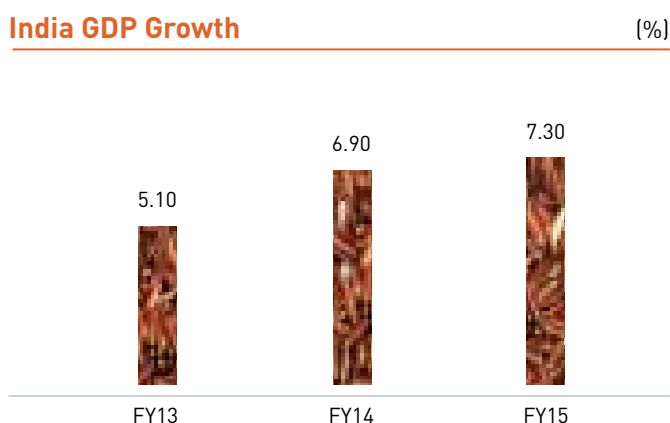
Key global economic developments of the year 2014 included a sharp drop in crude prices, softened inflation and commodity prices and moderation in exports of manufactured goods from developing to advanced economies. International Monetary Fund (IMF) estimated global GDP growth to have remained flat at 3.4% for 2014, in its April 2015 World Economic Outlook. The IMF forecast for 2015 indicates a 10-bps increase in Global GDP growth to 3.5%.

### World GDP Growth



Source: World Economic Outlook, April 2015; IMF

### India GDP Growth



Source: Central Statistics Office (CSO)

India moved to a new series of GDP estimation, making 2011-12 prices as the base price (factor cost). The GDP growth rate, as per this new series adopted by the Central Statistical Office (CSO) reached 7.3%. The growth was led by core sectors of manufacturing, utilities and construction. While services sector recorded a moderate growth, agricultural and allied activities recorded a muted growth of 0.2% as against

a healthy 3.7% growth achieved in the previous year. Poor monsoon in 2014 coupled with rain and hailstorm during the last quarter of FY15 did impact the agriculture sector adversely.

Return of a majority government at the centre, a slew of policy reforms, contained inflation for a major part of the year and two consecutive cuts of 25-bps each were the key economic developments of significance. The focus on infrastructure development, thrust on revival of manufacturing sector, large-scale construction of low cost toilets, financial inclusion of vast un-banked masses in rural and suburban geographies are some key initiatives meant to get structural strengthening of country's socio-economic fundamentals, the true impact of whom shall get visible with a lag effect.

## WORLD FOOD GRAIN OVERVIEW

The total cereal production in the world is estimated at 2,548.3 million tons in 2014-15, up from 2,526.1 million tons in 2013-14, as per Food and Agriculture Organization's (FAO) May 2015 food outlook. The total trade for cereals was marginally lower at 351.4 million tons in 2014-15 from 357.8 million tons in 2013-14. The total consumption is also estimated to have grown from 2,433.8 million tons in 2013-14 to 2,496.0 million tons in 2014-15. For 2015-16, FAO forecasts the world cereal production to drop marginally to 2,509.2 million tons and consumption is to increase to 2,521.9 million tons.

The FAO has projected global wheat production to be 719 million tons in 2014-15, just 10 million tons below the record production of 2013-14. The contraction is on account of lower production in the European Union (due to lower acreage), India (due to unfavorable weather condition) and the Russian Federation (due to lower spring sowing on account of higher input cost).

The world rice production is estimated at 494.4 million tons in 2014-15, marginally down from 496.6 million tons in 2013-14. Continuing its growth trend, global rice consumption is estimated to reach 499.9 million tons in 2014-15, up from 491.2 million tons in 2013-14. Going forward, the FAO has forecast the world rice production and consumption both to increase to 500.1 million tons and 508.3 million tons respectively in 2015-16. With a 1.2% higher harvest, Asia is expected to be contributed most of this production growth. Indonesia and Sri Lanka are expected to witness higher production while China is expected to witness flat production. The looming fear of El Nino effect, however, can have an adverse impact on the overall production.

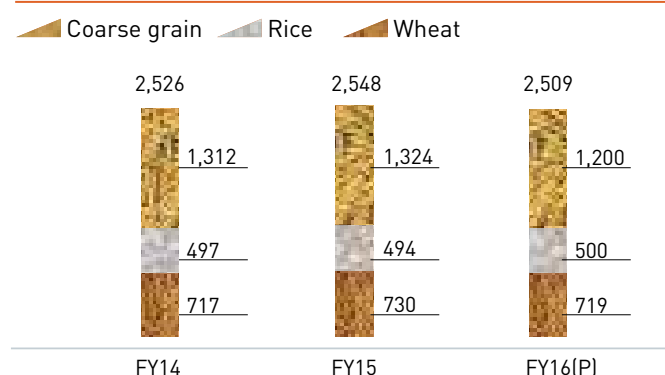
The global trade for rice is forecasted to increase to 42.4 million tons, up from 41.4 million tons in 2014-15. Due to high



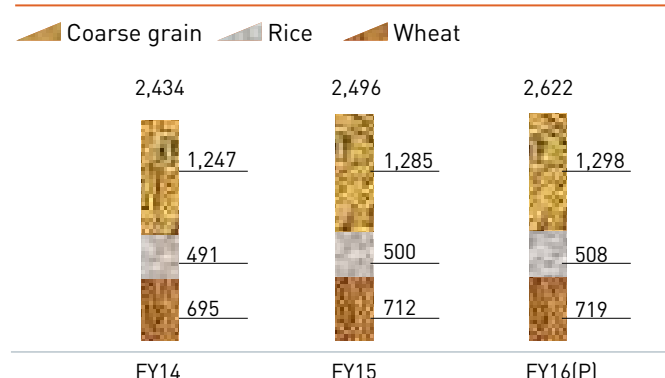
consumption and lower production, the global inventory for rice is estimated to come down by 4.6% to 168.2 million tons.

The world production of coarse grain is estimated to have been 1,324.4 million tons in 2014-15, marginally up from 1,312.3 million tons in 2013-14. The total consumption has also moved up in 2014-15 to 1,284.5 million tons from 1,247.4 million tons in the previous year. FAO has further forecast that the global production for coarse grain will be marginally down in 2015-16 to 1,290 million tons due to lower production of maize in US and barley in the European Union and Russia. However, consumption is projected to increase to 1,297.5 million tons in 2015-16.

### World food grain production (million tons)



### World food grain consumption (million tons)



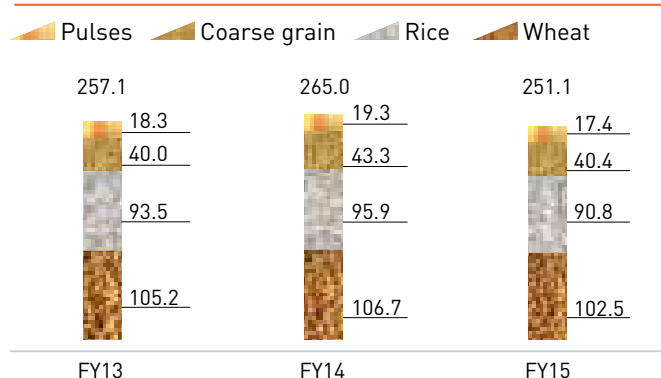
Source: FAO Food Outlook, May 2015

## INDIA FOOD GRAIN OVERVIEW

The total food grain production in India is estimated at 251.1 million tons during the crop season (July-June) 2014-15, down by 5.3% from the record production of 265.0 million tons in 2013-14, as per the 3rd advance estimates by Ministry of Agriculture. The lower production is attributed to poor monsoon which have adversely impacted the Kharif crop and unseasonal rain and hailstorm which impacted the Rabi crop.

The pulses segment is estimated to witness the biggest fall, down by 9.7% in 2014-15. The total production of wheat is expected to come down by 5.3% and rice by 3.9% in 2014-15.

### Food grain production in India (million tons)



Source: Ministry of Agriculture

Continuing its upward trend, the total population of India is expected to reach 1.4 billion by 2026, as per a United Nations report. The population growth, coupled with rising per capita income and thereby consumption is expected to raise demand of food grains. As per the assessment of National Centre for Agricultural Economics & Policy Research (NCAP) and the Indian Council of Agricultural Research (ICAR), India needs to increase its annual food grain production by 1.3% every year to reach 280.6 million tons by 2020-21, in order to meet the rising demand for food grains in the country.

## INDIAN RICE INDUSTRY OVERVIEW

India is the second largest producer and exporter of rice in the world. It exports basmati and non-basmati rice, mainly harvested in the northern parts of the country. As per the 3rd advance estimates of the Department of Agriculture & Cooperation, the total production of rice in India is estimated



at 102.5 million tons in 2014-15, down by 4.1 million tons from the record harvest production of 106.6 million tons in 2013-14. The key factors affecting the drop in production include bad monsoons during the Kharif season and unseasonal rain and hailstorm in Rabi season.

The lower production coupled with robust domestic demand is expected to take the rice surplus in India to its lowest level since 2009-10, as per BMI research. With a view to encourage higher cultivation of rice, the Cabinet Committee on Economic Affairs (CCEA) has increased the Minimum Support Price (MSP) by ₹ 50 per quintal to ₹ 1410 for general and ₹ 1450 for superior variety for 2015-16 season. The Government has decided to abolish the levy rice procurement system from October 2015 making agencies such as Food Corporation of India (FCI) and state government-owned agencies entirely switch over to the Custom Milled Rice (CMR) mode.

### Rice Exports

India is a leading exporter of rice, accounting for close to 25% of the global rice trade. According to All India Rice Exporters Association (AIREA), India exported about 11.9 million tons of rice (basmati and non-basmati) in FY15, an increase of 9.4% from about 10.9 million tons during FY14. The export of basmati rice was lower due to lesser procurement from Iran, the biggest buyer of basmati rice from India. Export to African countries has been adversely impacted due to increased supplies from Thailand and price competition from other exporting nations such as Vietnam and Pakistan. India's rice exports to Nigeria, Africa's largest importer of rice, have been affected due to depreciation of its local currency against the US Dollar. The commerce ministry has decided to formulate a new, specific strategy, to promote export of rice including basmati and non-basmati to Africa and other regions.

With rice-shelling and exporting units registered with the National Plant Protection Organisation (NPPO) being declared infestation-free, India can now explore opportunities to export basmati rice to China. Trade enquiries have already started coming in and the Chinese government has invited Indian rice exporters to visit the country to explore opportunities and understand the market. Besides China, South Africa and



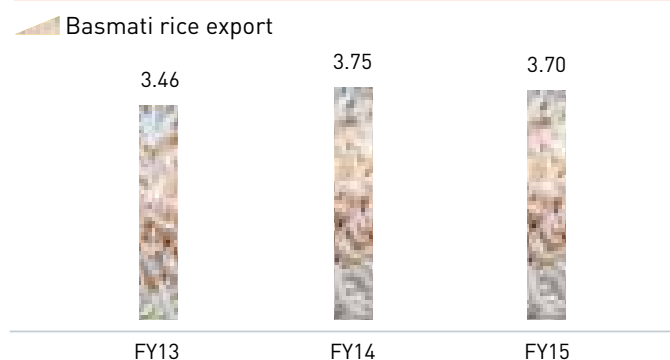
Mexico are the other new markets that hold good opportunity for export of basmati rice from India.

### Top 10 export markets for Basmati rice from India

Rank	Particulars	FY15	FY14	FY13
1	Saudi Arabia	966,931	826,119	681,193
2	Iran	935,568	1,440,454	1,082,219
3	UAE	278,601	147,903	234,640
4	Iraq	235,448	219,605	204,266
5	Kuwait	166,469	175,537	163,317
6	Yemen Republic	174,370	146,840	172,350
7	Qatar	124,115	29,555	61,188
8	UK	136,396	118,852	192,435
9	USA	89,223	103,391	91,544
10	Jordan	61,815	79,094	89,645

Source: All India Rice Exporters Association (AIREA)

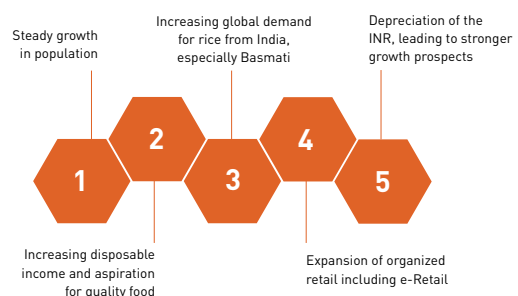
### Total export of Basmati rice from India (million tons)



Source: All India Rice Exporters Association (AIREA)

The Finance Ministry has restored duty drawbacks after a span of nearly seven years. However, this time the duty drawback will be extended under the concept of brand rate basis. Under this revised mechanism, each exporter will have to separately apply to get a rate approved, thereby benefiting the larger players such as LT Foods. Duty drawback payments are made to exporters to compensate for the customs and excise duties paid on inputs used in the manufacture of exportable products. Such payments are either made as all-industry rates (fixed as a percentage of free-on-board) or as brand rates.

### Growth Drivers: Packaged Rice



## BUSINESS OVERVIEW

LT Foods is a diversified agribusiness and foods company with a dominant global portfolio of basmati rice and a promising portfolio of value-added staples and organic food products. Marketing its products in more than 65 countries, the Company owns leading brands such as Daawat, Devaaya, Heritage, Royal and Ecolife.

### Key Business strengths

#### A Vibrant Brand Portfolio

**Daawat:** With a rich legacy of over 30 years, Daawat is the flagship brand of the Company. Offering premium quality basmati rice, it is the second largest brand in India, in terms of market share. The brand is also fast gaining market share in Europe, Middle East and Australia etc. Being the fastest growing brand of the Company, Daawat has more than doubled its revenues in the last 4 years. Its sub-brands, Rozana and Chef's Secretz, are also gaining share in the market in economy & institutional segment.

**Royal:** It is the largest selling basmati rice brand in US. Sustaining an accelerated growth momentum, the brand has more than doubled its revenue over the last four years. Besides premium basmati rice, the brand also offers Jasmine rice, Arborio rice, wheat flour and Couscous and expanding its reach & product portfolio on continuous basis.

**Devaaya:** Catering to the mid-price segment in India, Devaaya offers branded Basmati rice and also staples like Atta, Suzi, Besan, Dalia, Poha, and Maida. The brand stands for assured quality with products tested for and free from nearly 500 impurities. It is a recent introduction in India as well as in international market to the Company's brand portfolio and is gaining acceptance.

**Heritage:** Heritage is a popular basmati rice brand catering to the mass segment and is widely accepted for its aroma and quality.

**Ecolife:** Ecolife, Company's organic foods brand is well accepted in advanced markets. Its range includes rice, pulses, oil seeds, cereal grains, spices, nuts and fruits & vegetables. During the year under review, the brand got launched in few parts of India. Organic QCBR has also been recognised as Innovative Product of the year 2015.

#### Robust Operational Framework

The Company commands a robust operational framework across sourcing, processing/manufacturing and distribution. Its widely spread and deeply entrenched sourcing network enables ready access to high-quality premium foodgrains from a combination of growers and leading grain markets (*mandis*) across India. This is one of the most critical functions on which the business is anchored. Supplies to our global operations spanning more than 65 countries is done from a network of 10 strategically placed facilities (5 company owned, 5 third-party) across India.

Company is making continuous investments on improving

productivity as well as yield. With the help of McKinsey, the Company has also developed a tool for strengthening its paddy procurement process.

In India, Company's wide range of brands is made available through a nationwide distribution network that sells packaged branded rice, wheat, pulses, spices, flax seeds, cashew nuts and other value-added products such as brown rice, besides a range of proprietary organic products. The growing popularity of retail superstores/malls is facilitating popularity of specialized varieties of premium packaged foodgrains (esp. basmati rice). LT Foods has developed competencies in the retail trade to benefit from this trend. In the overseas markets, the Company has developed tie ups with clubs, the retail trade, within ethnic markets, food service companies and private labels.

#### Product/Category Innovation

An evolving lifestyle in urban areas is translating into increased demand for high-end packaged food products such as organic foods and brown rice. In today's world, where a vast majority of food crops are cultivated using chemical inputs, Company's range of organic products under 'Ecolife' brand provide great choice to health conscious consumers. The range brings with it the promise of natural freshness, nutrition and longer shelf life, all -without compromising on the taste. This range is being popularized in India by the Company. The Company has also launched 'Daawat Brown Rice' which is 100% whole grain and the least processed form of rice, as it retains the nutrition-rich bran layer, a source of 15 essential nutrients. Company R & D team is continuously working on developing more such products to address the need of the consumer. Scientific methods and strong relationship with farmers gives an edge to the Company to procure high quality paddy at low price. The Company is also following sustainability practices with Bayer Crop Sciences for Pesticides free production of the crop.

Dedicated team under SPIC (Strategic Process Improvement Cell) is focusing on improving the manufacturing practices and bringing efficiency on the Processing side. Monthly SnOP meetings, Executive Committee Meetings and Business Review meeting help the Management to keep a track on loss of sale, inventory levels as well as Cause and Effect analysis of any deviation from the AOP and rectify it well in time to achieve the aspired growth levels.

#### Quality and Food Safety

The Company prides itself in making available an array of safe and improved quality of products to its esteemed customers. The Company has attained Internationally recognized quality and food safety standards at all of its plants, appropriately certified by the globally renowned certification agencies. These systems are perpetually maintained and monitored by a team of experienced lead auditors of the Company. The Company puts in sincere efforts to improve the food safety systems to measure upto the upgraded version of international standards. This year, the Company achieved yet another milestone in fortifying its belief in social commitment

by acquiring SA – 8000 certification, which is a standard based on International human rights norms and national labour laws. All the Food Safety standards are based on HACCP, GHP and GMP formats.

Plant	Certification
Bahalgarh – Sonapat	ISO 9001 : 2008 (Quality Management System)
	ISO 14000 : 2004 (Environment Management System)
	SQF (Safe Quality Foods version-7.1)
	BRC Global Standard for Food Safety version-6
	SA 8000: 2008 (Social Accountability – 8000)
	Kosher Certification (OU)
Kamaspur, Sonapat	ISO 22000 : 2005 (Food Safety Standard)
	NOP (National Organic Programme) of USDA Organic Standard.
	NPOP (National Programme for Organic Production)
	EEC 837:2007 (Europe Organic Standard)
	Kosher Certification from JK Kosher
Mandideep, Bhopal (MP)	Rice Plant – FSSC 22000 : 2010 (Inclusive ISO:22000 & ISO/TS 22002-1)
	Food Plant – FSSC 22000 : 2010 (Inclusive ISO:22000 & ISO/TS 22002-1)
	Grain Plant - BRC Global Standard for Food Safety version-6
	Grain Plant - FSSC 22000 : 2010 (Inclusive ISO:22000 & ISO/TS 22002-1)
Varpal, Amritsar	FSSC 22000 : 2010 (Inclusive ISO:22000 & ISO/TS 22002-1)
	BRC Global Standard for Food Safety version-6
Laboratory, Bahalgarh, Sonapat	National Accreditation Board for Laboratory (NABL)
	ISO/IEC 17025:2005 for Chemicals (Certificate No. T-2613)

## Business Drivers

LT Foods has embarked on a growth journey supported by its legacy and growth brands. A detailed overview of the various drivers of business is presented below:

**Focus on branded business:** The Company has consciously raised its focus and attention on branded segment of basmati rice and other products. Besides India, the Company intensified its brand promotion activities in international markets also during the year under review. The momentum of brand focus and investment is going to accelerate, going forward.

**Developing key export markets:** The Company deploys a slew of organic and inorganic routes to develop potential export markets. Taking the acquisition route in north America has paid rich dividends in form of the market-leader brand, a diverse non-basmati product portfolio and sustained accelerated growth in revenues and profitability. Company's

recent focus on the Middle East and Europe has also been yielding decisive roots for future business growth. Increasing brand investments in India as well as in International markets is poised to further strengthen its business prospects. Further company has attained leadership position in Australia, Iraq, Israel, Mauritius, Trinidad & Tobago. Adding 6 new countries into its folds, the Company's products are now marketed in more than 65 countries.

**Pursuing operational excellence:** The rich legacy of brands is supported by world-class manufacturing/processing facilities at Haryana (Bahalgarh & Sonapat), Madhya Pradesh (Mandideep) and Punjab (Varpal & Bhiwinkind). LT Foods thus has strong presence in major rice producing regions in the country; from where it also undertakes supplies for its global operations. The U.S. market is supported by a packaging plant locally. The underlying corporate philosophy is to be present close to both key growing/trading markets as well in proximity to areas of key customer demand where possible. LT Foods' worldwide operation adheres to global best practices for safety, hygiene and quality with each of these parameters holding significance to the smooth conduct of business. LT Foods' quality control and testing infrastructure is best-in-class and is aligned to support the growing role of the branded business. The Company operates state-of-the-art R&D facilities as well, that have supported its foray into novel categories of branded food products.

**Diversifying procurement:** The Company has long-recognised the importance of a robust working relationship with farmers and growers who supply it with quality produce. Farmer connect initiatives like inculcating best agro-practices, providing high quality seeds and agri-inputs etc. are being pursued by the Company vigorously in order to maintain superior farm output and consistent quality.

**Agri-Infrastructure:** Following its earlier success in Punjab, the Company developed and delivering two state-of-the-art grain silos to Madhya Pradesh Warehousing and Logistics Corporation (one each at Bhopal and Indore). The project got delivered within an extremely challenging timeline, helping the Company qualify to receive full storage charges for a guaranteed period.

**Cost Rationalization:** The Company has rolled out a structured maintenance improvement program (MIP) across all its manufacturing units. In the first year of its introduction, MIP has resulted in substantial savings and improved the efficiencies at all levels of manufacturing process. Further, the Company has also created a Central Procurement Cell to bring efficiencies at backend level and to stay competitive.

## Segment Performance

The branded rice business in India, which is largely contributed by the Company's flagship brand Dawaat, has grown at an impressive CAGR in excess of 20% over FY11 to FY15 and has contributed more than one fourth of the overall sales. Sustained and intensive brand promotion, further expansion of distribution network and increasing sales of premium rice has been the drivers of growth.

The Company's US branded rice business is also witnessing a robust growth. The business has grown at an impressive CAGR in excess of 25% over FY11 to FY15 and contributed more than one fourth to the total sales. Continuous brand promotion activities and robust distribution network has been the key factors for the growth along with the quality of basmati rice.

The non-USA international business has also been growing at a steady CAGR in excess of 40% and has contributed 16% to overall sales. The Organic business of the Company has been one of the fastest growing segments with a CAGR in excess of 70% over FY11 to FY15 and contributed ₹ 174 crores in FY15. The institutional rice business has also been growing at a stable rate.

## CONSOLIDATED FINANCIAL REVIEW

**Net Sales:** The total sales for FY15 reached ₹ 2,779.78 crores, recording a growth of 11.5% over ₹ 2,492.68 crores achieved in FY14. The growth in sales was primarily on account of increase in domestic sales volume.

**Operating Expenses:** Total operating expenses increased by 12% to reach ₹ 2471 crores, up from ₹ 2211 crores in FY14. The increase has been primarily on account of higher cost of raw material and depreciation charges.

**EBITDA:** The EBITDA during the year stood at ₹ 309.02 crores in FY15, a growth of 9.6% as against ₹ 281.84 crores in FY14. EBITDA growth was driven due to volume growth in high-margin branded segment and organic food segment. The EBITDA margin for the year stood at 11.1% as against 11.3% in FY14.

**Net Profit:** The net profit for the year stood at ₹ 76.41 crores, down by 9.79% as against ₹ 84.8 crores in FY14. The fall in profit has largely been due to higher finance cost.

## OPPORTUNITIES AND THREATS

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

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

## RISK MANAGEMENT

The Company has put in place a robust risk management framework for identification, appraisal and management of various risks on a timely manner. Although the Company has defined business objectives based on strategy for each of the businesses, its ability to achieve the expected results may get limited owing to some internal and external risks. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**Climate Risk:** Paddy, company's key input being a monsoon

dependent crop in India, climate poses a major risk for the business. Erratic rainfall may negatively impact the quantity, quality and cost of paddy available for procurement and thereby the business.

**Mitigation:** The Company maintains a healthy stock of surplus paddy to counter such shortages to a viable extent. Moreover, the realization goes up in such situations of short supply and thereby sets off the impact to some extent. Company's diversification into non-basmati rice and non-rice businesses also helps counter this risk to an extent.

**Export Risk:** A significant part of Company's revenue comes from export. Any change in export/import policy and change in socio-economic environment in these countries can impact the business.

**Mitigation:** With established business presence in 65 countries, the Company continues to expand its export markets by entering new markets and regions globally. Its vertical expansion with new products such as packaged staples, snacks and organic products and further expansion of its core basmati business in the domestic market helps mitigate export risk.

**Interest Rate Risk:** With the cost of raw materials constituting about 75% of the total cost, the Company's business is working capital intensive and any rise in the cost of funds may impact its business adversely.

**Mitigation:** The Company maintains higher creditworthiness and cordial relations with its lenders. The Company derives its bank borrowing for working capital at one of the most competitive interest rates in the industry.

**Currency Risk:** With a sizeable portion of company revenue coming from exports, volatility in exchange rate can affect company's business.

**Mitigation:** The Company has a well-defined hedging policy in place. A team of professionals guides the management on currency risk and exchange position is frequently reviewed by the management.

**Procurement Risk:** Any shortcoming in procurement of right quantity and quality of paddy at optimum prices may affect company's business and reputation of its brands.

**Mitigation:** The Company's engagement with the farming communities by way of providing quality seeds and propagation of best farming techniques translates into higher procurement of quality rice at optimum prices. Company's presence in contract farming reduces its dependence on purchase from open market to some extent. Also, to ascertain, the quality of the paddy procured, the Company deploys its testing expertise.

## INTERNAL CONTROL SYSTEMS

The Company has put in place an internal control system commensurate with the size and nature of its business. The system covers internal audit and corporate risk assessment and mitigation. The internal audit plan for factories, sales offices, warehouses, businesses and centrally controlled



functions is approved by the Audit Committee at the beginning of every year. Thereafter, as part of the ongoing process, the Audit Committee is apprised of the key control issues and actions taken on past issues on quarterly basis.

The efficacy of the system is tested by its ability to monitor operating systems and policies, their compliance and deviations thereof. This is done with a view to identify and assess the various risks and develop 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

With a strength of more than 1200 growth partners, the mission of the HR Function at LT Foods is to partner business and attract and nurture talent to succeed. The HR function is also the custodian of LT Foods's culture and governance standards.

This year the function took on several initiatives to strengthen the organization culture, build talent capability, enhance connect with members and potential talent and implement new governance standards. This included initiatives to integrate the international geographies with the LT Foods Way of Working while valuing the cultural aspects of each country.

- **Performance Management System:** PRIDE is LT Foods's performance management process that aligns individual and team goals with the organizational thrust areas with focus to enable individual development..
- **Talent Development:** Personal Development Planning (PDP) is a career development process, distinct from performance management process. It provides a platform to members to discuss their career aspirations, identify their strengths and development areas and work towards enhancing individual competence. The process also helps in creating a Talent Pipeline and Succession Plan for key roles in the organization.
- **Leadership Development:** LT Foods invests in leadership development at front line, middle and senior leadership levels. Multiple development options are leveraged such as job rotation, classroom training, coaching and attending management development programmes at reputed institutes like Indian School of Business to address specific individual development needs.

LT Foods facilitates, encourages, rewards and recognizes employees as the Company believes that its people are the key source of competitive advantage. LT Foods's Talent Value Proposition (TVP) reflects the significant offerings the organization has for its members. LT Foods's TVP is "to continuously challenge, enrich and fulfil the aspirations of employee so that they can maximise their true potential to Make a Difference

## CORPORATE SOCIAL RESPONSIBILITY

Company's subsidiary, Nature Bio-Foods Ltd, is engaged in uplifting the socio-economic parameters of its operating

geographies through its environment friendly organic farming agenda. The Company assists the economically backward farmers by financing for seeds, organic fertilizers and plant protection materials and adoption of new technologies.

The Company has adopted over 3,000 tribal farming families. The Company imparts education on sustainable farming practices, provides technical assistance to encourage them for production of food grains and promotes the use of ecologically sound agriculture technologies for various crops including rice and wheat. The Company also covers 9 villages for its women empowerment programme and provides training in cutting, stitching, designing and embroidery works on clothes.

With a view to make a positive difference in the lives of the children in the remote areas of Ramnagar (Betalgat), the Company runs a Computer Education Centre at Amel village. The center provides quality career-focused education and 19 students have already passed the 6 month training course while another 15 students are undergoing the course currently. On the surface, the enrolment number might appear small. But, considering the geographical aspect of this small topography, the initial impact of the center is very encouraging. With the size and enthusiasm of the volunteer team growing, the Company is aiming to reach out to every child of nearby villages. The model of the computer centre is self-sustainable and was established by Fair Farming Foundation (CSR wing of NBFL) last year.

## OUTLOOK

LT Foods' performance in the coming years is going to be anchored by the branded business. Supporting this growth will be the world-class operating backbone that has been created in India. The broad drivers of outlook are as follows:

- Exports market where demand for LT Foods products/ brands is expected to maintain momentum. North America will continue to anchor the overseas expansion given growing appreciation for quality basmati rice under the Royal brand. The Middle East, Europe geography is another emerging market that has the Company's focus
- Domestic demand for quality basmati rice and packaged staples that will be supported by favourable demographics. LT Foods' leading portfolio of brands including Daawat, continue to show robust enhancement in business YoY. Young brands like Devaaya to tap opportunities in popular segment
- LT Foods' foray into organic foods through the Ecolife brand, recently launched in India
- The new product pipeline remains promising and will continue to feed exciting new products into the global ecosystem of LT Foods' branded business
- Strengthening the agri-infrastructure in Punjab and Madhya Pradesh that will support better performance going forward



## Directors' Report

To,

The Members,

Your Directors have pleasure in presenting their 25<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2015.

### 1. Financial Performance of the Company (Standalone)

(₹ In Lacs)

Particulars	2014-2015	2013-14
Gross Income	185,598.22	181,085.33
Profit Before Interest and Depreciation	16,099.89	15,040.02
Finance Charges	8,980.13	7,181.22
Gross Profit	7,119.76	7,858.80
Provision for Depreciation	2,851.55	2,193.77
Net Profit Before Tax	4,268.26	5,670.70
Provision for Tax	1,202.74	1,822.31
Net Profit After Tax	3,065.53	3,848.37
Balance of Profit brought forward	17,800.40	15,029.34
Balance available for appropriation	20,865.93	18,877.71
Proposed Dividend on Equity Shares	529.07	5,91.88
Tax on proposed Dividend	105.78	1,00.59
Transfer to General Reserve	Nil	3,84.84
Surplus carried to Balance Sheet	20,152.86	17,800.40

### 2. Company's working during the year

During the year the Company has witnessed a steady performance across all its business verticals. The gross sales during the year stood at ₹2,780 crores as against ₹2,493 crores in FY14. The growth has been due to strong sales growth in the domestic sales volume.

The Company's branded business is growing steadily and now contributes close to 70% of the total sales.

The branded rice business in India, which is largely contributed by the Company's flagship brand Dawaat, has grown at a CAGR in excess of 20% over FY11 to FY15. Growing at a CAGR of 25% plus over FY11 to FY15, the Company's US branded rice business has also witnessed a robust growth. The Company's Organic business has been one of the fastest growing segments with a CAGR in excess of 70% over FY11 to FY15 and contributed ₹180 crores in FY15. The institutional rice business has also been growing at a stable rate. During the year, the Company continued to invest in all its flagship brands to increase their market presence.

During the year, the Company has established another state-of-the-art Research & Development Center at its USA unit in Cypress, California. During the year, the Company developed and delivering two state-of-the-art grain silos to Madhya Pradesh Warehousing and Logistics Corporation (one each at Bhopal and Indore). The project was delivered within the prescribed time limits, enabling the Company to qualify for full storage charges for a guaranteed period.

The gross revenue of the Company on standalone basis stood at ₹1856 Crores against ₹1811 Crores in FY14. The Profit Before Interest & Depreciation during the year stood at ₹160.99 crores, up by 7% Y-o-Y whereas the margin stood at 8.7% as against 8.3% in FY14.

The Net Profit before tax stood at ₹30.66 crores as against ₹38.48 crores in FY14.

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

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

### 4. Dividend

Your Board of Directors has recommended a dividend of ₹2 per equity share of face value of ₹10/- each for the year ended 31<sup>st</sup> March 2015 subject to shareholders approval in the ensuing Annual General Meeting. The total payout including the dividend distribution tax amount to ₹ 634.85 /- lacs.

### 5. Reserves

Out of the amount available for appropriation, Company's Directors propose to transfer ₹NIL /- lacs to General Reserve and retain ₹20,152.86/- lacs to Profit and Loss Account.

### 6. Share Capital

During the financial year, the Company has allotted 147,793 equity shares to the various employees of the company who are eligible for allotment under the Employee Stock Option Plan-2010. Accordingly, issued, subscribed and paid up equity capital of the company has increased from ₹263056090 to ₹264535820. During the year, the company has not issued any equity shares with differential right or any sweat equity shares.

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

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

S. No.	Name of the Person	Designation	Appointment/Resignation	Date of Appointment/Resignation
1	Mr. Surender Kumar Tuteja	Independent Director	Resigned	07/08/2014
2	Mrs. Renu Challu	Independent Director	Appointment	10/11/2014
3	Mr. Anil Khandelwal	Chief Financial Officer	Resigned	13/02/2015
4	Mr. Som Nath Chopra	Chief Financial Officer	Appointment	13/02/2015

## 8. Particulars of Employees & Employee Remuneration

Pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, statement of particulars of employees is annexed as **Annexure IV**.

The statement containing particulars of employee as required under Section-197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this report as Annexure IV. None of the employees listed in the said statement is a relative of any Director of the Company. None of the employees hold (by himself/herself or along with his/ her spouse and dependent children) more than 2% of the equity shares of the Company.

The ratio of remuneration of each Director to the median employees' remuneration and other details in terms of Section-197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this **Managerial Remuneration:**

1. Ratio of remuneration of each director to median remuneration of employees	
Vijay Kumar Arora	47.93
Ashwani Kumar Arora	0
Surinder Kumar Arora	31.17
2. Percentage increase in remuneration of each director and KMPs	
Vijay Kumar Arora	0
Surinder Kumar Arora	0
Ashwani Kumar Arora	NA
Som Nath Chopra	0
Monika Chawla Jaggia	0
3. Percentage increase in the median remuneration of employees	6%
4. Number of permanent employees	827
5. Relationship between average increase in remuneration and company performance	Depends upon the profitability of the company and also the inflation of the economy

report and enumerated under Remuneration Policy heading.

## 9. Board Meetings

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

## 10. Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees.

## 11. Statement on Declaration by an Independent Director(s) and re- appointment, if any

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

During the year, Mr. SK Tuteja has resigned from the post of Independent Director w.e.f 7th Aug, 2015 due to his other pre-occupations. Mrs Renu Challu joined the LT Brand on 10th November, 2014 as Additional Director. The Company has received a notice writing, from a member proposing her candidature for office of Director along with a deposit of ₹ 1 lac.

## 12. Remuneration Policy

The Board has, on the recommendation of the Nomination & Remuneration Committee is in process of framing a policy for selection and appointment of Directors, Senior Management and their remuneration. The brief Remuneration Policy is stated in the Corporate Governance Report.

6. Comparison of remuneration of KMPs against company performance	There is no increase in Remuneration of KMPs
7. Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	
Managerial Increase	6.40%
Non Managerial Increase	12.32
8. Variations in the market capitalization of the company, price earning ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	The market capitalization of the company has increased to ₹ 26,162.6/- Lakhs from ₹ 24,082.8/- Lakhs as on 31st March 2014. The price earning ratio was 8.52 as on 31st March 2015 as compared to 6.25 in 31st March 2014. The market price of the company as on 31st March 2014 was ₹ 91.55/- and ₹ 98.90/- as on 31st March 2015. (Closing Price of BSE)
9. Comparison of the each remuneration of the KMPs against company performance	There is no increase in Remuneration of KMPs
10. The ratio of remuneration of the highest paid directors to that of employees who are not directors but receive remuneration in excess of the highest paid directors during the year.	No such cases
11. Affirmation that the remuneration is as per the remuneration policy of the company	The company is in the process of finalizing the Remuneration Policy of the company
12. The key parameters for any variable component of remuneration availed by the directors.	No such variable component of remuneration availed by the directors

### 13. Details of Subsidiary/Joint Ventures/Associate Companies

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

Further, the Annual Accounts and related documents of the subsidiary company shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company will also make available copy thereof upon specific request by any Member of the Company interested in obtaining the same. Further, pursuant to Accounting Standard AS-21 issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiary.

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

S. No.	Name and Address of the Company	CIN/Registration Number	Subsidiary/ Joint Venture/ Associate	Date of Incorporation/ Seizure
1.	Raghuvesh Agri-Foods Private Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63000DL2014PTC267604	Associate	20 <sup>th</sup> May, 2014 (Date of Incorporation)
2.	Raghuvesh Warehousing Private Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63020DL2014PTC267603	Associate	20 <sup>th</sup> May, 2014 (Date of Incorporation)
3.	Nice International FZE Lob 20, Office 113, JAFZA, Dubai, UAE	1115	Fellow Subsidiary	22 <sup>nd</sup> March, 2015 (Closure date)

### 14. Auditors

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

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

## 15. Auditors' Report

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

## 16. Secretarial Audit Report

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

### Reply to the observations in the Secretarial Audit

#### i. Delay in Filling Forms

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

#### ii. Related party transactions exceeding the limits approved by the Shareholders

The Shareholders approved all the proposed material related party transactions through postal ballot on 30th March 2015. However, the actual transactions were in excess of those approved. The Board of Directors already proposed to ratify the above in the AGM scheduled to be held on 18th September 2015.

#### iii. Separate Meeting of Independent Directors of the Company

The requirement of conducting a separate meeting of Independent Directors was introduced in the Companies Act, 2013. As the availability of all independent directors in a separate day was not possible in the financial year 2014-15, we failed to conduct the same. However, we have already conducted a separate meeting of all our Independent Directors on 27th May 2015.

#### iv. Date of AGM in e-Form 23 AC-XBRL

The Annual General Meeting of the Company for the financial year 2013-14 was duly held on 09th September 2014, however while preparation and filling of 23AC-XBRL inadvertently AGM date was mentioned as 08th September 2014. It was purely a clerical mistake.

#### v. CSR Spent

As we failed to identify a suitable projects for our CSR Activity, we have not spent the remaining amount of our CSR Budget. Further, the Company will spend the balanced amount in financial year 2015-16.

#### vi. Constitution of Audit Committee

One of our Independent Director Mr. Jagdish Chandra Sharma expired on 31st January 2014, member of Audit Committee and the Committee was left with two members only out of which one was Nominee Director.

The Audit Committee was duly constituted with two Independent Directors on 10th November 2014 with induction of Ms. Radha Singh.

#### vii. Stamp Duty on Issue of Shares

The Company will apply to the Revenue Department for payment of stamp duty.

#### viii. Details of Male employee in Register as per Equal Remuneration Rules, 1975.

The Company has already noted the discrepancies and will comply the requirements of rule 6 of Equal Remuneration Rules, 1976.

#### ix. Gratuity Payment to Ex-employee

The Company will paid the due soon as per the Company's policy.

#### x. Constitution of Board

One of our Independent Director Mr. Jagdish Chandra Sharma expired on 31<sup>st</sup> January 2014 and another Independent Director Mr. Surender Kumar Tuteja resigned from the Board on 7<sup>th</sup> August 2015 due his pre-occupation. We have appointed Mrs. Renu Challu as Independent Director on our Board on 10th November 2014. The Company is also in discussion with other independent professionals for the directorship in the Company. The Company will appoint Independent Director at the earliest in compliance with Clause 49 of the Listing Agreement.

#### xi. Adoption of Remuneration Policy

As the adoption of policy was introduced in the Companies Act, 2013, the Company is in the process of adoption of policy as required u/s 178(3) of the Companies Act, 2013.

## 17. Internal Audit & Controls

The Company continues to engage Pro Advisory India LLP as its Internal Auditors. During the year, the Company continued to implement their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, and assessing the internal control strengths in all areas. Internal Auditors findings are discussed with the process owners and suitable corrective actions taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

## 18. Issue of employee stock options

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

Particulars	Option 1	Option 2
Approval	648,329	201,209
Options granted	648,329	201,209
Options vested	196,312	135,618
Options exercised	142,059	5,914
Total number of shares arising out of exercise of options	142,059	5,914

Particulars	Option 1	Option 2
Options forfeited/lapsed/cancelled	128,677	53,763
Variations of terms of options	NIL	NIL
Money realized by exercise of options	5,398,242	224,732
Total number of options in force	196,312	135,618

**Notes: -**

1. Details of options granted during the fiscal 2012 to:

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

**19. Vigil Mechanism :**

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

**20. Risk Management Policy**

LT has in place comprehensive risk assessment and minimization procedures, which are reviewed by the top management. During the year, as per the requirements of Listing Agreement with the Stock Exchanges, the Company has renamed Audit Committee as Audit Committee / Risk Management Committee who plans risk management,

reviews, monitors and identify the risk on regular basis. Further, the Company is in the process of appointing Chief Risk Officer for overall risk governance of the Company.

**21. Extract of Annual Return:**

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

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

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

**23. Compliance to Clause 5A of Listing Agreement (Details of Suspense A/c) 01.04.2014 to 31.03.2015**

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

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

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

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

## 25. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.

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

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

## 26. Deposits

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

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

### a) Details of Loans:

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

### b) Details of Investments:-

L T FOODS LTD. - Details of Investments during FY 2014-15								
S. No	Date of Investment	Details of Investee	Amount - ₹	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of Board resolution	Date of special resolution	Expected rate of return	
						(if required)		
1	18.06.2014	RAGHUVESH WAREHOUSING PVT LTD	10,000	INSTALLATION OF SILOS AT BHOPAL	05.05.2014	N.A.	16%	
	27.06.2014	RAGHUVESH WAREHOUSING PVT LTD	40,000	-do-				
	11.07.2014	RAGHUVESH WAREHOUSING PVT LTD	800,000	-do-				
	12.07.2014	RAGHUVESH WAREHOUSING PVT LTD	1,500,000	-do-				
	19.07.2014	RAGHUVESH WAREHOUSING PVT LTD	6,600,000	-do-				
	19.07.2014	RAGHUVESH WAREHOUSING PVT LTD	150,000	-do-				
	02.09.2014	RAGHUVESH WAREHOUSING PVT LTD	6,900,000	-do-				
		<b>TOTAL</b>	<b>16,000,000</b>					
2	18.06.2014	RAGHUVESH AGRI FOODS PVT LTD	10,000	INSTALLATION OF SILOS AT INDORE	05.05.2014	N.A.	16%	
	27.06.2014	RAGHUVESH AGRI FOODS PVT LTD	40,000	-do-				



L T FOODS LTD. - Details of Investments during FY 2014-15							
S. No	Date of Investment	Details of Investee	Amount - ₹	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of Board resolution	Date of special resolution	Expected rate of return
	19.07.2014	RAGHUVESH AGRI FOODS PVT LTD	6,600,000	-do-			
	26.08.2014	RAGHUVESH AGRI FOODS PVT LTD	2,675,000	-do-			
	02.09.2014	RAGHUVESH AGRI FOODS PVT LTD	200,000	-do-			
	30.09.2014	RAGHUVESH AGRI FOODS PVT LTD	6,090,849	-do-			
	30.09.2014	RAGHUVESH AGRI FOODS PVT LTD	384,151	-do-			
<b>TOTAL</b>			<b>16,000,000</b>				

**c) Details of Guarantee / Security Provided:**

Sl. No.	Details of recipient	Amount (In Lacs)	Purpose for which the security/ guarantee is proposed to be utilized by the recipient
1	Daawat Foods Limited	31,283.68	Business purpose
2	Nature Bio Foods Limited	13,240.00	-do-
3	LT Overseas North America Inc.	3,125.00	-do-
4	LT Foods Middle East DMCC	3,750.00	-do-

stipulated in Clause 49 of the Listing agreement shall be annexed with the report.

**30. Management Discussion and Analysis**

The Management Discussion and Analysis forms part of this Annual Report for the year ended 31<sup>st</sup> March, 2015.

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

In order to prevent sexual harassment of women at work place a new act The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

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

**32. Conservation of energy, technology absorption and foreign exchange earnings and outgo**

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

**a) Environment and Efficiency**

In these years of growth company has never shifted its focus from Energy Conservation and it has remained one of the key priority areas. Better controls are planned for reduction in Energy Consumption and even the continuous steps are being taken to replace aged Equipments with

**28. Particulars of contracts or arrangements with related parties:**

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

**29. Corporate Governance Certificate**

The Compliance certificate from the auditors regarding compliance of conditions of corporate governance as



new and Modern technology to avoid overconsumption or loss of Energy. Few of the key areas where company has worked and achieved Positive results are listed below:-

#### Power Factor:-

Power Factor plays a pivotal role in Energy consumption. The company has allocated dedicated resources to monitor and keep a check on Power factor on daily basis. As a result of which company has successfully maintained the Power factor within the range of 0.98 to 0.99.

#### Compressed Air Line:-

The Company had achieved good results previously by replacing old compressed Air Line with the new Modular Pipeline. Hence to maintain the legacy the idea was further extended to the remaining areas to optimize the use of Compressed Air. Also on the basis of consumption trend different time slots have been fixed in a day where the requirement of compressed Air is fulfilled from a single operating compressor, thereby resulting in Energy saving.

#### Replacement of Aged Motors:-

During internal audits few aged motors were identified which were resulting In overconsumption of energy. The company decided to replace those motors with High Efficiency 2 Motors which will help in reducing the consumption of energy in those areas.

#### Interlocking of Machines:-

The company has decided to incorporate modern technology in certain areas like Milling & De-Husking via Automation. This process will help in eradicating the instances of idle running of machines and hence reducing Power consumption in those areas.

#### LED Lights:-

LEDs are extremely energy efficient and consume up to 90% less power than incandescent bulbs. Since LEDs use only a fraction of the energy of an incandescent light bulb there is a dramatic decrease in power costs. Also, money and energy is saved in maintenance and replacement costs due to the long LED lifespan.

#### Power & Fuel Consumption (Bahalgarh Plant)

PARTICULARS	2014-15	2013-14
<b>ELECTRICITY</b>		
<b>Through Purchases</b>		
Units	19,067,355	18,957,610
Total Amount (₹)	150,111,338	143,355,134
Rate/Unit(₹)	7.87	7.56
<b>Through Diesel Generator</b>		
Units generated	574,418	747,715
TOTAL AMOUNT (₹)	8,239,891	10,287,336
Cost/Unit (₹)	14.34	13.76

#### Power & Fuel Consumption (Varpal Plant)

PARTICULARS	2014-15	2013-14
<b>ELECTRICITY</b>		
<b>Through Purchases</b>		
Units	3,547,368	4,252,800
Total Amount (₹)	25,412,148	32,769,610
Rate/Unit(₹)	7.16	7.71
<b>Through Diesel Generator</b>		
Units generated	186,700	140,800
TOTAL AMOUNT(₹)	3,524,240	2,614,711
Cost/Unit(₹)	18.88	18.57

#### (b) Technology ,Absorption,Adaption and Innovation

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

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

#### (c) Foreign exchange earnings and Outgo

During the year, the total foreign exchange used was ₹ 1,446.14 lacs and the total foreign exchange earned was ₹ 75,587.39 lacs.

(₹ In lacs)

Particulars	March 31, 2015	March 31, 2014
<b>Value of imports on CIF basis</b>		
Capital goods	597.44	112.83
Stores and spares	43.80	79.45
Other Food Items	446.97	-
<b>Total</b>	<b>1,088.21</b>	<b>192.27</b>
<b>Expenditure in foreign currency</b>		
Legal fees	47.81	32.88
Interest and other charges to bank	169.79	-
Steamer freight	1,092.37	275.16

Particulars	March 31, 2015	March 31, 2014
Sales promotion	36.45	33.56
Commission on export sales	22.56	-
Others	77.16	263.10
<b>Total</b>	<b>1,446.14</b>	<b>604.71</b>
<b>Earnings in foreign currency</b>		
FOB value of exports		
Rice	75,585.88	82,739.58
Others	1.51	5.05
	<b>75,587.39</b>	<b>82,744.63</b>

### 33. Corporate Social Responsibility (CSR)

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

### 34. Human Resources

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

Your Company continuously invest in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement. The Company maintain healthy, cordial and harmonious industrial relation at all level. The enthusiasm employee have enabled the company to remain at leadership position in the industry.

### 35. Directors' Responsibility Statement

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

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

financial controls are adequate and were operating effectively; and

- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 36. Transfer of Amounts to Investor Education and Protection Fund

Pursuant to Section 205A and Section 205C of the Companies Act, 1956, the dividend which remain unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Accordingly, the amount of such dividend for the financial year 2007-08, remaining unclaimed for the period of seven years should be transferred to Investor Education and Protection Fund and cannot be claimed there from.

The amount of Dividend unclaimed/unpaid for the financial year 2008-09 to 2010-11 lies in the respective unpaid dividend account and can be claimed from Company's Register and Transfer Agent i.e. Big Share Services Private Limited, before the due date for transfer of the same in IEPF account.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company, as on 09<sup>th</sup> September 2014, with the Ministry of Corporate Affairs.

### 37. Listing with Stock Exchanges:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to NSE and BSE where the Company's Shares are listed.

### 38. Acknowledgements

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

For and on behalf of the Board of Directors

Sd/-

Vijay Kumar Arora

Chairman & Managing Director

DIN: 00012203

Place: Gurgaon

Date: 12.08.2015

## **ANNEXURE INDEX**

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

**Annexure -I to Directors Report for the year ended 31st March, 2015****Form No. MGT-9****Extract of Annual Return as on the financial year ended 31st March, 2015 (pursuant to Section-92(3) of the Companies Act 2013 & Rule 12(1) of the Companies Management & Administration) Rules, 2014****I. REGISTRATION & OTHER DETAILS:**

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	RICE	10612	94.40

**III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

S. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	%age of Shares Held	Applicable Section
1	Daawat Foods Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15209DL2005PLC135838	Subsidiary	70.48	Rule 8(5) (iv) of Companies (Accounts) Rules 2014
2	SDC Foods India Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U52201DL2007PLC241225	Subsidiary	80.00	-do-
3	L T International Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74899DL1999PLC097892	Subsidiary	89.98	-do-
4	LT Overseas North America Inc. 11130, Warland Drive, Cypress, CA	26-1422699	Subsidiary	100	-do-
5	Sona Global Limited Office 104 Plot No. 358-615, Al Quoz 3, P.O. Box 17870, Dubai, UAE	OF 1027	Subsidiary	100	-do-
6	Raghuvesh Foods & Infrastructure Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15139DL2010PLC207824	Subsidiary	100	-do-

<b>S. No.</b>	<b>Name and Address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/Subsidiary/ Associate</b>	<b>%age of Shares Held</b>	<b>Applicable Section</b>
7	LT Agri Services Private Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2009PTC189462	Subsidiary	70.48	-do-
8	Kusha Inc. 11130, Warland Drive, Cypress, CA	33-0525788	Subsidiary	100	-do-
9	Nice International FZE Office No.LB20113, P O BOX 261118, Jebel Ali, Dubai, United Arab Emirate	1115	Subsidiary (closed on 22nd March, 2015)	100	-do-
10	LT Foods USA LLC 11130, Warland Drive, Cypress, CA	27-3522092	Subsidiary	100	-do-
11	LT Foods Middle East DMCC Unit- 706-707, BB2, Mazaya Business Avenue, JLT, Dubai, UAE	DMCC 4037	Subsidiary	100	-do-
12	Raghuvesh Power Projects Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74140DL2011PLC222060	Subsidiary	35.94	-do-
13	Universal Traders Inc. 11130, Warland Drive, Cypress, CA	46-5216235	Subsidiary		-do-
14	Royal Curry Delights Inc. 11130, Warland Drive, Cypress, CA	45-5216235	Subsidiary	Nil	-do-
15	Expo Services Private Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74999DL2009PTC241224	Subsidiary	80	-do-
16	LT Infotech Private Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U72300DL2007PTC162270	Associate	42.5	-do-
17	Raghuvesh Agri-Foods Private Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63000DL2014PTC267604	Associate	40	-do-
18	Raghuvesh Warehousing Private Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63020DL2014PTC26760	Associate	40	-do-
19	Nature Bio Foods Limited Unit No:134, 01 <sup>st</sup> Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15134DL2005PLC143017	Subsidiary	100	-do-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****A. Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6548155	0	6548155	24.89	6548172	0	6548172	24.75	(0.14)
b) Central Govt	0	0	0	0	0	0	0	0	
c) State Govt(s)	0	0	0	0	0	0	0	0	
d) Bodies Corp.	0	0	0	0	0	0	0	0	
e) Banks / FI	0	0	0	0	0	0	0	0	
f) Any others									
(i) Directors Relatives	8267588	0	8267588	31.43	8267588	0	8267588	31.25	-
(ii) Group Companies	2676084	0	2676084	10.17	3098413	0	3098413	11.71	1.54
Total shareholding of Promoter (A)	17491827	0	17491827	66.49	17914173	0	17914173	67.72	1.23
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	
a) Mutual Funds	0	0	0	0	0	0	0	0	
b) Bank/FI	12718	0	12718	0.05	8519	0	8519	0.03	(0.02)
c) Central Govt	0	0	0	0	0	0	0	0	
d) State Govt(s)	0	0	0	0	0	0	0	0	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	
f) Insurance Companies	0	0	0	0	0	0	0	0	
g) FIIs	3835015	0	3835015	14.58	3835015	0	3835015	14.50	(0.08)
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	
i) Others (specify)	0	0	0	0	0	0	0	0	
Sub-total (B)(1): -	3847733	0	3847733	14.63	3843534	0	3843534	14.53	(0.10)
2. Non-Institutions									
a) Bodies Corp.	681187	0	681187	2.59	460170	0	460170	1.74	(0.85)
i) Indian	0	0	0	0	0	0	0	0	
ii) Overseas	0	0	0	0	0	0	0	0	
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh	2159445	156709	2316154	8.80	1759147	151940	1911087	7.22	(1.58)
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1772517	0	1772517	6.74	2161058	0	2161058	8.17	1.43

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
Non Resident Indians	90234	0	90234	0.34	87980	0	87980	0.33	(0.01)
Overseas Corporate Bodies	0	50000	50000	0.19	0	50000	50000	0.19	
Foreign Nationals	0	0	0	0	0	0	0	0	
Clearing Members	48970	0	48970	0.19	18595	0	18595	0.07	(0.12)
Unclaimed Suspense Account	6494	0	6494	0.02	6494	0	6494	0.02	
Trusts	493	0	493	0.00	491	0	491	0.00	
Foreign Bodies	0	0	0	0	0	0	0	0	
<b>Sub-total (B)(2):-</b>	<b>4759340</b>	<b>206709</b>	<b>4966049</b>	<b>18.88</b>	<b>4493935</b>	<b>201940</b>	<b>4695875</b>	<b>17.75</b>	<b>(1.13)</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>8607073</b>	<b>206709</b>	<b>8813782</b>	<b>33.51</b>	<b>8337469</b>	<b>201940</b>	<b>8539409</b>	<b>32.28</b>	<b>(1.23)</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Grand Total (A+B+C)</b>	<b>26098900</b>	<b>206709</b>	<b>26305609</b>	<b>100</b>	<b>26251642</b>	<b>201940</b>	<b>26453582</b>	<b>100</b>	

## B) Shareholding of Promoter-

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raghuvesh Holdings Private Ltd	2676084	10.17	0	3098413	11.71	80.69	1.54
2	Surinder Arora	2820152	10.72	0	2820152	10.66	0	-
3	Ashok Kumar Arora	2742418	10.43	0	2742418	10.37	0	-
4	Ashwani Arora	2723152	10.35	0	2723152	10.29	0	-
5	Vijay Kumar Arora	1606320	6.11	0	1606320	6.07	0	-
6	Gurucharan Dass Arora	1573932	5.98	0	1573932	5.95	0	-
7	Vijay Kumar Arora	1117964	4.25	0	1117964	4.23	0	-
8	Guru Charan Dass	1109520	4.22	0	1109520	4.19	0	-
9	Parvesh Rani	680000	2.59	0	680000	2.57	0	-
10	Vandana Arora	104000	0.40	0	104000	0.39	0	-
11	Munish Kumar Arora	64366	0.24	0	64366	0.24	0	-
12	Abhinav Arora	63334	0.24	0	63334	0.24	0	-
13	Guruchandran Dass Arora	63334	0.24	0	63334	0.24	0	-



S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
14	Aditya Arora	63334	0.24	0	63334	0.24	0	-
15	Ranju Arora	39534	0.15	0	39534	0.15	0	-
16	Vaneet Arora	16000	0.06	0	16000	0.06	0	-
17	Gursajan Arora	12666	0.05	0	12666	0.05	0	-
18	Anita Arora	8734	0.03	0	8734	0.03	0	-
19	Sakshi Arora	7000	0.03	0	7000	0.03	0	-

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

S. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year Name: Raghuvesh Holdings Private Limited	2676084	10.17	2676084	10.17
	Date of Change:02.04.2014 Reason for Change: Acquisition	60898	0.23	2736982	10.40
	Date of Change:03.04.2014 Reason for Change: Acquisition	11556	0.04	2748538	10.44
	Date of Change:04.04.2014 Reason for Change: Acquisition	239635	0.91	2988173	11.35
	Date of Change:08.07.2014 Reason for Change: Acquisition	25220	0.10	3013393	11.41
	Date of Change:09.07.2014 Reason for Change: Acquisition	19223	0.07	3032616	11.48
	Date of Change: 10.07.2014 Reason for Change: Acquisition	56004	0.21	3088620	11.70
	Date of Change:02.12.2014 Reason for Change: Acquisition	9793	0.04	3098413	11.73
	At the end of the year	3098413	11.71	3098413	11.71

#### **D) Shareholding Pattern of top ten Shareholders**

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

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	3835015	14.58	3835015	14.58
	India Agri Business Fund Ltd	Nil	Nil	3835015	14.58
	<b>At the end of the year</b>	3835015	14.58	3835015	14.58
2	<b>At the Beginning of the year</b>	211922	0.81	211922	0.81
	Seema Ahuja	Nil	Nil	211922	0.81
	<b>At the End of the year</b>	211922	0.81	211922	0.81
3	<b>At the Beginning of the year</b>	193021	0.73	193021	0.73
	Pardeep Kumar	Nil	Nil	193021	0.73
	<b>At the end of the year</b>	193021	0.73	193021	0.73
4	<b>At the Beginning of the year</b>	134280	0.51	134280	0.51
	Bharat Damji Salva	Nil	Nil	134280	0.51
	<b>At the end of the year</b>	134280	0.51	134280	0.51
5	<b>At the Beginning of the year</b>	125044	0.48	125044	0.48
	Umesh C Shah	Nil	Nil	125044	0.48
	<b>At the end of the year</b>	125044	0.48	125044	0.48
6	<b>At the Beginning of the year</b>	117867	0.45	117867	0.45
	Syed Arshad Ali	Nil	Nil	117867	0.45
	<b>At the end of the year</b>	117867	0.45	117867	0.45
7	<b>At the Beginning of the year</b>	99826	0.38	99826	0.38
	Seetha Kumari	90634	0.34	190460	0.72
	<b>At the end of the year</b>	190460	0.72	190460	0.72
8	<b>At the Beginning of the year</b>	94500	0.36	94500	0.36
	Shivali Nitin Prakash	4500	0.02	90000	0.34
	<b>At the end of the year</b>	90000	0.34	90000	0.34
9	<b>At the Beginning of the year</b>	85141	0.32	85141	0.32
	Religare Securities Limited	85141	0.32	Nil	-
	<b>At the end of the year</b>	Nil	Nil	Nil	-
10	<b>At the Beginning of the year</b>	68000	0.26	68000	0.26
	Prakash Mangharam Manwani	Nil	Nil	68000	0.26
	<b>At the end of the year</b>	68000	0.26	68000	0.26

#### **E) Shareholding of Directors and Key Managerial Personnel:**

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>At the beginning of the year</b>	1117964	4.25	1117964	4.23
	Vijay Kumar Arora	Nil	Nil	1117964	4.23
	<b>At the end of the year</b>	1117964	4.23	1117964	4.23
2	<b>At the beginning of the year</b>	1606320	6.11	1606320	6.11
	Vijay Kumar Arora	Nil	Nil	1606320	6.07
	<b>At the end of the year</b>	1606320	6.07	1606320	6.07
3	<b>At the beginning of the year</b>	Nil	Nil	Nil	Nil
	Renu Challu	Nil	Nil	Nil	Nil

S.No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	<b>At the end of the year</b>	Nil	Nil	Nil	Nil
4	<b>At the beginning of the year</b>	Nil	Nil	Nil	Nil
	Pramod Bhagat	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>	Nil	Nil	Nil	Nil
5	<b>At the beginning of the year</b>	Nil	Nil	Nil	Nil
	Rajesh Kumar Srivastava	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>	Nil	Nil	Nil	Nil
6	<b>At the beginning of the year</b>	2820152	10.72	2820152	10.72
	Surinder Kumar Arora	Nil	Nil	2820152	10.66
	<b>At the end of the year</b>	2820152	10.66	2820152	10.66
7	<b>At the beginning of the year</b>	2723152	10.35	2723152	10.35
	Ashwani Kumar Arora	Nil	Nil	2723152	10.29
	<b>At the end of the year</b>	2723152	10.29	2723152	10.29
8	<b>At the beginning of the year</b>	Nil	Nil	Nil	Nil
	Radha Singh	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>	Nil	Nil	Nil	Nil
9	<b>At the beginning of the year</b>	Nil	Nil	Nil	Nil
	Som Nath Chopra	Nil	Nil	Nil	Nil
	Date of change : 05.05.2014 ESOP allotment	11580	0.043	11580	0.043
	Date of change : 19.08.2014 Sale	4009	0.015	7571	0.028
	Date of change : 03.09.2014 Sale	7500	0.028	71	0.00026
	<b>At the end of the year</b>	71	Nil	71	Nil
10	<b>At the beginning of the year</b>	9088	0.034	9088	0.034
	Monika Chawla Jaggia	Nil	Nil	Nil	Nil
	<b>At the end of the year</b>	9088	0.034	9088	0.034

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

(Amount in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	81703.79	1650.00	-	83353.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	51.75	-	-	51.75
<b>Total (i+ii+iii)</b>	<b>81755.54</b>	<b>1650.00</b>	<b>-</b>	<b>83405.54</b>
Change in Indebtedness during the financial year				
* Addition				
* Reduction				
Net Change	8576.77	-1650.00	-	6926.77
Indebtedness at the end of the financial year				
i) Principal Amount	90303.35	-	-	90303.35
ii) Interest due but not paid				
iii) Interest accrued but not due	28.96	-	-	28.96
<b>Total (i+ii+iii)</b>	<b>90332.31</b>	<b>-</b>	<b>-</b>	<b>90332.31</b>

## **XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

				(₹ Lacs)
SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	<b>Gross salary</b>	<b>Vijay Kumar Arora</b>	<b>Surinder Kumar Arora</b>	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	120.00	77.93	197.93
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.80
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>	120.40	78.33	198.73
	Ceiling as per the Act			469.50

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

### **B. Remuneration to other directors**

						(₹ Lacs)
SN.	Particulars of Remuneration	Name of Directors				Total Amount
1	<b>Independent Directors</b>	<b>Radha Singh</b>	<b>Pramod Bhagat</b>	<b>Rajesh Kumar Srivastava</b>	<b>S.K. Tuteja</b>	
	Fee for attending board committee meetings	1.69	1.57	2.36	0.11	5.73
	Commission					
	Others, please specify					
	<b>Total (1)</b>	1.69	1.57	2.36	0.11	5.73
2	<b>Other Non-Executive Directors</b>					
	Fee for attending board committee meetings					
	Commission					
	Others, please specify					
	<b>Total (2)</b>					
	<b>Total (B)=(1+2)</b>	1.69	1.57	2.36	0.11	5.73
	<b>Total Managerial Remuneration</b>	1.69	1.57	2.36	0.11	5.73
	Ceiling as per the Act			₹ 1Lac per meeting		

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

S.N	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	24.53	90.36	114.89
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option		7.94	7.94
3	Sweat Equity			
4	Commission			
	- as % of profit			
	others, specify			
5	Others, please specify			
	<b>Total</b>	24.53	98.30	122.83

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For and on behalf of the Board of Directors

Place: Gurgaon  
Date: 12.08.2015Sd/-  
Vijay Kumar Arora  
Chairman & Managing Director  
DIN: 00012203

## Annexure -II to Directors Report for the year ended 31st March, 2015

To the Director Report for Year ended 31st March, 2015

### Key Points of Our CSR POLICY

**[Approved by the Board of Directors on 11 August, 2015]**

#### OBJECTIVE:

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

#### FOCUS AREAS

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

#### CSR BUDGET

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

- V. The CSR budget will be used as per the activities mentioned in the schedule VII in project / Programme mode with a process of monitoring, evaluation and clear outlining of desired outcomes.

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

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

#### PLANNING AND IMPLEMENTATION

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

- » Details of annual financial allocation.
- » Baseline Survey/Need Assessment where considered necessary/feasible.
- » Identification of Beneficiaries.
- » Signing of agreement with implementing agency.
- » Formulation of detailed Project Report with clear deadlines.
- » Preparation and Implementation of a comprehensive and concurrent documentation procedure.
- » Regular Monitoring & Periodic review of the projects.
- » Evaluation & Assessment by a third party.
- » Mandatory Reporting

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

#### Mode of carrying CSR activities

- Collaborating with other corporate, Government, International organization participating in projects/ programmes where more than one corporate or International agency is involved.
- Through a trust/ society, Section-8 Company set up by the Company or its holding, subsidiary or associate Company.

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

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

- (1) The Composition of the CSR Committee.  
CSR Committee consist of Mrs. Radha Singh(Chairman), Mr. Vijay Kumar Arora, Executive Director and Mr. Rajesh Kumar Srivastava, Nominee Director of the Company
- (2) Average net profit of the company for last three financial years- ₹3463lacs
- (3) Prescribed CSR Expenditure (two per cent. Of the amount as in item 3 above)- ₹69lacs

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

(a) Total amount to be spent for the financial year:- ₹69 lacs

(b) Amount unspent, if any; ₹56lacs

The Company is exploring projects for CSR activities and the balanced amount will be spent in the Financial Year 15-16.

- (c) Manner in which the amount spent during the financial year is detailed below

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



Udayan Care's Udayan Shalini Fellowships Programme supported by LT Foods CSR Funding					
S.No.	PARTICULARS	(1)	(2)	(3)	TOTAL
1	<b>CSR project and activity identified</b>	Supporting 50 fellows in Udayan Shalini Fellowship Programme in Delhi run by Udayan Care . It is a unique fellowship as it goes beyond monetary assistance to ensure holistic development of each Shalini fellow through a strong mentoring programme. Girls who have completed Class X from government schools and aspire to study further are selected through our indigenously developed system called NAT – which assess the girls' Needs, Ambition & Talent. Those clearing the written test are interviewed and those shortlisted are visited at home before the final selection. Girls who are selected are called Shailinis (Dignified Women) or Fellows and are supported for 5-6 years till they graduate or complete specialized courses of their choice.Regular camps, workshops and a mandatory 50 hours of social work helps Shalinis gain confidence and self esteem. Today, our Shalinis are excelling in varied fields like Engineering, Medicine, CA and Computer Science, among others, becoming a source of inspiration for their families, communities and peers.	Supporting 25 fellows in Udayan Shalini Fellowship Programme in Gurgaon run by Udayan Care . It is a unique fellowship as it goes beyond monetary assistance to ensure holistic development of each Shalini fellow through a strong mentoring programme. Girls who have completed Class X from government schools and aspire to study further are selected through our indigenously developed system called NAT – which assess the girls' Needs, Ambition & Talent. Those clearing the written test are interviewed and those shortlisted are visited at home before the final selection.Girls who are selected are called Shailinis (Dignified Women) or Fellows and are supported for 5-6 years till they graduate or complete specialized courses of their choice. Regular camps, workshops and a mandatory 50 hours of social work helps Shalinis gain confidence and self esteem. Today, our Shalinis are excelling in varied fields like Engineering, Medicine, CA and Computer Science, among others, becoming a source of inspiration for their families, communities and peers.	Supporting 2 deserving fellows in Udayan Shalini Fellowship Programme for perpetuity run by Udayan Care . It is a unique fellowship as it goes beyond monetary assistance to ensure holistic development of each Shalini fellow through a strong mentoring programme. Budget sanctioned to create Corpus under the Udayan Shalini Fellowship Programme of ₹3,00,000. The interest generated through this corpus fund over the years would be used to support the educational expenses of 2 deserving Udayan Shalini Fellows under Udayan Shalini fellowship programme for perpetuity. Girls who have completed Class X from government schools and aspire to study further are selected through our indigenously developed system called NAT – which assess the girls' Needs, Ambition & Talent. Those clearing the written test are interviewed and those shortlisted are visited at home before the final selection. Girls who are selected are called Shailinis (Dignified Women) or Fellows and are supported for 5-6 years till they graduate or complete specialized courses of their choice.Regular camps, workshops and a mandatory 50 hours of social work helps Shalinis gain confidence and self esteem. Today, our Shalinis are excelling in varied fields like Engineering, Medicine, CA and Computer Science, among others, becoming a source of inspiration for their families, communities and peers.	

## Udayan Care's Udayan Shalini Fellowships Programme supported by LT Foods CSR Funding

S.No.	PARTICULARS	(1)	(2)	(3)	TOTAL
2	<b>Sector in which the project is covered</b>	This programme is in tandem with "Promotion of education, special education and vocational skills" under schedule-VII of Section 135 of the Companies Act, 2013.	This programme is in tandem with "Promotion of education, special education and vocational skills" under schedule-VII of Section 135 of the Companies Act, 2013.	This fund support is in compliance with CSR rules (under Sec 135 provisions on Corporate Social Responsibility of the Companies Act 2013) endorses that contribution to corpus of a Trust/Society/Section 8 company will qualify as CSR expenditure as long as it is created exclusively for a purpose –Udayan Shalini Fellowship(USF) Programme –(where we provide educational fellowship and mentoring support for the girls from underprivileged background and support them to finish their higher studies)-which is very much aligned to the fact is very much aligned to the CSR thematic areas of "Promotion of education, special education and vocational skills" under schedule-VII of Section 135 of the Companies Act, 2013.	
3	<b>Projects or Programme</b>	Udayan Shalini Fellowship Programme in Delhi run by Udayan Care	Udayan Shalini Fellowship Programme in Delhi run by Udayan Care	Udayan Shalini Fellowship Programme in Delhi run by Udayan Care	
	<b>(1) Local area or other</b>	Lower middle class and and ecomonically disadvanatged communities in and around Delhi	Lower middle class and and ecomonically disadvanatged communities in and around Gurgaon	Lower middle class and and ecomonically disadvanatged communities from our 9 centres of Udayan Shalini Fellowships – Delhi, Kurukshetra, Gurgaon, Dehradun, Haridwar, Phagwara, Kolkata, Aurangabad and Jaipur.	
	<b>(2) Specify the state and district where projects or programmes was undertaken</b>	Delhi	Gurgaon	Udayan Shalini Fellowships – Delhi, Kurukshetra, Gurgaon, Dehradun, Haridwar, Phagwara, Kolkata, Aurangabad and Jaipur.	
4	<b>Amount outlay (budget project or programme wise)</b>	₹692,500.00	₹317,152.00	₹300,000.00	₹1,309,652.00

Udayan Care's Udayan Shalini Fellowships Programme supported by LT Foods CSR Funding					
S.No.	PARTICULARS	(1)	(2)	(3)	TOTAL
5	Amount spent in the project or programme			3 Lakhs has been put it in corpus fund. Next year around ₹25,000 INR approx would be used to support the educational expenses of 2 deserving Udayan Shalini Fellows under Udayan Shalini fellowship programme for perpetuity.	
		₹566,074.00	₹284,666.00		₹1,150,740.00
	Sub heads;				₹ -
	(1) Direct expenditure on projects or programmes	₹424,049.00	₹209,767.00	₹300,000.00	₹933,816.00
	(2) Overheads	₹142,025.00	₹74,899.00		₹216,924.00
6	Cumulative expenditure up to reporting period	₹566,074.00	₹284,666.00	₹300,000.00	₹1,150,740.00
					₹ -
7	Amount spent through implementing agency	₹566,074.00	₹284,666.00	₹300,000.00	₹1,150,740.00

For and on behalf of the Board of Directors

Place: Gurgaon  
Date: 12.08.2015

Sd/-  
(Ashwani Kumar Arora)  
CEO & Managing Director  
DIN: 01574773

Sd/-  
(Radha Singh)  
Chairman-CSR Committee  
DIN: 02227854

**Annexure -III to Directors Report for the year ended 31st March, 2015****FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

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

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

(Amount in Lacs)						
S. No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
1.	Dawaat Foods Limited (Subsidiary Company)	Sales / Purchase / Rent Paid / Interest Received / Purchase of Fixed Assets/ Sale of Fixed Assets / Guarantees given	01.04.14 to 31.03.2015	51,850.23	05-05-2014 08-08-2014 10-11-2014 13-02-2015	18212.31
2	Nature Bio Foods Limited (Subsidiary Company)	Sales / Purchase / Rent Received / Sale of Fixed Assets / Guarantees given / Misc Income received / Processing charges received	01.04.14 to 31.03.2015	14,896.57	05-05-2014 08-08-2014 10-11-2014 13-02-2015	-
3	SDC Foods India Limited (Subsidiary Company)	Sales / Purchase / Misc Income received	01.04.14 to 31.03.2015	957.20	05-05-2014 08-08-2014 10-11-2014 13-02-2015	-

(Amount in Lacs)						
S. No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
4	Kusha Inc. (Subsidiary Company)	Sale of Fixed Assets / Sales	01.04.14 to 31.03.2015	12,219.48	05-05-2014 08-08-2014 10-11-2014 13-02-2015	-
5	LT Foods Middle East DMCC (Subsidiary Company)	Sales/ Guarantees given	01.04.14 to 31.03.2015	12,862.00	05-05-2014 08-08-2014 10-11-2014 13-02-2015	-
6	LT Overseas North America Inc. (Subsidiary Company)	Guarantees given	01.04.14 to 31.03.2015	3,125.00	05-05-2014 08-08-2014 10-11-2014 13-02-2015	-
7	Raghunath Agro Industries (Partnership Firm)	Sales / Purchase / Interest income / Share of profit / Balance payable at the end of year / Guarantees given	01.04.14 to 31.03.2015	27,299.73	05-05-2014 08-08-2014 10-11-2014 13-02-2015	-
8	V.K.Foods (Entities of KMP)	Sales / Rent Received	01.04.14 to 31.03.2015	175.64	05.05.2014	-
9	SK Engineering Company (Entities of KMP)	Sales / Purchase / Rent Received	01.04.14 to 31.03.2015	45.42	05.05.2014	-
10	Super Texfab Private Limited (Entities of KMP)	Purchase	01.04.14 to 31.03.2015	77.17	05.05.2014	-

All material transactions were approved by shareholders of the Company on 30<sup>th</sup> March, 2015 through postal ballot.

## Annexure -IV to Directors Report for the year ended 31st March, 2015

### ANNEXURE - A

#### Statement of Particulars of employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

S. No.	Name	Designation/ Nature of Duties	Remuneration Received [₹ Lacs]	Qualification	Experience in years	Age in years	Date of commencement of employment	Last employment held
1	2	3	4	5	6	7	8	9
1	Vivek Chandra	CEO-Global Branded Business	96.99	MBA	31 Years of experience	57	24.11.2010	Associated British Foods
2	Anil Khandelwal	Director-Finance & strategy	69.99	FCA, AIIA	34 Year of experience	55	03.05.2012	<b>Director &amp; Head –M&amp;A,</b> Ranbaxy Labs Ltd.
3	Som Nath Chopra	Chief Financial Officer	98.30	CA	22 Years of experience	46	01.09.2006	Own Practice

#### Notes:

- ▶ All appointments are / were non-contractual.
- ▶ Remuneration as shown above comprises of Salary, Leave Salary, Bonus, Gratuity where paid, Leave Travel Assistance, Medical Benefit, House Rent Allowance, Perquisites and Company's Contribution to Provident Fund and Superannuation Fund. Remuneration on Cash basis
- ▶ None of the above employees is related to any Director of the Company employed for part of the financial year.

## Annexure -V to Directors Report for the year ended 31st March, 2015

### STATEMENT PURSUANT TO SECTION 129 (3) OF THE COMPANIES ACT, 2013 RELATING TO SUBSIDIARY COMPANY

(Amount in Lacs)											
S. No.	NAME OF THE SUBSIDIARY	ISSUED & SUB-SCRIBED CAPITAL	RESERVES	TOTAL ASSETS	TOTAL LIABILITIES	INVEST-MENTS	TURN OVER	PROFIT / LOSS BEFORE TAX	PROVI-SION FOR TAX	PROFIT / LOSS AFTER TAX	PRO-POSED DIVI-DEND
1	DAAWAT FOODS LIMITED	1,915.53	9,501.38	72,735.40	63,317.82	1,999.33	49,551.51	1,747.95	400.32	1,347.63	-
2	NATURE BIO FOODS LIMITED	200.00	1,667.13	13,011.44	11,154.41	10.11	17,637.55	418.71	201.96	216.76	-
3	EXPO SERVICES PRIVATE LIMITED	1.00	17.86	301.40	282.53	-	-	(6.44)	0.44	(6.88)	-
4	SDC FOODS INDIA LIMITED	100.00	(378.76)	122.36	402.32	1.20	1,066.80	6.19	180.68	(174.49)	-
5	FRESCO FRUITS & NUTS PVT LTD.	103.00	7.05	258.78	148.74	-	1,484.69	5.38	(1.50)	6.89	-
6	LT AGRI SERVICES PVT LIMITED	1.00	(1.09)	0.65	0.75	-	-	(0.60)	(0.01)	(0.60)	-
7	LT FOODS MIDDLE EAST DMCC	170.22	92.74	7,525.99	7,263.03	-	16,109.18	55.22	-	55.22	-
8	L.T INTERNATIONAL LTD.	200.00	(49.77)	567.74	417.51	-	2,571.29	(1.25)	(0.33)	(0.92)	-
9	SONA GLOBAL LTD	907.73	346.03	1,092.05	8.51	170.22	374.77	327.78	-	327.78	-
10	RAGHUVESH FOODS & INFRASTRUCTURE LIMITED	5.00	(4.60)	5.29	4.89	-	0.17	(1.11)	0.02	(1.12)	-
11	RAGHUVESH POWER PROJECTS LTD.	5.00	(0.95)	4.49	0.44	-	0.23	(0.18)	0.07	(0.25)	-
12	LT OVERSEAS NORTH AMERICA, INC.	2981.25	(881.48)	1,599.13	10,764.45	11,265.09	-	(8.47)	(92.93)	84.46	-
13	KUSHA, INC.	1312.50	9,404.11	30,976.41	20,333.91	74.12	81,498.76	4,075.04	1,552.53	2,522.51	-
14	L T FOODS USA LLC		(226.32)	1,524.15	1,750.48	-	-	(50.95)	(17.32)	(33.63)	-
15	UNIVERSAL TRADERS, INC.	6.25	-	6.56	0.31	-	317.96	-	-	-	-
16	ROYAL CURRY DELIGHTS, LLC	159.375	(93.68)	65.70	-	-	19.54	(43.38)	-	(43.38)	-



## Annexure -VI to Directors Report for the year ended 31st March, 2015

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015

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

To,  
The Members,  
LT Foods Limited

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

Based on my verification of the **M/s LT Foods Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2015** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

#### **PARA ONE**

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s LT Foods Limited** ("the Company") for the financial year ended on 31<sup>st</sup> March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client: **Not Applicable as the Company is not Registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-**Not Applicable as the Company has not delisted its equity shares from any Stock Exchange during the financial year under review;** and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-**Not Applicable as the Company has not bought back any of its securities during the financial year under review.**
- (vi) I have also examined the Compliances of the Provisions of the following other laws applicable specifically to the Company wherein I have also relied on the Compliance Certificates/declaration issued by the head of the respective department/management in addition to the checks carried out by me and found that company has complied with all the provisions of said Acts except the below mentioned observation in respect of the said Acts.
- (1) The Stamp Duty Act, 1899
  - (2) The Employee's Provident fund & Miscellaneous Provisions Act, 1952
  - (3) The Equal Remuneration Act, 1976
  - (4) The Maternity Benefit Act, 1961
  - (5) The Minimum wages Act, 1948
  - (6) The Water (Prevention and Control of Pollution) Act, 1974
  - (7) The Air (Prevention and Control of Pollution) Act, 1981
  - (8) The Environment (Protection) Act, 1986
  - (9) The Employee's State Insurance Act, 1948
  - (10) Legal Metrology Act, 2009
  - (11) The Factories Act, 1948
  - (12) Payment of Gratuity Act, 1972
  - (13) The Payment of Wages Act, 1956
  - (14) The Contract Labour (Regulation and Abolition) Act, 1970
  - (15) The Industrial Employment (Standing Orders) Act, 1946

**Observations in Clause (i) Para One of Our Report**

1. According to information and Explanation and verification of forms and returns maintained by Company, the Company as required under Section 403 pays the prescribed additional fees in case of delayed filing.
2. As per verification of records, the Company has entered into related party transactions exceeding the limits approved by Shareholders of the Company for the financial year 2014-15 with the following parties: -

(Amount in Lacs)

Name of the Related Party	Nature of Transaction	Limit Approved by Shareholders of the Company for the FY 2014-15	Transaction made by the Company
Daawat Foods limited	Sale of Rice	8223	8285.63
Daawat Foods Limited	Rent Paid	53	56.06
Nature Bio Foods Limited	Purchase of other items	1	1.10
Kusha Inc	Sale of other items	30	45.81
LT Fodds Middle East DMCC	Sale of Rice	8220	9112
Raghunath Agro Industries	Purchase of Rice	5700	5821

3. As per the section 149(8) read with clause VII of Schedule IV of Companies Act, 2013, a meeting of Independent Directors of the Company should be held at least once in a year, however no such meeting was held in the Company during the year under review.
4. While reviewing Form 23 AC-XBRL, it was observed that the Date of AGM for the financial year ending 31<sup>st</sup> March 2014 was mentioned in the form as 8<sup>th</sup> September 2014. However, from the minutes and for other records, it was observed that the AGM for the financial year ending March 2014 was held on 9<sup>th</sup> September 2014.
5. As per the Section 135 of Companies Act, 2013 company has allocated ₹69 Lacs for the purpose of CSR activities, however company has spend ₹13 Lacs only during the year towards CSR activities.

6. As per section 177(2) of the Companies Act, 2013 the audit committee shall consist of minimum 3 directors with majority of independent directors, however on review of the records pertaining the financial year 2014-15 it was found that Company's audit Committee Consists only 2 Directors till 09/11/2014.
7. The Company has not adopted a policy relating to the remuneration for the directors, KMP and other employees as required under section 178(3) of the Companies Act, 2013

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

1. As per section 03 & 06 of the Stamp Duty Act, 1899 the Company has to pay stamp duty on issuance of shares @ ₹01/- on every thousand, however on verification of records it has been observed that company has allotted and issued 89,409 and 58,564 No. of Equity shares under ESOP in the Remuneration Committee meeting held on 05<sup>th</sup> May, 2014 and 13<sup>th</sup> February, 2015 respectively, during the year. However no stamp duty has been paid on issuance of shares.

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

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

#### **Observations in Clause (vi) (12) of Para One of Our Report**

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

#### **PARA SECOND**

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

- (i) The Listing Agreements entered into by the Company with BSE Ltd & National Stock Exchange India Limited (NSE).

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

I further report that

The Board of Directors of the Company is not duly constituted as per section 149(4) of the Companies Act, 2013 and Clause 49 of the Listing Agreement. There is a vacancy of Independent Director in the Board. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

1. Taken Approval of Shareholders in Annual General Meeting of the Company held on 09<sup>th</sup> September, 2014
  - (a) for selling, leasing or disposing of undertaking of the Company and creation of Charge/mortgage over the assets/ properties of the Company, present and future, in respect of borrowings of an equivalent aggregate up to ₹1050 Crores (Rupees One Thousand and Fifty Crores Only);
  - (b) for borrowing limits upto ₹1050 Crores (Rupees One Thousand and Fifty Crores Only) under section 180(1)(a) and 180(1) (c) of the Companies Act, 2013
  - (c) Re-appoint Mr. Vijay Kumar Arora as Managing Director
  - (d) Adopted a new Articles of Association of the Company.

2. Taken approval of Members of the Company through postal ballot, which result was declared on 30<sup>th</sup> March, 2015;
  - (a) To provide Loan(s), investment(s), guarantee(s) upto ₹800 Crores or Limit permitted as per companies Act, 2013, whichever is
  - (b) Approval of all material related party transactions under section 188 of the Companies Act, 2013 and clause 49 of the listing agreement.
3. Made allotment of Equity Shares in twice under Employee Stock Option Scheme, 2010 (ESOP 2010) during the financial year under review.

Place: New Delhi

Date: 03.08.2015

For D Dixit and Associates  
Company Secretaries

Sd/-  
CS Debasis Dixit  
FCS No. 7218, CP No.: 7871

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

## Annexure A to the Secretarial Audit Report

The Members

LT Foods Limited

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

Date: 03.08.2015

Place: New Delhi

**CEO/CFO Certification pursuant to Clause 49(V) of the Listing Agreement  
for the financial year ending 2014-15.**

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

This is to certify that

- a. We have reviewed financial statements and cash flow statement for the year 2014-15 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**

**Sd/-**

**Ashwani Kumar Arora  
Chief Executive Officer**

Date: 27/05/2015

Place: Gurgaon

## Corporate Governance Report

Corporate governance is not something that is put in place and then left. Ensuring its effectiveness depends on regular review, preferably regular independent review. And, in the end that comes down to the shareholders. Outside assessment and self-assessment need to be regular events.” -Jim Jones

In accordance with Clause 49 of the Listing Agreement with BSE Limited (BSE) and National Stock Exchange of India Limited (NSE), the report contains information on Corporate Governance systems and processes followed by LT Foods Limited.

At LT Foods, Corporate Governance is all about maintaining a valuable relationship and trust with stakeholders. We consider stakeholders as partners in our success, and we remain committed to maximizing shareholders' value, be its shareholders, employees, suppliers, customers, investors, communities or policy makers. This approach to value creation emanates from our belief that sound governance system, based on relationship and trust, is integral to creating enduring value for all. We have a defined policy framework for ethical conduct of businesses. We believe that any business conduct can be ethical only when it rests on the six core values of Customer Value, Ownership Mindset, Respect, Integrity, One Team and Excellence.

### Corporate Governance

Corporate Governance is 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 management, from action plans and internal controls to performance measurement and corporate disclosure.

Corporate Governance refers to the way a corporation is governed. It is the technique by which companies are directed and managed. It means carrying the business as per the stakeholders' desires. It is actually conducted by the Board of Directors and the concerned Committees for the Company's stakeholder's benefit. It is all about balancing individual and societal goals, as well as, economic and social goals.

LT Foods Limited has over the years followed best practices of Corporate Governance. LT Foods business objective and that of its management and employees is to manufacture the Company's products in such a way as to create value that can be sustained over the long term for consumers, shareholders, employees, business partners and the national economy.

Your Company believes that the success of an organization 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.

### STATEMENT OF COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

The essence of Corporate Governance lies in promoting and maintaining integrity, transparency and accountability in the management's higher echelons. The demand of Corporate Governance requires professionals to raise their competence and capability levels to meet the expectations in managing the enterprise and its resources effectively with the highest standards of ethics. It has thus become crucial to foster and sustain a culture that integrates all components of good governance by carefully balancing the complex inter-relationship among the Board of Directors, Audit Committee, Finance, Compliance and Assurance teams, Auditors and the senior management. Our employee satisfaction is reflected in the stability of our senior management, low attrition across various levels and substantially higher productivity.

Over the years, we have strengthened governance practices. These practices define the way business is conducted and value is generated. These practices define the way business is conducted and value is generated. Stakeholders' interests are taken into account, before making any business decision.

We believe, Corporate Governance is not just a destination, but a journey to constantly improve sustainable value creation. It is an upward moving target that collectively strive towards achieving.

### Whistle Blower Policy/ Vigil Mechanism

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. The Whistle blower policy is available on Company website [www.ltgroup.in](http://www.ltgroup.in)

The policy aims to:

- allow stakeholder to bring to management notice concern about any malpractice, fraud or unethical behaviour.
- build and strengthen culture of transparency and trust.
- provide protection against victimization.

### **Appropriate Governance Structure with defined roles and responsibilities**

The Company has put in place an internal governance structure with defined roles and responsibility of every constituent of the system. The Company's shareholders appoint the Board of Directors, which in turn governs the Company. The Board has established seven Committees to discharge its responsibilities in an effective manner. LT Foods Company Secretary acts as Secretary to all the Committees of the Board constituted under the Companies Act, 1956/ Companies Act, 2013. The Chairman & Managing Director (CMD) provides overall direction and guidance to the Board. Concurrently, the CMD is responsible for overall implementation.

### **BOARD OF DIRECTORS**

LT Foods' Board of Directors, which comprises an eclectic blend of professionals. Has Listing Agreement entered into with Stock Exchanges and in accordance with good Corporate Governance practices. The Company requires one Independent

Director to comply with composition clause of clause 49 of the Listing Agreement. The Board functions both as a comprehensive whole and through its Committees, constituted to oversee specific operational areas. The Board has formed Seven Committees - viz. Audit Committee/ Risk Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Management Committee, Governance Committee, Corporate Social Responsibility Committee and Selection Committee.

- a) The Board of your Company presently consists of seven (7) directors who constitute an optimum combination of professionalism, knowledge and experience. Of these seven Directors, three are Executive Directors, three are Non-Executive Directors and one is a Non-Executive Nominee Director.
- b) None of the Directors on the Board are members of more than ten (10) committees or hold the post of Chairman on more than five Committees. Necessary disclosures regarding the Committee positions on the Board of other Public Companies, as on March 31, 2015, have been made by the Directors.
- c) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and the numbers of Directorships and Committee Chairmanships/ Memberships held by them in other Companies are given below.

### **The Composition of the Board and Attendance record of Directors for 2014-15**

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2014-15		Whether attended last AGM	Number of Directorships in other public companies	Number of <sup>1</sup> Committee positions held in public companies	
			Held	Attended			Chairman	Member
Mr. Vijay Kumar Arora Chairman & Managing Director <sup>a</sup>	Chairman Executive	1117964	4	4	No	4	NIL	NIL
Mr. Ashwani Kumar Arora Joint Managing Director	Managing Director, Executive	2723152	4	4	Yes	3	NIL	NIL
Mr. Surinder Kumar Arora Joint Managing Director <sup>#</sup>	Managing Director, Executive	2820152	4	1	NO	4	NIL	NIL
Mr. Pramod Bhagat Director	Non Executive/ Independent	Nil	4	4	YES	1	2	2
Mr. Rajesh Kumar Srivastava Director	Non Executive Nominee Director	Nil	4	4	NO	7	NIL	3
Ms. Radha Singh Director	Non Executive/ Independent	Nil	4	4	NO	3	NIL	2
Mr. Surender Kumar Tuteja*	Non Executive/ Independent	Nil	4	1	NA	11	4	5
Mrs. Renu Challu **	Non Executive/ Independent	Nil	1	0	NA	8	2	2

<sup>1</sup> includes only Audit and Stakeholders Relationship Committees

<sup>a</sup> Mr. Vijay Kumar Arora also holds 16, 06,320 Equity in joint holding with Mr. Ashwani Kumar Arora.

<sup>#</sup>Mr. Surinder Kumar Arora also holds 11, 09, 520 Equity in joint holding with Mr. Gurucharan Dass Arora.

\*\*Mr. Surender Kumar Tuteja resigned from the Board on 07th August, 2014.

\*\*Mrs. Renu Challu joined the Board on 10th November, 2014.

- d) During the year, four meetings were held and the gap between two meetings did not exceed one hundred twenty days (four months). The dates on which these meeting were held are May 05, 2014; August 08, 2014; November 10, 2014 and February 13, 2015.
- e) During the year, information as mentioned in Annexure-X 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.

## i BOARD COMMITTEES

Audit Committee	Nomination & Remuneration Committee
1. Pramod Bhagat (Chairman of the meeting) Independent Director	1. Radha Singh (Chairman of the meeting) Independent Director
2. Radha Singh Independent Director	2. Pramod Bhagat Independent Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee Director
Governance Committee	Corporate Social Responsibility Committee
1. Vijay Kumar Arora (Chairman of the meeting) Executive Director	1. Radha Singh (Chairman of the meeting) Independent Director
2. Ashwani Kumar Arora Executive Director	2. Vijay Kumar Arora Executive Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee Director
Stakeholders Relationship Committee	Selection Committee
1. Pramod Bhagat (Chairman of the meeting) Independent Director	1. Vijay Kumar Arora (Chairman of the meeting) Executive Director
2. Radha Singh Independent Director	2. Ashwani Kumar Arora Executive Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee Director

### Audit Committee

#### Brief description & Terms of reference:

The Audit Committee of the Board has been constituted in accordance with the requirements prescribed under Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial accounting expertise and exposure.

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

#### Powers of the Audit Committee

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

#### Role of the Audit Committee

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

an issue(public issue, right issue, preferential issue, etc), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter

- Reviewing and monitoring the auditors independence and performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with the related parties
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Evaluation of Internal Financial Controls and Risk Management Systems
- Reviewing, with the management, the performance of statutory auditors, internal auditors, adequacy of internal control systems
- Formulating the scope, functioning, periodicity and methodology for conducting the internal audit
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussions with internal auditors of any significant findings and follow- up thereon
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders(in case of non- payment of declared dividends) and creditors
- To review the functioning of the Vigil Mechanism and Whistle Blower mechanism
- Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading

the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries
- Reviewing the following information :
  - a) The Management Discussion and Analysis of financial condition and result of operations
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management
  - c) Management letters/ letters of internal control weaknesses issued by the statutory auditors
  - d) Internal audit reports relating to internal control weaknesses and
  - e) Reviewing the appointment, removal and terms of remuneration of the Chief Internal Auditor/ Internal Auditors

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

**Dates: May 05, 2014; August 08, 2014; November 10, 2014 and February 13, 2015.**

Members of the Committee	Category and Designation	Number of meetings held during the year 2014-15	
		Held	Attended
Mr. Pramod Bhagat	Independent, Non Executive (Chairman)	4	4
Ms. Radha Singh *She joined the Audit Committee on 10th November, 2014	Independent, Non Executive	4	2
Mr. Rajesh Kumar Srivastava	Nominee, Non Executive	4	4

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 Fourth 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) and (E) of the Listing Agreement.

## II. REMUNERATION/ COMPENSATION COMMITTEE

Brief Description & Terms of Reference:

The Committee comprises two Independent Directors and one Non-Executive Nominee Director, viz. Ms. Radha Singh (Chairman), Mr. Pramod Bhagat and Mr. Rajesh Kumar Srivastava (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 05, 2014 and February 13, 2015**

Members of the Committee	Category and Designation	Number of meetings held during the year 2014-15	
		Held	Attended
Mrs. Radha Singh	Independent, Non- Executive (Chairman)	2	2
Mr. Rajesh Kumar Srivastava	Nominee, Non- Executive	2	2
Mr. Pramod Bhagat	Independent, Non- Executive	2	2

### I. Remuneration Policy

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

The Policy aims to:

### II. Directors Remuneration Policy

1. Independent Directors. The Non- Executive Directors are entitled to sitting fees only as recommended by Nomination & Remuneration Committee and approved by the board.
2. Executive Directors- The Executive Directors are remunerated with due approval of three authorities namely; Nomination & Remuneration Committee; Board of Directors and the shareholders of the Company

### III. Details of Remuneration paid to Non-Executive Directors

No remuneration was paid to Non-Executive Directors during the financial year ended 31st March 2015, 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 2015 are as under:

Name of the Directors	Sitting Fees paid (Amount in lacs)
Mrs. Radha Singh	1.69
Mr. Rajesh Kumar Srivastava	2.36
Mr. S.K. Tuteja	0.11
Pramod Bhagat	1.57
<b>Total</b>	<b>5.73</b>

**Details of Remuneration paid to Executive Directors** .The Executive Directors have been appointed for a period of five years from their respective dates of appointment. The details of remuneration paid to the Executive Directors for the financial year ending 31st March 2015, are as under:

	Salary & Allowances (Amount in lacs)
Mr. Vijay Kumar Arora	120.39
Mr. Ashwani Kumar Arora	72.28
(Salary paid from foreign subsidiary)	
Mr. Surinder Kumar Arora	78.32

## III. STAKEHOLDERS RELATIONSHIP COMMITTEE

**Brief Description & Terms of reference:**

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

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

The Stakeholders Relationship 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.

#### Shareholder's Complaints: 2014-15

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

## 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 Director
2	Mr. Ashwani Kumar Arora	Member	Executive Director
3	Mr. Surinder Kumar Arora	Member	Executive 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

The Committee considers and discusses certain matters listed in Annexure X 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 minimization procedures. The procedures are periodically reviewed to ensure that the executive management controls risk through means of a properly defined framework.

## INDEPENDENTS DIRECTORS(ID's) COMMITTEE

As per clause 49 of the Listing Agreement, the Listed Company need to conduct at least one meeting in a year wherein IDs can sit and evaluate Board of the Company if any. The Company conducted the meeting on 27.5.15

#### DETAILS OF ANNUAL GENERAL MEETING

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

Financial Year	General Meeting	Location	Date	Time
2013-14	24th AGM	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010	09.09.2014	3.00P.M.
2012-13	23rd AGM	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010	23.09.2013	3.00P.M.
2011-12	22nd AGM	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010	19.09.2012	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
2013-14	24th AGM	1. Adoption of New Articles of Association. 2. Re-appointment of Mr. Vijay Kumar Arora as Chairman & Managing Director of the Company. 3. Authorize the Board to borrow money in excess of prescribed limit under Section 180(1)(c) of Companies Act, 2013. 4. Authorize the Board to create Charges under Section 180(1)(a) of Companies Act, 2013.
2012-13	23rd AGM	1. To Increase the remuneration of Ashwani Kumar Arora 2. To Increase the remuneration of Surinder Kumar Arora
2011-12	22nd AGM	1. Re-appointment 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, Ashwani Kumar Arora & Surinder Kumar Arora

## 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-110 of the Companies Act, 2013, read with rule 22 of the Companies (Management and Administration) Rules, 2014, approval of the members of LT Foods Limited was sought by means of Postal Ballot vide notice dated 10.11.2014, for passing resolutions under Section 186 and Section 188 of the Companies Act, 2013 relating 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, in the excess of the prescribed limit and to approve related party transactions respectively.

Based on Scrutinizer's report dated 30.03.2015, the results of Postal Ballot were declared on 30.03.2015 at 3.00 P.M as follows:-

### Resolution No. 1 Special Resolution

To authorize the Board of Directors to invest, to give loan or provide security in the excess of the prescribed limited under Section 186 of the Companies Act, 2013.

Particulars	Number of Shares (Through Postal Ballot)	Number of Shares (Through E-voting)	Total Number of Shares	% of Total Net Valid (in Percentage)
Total No. of Votes received:	13827195	3862830	17690025	
Less: No. of Invalid Votes/not casted	3101520	3836389	6937909	
Net Valid number of votes	10725675	26441	10752116	
Total No. of votes cast in favour of the Resolution	10725470	24507	10749977	99.98%
Total No. of votes cast in against of the Resolution	205	1934	2139	00.02%

The resolution was passed as Special resolution.

### Resolution No. 2- Special Resolution

To approve the related party transactions under Section 188 of the Companies Act, 2013.

Particulars	Number of Shares (Through Postal Ballot)	Number of Shares (Through E-voting)	Total Number of Shares	% of Total Net Valid (in Percentage)
Total No. of Votes received:	13827195	3862830	17690025	
Less: No. of Invalid Votes/not casted	3101520	3836389	6937909	
Net Valid number of votes	10725675	26441	10752116	
Total No. of votes cast in favour of the Resolution	10725470	24507	10749977	99.98%
Total No. of votes cast in against of the Resolution	205	1934	2139	00.02%

The resolution was passed as Ordinary Resolution.

- Debasis Dixit, Practicing Company Secretary, was appointed as Scrutinizer for conducting Postal Ballot exercise.
- The Postal Ballot Process was conducted in accordance with Section 110 of the Companies Act, 2013, with rule 22 of the Companies (Management and Administration) Rules, 2014

## DISCLOSURES

- 1) During the financial year ended 31st March 2015, 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). The Company has formulated a policy on materiality of Related Party transactions and on dealing with RPI in accordance with relevant provision of Companies Act, 2013 and clause 49 of the Listing to Agreement. The policy has been disclosed on the website of the Company at [www.ltgroup.com](http://www.ltgroup.com) under investor section.
- 2) 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 2015.
- 3) The CEO/CFO Certificate in terms of Clause 49 (V) has been placed before the Board.



- 4) 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.
- 5) The Company follows the practice of 'Closure of Trading Window' prior to the publication of price sensitive information. During this period, the Company has set up a mechanism whereby the management and relevant staff and business associates of the Company are informed regarding the same and are advised not to trade in the Company's securities.
- 6) The Company complies with all the mandatory requirements of Clause 49 on 'Corporate Governance' except those disclosed. It is in the process of also complying with the non- mandatory requirements of the Listing Agreement on 'Corporate Governance'.
- 7) Reconciliation of Share Capital Audit  
A qualified Company Secretary carried out a secretarial audit to reconcile the total admitted equity capital with the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total issued and listed equity capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in agreement with the total number of shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.

## CODE OF CONDUCT

The Company has adopted revised Code of Conduct and Ethics for Directors and Senior Management personnel vide Board meeting held on 27.05.2015. 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 2014-15.

Sd/-  
(Vijay Kumar Arora)  
Chairman and Managing Director  
DIN: 00012203

## MEANS OF COMMUNICATION

- a) The Quarterly and Annual results were generally published in the Economic Times, Mint, Times of India, Financial Express and Jansatta, Hindustan Hindi.
- b) The Quarterly results are also displayed on the website of the Company, i.e., [www.ltgroup.in](http://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 Fifth Annual General Meeting

Date & Time	Friday, the 18th September 2015 at 3.00 P.M.
Venue	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi - 110010.

### Financial Calendar for the Year 2014-15:

Financial Year	April 2014 to 31st March 2015
Dividend Payment Date	The Board of Directors has recommended a dividend of ₹ 2 per share for the financial year ended 31st March 2015.
Book Closure	The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 14th September, 2015 to Friday, 18th September, 2015, both days inclusive.

### Registered Office & Corporate Office

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

### Listing on Stock Exchanges:

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

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

### ISIN No. for NSDL & CDSL: INE818H01012

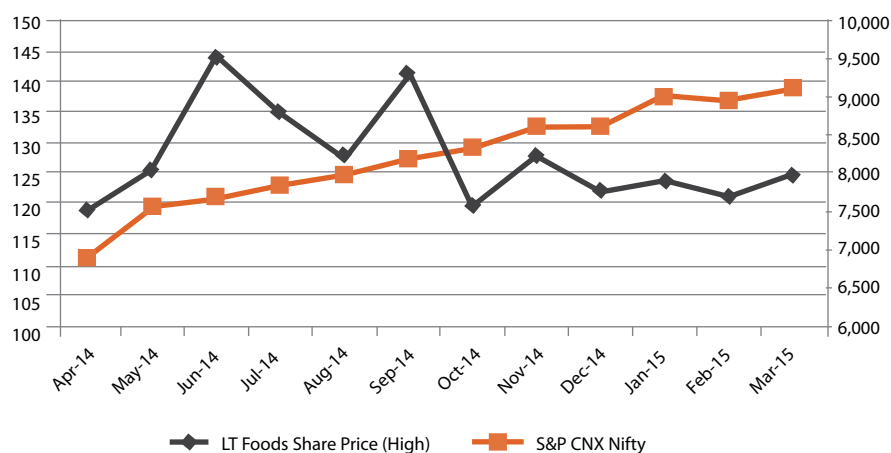
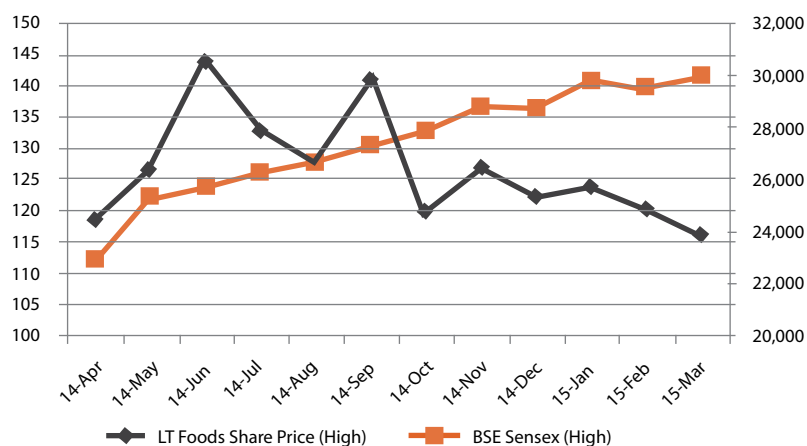
### Listing Fees / Custodial Fees for 2014 -15:

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 2014-15.



**Stock Market Data**

Month	Bombay Stock Exchange Limited					National Stock Exchange Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	S&P CNX Nifty
Apr-14	118.70	87.00	100.75	462281	22,939	119.00	88.55	102.10	1811651	6,870
May-14	126.60	100.20	118.00	301006	25,376	125.60	98.70	117.40	1020912	7,564
Jun-14	144.05	113.50	124.50	334070	25,725	144.00	115.30	124.15	1192635	7,700
Jul-14	133.00	110.20	111.15	162313	26,300	135.00	110.00	110.20	822324	7,841
Aug-14	127.80	110.00	117.40	306950	26,674	127.90	109.00	117.40	1222158	7,968
Sep-14	141.00	115.35	119.70	393985	27,355	141.25	117.00	118.50	1132857	8,180
Oct-14	119.90	108.15	116.00	43536	27,894	119.80	108.35	115.75	199391	8,331
Nov-14	127.00	105.10	108.35	102220	28,822	127.85	106.05	109.30	380237	8,617
Dec-14	122.30	98.00	111.70	101078	28,810	122.00	98.00	111.95	517829	8,627
Jan-15	123.90	112.65	115.80	70286	29,844	123.80	111.50	116.45	270892	8,997
Feb-15	120.50	103.10	111.10	41955	29,560	121.25	105.50	111.20	165952	8,941
Mar-15	116.00	96.00	98.90	56313	30,025	124.60	96.50	99.25	247763	9,119



### **Unclaimed Dividend**

The shareholders who have not encashed their dividend warrants for the year 2013-14 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 124 of the Companies Act, 2013, any money transferred by the Company to the Unpaid Dividend Account, which remains unclaimed for a period of seven years from the date of the transfer, shall be transferred to a fund called 'The Investor Education and Protection Fund' set up by the Central Government.

### **Share Transfer System and Registrar & Share Transfer Agent**

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

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

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

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

Contact Person: Mr. N.V.K.Mohan  
Tel No. 022-28470652  
Fax No. 022-28475207  
Email id: mohan@bigshareonline.com and  
bssdelhi@bigshareonline.com

The Board has authorised the Stakeholders Relationship Committee to sub-delegate its power to the officers of the Company for prompt redressal of investor requests/complaints. Accordingly, the Committee has sub-delegated its 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 31.03.2015****(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
<b>Total</b>		<b>14815</b>	<b>26168395</b>	<b>100.0000</b>

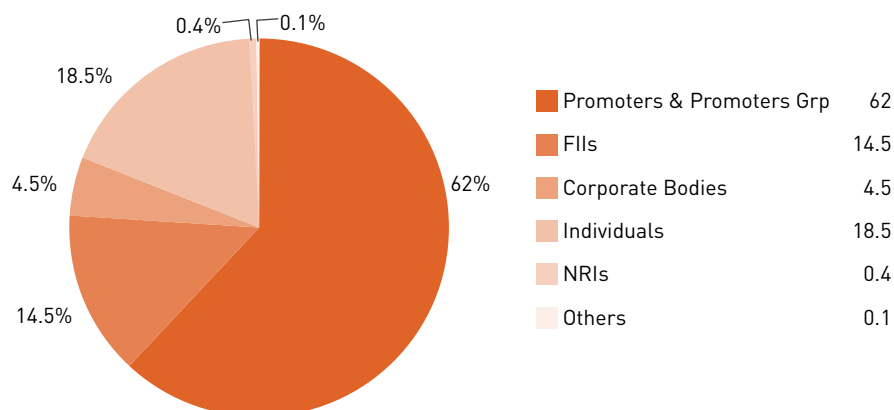
**(B) Distribution of shareholding by size**

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
<b>Total</b>	<b>14815</b>	<b>100.0000</b>	<b>261683950</b>	<b>100.0000</b>

**(C) Top Shareholders as on 31st March, 2015**

S. No.	Name of shareholder(s)	Category(As per Depository)	Shares	%
1	India Agri Business Fund Ltd	Foreign Institutional Investor	3835015	14.4971
2	Surinder Arora	Promoter	2820152	10.6608
3	Ashwani Arora	Promoter	2723152	10.2941
4	Ashok Kumar Arora	Promoter	2742418	10.3669
5	Vijay Kumar Arora & Ashwani Kumar Arora	Promoter	1606320	6.0722
6	Gurucharan Dass Arora	Promoter Group	1573932	5.9498
7	Raghuvesh Holdings Private Limited	Promoter Group Company	3098413	11.7126
8	Vijay Kumar Arora	Promoter	1117964	4.2261
9	Gurucharan Dass Arora & Surinder Arora	Promoter Group	1109520	4.1942
10	Parvesh Rani	Promoter	680000	2.5705
<b>Total</b>			<b>21306886</b>	<b>80.5443</b>

### Shareholding Pattern As on 31st March, 2015



### Plant Locations:

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

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

### Investors Correspondence:

#### Registered Office

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

#### Corporate Office & Investor Cell:

4th Floor, MVL-i-Park, Sector – 15,  
Gurgaon – 122001

### Secretary & Compliance Officer

Name	Mrs. Monika Chawla Jaggia
Address	04th Floor, MVL-i-Park, Sector-15, Gurgaon, Haryana – 122001
Contact Details	Ph: 91-124-3055101 Fax: 91-124-3055199 Mail Id: <a href="mailto:monika.jaggia@ltgroup.in">monika.jaggia@ltgroup.in</a>

On behalf of the Board of Directors

Place: Gurgaon  
Date: 12.08.2015

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

## Auditor's certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

### To the Members of LT Foods Limited

We have examined the compliance of conditions of Corporate Governance by LT Foods Limited ("the Company"), for the year ended on 31 March 2015, 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 with 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, subject to the following:

1. the Company has not complied with the provisions of clause 49 (II)(A)(2) for the period 17 April 2014 to 31 March 2015 wherein the total number of independent directors were less than the minimum number of independent directors as specified under the aforesaid clause;
2. the Company has not complied with the provisions of clause 49 (II)(B)(6) wherein no separate meeting of independent directors was held during the year starting from the date of amendment, i.e. 17 April 2014;
3. the Company has not complied with the provisions of clause 49 (II)(D)(6) wherein the Company has no policy in place for orderly succession for appointments to the Board and to senior 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 LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No. 099514

Place: New Delhi

Date : 12 August 2015



# Financial Statements



# Independent Auditor's Report

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

1. We have audited the accompanying standalone financial statements of LT Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. As required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required



by law have been kept by the Company so far as it appears from our examination of those books;

- c. the standalone financial statements dealt with by this report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
- e. on the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act; and
- f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. as detailed in Note 28 to the standalone financial statements, the Company has disclosed the impact of pending litigations on its standalone financial position;
  - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurgaon

Date: May 27, 2015

**Annexure to the Independent Auditors Report of even date to the members of LT Foods Limited, on the financial statements for the year ended March 31, 2015.**

Based on the audit procedures performed for the purpose of

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year, however, there is a regular program of verification once in three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) The Company has granted unsecured loans to one company covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - (a) the terms of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular; and
  - (b) in the absence of stipulated terms and conditions, we are unable to comment as to whether there is any overdue amount in excess of ₹ one lakh and whether reasonable steps have been taken by the Company for recovery of the principal amount and interest.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has



been noticed in the internal control system in respect of these areas.

- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount Paid Under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax demands	57.54	-	FY 2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	0.65	-	FY 2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	26.81	609.20	FY 2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	4.84	-	FY 2006-07	Income Tax Appellate Tribunal

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	327.62	250.00	FY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	235.95	123.95	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax demands	861.98	-	FY 2009-10	CIT (Appeals)
Income Tax Act, 1961	Income Tax demands	829.80	-	FY 2010-11	Yet to be filed

- (c) The Company has transferred the amount required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder within the specified time.

- (viii) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to a bank during the year. The company has no dues payable to a financial institution. The Company did not have any outstanding debentures during the year
- (x) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the Company.
- (xi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.
- (xii) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**

Partner

Date: May 27, 2015

Place: Gurgaon

Membership No.: 099514

## Balance Sheet as at March 31, 2015

(₹ in lacs)

	Notes	March 31, 2015	March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,645.36	2,630.56
Reserves and surplus	4	27,552.78	25,129.92
		<b>30,198.14</b>	27,760.46
<b>Non-current liabilities</b>			
Long-term borrowings	5	4,623.70	5,812.62
Deferred tax liabilities (net)	6	223.45	444.82
Other long term liabilities	7	9.78	8.68
Long-term provisions	8	120.73	94.73
		<b>4,977.66</b>	6,360.85
<b>Current liabilities</b>			
Short-term borrowings	9	87,452.13	74,227.46
Trade payables	10	7,548.92	9,270.57
Other current liabilities	11	10,146.42	6,123.13
Short-term provisions	8	1,912.18	2,064.72
		<b>107,059.65</b>	91,685.88
		<b>142,235.45</b>	<b>125,807.19</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	18,074.92	17,080.45
Intangible assets	13	86.00	120.34
Capital work-in-progress		984.03	900.17
Non-current investments	14	6,195.71	5,992.19
Long-term loans and advances	15	2,067.11	1,608.61
Other non-current assets	16	40.52	86.43
		<b>27,448.29</b>	25,788.19
<b>Current assets</b>			
Inventories	17	65,822.45	67,188.52
Trade receivables	18	19,161.94	25,381.09
Cash and bank balances	19	683.28	1,106.35
Short-term loans and advances	15	29,119.00	6,245.78
Other current assets	16	0.49	97.26
		<b>114,787.16</b>	100,019.00
		<b>142,235.45</b>	<b>125,807.19</b>

**Notes 1 to 39 are an integral part of these financial statements.**

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

**For and on behalf of Board of Directors**

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

Sd/-  
per **Neeraj Goel**  
Partner

Place: Gurgaon  
Date : May 27, 2015

Sd/-  
**Ashwani Kumar Arora**  
Joint Managing Director  
DIN 01574773

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

Sd/-  
**Pramod Bhagat**  
Director  
DIN 00198092

Sd/-  
**Som Nath Chopra**  
Chief Financial Officer

## Statement of Profit and Loss for the year ended March 31, 2015

(₹ in lacs)

	Notes	March 31, 2015	March 31, 2014
<b>INCOME</b>			
Revenue from operations	20	182,164.12	180,264.72
Other income	21	3,434.10	820.61
<b>Total revenue</b>		<b>185,598.22</b>	<b>181,085.33</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	117,788.92	132,469.23
Purchases of traded goods	23	27,792.02	19,727.40
Changes in inventories of finished goods and traded goods	24	1,754.22	(8,125.05)
Employee benefits	25	3,970.37	3,343.20
Finance costs	26	8,980.13	7,181.22
Depreciation and amortisation	12 & 13	2,851.55	2,193.77
Other expenses	27	18,192.80	18,630.53
<b>Total expenses</b>		<b>181,330.01</b>	<b>175,420.30</b>
<b>Profit before prior period items and tax</b>		<b>4,268.21</b>	<b>5,665.03</b>
Prior period items		(0.05)	(5.67)
Profit before tax		<b>4,268.26</b>	<b>5,670.70</b>
<b>Tax expense</b>			
Income tax		1,424.12	1,786.90
MAT credit reversed		-	47.82
Deferred tax		(221.38)	(12.41)
<b>Profit for the year</b>		<b>3,065.52</b>	<b>3,848.39</b>
<b>Earnings per equity share in ₹</b>			
Basic	32	11.61	14.65
Diluted		11.52	14.51

**Notes 1 to 39 are an integral part of these financial statements**

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

**For and on behalf of Board of Directors**

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

Sd/-  
per **Neeraj Goel**  
Partner

Sd/-  
**Ashwani Kumar Arora**  
Joint Managing Director  
DIN 01574773

Sd/-  
**Pramod Bhagat**  
Director  
DIN 00198092

Place: Gurgaon  
Date : May 27, 2015

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

Sd/-  
**Som Nath Chopra**  
Chief Financial Officer

## Cash Flow Statement for the year ended March 31, 2015

	(₹ in lacs)	
	March 31, 2015	March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and prior period items</b>	<b>4,268.19</b>	<b>5,665.03</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,851.55	2,193.77
Profit on sale of fixed assets	(57.77)	(4.69)
Unrealised foreign exchange loss/(gain)	186.60	469.89
Share based payments	29.00	41.10
Provision for impairment of investment	80.00	-
Provision for doubtful debts	79.81	21.84
Share of profit of partnership firm	(1.87)	(4.69)
Provision for employee benefit	28.81	(17.18)
Interest from partnership firm	(4.48)	(7.50)
Interest expense	8,747.48	6,960.62
Interest income	(13.37)	(76.34)
Liabilities written back	(300.81)	(448.66)
Prior period items	0.05	5.67
Dividend income	(0.14)	(0.13)
<b>Operating profit before operating assets and liabilities</b>	<b>15,893.05</b>	<b>16,256.91</b>
<b>Changes in operating assets and liabilities :</b>		
(Decrease)/Increase in trade payables	(1,721.65)	1,187.12
Increase/(Decrease) in provisions and other liabilities	3,900.09	(285.36)
Decrease/(Increase) in trade receivables	5,955.16	(70.26)
Decrease/(Increase) in inventories	1,366.07	(3,972.22)
(Increase)/Decrease in loans and advances and other current assets	(23,798.13)	4,362.06
<b>Cash generated from/ operations</b>	<b>1,594.59</b>	<b>17,478.25</b>
Income tax paid (net of refunds)	(1,632.06)	(1,152.80)
<b>Net cash flow generated from/ (used in) operating activities</b>	<b>(37.47)</b>	<b>16,325.45</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(3,387.41)	(2,895.94)
Proceeds from sale of fixed assets	108.28	55.96
Purchase of non current investments	(277.17)	(206.03)
Interest received	49.90	39.33
Increase/Decrease in fixed deposits and unpaid dividend account	(52.67)	873.03
Dividends received from non trade investments	0.14	0.13
<b>Net cash used in investing activities</b>	<b>(3,558.93)</b>	<b>(2,133.52)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	56.23	52.15
Proceeds from long term borrowings	2,791.44	3,840.00
Repayment of long term borrowings	(3,532.46)	(3,731.19)
Proceeds/(Repayment) from short term borrowings (net)	13,222.25	(6,381.57)
Interest paid	(8,770.27)	(6,975.88)
Dividends paid on equity shares	(591.88)	(523.37)
Tax on equity dividend paid	(100.59)	(88.95)
<b>Net cash flow (used in)/generated from financing activities</b>	<b>3,074.72</b>	<b>(13,808.81)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(521.68)</b>	<b>383.12</b>
Cash and cash equivalents at the beginning of the year	1,093.47	710.35
<b>Cash and cash equivalents at the end of the year</b>	<b>571.79</b>	<b>1,093.47</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	22.29	20.81
With banks on - current account	549.53	424.22
- on deposit account	-	648.44
<b>Total cash and cash equivalents</b>	<b>571.82</b>	<b>1,093.47</b>

Notes 1 to 39 are an integral part of these financial statements

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

For **Walker Chandio & Co LLP**

(Formerly Walker, Chandio & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-

per **Neeraj Goel**

Partner

Place: Gurgaon

Date : May 27, 2015

Sd/-

**Ashwani Kumar Arora**

Joint Managing Director

DIN 01574773

Sd/-

**Monika Chawla Jaggia**

Company Secretary

Membership No. F5150

Sd/-

**Pramod Bhagat**

Director

DIN 00198092

Sd/-

**Som Nath Chopra**

Chief Financial Officer

For and on behalf of Board of Directors

## Summary of significant accounting policies and other explanatory information for the year ended March 31, 2015

### 1. Corporate information

LT Foods Limited (the Company) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. LT Foods Limited is primarily in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. LT Foods Limited operations include contract farming, procurement, storage, processing, packaging and distribution. LT Foods Limited is also engaged in research and development to add value to rice and rice food products. LT Foods Limited rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavoured rice in the ready to cook segment.

### 2. Significant accounting policies

#### a. Basis of preparation

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

#### b. Use of estimates

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

#### c. Revenue recognition

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

#### Sale of goods:

Revenue from sale of goods is recognised when the significant risks and rewards associated with the ownership of the goods are transferred to the

customer and is stated net of sales returns, trade discounts and indirect taxes.

#### Dividend:

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

#### Interest:

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

#### d. Fixed assets

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

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

#### e. Depreciation and amortisation

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

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

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

Brand is amortised over a period of twenty years.

#### f. Investments

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

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

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

**g. Inventories**

Inventories are valued as follows:

**Raw materials, stores and spares and packaging materials**

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

**Work in progress**

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

**Finished goods**

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

**h. Foreign currency transaction**

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

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

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

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

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

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

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

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

**i. Employee benefits**

**Provident Fund**

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

**Gratuity**

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

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

**Compensated absences**

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

**Other short term benefits**

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

**j. Borrowing costs**

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

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

**k. Earnings per share**

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

**l. Income tax**

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

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

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

Minimum Alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

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

**m. Contingent liabilities and provisions**

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

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

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

**n. Impairment of assets**

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

**o. Share-based payment**

The Company operates equity-settled share-based plans for its employees, consultants, investors and franchisees. Where persons are rewarded using share-based payments, the fair values of services rendered by employees and others are determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised using the Black Scholes model at the respective

measurement date. In the case of employees and others providing similar services, the fair value is measured at the grant date. In the case of franchisees, consultants and investors the fair value is determined as services are received, using average fair values during each year. The fair value excludes the impact of non-market vesting conditions. All share-based remuneration is recognised as an expense, allocated by the management to cost of sales, selling and distribution expenses and administration and other expenses in statement of profit and loss with a corresponding credit to 'retained earnings'.

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

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



### 3 Share capital

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
- Equity shares of ₹ 10 each	30,000,000	3,000.00	30,000,000	3,000.00
<b>Issued, subscribed and fully paid up capital</b>				
- Equity shares of ₹ 10 each	26,453,582	2,645.36	26,305,609	2,630.56
<b>Total</b>	<b>26,453,582</b>	<b>2,645.36</b>	<b>26,168,395</b>	<b>2,630.56</b>

- a) During the year, the Company had issued and allotted 147,973 (previous year 137,214) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

**b) Terms /rights attached to equity shares**

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

During the year ended March 31, 2015 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 2.00 per share (previous year ₹ 2.25 per share).

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

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

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each				
India Agri Business Fund Limited	3,835,015	14.50%	3,835,015	14.58%
Ashwani Arora	2,723,152	10.29%	2,723,152	10.35%
Surinder Arora	2,820,152	10.66%	2,820,152	10.72%
Gurucharan Dass Arora	1,573,932	5.95%	1,573,932	5.98%
Ashok Kumar Arora	2,742,418	10.37%	2,742,418	10.43%
Raghuvesh Holdings Private Limited	3,098,413	11.71%	2,676,084	10.17%
Vijay Kumar Arora and Ashwani Arora	1,606,320	6.07%	1,606,320	6.11%
Gurucharan Dass Arora and Surinder Arora	1,109,520	4.19%	1,109,520	4.22%
Vijay Kumar Arora	1,117,964	4.23%	1,117,964	4.25%

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

The Company had reserved issuance of 8,49,538 (previous year 849,538) Equity shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Plan (ESOP). During the year, the Company had issued and allotted 147,973 (previous year 137,214) equity shares to eligible employees of the Company and its subsidiaries under ESOP. The option would vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria.

#### 4 Reserves and surplus

(₹ in lacs)

		March 31, 2015	March 31, 2014
<b>Capital reserve</b>	(A)	108.61	108.61
<b>Securities premium reserve</b>	(B)		
Balance at the beginning of the year	-	5,551.94	5,513.51
Add : Additions made during the year		41.44	38.43
Balance at the end of the year		<b>5,593.38</b>	<b>5,551.94</b>
<b>General reserve</b>	(C)		
Balance at the beginning of the year		1,514.72	1,129.89
Add : Additions made during the year		-	384.84
Balance at the end of the year		<b>1,514.72</b>	<b>1,514.73</b>
<b>Share options outstanding amount</b>	(D)		
Balance at the beginning of the year		154.22	113.48
Add : Additions made during the year		29.00	40.74
Balance at the end of the year		<b>183.22</b>	<b>154.22</b>
<b>Surplus in the statement of profit and loss</b>	(E)		
Balance at the beginning of the year		17,800.40	15,029.34
Add : Transferred from statement of profit and loss		3,065.52	3,848.39
Less : Proposed dividend		(529.07)	(591.88)
Less : Corporate dividend tax		(105.78)	(100.59)
Less: Depreciation adjustments against reserves		(78.22)	-
Less : Transfer to general reserve		-	(384.84)
Balance at the end of the year		<b>20,152.85</b>	<b>17,800.42</b>
<b>Total reserves and surplus</b>	<b>(A+B+C+D+E)</b>	<b>27,552.78</b>	<b>25,129.92</b>

#### 5 Long term borrowings

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non current	Current	Non current	Current
<b>Secured</b>				
Rupee term loans				
From banks	3,989.50	2,951.93	5,661.58	3,464.75
Foreign currency term loans				
From banks	511.44	951.67	-	-
Vehicle loans	122.76	76.76	151.04	67.71
	<b>4,623.70</b>	<b>3,980.36</b>	<b>5,812.62</b>	<b>3,532.46</b>

##### a) Details of guarantee for each type of borrowings

<b>Guaranteed by directors</b>				
Rupee term loans	6,941.43		9,126.33	
Foreign currency term loans	1,463.11		-	

**b) Details of rupee term loan :**

(₹ in lacs)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Amount of installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	500	2011-12	12 equal quarterly	41.66	-	1.00
Oriental Bank of Commerce	1,710	2011-12	12 equal quarterly	142.50	-	427.50
Oriental Bank of Commerce	1,242	2012-13	12 equal quarterly	103.50	-	828.00
Oriental Bank of Commerce	1,613	2013-14	12 equal quarterly	134.41	-	1,478.58
Oriental Bank of Commerce	1,156	2014-15	12 equal quarterly	96.33	1,059.67	-
Corporation Bank	875	2012-13	12 equal quarterly	72.92	291.64	583.32
Allahabad Bank	3,750	2010-11	24 equal quarterly	156.25	729.97	1,402.00
Allahabad Bank	2,700	2011-12	32 equal quarterly	156.25	1,643.52	2,018.44
Allahabad Bank	250	2011-12	12 equal quarterly	22.50	40.63	97.24
Indian Overseas Bank	2,227	2013-14	11 equal quarterly 12th installment	186.60 181.00	1,669.00	2,227.00
Karur Vysysa Bank	1,644	2014-15	12 equal quarterly	45.67	1,507.00	-
					<b>6,941.43</b>	<b>9,063.08</b>

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2015 the interest rates ranges from 11.20% to 12.75% per annum.

**c) Details of foreign currency term loan :**

(₹ in lacs)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Amount of installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	2,855	2014-15	12 equal quarterly	237.91	1,463.11	-
					<b>1,463.11</b>	<b>-</b>

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2015 the interest rate is LIBOR + 3.50% (Previous Year Nil)

**d) Details of vehicle loan**

(₹ in lacs)

Name of the bank	Amount of sanction	Year of sanction	No of installments	Total amount of installments	March 31, 2015	March 31, 2014
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7	2011-12	72	0.23	-	2.20
HDFC Bank	8	2011-12	36	0.26	-	0.77
HDFC Bank	22.25	2013-14	60	0.47	18.34	21.96
ICICI Bank	17.83	2010-11	60	0.38	2.29	6.56
ICICI Bank	60	2010-11	60	1.27	12.12	25.20
ICICI Bank	12.3	2013-14	60	0.26	10.27	12.30
HDFC Bank	51.46	2012-13	60	0.74	32.70	42.55
State bank of India	48.00	2012-13	60	0.68	25.30	34.39
ICICI Bank	49.77	2014-15	60	1.00	42.41	-
HDFC Bank	18.59	2012-13	60	0.28	9.06	12.75
HDFC Bank	79.50	2012-13	60	1.10	42.51	57.46
HDFC Bank	5.98	2014-15	60	0.16	4.52	-
					<b>199.52</b>	<b>218.74</b>

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2015 the interest rates ranges from 8.50% to 12.00% per annum (Previous Year 8.5% to 12.00%).

**e) Details of security for each type of borrowings:**

- (i) Rupee term loan from all banks are secured against first *pari passu* charge on the existing project assets, excluding assets charged specifically to the term lenders and Second *Pari Passu* on current assets of the Company.
- (ii) Rupee term loan from Allahabad Bank amounting to ₹ 729.97 lacs is secured against first exclusive charge over the entire fixed assets created under the Varpal, Amritsar project. second charge on current assets on reciprocal basis with ceding of second charge on the fixed assets in favour of working capital loan bankers.
- (iii) Rupee term loan from Allahabad Bank amounting to ₹ 1,643.52 lacs is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar. second *pari -passu* charge over fixed assets of Bahalgarh unit along with equitable mortgage over land and building on *pari passu* basis to secure entire credit facilities sanctioned by consortium.
- (iv) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

**6 Deferred tax liability**

	(₹ in lacs)	
	March 31, 2015	March 31, 2014
<b>a) Deferred tax liabilities arising on account of</b>		
Timing difference on tangible assets depreciation	371.38	593.18
Keyman Insurance Policy	74.65	87.88
	<b>446.03</b>	681.06
<b>b) Deferred tax assets arising on account of</b>		
Provision for employee benefits	(31.08)	(24.08)
Provision for doubtful debts and advances	(149.36)	(137.25)
Provision for disallowances under income tax act	(22.71)	(73.99)
Diminution in value of investment	(19.44)	(0.92)
	<b>(222.59)</b>	(236.24)
<b>Net deferred tax liability</b>	<b>223.44</b>	<b>444.82</b>

**7 Other long term liabilities**

	March 31, 2015	March 31, 2014
Security deposits from distributors	9.78	8.68
	<b>9.78</b>	<b>8.68</b>

**8 Provisions**

(₹ in lacs)				
	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Proposed dividend to equity shareholders (Also refer note (a) below)	-	529.07	-	591.88
Corporate dividend tax	-	105.78	-	100.59
Provisions for employee benefits (Also refer note (b) below)	120.73	21.14	94.73	18.33
Provision for taxation (net of advance tax )	-	1,256.19	-	1,353.92
Others		-		-
	120.73	1,912.18	94.73	2,064.72

**a) Details with respect to proposed dividend**

	(₹ in lacs)	
	March 31, 2015	March 31, 2014
Dividends proposed to		
Equity shareholders	529.07	591.88
Proposed dividend per share		
Equity shareholders	2.00	2.25

**b) Employee benefits**

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

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

	(₹ in lacs)	
	March 31, 2015	March 31, 2014
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	205.71	202.36
Service cost	52.50	35.06
Interest cost	19.68	18.13
Actuarial (gain) / loss	(6.62)	(14.53)
Benefits paid	(18.37)	(35.31)
<b>Projected benefit obligation at the end of the year</b>	<b>252.90</b>	<b>205.71</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	164.04	118.21
Expected return on plan assets	15.72	10.27
Employer contributions	39.66	70.10
Actuarial gains	(0.21)	0.77
Benefits paid	(18.37)	(35.31)
<b>Fair value of plan assets at the end of the year</b>	<b>200.84</b>	<b>164.04</b>
<b>Reconciliation of present value of obligation on the fair value of plan assets</b>		
Present value of projected benefit obligation at the end of the year	252.90	205.72
Funded status of the plan assets	200.84	164.04
<b>Liability recognised in the balance sheet</b>	<b>52.06</b>	<b>41.68</b>
<b>Components of net gratuity costs are</b>		
Service cost	52.50	35.06
Interest cost	19.68	18.13
Expected returns on plan assets	(15.72)	(10.27)
Recognised net actuarial (gain) / loss	(6.62)	(15.30)
<b>Net gratuity costs</b>	<b>49.84</b>	<b>27.62</b>
<b>Assumptions used</b>		
Discount rate	7.85%	9.15%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	9.00%	9.25%
Average remaining life	23.28	23.66

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

**Notes**

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

### Compensated absences

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	70.85	46.08
Current service cost	5.38	2.30
Interest cost	6.52	3.90
Actuarial (gain) / loss	15.64	23.03
Benefits paid	(8.58)	(4.46)
<b>Projected benefit obligation at the end of the year</b>	<b>89.81</b>	<b>70.85</b>
<b>Expenses recognised in the statement of profit and loss</b>		
Current service cost	5.38	2.30
Interest cost	6.52	3.90
Recognised net actuarial (gain) / loss	15.64	23.03
<b>Net costs</b>	<b>27.54</b>	<b>29.23</b>
<b>Assumptions used</b>		
Discount rate	7.85%	9.15%
Long-term rate of compensation increase	5.00%	5.00%

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

#### Note:

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

## 9 Short-term borrowings

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Secured</b>		
Rupee working capital loans		
From banks	81,898.81	72,577.46
Foreign currency working capital loans		
From banks	5,553.32	-
<b>Unsecured</b>		
Loans repayable on demand		
From banks	-	1,650.00
	<b>87,452.13</b>	<b>74,227.46</b>

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

The working capital demand loans is repayable on demand and the interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. The interest rate ranges from 10.00 % to 13.00 % on rupee working capital loan and 3.00% to 6.50% on foreign currency working capital loans.

**10 Trade payables**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Dues to micro, small and medium enterprises	437.32	694.75
Other sundry creditors	3,819.90	6,580.21
Acceptances	231.33	-
Due to partnership firm in which Company is a partner	3,060.37	1,995.61
	<b>7,548.92</b>	<b>9,270.57</b>

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
Principal amount remaining unpaid	437.32	694.75
Interest accrued and remaining unpaid as at year end	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2015 has been made in the financial statements based on information received and available with the Company. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the MSMED Act, 2006 is not expected to be material.

**11 Other current liabilities**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Current maturity of long term debts (refer note 5)	3,980.36	3,532.46
Interest accrued but not due on borrowings	28.96	51.75
Unclaimed dividend *	14.60	10.09
Advances from customers	3,847.13	539.07
Other liabilities	2,275.37	1,989.76
	<b>10,146.42</b>	<b>6,123.13</b>

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

## 12 Tangible assets

(₹ in lacs)

		Land Freehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
<b>a)</b>	<b>Gross block</b>							
	<b>Balance as at April 01, 2013</b>	<b>3,336.72</b>	<b>6,012.29</b>	<b>17,784.76</b>	<b>208.19</b>	<b>756.00</b>	<b>1,401.27</b>	<b>29,499.23</b>
	Additions during the year	-	1,359.34	460.28	142.12	98.16	127.68	2,187.58
	Disposals during the year	-	-	(62.87)		(1.19)	(33.15)	(97.21)
	<b>Balance as at March 31, 2014</b>	<b>3,336.72</b>	<b>7,371.63</b>	<b>18,182.17</b>	<b>350.31</b>	<b>852.97</b>	<b>1,495.80</b>	<b>31,589.60</b>
	Additions during the year	0.41	1,682.47	1,781.59	207.67	108.89	159.41	3,940.44
	Disposals during the year			(96.74)	(2.04)	(2.66)	(32.61)	(134.05)
	Borrowing costs							-
	<b>Balance as at March 31, 2015</b>	<b>3,337.13</b>	<b>9,054.10</b>	<b>19,867.02</b>	<b>555.94</b>	<b>959.21</b>	<b>1,622.60</b>	<b>35,395.99</b>
<b>b)</b>	<b>Accumulated depreciation</b>							
	<b>Balance as at April 01, 2013</b>	-	<b>1,547.69</b>	<b>9,386.16</b>	<b>118.07</b>	<b>475.68</b>	<b>839.51</b>	<b>12,367.11</b>
	Depreciation charge for the year		395.24	1,523.84	23.18	81.27	164.45	2,187.98
	Reversal on disposal of assets			(26.84)		(0.89)	(18.21)	(45.94)
	<b>Balance as at March 31, 2014</b>	-	<b>1,942.93</b>	<b>10,883.16</b>	<b>141.25</b>	<b>556.06</b>	<b>985.75</b>	<b>14,509.15</b>
	Depreciation charge for the year		478.89	1,805.50	103.82	221.21	207.79	2,817.21
	Reversal on disposal of assets			(61.43)	(1.04)	(2.55)	(18.50)	(83.52)
	Transfer to Opening general reserve		11.18	12.96	1.32	50.84	1.93	78.23
	<b>Balance as at March 31, 2015</b>	-	<b>2,433.00</b>	<b>12,640.19</b>	<b>245.35</b>	<b>825.56</b>	<b>1,176.96</b>	<b>17,321.07</b>
<b>(a-b)</b>	<b>Net block</b>							
	<b>Balance as at March 31, 2015</b>	<b>3,337.13</b>	<b>6,621.10</b>	<b>7,226.83</b>	<b>310.59</b>	<b>133.64</b>	<b>445.63</b>	<b>18,074.92</b>
	Balance as at March 31, 2014	3,336.72	5,428.70	7,299.01	209.06	296.91	510.05	17,080.45

## 13 Intangible assets

(₹ in lacs)

		Goodwill	Brand	Total
<b>a)</b>	<b>Gross block</b>			
	<b>Balance as at April 01, 2013</b>	<b>12.11</b>	<b>300.00</b>	<b>312.11</b>
	Additions during the year	-	-	-
	<b>Balance as at March 31, 2014</b>	<b>12.11</b>	<b>300.00</b>	<b>312.11</b>
	Additions during the year	<b>10.28</b>	-	<b>10.28</b>
	<b>Balance as at March 31, 2015</b>	<b>22.39</b>	<b>300.00</b>	<b>322.39</b>
<b>b)</b>	<b>Accumulated Impairment</b>			
	<b>Balance as at April 01, 2013</b>	<b>10.26</b>	<b>186.00</b>	<b>196.26</b>
	Amortisation charge for the year	0.09	5.70	5.79
	<b>Balance as at March 31, 2014</b>	<b>10.35</b>	<b>191.70</b>	<b>202.05</b>
	Amortisation charge for the year	0.54	33.80	34.34
	<b>Balance as at March 31, 2015</b>	<b>10.89</b>	<b>225.50</b>	<b>236.39</b>
<b>(a-b)</b>	<b>Net block</b>			
	<b>Balance as at March 31, 2015</b>	<b>11.50</b>	<b>74.50</b>	<b>86.00</b>

### Note:

During the current year, the Company has revised the useful life of its fixed assets to comply with the life as mentioned under schedule 11 of the new companies Act, 2013. Accordingly, in case of assets who is life has been completed as an March 31, 2014, the carrying value (net of residual value) of these assets amounting to ₹78.22 lacs has been adjusted with opening balances of retained earnings i.e. surplus in the statement of profit & loss.



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

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Trade investments</b>		
<b>Investments in equity instruments (unquoted)</b>		
(i) Subsidiary companies		
- L T International Limited 1,799,581 (previous year 1,799,581) fully paid up equity shares of ₹10 each	179.96	179.96
- Nature Bio Foods Limited 49,994 (previous year 49,994) fully paid up equity shares of ₹10 each	200.00	200.00
- Sona Global Limited- Dubai 65,200 (previous year 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
- Daawat Foods Limited 13,249,944 (previous year 13,249,944) fully paid up equity shares of ₹10 each	1,324.99	1,324.99
- SDC Foods India Limited (formally known as Staple Distribution Company Limited) 250,050 (previous year 250,050) non voting equity shares of ₹10 each fully paid up	25.01	25.01
- 800,000 (previous year 800,000) fully paid up equity shares of ₹10 each*	80.00	80.00
Less: permanent diminution in value of investment	(80.00)	-
- LT Overseas North America, Inc 238,500 (previous year 238,500) shares fully paid up	2,822.31	2,822.31
- Raghuvesh Foods and Infrastructure Limited 49,994 (previous year 49,994) equity shares fully paid up of ₹10 each	5.00	5.00
(ii) Investment in partnership firm ** M/s Raghunath Agro Industries	182.52	176.16
(iii) Investment in associate		
- L T Infotech Private Limited * 42,500 (previous year 42,500) equity shares of ₹10 each	4.25	4.25
Less: Permanent diminution in value of investment	(4.25)	(4.25)
	-	-
- Raghuvesh Warehousing Private Limited 1,600,000 (previous year nil) equity shares of ₹10 each	160.00	-
- Raghuvesh Agri Foods Private Limited 1,600,000 (previous year nil) equity shares of ₹10 each	160.00	-
(iv) Keyman insurance policies	215.71	258.55
<b>Other investments- Quoted</b>		
(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
<b>Other investments- Unquoted</b>		
(a) Fully paid-up equity shares (unquoted) 500 (previous year 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
	6,279.96	5,996.44
*Less: permanent diminution in value of investment	84.25	4.25
	<b>6,195.71</b>	<b>5,992.19</b>
<b>Aggregate amount of</b>		
Non trade quoted investments	12.43	12.43
Market value of non trade quoted investments	25.83	23.28
Unquoted trade investments	6,183.23	5,979.71
Unquoted non trade investments	0.05	0.05

\*\* Share of Investments in partnership firm

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

	(₹ in lacs)	
	March 31, 2015	March 31, 2014
Assets	9,320.48	10,213.60
Liabilities	7,758.64	8,347.04
Revenues	15,842.02	18,928.12
Expenditure	15,696.57	18,770.57
Outstanding capital / reserves	1,561.84	1,866.56

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

Name of the partner and share in profit (%)

	March 31, 2015	March 31, 2014
1 LT Foods Limited	4%	4%
2 Daawat Foods Limited	96%	96%

## 15 Loans and advances

(₹ in lacs)				
	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
<b>Unsecured, considered good, unless otherwise stated</b>				
Capital advances	8.91	-	645.77	-
Security deposits	211.15	93.84	170.77	160.99
Loans and advances to related parties	-	18,458.09	-	860.79
Advance income tax (net of provision for tax)	1,571.30	-	477.94	983.15
Balances with central excise authorities	234.98	-	244.15	-
	<b>2,026.34</b>	<b>18,551.93</b>	<b>1,538.63</b>	<b>2,004.93</b>
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good	40.77	10,567.07	69.98	4,240.85
- Consider doubtful	-	-	-	52.03
- Provision for doubtful advances	-	-	-	(52.03)
	<b>40.77</b>	<b>10,567.07</b>	<b>69.98</b>	<b>4,240.85</b>
	<b>2,067.11</b>	<b>29,119.00</b>	<b>1,608.61</b>	<b>6,245.78</b>

## 16 Other current assets

	(₹ in lacs)			
	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
Interest accrued but not due on fixed deposits	-	0.48	-	37.01
Deferred premium on forward contracts	-	-	-	60.25
Bank deposits with maturity of more than 12 months (refer note 19)	40.52	-	86.43	-
	40.52	0.48	86.43	97.26

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
Raw material		
Paddy	25,809.96	25,867.05
Bardana	613.32	557.40
Finished goods	36,976.73	39,457.56
Traded goods	1,218.44	491.83
Stores and spares	254.81	183.49
Packing Material	949.19	631.19
	<b>65,822.45</b>	<b>67,188.52</b>

**18 Trade receivables**

(₹ in lacs)

		March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment			
- Unsecured considered good		220.91	-
- Doubtful		431.57	351.76
		652.48	351.76
Less : Provision for bad and doubtful debts		(431.57)	(351.76)
	(a)	220.91	-
Other debts			
- Unsecured considered good	(b)	18,941.03	25,381.09
	<b>(a+b)</b>	<b>19,161.94</b>	<b>25,381.09</b>
Includes amounts due from related parties:			
Kusha, Inc		1,310.11	4,882.92
Nice International FZE		2,448.36	2,675.12
SDC Foods India Limited		220.91	1,636.94
Daawat Foods Ltd.		-	1,467.00
Nature Bio Foods Limited		170.92	85.64

**19 Cash and bank balances**

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
<b>Cash and cash equivalents</b>				
(a) Cash in hand				
In Indian currency	-	21.53	-	20.23
In foreign currencies	-	0.76	-	0.58
(b) Balances with banks				
In current accounts	-	549.53	-	424.22
In deposit account (with maturity upto 3 months)	-	-	-	648.44
(c) Other bank balances				
Unpaid dividend account	-	14.60	-	12.88
Deposits with original maturity more than 3 months but residual maturity less than 12 months	-	96.86	-	-
(d) Bank deposits with residual maturity of more than 12 months	40.52	-	86.43	-
	40.52	683.28	86.43	1,106.35
Less : Amounts disclosed under non-current assets (refer note 16)	(40.52)	-	(86.43)	-
	-	<b>683.28</b>	-	<b>1,106.35</b>

## 20 Revenue from operations

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Sale of products (rice)</b>		
Export	67,695.82	73,998.55
Domestic	83,868.92	76,222.75
<b>Sale of traded goods</b>		
Export	10,312.07	10,322.24
Domestic	19,004.25	13,549.88
<b>Other operation revenue</b>	1,283.06	6,171.30
	<b>182,164.12</b>	<b>180,264.72</b>
<b>Details of products sold</b>		
- Finished goods sold		
Rice	146,932.11	150,221.31
Others	4,632.63	5,162.91
- Traded goods sold		
Rice	28,273.26	23,786.61
Maize	-	85.51
Soyabean	-	-
Others	1,043.05	-
	<b>180,881.05</b>	<b>179,256.34</b>

## 21 Other income

(₹ in lacs)

	March 31, 2015	March 31, 2014
Dividend from non trade investments	0.14	0.13
Profit from sale of fixed assets (net)	57.77	4.69
Share of profit in partnership firm	1.87	4.69
Interest from partnership firm	4.48	7.50
Interest on bank fixed deposits	13.37	76.34
Liabilities written back	300.81	448.66
Interest on advances	636.38	-
Miscellaneous	338.98	278.60
Profit on exchange fluctuation (net)	2,080.30	-
	<b>3,434.10</b>	<b>820.61</b>

## 22 Material consumed

(₹ in lacs)

	March 31, 2015	March 31, 2014
Opening stock		
Paddy	25,867.05	29,774.63
Bardana	557.40	928.59
Packing material	631.19	540.21
	<b>27,055.64</b>	<b>31,243.43</b>
Add: purchases		
Paddy	67,735.40	67,814.63
Bardana	582.83	440.93
Packing material	4,869.47	4,254.77
Broken rice/unpolished rice for consumption	44,918.04	55,771.11
	<b>118,105.74</b>	<b>128,281.44</b>
Less: closing stock		
Paddy	25,809.97	25,867.05
Bardana	613.32	557.40
Packing material	949.19	631.19
	<b>27,372.48</b>	<b>27,055.64</b>
	<b>117,788.90</b>	<b>132,469.23</b>

**23 Purchases of stock-in-trade**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Rice	26,909.46	19,727.40
Others	882.56	-
	<b>27,792.02</b>	<b>19,727.40</b>

**24 Changes in inventories of finished goods and traded goods**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Opening stock		
Finished goods	39,457.56	30,502.29
Traded goods	491.83	1,322.05
Closing stock		
Finished goods	36,976.73	39,457.56
Traded goods	1,218.44	491.83
	<b>1,754.22</b>	<b>(8,125.05)</b>

**25 Employee benefits**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Salaries, wages and bonus (refer note b)	3,448.66	2,931.03
Contribution to provident and other fund (refer note a)	169.80	94.18
Staff welfare expenses	153.97	119.99
Director's remuneration	197.94	198.00
	<b>3,970.37</b>	<b>3,343.20</b>

**a) Provident fund**

Contribution made by the Company during the year is ₹ 101.85 lacs (previous year ₹ 59.25 lacs).

**b) Share-based payment**

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognized in the income statement for the year ended March 31, 2015 is ₹ 29.00 lacs (March 31, 2014 ₹ 40.74 lacs).

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

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

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

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

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

#### ESOP-2010 (Grant I)

##### Share options granted to employees and others providing similar services

Number of options	March 31, 2015			March 31, 2014		
	Number of options	Weighted average exercise price (In ₹)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (In ₹)	Weighted average remaining contractual life
Balance at beginning of the year	467,048	38	-	598,348	38	-
Granted during the year	-	-	-	-	-	-
Forfeited during the year	128,677	-	-	-	-	-
Exercised during the year	142,059	38	-	131,300	38	-
Balance at end of the year	196,312	38	-	467,048	38	-
Exercisable at end of the year	196,312	38	1	304,966	38	2

#### ESOP-2010 (Grant II)

##### Share options granted to employees and others providing similar services

Number of options	March 31, 2015			March 31, 2014		
	Number of options	Weighted average exercise price (In ₹)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (In ₹)	Weighted average remaining contractual life
Balance at beginning of the year	195,295	-	-	201,209	-	-
Granted during the year	-	38	-	-	38	-
Forfeited during the year	53,763	-	-	-	-	-
Exercised during the year	5,914	-	-	5,914	-	-
Balance at end of the year	135,618	38	-	195,295	38	-
Exercisable at end of the year	32,057	-	2.86	44,388	-	3.86

## 26 Finance costs

(₹ in lacs)

	March 31, 2015	March 31, 2014
Interest on working capital loans	7,795.34	5,868.62
Interest on term loans	952.14	1,092.00
Bank charges	8,747.48	6,960.62
	232.65	220.60
	<b>8,980.13</b>	<b>7,181.22</b>

**27 Other expenses**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Warehouse rent (refer note 33)	278.28	203.03
Wages and other manufacturing expenses	454.57	466.57
Factory insurance	76.34	60.24
Power and fuel	1,766.97	1,559.76
Security services	143.76	118.29
Research and development	6.58	1.98
Packing expenses	227.73	194.94
Repairs and maintenance		
- Machinery	139.70	142.07
- Building	104.86	87.54
- Others	63.90	57.31
Stores and spares consumed	766.89	674.56
Advertisement	2,781.68	2,260.46
Insurance	137.25	118.54
Legal and professional charges	920.10	363.97
Rates and taxes	81.04	41.42
Donation and charity	38.49	47.68
Directors' sitting fees	5.73	6.63
Auditors' remuneration *	39.48	55.57
Fines and penalties	8.36	2.88
Rent	93.99	310.70
Vehicle running and maintenance	72.92	68.38
Other administrative expenses	504.25	525.86
Travelling and conveyance	901.54	910.09
Rebate and discounts	953.48	941.79
Commission to selling agents	378.47	219.34
Clearing, forwarding and freight charges	3,633.03	3,735.06
Business promotion expenses	166.48	190.71
Freight outward	988.02	490.67
Other selling expenses	2,238.84	1,504.49
Amounts written off	-	1,458.18
Provision for doubtful recoveries	79.81	21.84
Impairment of investment	80.00	1,684.31
Premium on forward contract	60.25	105.67
	<b>18,192.79</b>	<b>18,630.53</b>

\* Auditors' remuneration

(₹ in lacs)

	March 31, 2015	March 31, 2014
Statutory audit (including fees for limited reviews)	32.00	47.75
Other matters	0.70	0.50
Out of pocket expenses	2.43	1.26
Service tax	4.35	6.06
	<b>39.48</b>	<b>55.57</b>

## 28 Contingent liabilities

(₹ in lacs)

Nature of contingency	March 31, 2015	March 31, 2014
- Income-tax demands *	2,345.19	834.37
- Haryana rural development fund demand of market committee, Sonapat	-	30.78
- Food Corporation India demand for differential price /freight /taxes	339.00	339.00
- Saracen Advertising JLT demand for breach of contract	133.07	-
- Duty saved under EPCG licenses (export obligation outstanding ₹2,728.53 lacs (previous year ₹ 3,702.13 lacs))	451.40	609.05
- Bank Guarantees	710.72	1,524.59
- Guarantee given by Company to bank on behalf of subsidiary/firm in which the Company is a partner **	62,844.00	54,284.43
- Guarantee given by Company on the behalf of subsidiary for export obligation under EPCG scheme **	14.68	14.68
<b>Total</b>	<b>66,838.06</b>	<b>57,636.89</b>

\* The company has filed appeals in previous years against the order of the AO before CIT(Appeals) for the AY 2003-04 to AY 2007-08. The CIT(Appeals) vide its order dated March 25, 2013, March 28, 2013 and October 10, 2013 has allowed substantial relief to the Company and after allowing appeal effect of the order of CIT(Appeals) by the AO, the demand has reduced to ₹ 89.84 lacs (previous year ₹ 89.84 lacs). The Company in previous years has filed appeals against the order of CIT(Appeals) for the above said assessment years before the Income Tax Appellate Tribunal, on issues for which relief has not been given by CIT(Appeals).

The Company's appeal for the AY 2008-09 and AY 2009-10 are still pending before Income Tax Appellate Tribunal and demand of ₹ 563.57 lacs (net of relief from CIT(Appeals)) are outstanding against the company (previous year ₹ 563.57 lacs). Further, the company appeal for the AY 2000-01 has been decided in the favor of company by ITAT and after allowing appeal effect of the order of ITAT, the liability is reduced to ₹ 1.47 lacs (previous year ₹ 180.96 lacs) which has been provided by the Company in the books in the current year.

During the current year, the Company has received demands under section 143(3) for AY 2010-11 and AY 2011-12 for ₹ 1,691.78 lacs. For AY 2010-11 the Company has already filed an appeal before the CIT (Appeals) and for AY 2011-12 the company is in the process of filing an appeal before the CIT (Appeals). Pending the orders from CIT (A) and filing of orders respectively, no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability.

The company has paid ₹ 1,028.15 lacs (previous year ₹ 1,028.15 lacs) are per the directions of Income Tax Department against the outstanding demands and the same will be adjusted / refunded, once the appeals are final. The management is confident that it's position is likely to be upheld in the appeals pending before Income Tax Appellate Tribunal and no liability on the Company on account of these proceedings.

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

## 29. Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances - ₹ 40.42 lacs (previous year: ₹ 1,304.67 lacs).

## 30 Related party disclosures

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

### (i) Names of related parties and description of relationship

- <b>Subsidiary companies</b>	LT Agri Services Private Limited
Daawat Foods Limited	Kusha, Inc.
SDC Foods India Limited	Nice International FZE (liquidated on 22 March 2015)
Expo Services Private Limited	LT Foods USA LLC
Nature Bio Foods Limited	LT Foods Middle East DMCC
LT International Limited	Raghuvesh Power Projects Limited
LT Overseas North America, Inc.	Universal Traders Inc.
Sona Global Limited	Royal Curry Delights LLC
Raghuvesh Foods & Infrastructure Limited	Fresco Fruit N Nuts Private Limited



- **Partnership firm**

Raghunath Agro Industries

- **Associate enterprises**

LT Infotech Private Limited

Raghuvesh Agri Foods Private Limited

Raghuvesh Warehousing Private Limited

- **Entities of KMP and their relatives**

V.K Foods

SK Engineering Company

Super Textfab Private Limited

- **Relatives of Key Management Personnel**

Abinav Arora

Aditi Arora

Gurucharan Dass Arora

Isha Arora

Parvesh Rani Arora

Ranju Arora

Sakshi Arora

Aditya Arora

Anita Arora

Gursajjan Arora

Vandana Arora

Purva Arora

Ritesh Arora

Sanjana Arora

- **Key Management Personnel and their relatives**

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

**Transactions with subsidiary companies, Entities of KMP**

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
<b>Sales</b>		
SDC Foods India Limited	231.67	6,869.04
Kusha, Inc.	12,219.48	23,641.96
Nice International FZE	-	9,024.50
LT Foods Middle East DMCC	9,112.00	5,591.89
Daawat Foods Limited	8,347.48	5,090.82
Nature Bio Foods Limited	700.84	279.82
V. K Foods	173.24	-
SK Engineering Company	13.75	-
<b>Purchases</b>		
Daawat Foods Limited	11,480.58	19,213.93
Nature Bio Foods Limited	279.46	1,011.40
SDC Foods India Limited	725.53	59.26
SK Engineering Company	30.27	-
Super Textfab Private Limited	77.17	18.42
<b>Rent paid</b>		
Daawat Foods Limited	56.06	52.80
<b>Rent received</b>		
VK Foods	2.40	2.02
SK Engineering Company	1.40	-
Nature Bio Foods Limited	9.21	5.60
LT International Limited	-	4.71

Particulars	₹ in lacs)	
	March 31, 2015	March 31, 2014
<b>Misc. Income received</b>		
Nature Bio Foods Limited	31.98	17.64
SDC Foods India Limited	-	0.21
<b>Processing Charges received</b>		
Nature Bio Foods Limited	633.76	392.16
<b>Interest received</b>		
Daawat Foods Limited	636.38	-

Particulars	₹ in lacs)	
	March 31, 2015	March 31, 2014
<b>Balances at the year end</b>		
SDC Foods India Limited (net receivable)	220.91	1,636.94
LT Foods Middle East DMCC(net receivable)	2,448.36	2,675.12
Kusha, Inc. (net receivable)	1,310.11	4,882.92
Daawat Foods Limited (net receivable)	18,212.31	1,467.00
Expo Services Private Limited (net receivable)	156.42	253.92
Nature Bio Foods Limited (net receivable)	170.92	85.64
LT International Limited (net receivable)	81.51	350.60
Raghuvesh Foods & Infrastructure Limited (net receivable)	1.96	8.10
Raghuvesh Power Projects Limited (net receivable)	-	0.03
LT Agri Services Private Limited (net receivable)	0.41	0.38
<b>Guarantees given on behalf</b>		
Daawat Foods Limited	31,283.68	28,933.68
Nature Bio Foods Limited	13,240.00	6,964.00
LT Overseas North America Inc.	3,125.00	2,995.50
LT Foods Middle East DMCC	3,750.00	-
Nice International FZE	-	3,945.93
<b>Sale of Fixed Assets</b>		
Nature Bio Foods Limited	1.32	0.76
Kusha, Inc.	-	16.65
Daawat Foods Limited	38.00	107.36
<b>Purchases of Fixed Assets</b>		
Daawat Foods Limited	8.05	-

(₹ in lacs)		
Particulars	March 31, 2015	March 31, 2014
<b>Transactions with partnership firm (Raghunath Agro Industries)</b>		
Sales	6,946.38	5,575.82
Purchases	5,826.63	2,034.71
Interest income	1.87	7.50
Share of profit	4.48	4.69
Balance payable at the year end	3,060.37	1,995.61
Guarantees given on behalf of partnership firm	11,460.00	11,460.00
<b>Transactions with key management personnel</b>		
<b>Remuneration paid</b>		
Vijay Kumar Arora	120.39	120.39
Surinder Kumar Arora	78.32	78.39
<b>Key Management Personnel Relatives</b>		
Aditi Arora	4.00	4.00
Isha Arora	4.00	4.00
Purva Arora	1.67	-
Sanjana Arora	3.74	-
Ritesh Arora	-	0.74
Dividend paid to key management personnel	247.73	165.35
Dividend paid to relatives of key management personnel	155.12	174.74

### 31. Information pursuant to provisions of paragraph 5 of Part II of Schedule III of the Companies Act, 2013:

#### (a) Expenditure in foreign currency

(₹ in lacs)		
	March 31, 2015	March 31, 2014
Legal fees	47.81	32.88
Interest and other charges to bank	169.79	-
Steamer freight	1,092.37	275.16
Sales promotion	36.45	33.56
Commission on export sales	22.56	-
Others	77.16	263.10
	<b>1,446.14</b>	<b>604.71</b>

#### (b) Raw material consumed

(₹ in lacs)				
Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	67,792.48	100%	71,722.21	100%
Imported	-	-	-	-
<b>Total</b>	<b>67,792.48</b>	<b>100%</b>	<b>71,722.21</b>	<b>100%</b>

#### (c) Packing material consumed

(₹ in lacs)				
Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	4,551.47	100%	4,163.79	100%
Imported	-	-	-	-
<b>Total</b>	<b>4,551.47</b>	<b>100%</b>	<b>4,163.79</b>	<b>100%</b>

**(d) Bardana consumed**

(₹ in lacs)

Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	526.91	100%	812.12	100%
Imported	-	-	-	-
<b>Total</b>	<b>526.91</b>	<b>100%</b>	<b>812.12</b>	<b>100%</b>

**(e) Consumable and Spares**

(₹ in lacs)

Particulars	March 31, 2015		March 31, 2014	
	Value	Percentage	Value	Percentage
Indigenous	723.09	94.29%	595.11	88.22%
Imported	43.80	5.71%	79.45	11.78%
<b>Total</b>	<b>766.89</b>	<b>100%</b>	<b>674.56</b>	<b>100%</b>

**(f) Value of imports on CIF basis**

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Capital goods	597.44	112.83
Stores and spares	43.80	79.45
Other food items	446.97	-
<b>Total</b>	<b>1,088.21</b>	<b>192.27</b>

**(g) Earning in foreign currency**

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Rice	75,585.88	82,739.58
Others	1.51	5.05
<b>Total</b>	<b>75,587.39</b>	<b>82,744.63</b>

**32. Earnings per share**

(₹ in lacs)

Particulars	March 31, 2015	March 31, 2014
Net profit attributable to equity shareholders after Exceptional Loss (₹ in lacs)	3065.52	3,848.39
Numbers of weighted average equity share outstanding at the year end for Basic (in lacs)	263.94	262.63
Numbers of weighted average equity share outstanding at the year end for Diluted (in lacs)	266.17	265.31
Nominal value of equity share (₹)	10	10
Earnings Per Share-		
Basic (₹)	11.61	14.65
Diluted (₹)	11.52	14.51

- 33.** The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2015 and 2014 was ₹ 372.27 lacs and ₹ 513.73 lacs respectively. The Company has not executed any non-cancelable operating leases.

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

	March 31, 2015 (₹ in lacs)	March 31, 2014 (₹ in lacs)	March 31, 2015 (FC in lacs)	March 31, 2014 (FC in lacs)
<b>i) Receivables in Foreign</b>				
Currency				
- Trade receivables	8,214.84	11,241.67	USD 132	USD 185.96
<b>ii) Payables in Foreign</b>				
Currency				
- Trade payables	2.09	103.79	EURO 0.03	USD 1.11 EURO 0.03 YEN 58.50

**35. Transfer Pricing**

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

**36. a)** The Company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2015.

Particulars	Purpose	(₹ in lacs)
Forward contract to sell (USD)	Hedge of highly probable foreign currency sales	
USD 354.68 (previous year: USD 325.67)		
₹ 23,043.42 (previous year: ₹ 20,437.04)		

- b) The Company has taken put option of USD 40 lacs from Bank of Baroda to hedge its foreign currency receivable exposure having an exercising period between April 2015 to November 2015 for USD 5 lacs per month.
- c) The Company has taken put option of USD 24 lacs from ICICI to hedge its foreign currency receivable exposure having an exercising period for April 2015 and November 2015 for USD 3 lacs per month.
- d) The Company has taken put option of USD 39 lacs from ICICI Bank to hedge its foreign currency receivable exposure having an exercising period for September 2015 and February 2016 for USD 6.5 lacs per month.

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

### 38 Corporate social responsibility expenses

- (a) Gross amount required to be spent by the parent company during the year in compliance with section 135 of the Act is ₹ 69 lacs  
(b) Amount spent during the year on-

	<b>In Cash</b>	<b>Yet to be paid in Cash</b>	<b>Total</b>
Contribution Made	13 lacs	-	13 lacs

### 39. Previous year figures

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

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

Sd/-  
per **Neeraj Goel**  
Partner

Place: Gurgaon  
Date : May 27, 2015

#### For and on behalf of Board of Directors

Sd/-  
**Ashwani Kumar Arora**  
Joint Managing Director  
DIN 01574773

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

Sd/-  
**Pramod Bhagat**  
Director  
DIN 00198092

Sd/-  
**Som Nath Chopra**  
Chief Financial Officer

# Independent Auditor's Report

## To the Members of LT Foods Limited

1. We have audited the accompanying consolidated financial statements of LT Foods Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associates which comprise the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). The Holding Company's Board of Directors and the respective Board of Directors/management of the subsidiaries included in the Group and of its associates are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors of the Holding Company and its subsidiaries and associate, which are incorporated in India, are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, which have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the auditor's report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.
7. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 10 of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and



associates as noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

#### **Emphasis of Matter**

9. We draw attention to Note 36 in the financial statements which describes the uncertainty related to estimates and assumptions used by management based on legal opinion and other developments with respect to recognition of insurance claim amounting to ₹ 17,991.40 lacs, against loss of inventory by fire, in respect of its subsidiary, Daawat Foods Limited. Our opinion is not qualified in respect of this matter.

#### **Other Matter**

10. We did not audit the financial statements of 18 subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 48,584.11 lacs as at March 31, 2015, total revenues (after eliminating intra-group transactions) of ₹ 119,302.24 lacs and net cash used amounting to ₹ 1066.72 lacs for the year ended on that date. The consolidated financial statements also include the Group's share of net profit of ₹ Nil for the year ended March 31, 2015, as considered in the consolidated financial statements, in respect of 3 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

#### **Report on Other Legal and Regulatory Requirements**

11. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and based on

the comments in the auditor's reports of the subsidiary companies and associate companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, as applicable to such companies.

12. As required by Section 143(3) of the Act, and based on the auditor's reports of the subsidiaries and associates, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) The consolidated financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014(as amended);
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As detailed in Note 28, the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates;

- ii. The Group and its associates did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associate companies incorporated in India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

per **Neeraj Goel**

Place: Gurgaon

Partner

Date: May 27, 2015

Membership No.:099514

**Annexure to the Independent Auditor's Report of even date to the members of LT Foods Limited, on the consolidated financial statements for the year ended March 31, 2015**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the consolidated financial statements of the Holding Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and based on the comments in the auditor's reports of the subsidiary companies and associate companies incorporated in India, we report that:

- (i) a. 2 subsidiary companies incorporated in India do not have any fixed assets. Accordingly, the provisions of clause 3(i) of the Order are not applicable to them. The Holding Company, 7 subsidiary companies and 3 associate companies incorporated in India have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The fixed assets of Holding Company, 7 subsidiary companies and 3 associate companies incorporated in India have been physically verified by the management of the Holding Company, subsidiary companies and associate companies respectively during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size and the nature of their assets.
- (ii) a. 4 subsidiary companies and 3 associate companies incorporated in India do not have any inventory.

Accordingly, the provisions of clause 3(ii) of the Order are not applicable to them. The management of the Holding Company, 5 subsidiary companies incorporated in India has conducted physical verification of inventory at reasonable intervals during the year.

- b. The procedures of physical verification of inventory followed by the management of the Holding Company, 5 subsidiary companies incorporated in India are reasonable and adequate in relation to the size and the nature of their business. The procedures of physical verification of inventory followed by the management of the Holding Company, 5 subsidiary companies incorporated in India are reasonable and adequate in relation to the size and the nature of their business.
- c. The Holding Company, 5 subsidiary companies incorporated in India are maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.
- (iii) 9 subsidiary companies and 3 associate companies incorporated in India have not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable. The Holding Company incorporated in India have granted unsecured loans to one of its subsidiary company (being intra-group transactions, eliminated in the consolidated financial statements) covered in the register maintained under Section 189 of the Act; and with respect to the same:
  - a. the terms of repayment of the principal amount and the payment of the interest have not been stipulated and hence we are unable to comment as to whether receipt of the principal amount and the interest is regular; and
  - b. in the absence of stipulated terms and conditions, we are unable to comment as to whether there is any overdue amount in excess of ₹ one lakh and whether reasonable steps have been taken by the Holding Company for recovery of the principal amount and interest
- iv. In our opinion, there is an adequate internal control system commensurate with the size of the Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services, as applicable. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

- (v) The Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India have not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to them.
- (vi) To the best of our knowledge and belief, the Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of products/services of 7 subsidiary companies and 3 associate companies incorporated in India. Accordingly, the provisions of clause 3(vi) of the Order are not applicable to them. We have broadly reviewed the books of account maintained by the Holding Company and 2 subsidiary companies incorporated in India, pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of products/services of these companies and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained in respect of these companies. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) a. The Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India are generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.
- b. The dues outstanding for Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India in respect of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Description	Nature of dues	Amount (₹)	Amount Paid Under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Holding Company	Income Tax demands	57.54	-	FY 2002-03	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	0.65	-	FY 2003-04	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	26.81	609.20	FY 2004-05	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	4.84	-	FY 2006-07	Income Tax Appellate Tribunal
Income Tax Act, 1961	Holding Company	Income Tax demands	327.62	250.00	FY 2007-08	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	0.27	-	FY 2007-08	CIT (Appeals)
Income Tax Act, 1961	Holding Company	Income Tax demands	235.95	123.95	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	59.57	59.57	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	10.16	-	FY 2008-09	Income Tax Appellate Tribunal
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	5.15	-	FY 2009-10	CIT (Appeals)
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	225.21	-	FY 2009-10	CIT (Appeals)
Income Tax Act, 1961	Subsidiary Company	Income Tax demands	250.30	-	FY 2010-11	CIT (Appeals)
Income Tax Act, 1961	Holding Company	Income Tax demands	861.98	-	FY 2010-11	CIT (Appeals)
Income Tax Act, 1961	Holding Company	Income Tax demands	829.80	-	FY 2011-12	Yet to be filed

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the 9 subsidiary companies and 3 associate companies incorporated in India, in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder. Accordingly, the provisions of clause 3(vii)(c) of the Order are not applicable to them. Further, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company incorporated in India.

(viii) In our opinion, the Group has no accumulated losses on consolidated basis at the end of the financial year and the Group has not incurred cash losses on consolidated basis in the current and the immediately preceding financial year.

(ix) 6 subsidiary companies and 1 associate company incorporated in India have no dues payable to a financial institution or a bank during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable to them. The Holding Company, 3 subsidiary companies and 2 associate companies incorporated in India have not defaulted in repayment of dues to any bank. These companies have no dues payable to a financial institution during the year. The group did not have any outstanding debentures during the year

(x) 8 subsidiary companies and 3 associate company incorporated in India have not given any guarantees for loans taken by others from banks or financial institutions.

Accordingly, the provisions of clause 3(x) of the Order are not applicable to them. The terms and conditions on which the Holding Company and 1 subsidiary company incorporated in India have given guarantee for loans taken by others from banks or financial institutions are not, prima facie, prejudicial to the interest of the these companies.

(xi) 8 subsidiary companies and 1 associate company incorporated in India did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(xi) of the Order are not applicable to them. The Holding Company, 1 subsidiary company and 2 associate companies incorporated in India have applied the term loans for the purpose for which these loans were obtained.

(xii) No fraud on or by the Holding Company, 9 subsidiary companies and 3 associate companies incorporated in India has been noticed or reported during the year covered by our audit.

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

Place: Gurgaon  
Date: 27 May, 2015

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

## Consolidated Balance Sheet

as at March 31, 2015

(₹ in lacs)

	Notes	March 31, 2015	March 31, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	2,645.36	2,630.56
Reserves and surplus	4	43,626.90	36,462.68
		46,272.26	39,093.24
<b>Minority interest</b>		3,445.28	3,052.34
<b>Non-current liabilities</b>			
Long-term borrowings	5	8,884.54	12,743.76
Deferred tax liabilities (net)	6	-	127.62
Other long term liabilities	7	9.78	8.68
Long-term provisions	8	133.72	124.95
		9,028.04	13,005.01
<b>Current liabilities</b>			
Short-term borrowings	9	154,984.03	132,143.21
Trade payables	10	9,995.97	14,832.68
Other current liabilities	11	17,475.21	12,542.34
Short-term provisions	8	3,331.22	4,601.84
		185,786.43	164,120.07
		<b>244,532.01</b>	<b>219,270.66</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible assets	12	29,502.58	27,419.14
Intangible assets	13	7,536.27	7,550.03
Capital work-in-progress		1,465.24	1,856.30
Non-current investments	14	693.51	512.33
Long-term loans and advances	15	2,869.57	2,112.40
Deferred tax assets (net)	6	119.90	-
Other non-current assets	16	271.07	337.20
		42,458.14	39,787.40
<b>Current assets</b>			
Inventories	17	136,221.57	134,935.35
Trade receivables	18	31,792.22	32,612.72
Cash and bank balances	19	2,120.50	3,507.03
Short-term loans and advances	15	31,883.81	8,286.79
Other current assets	16	55.77	141.37
		202,073.87	179,483.26
		<b>244,532.01</b>	<b>219,270.66</b>

**Notes 1 to 37 form an integral part of these financial statements**

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

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

**For and on behalf of Board of Directors**

Sd/-  
per **Neeraj Goel**  
Partner

Sd/-  
**Ashwani Kumar Arora**  
Joint Managing Director  
DIN 01574773

Sd/-  
**Pramod Bhagat**  
Director  
DIN 00198092

Place: Gurgaon  
Date : May 27, 2015

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

Sd/-  
**Som Nath Chopra**  
Chief Financial Officer

## Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

(₹ in lacs)

	Notes	March 31, 2015	March 31, 2014
<b>INCOME</b>			
Revenue from operations	20	273,458.15	247,410.61
Other income	21	4,520.09	1,857.88
		<b>277,978.24</b>	<b>249,268.49</b>
<b>EXPENSES</b>			
Material consumed	22	144,239.18	167,870.17
Purchases of stock in trade	23	66,649.29	31,549.22
Changes in inventories of finished goods and stock in trade	24	[3,288.88]	[15,233.70]
Employee benefits	25	7,421.92	6,386.56
Finance costs	26	15,114.91	11,341.79
Depreciation, amortisation and impairment	12 & 13	4,657.36	3,740.13
Other expenses	27	32,054.70	30,512.44
		<b>266,848.48</b>	<b>236,166.61</b>
<b>Profit before prior period and tax</b>		<b>11,129.76</b>	<b>13,101.88</b>
Prior period items		8.08	[3.90]
<b>Profit before tax</b>		<b>11,121.68</b>	<b>13,105.78</b>
<b>Tax expense</b>			
Income tax		3,549.04	4,511.22
Tax earlier years		70.06	-
Minimum alternative tax receivable		72.51	157.52
Deferred tax		[211.52]	[43.19]
<b>Profit after tax</b>		<b>7,641.59</b>	<b>8,480.23</b>
Share of profit transferred to minority		[392.94]	[647.70]
<b>Profit after tax and minority interest</b>		<b>7,248.65</b>	<b>7,832.53</b>
<b>Earnings per equity share (₹)</b>	31		
Basic		27.47	29.82
Diluted		27.24	29.52

### Notes 1 to 37 form an integral part of these financial statements

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

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

For and on behalf of Board of Directors

Sd/-  
per **Neeraj Goel**  
Partner

Sd/-  
**Ashwani Kumar Arora**  
Joint Managing Director  
DIN 01574773

Sd/-  
**Pramod Bhagat**  
Director  
DIN 00198092

Place: Gurgaon  
Date : May 27, 2015

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

Sd/-  
**Som Nath Chopra**  
Chief Financial Officer

## Consolidated Cash Flow Statement

for the year ended March 31, 2015

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit before tax and prior period items</b>	<b>11,129.76</b>	<b>13,101.88</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	4,657.36	3,740.13
(Profit) / loss on sale of fixed assets	(57.36)	218.70
Share based payments	29.00	40.74
Unrealised foreign exchange loss	290.03	540.62
Provision for doubtful debts	-	55.69
Liabilities written back	(328.15)	(448.83)
Bad debts written off	176.18	1,633.52
Interest expense	14,534.46	10,802.75
Interest income	(59.17)	(104.02)
Prior period items	(8.08)	3.90
Dividend income	(0.14)	(0.13)
<b>Operating profit before operating assets and liabilities</b>	<b>30,363.89</b>	<b>29,584.95</b>
<b>Changes in operating assets and liabilities :</b>		
(Decrease) in trade payables	(4,790.44)	(1,655.04)
Increase in provisions and other liabilities	5,207.37	2,011.98
Decrease in trade receivables	825.16	4,902.82
(Increase) in inventories	(1,011.73)	(27,828.97)
(Increase) / decrease in loans and advances and other assets	(24,740.69)	4,666.23
(Increase) / decrease in fixed deposits and unpaid dividend account	(230.45)	954.45
<b>Cash generated from operations</b>	<b>5,623.11</b>	<b>12,636.42</b>
Income tax paid (net of refunds)	(4,954.46)	(2,273.00)
<b>Net cash generated from operating activities</b>	<b>668.65</b>	<b>10,363.42</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(5,527.18)	(5,447.26)
Proceeds from sale of fixed assets	57.36	68.51
Purchase of non current investments	(181.18)	(13.10)
Subsidy received	-	25.00
Interest received	85.59	62.94
Dividends received from other investments	0.14	0.13
<b>Net cash used in investing activities</b>	<b>(5,565.27)</b>	<b>(5,303.78)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity shares	56.24	52.15
Proceeds from long term borrowings	1,290.10	6,554.56
Repayment of long term borrowings	(5,342.91)	(5,912.65)
Proceeds from short term borrowings (net)	22,455.76	6,261.04
Interest paid	(14,580.73)	(10,818.70)
Dividends paid on equity shares	(591.88)	(523.37)
Tax on equity dividend paid	(100.59)	(88.95)
Proceeds from issue of share capital to minority	26.64	9.28
<b>Net cash generated / (used in) from financing activities</b>	<b>3,212.63</b>	<b>(4,466.64)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,683.99)</b>	<b>593.01</b>
Effect of exchange difference on cash and cash equivalents held in foreign currency	26.36	123.13
Cash and cash equivalents at the beginning of the year	3,450.93	2,734.79
<b>Cash and cash equivalents at the end of the year</b>	<b>1,793.30</b>	<b>3,450.93</b>
<b>COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash on hand	86.65	61.57
With banks on - current account	1,616.65	2,640.92
- on deposit account	90.00	748.44
<b>Total cash and cash equivalents</b>	<b>1,793.30</b>	<b>3,450.93</b>

**Notes 1 to 37 form an integral part of these financial statements**

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

For **Walker Chandiok & Co LLP**

(Formerly Walker, Chandiok & Co)

Chartered Accountants

Firm Registration No.: 001076N/N500013

Sd/-  
per **Neeraj Goel**  
Partner

Place: Gurgaon  
Date : May 27, 2015

Sd/-  
**Ashwani Kumar Arora**  
Joint Managing Director  
DIN 01574773

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

**For and on behalf of Board of Directors**

Sd/-  
**Pramod Bhagat**  
Director  
DIN 00198092

Sd/-  
**Som Nath Chopra**  
Chief Financial Officer



## Summary of significant accounting policies and explanatory information for the year ended March 31, 2015

### 1. Basis of preparation of consolidated financial statements

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

### 2. Significant accounting policies

#### a) Principles of consolidation

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

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

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

The excess / deficit of cost to the Holding Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill /

capital reserve. The Holding Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

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

#### b) Use of estimates

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

#### c) Revenue recognition

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

##### Sale of goods:

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

##### Rental income:

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

##### Interest:

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

##### Service charges:

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

**Dividend:**

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

**d) Fixed assets**

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

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

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

**e) Government Grants**

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

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

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

**f) Depreciation and amortisation**

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

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

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

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

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

Brand is amortise over a period of twenty years.

**g) Investments**

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

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

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

**h) Inventories**

Inventories are valued as follows:

**Raw materials, stores and spares and packaging materials**

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

**Work in progress**

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

**Finished goods**

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

**i) Foreign currency transaction**

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

Exchange differences arising on the settlement of monetary items or on reporting respective company's monetary items at rates different from those at which they were initially recorded during the year, or reported

in previous financial statements, are recognised as income or as expenses in the year in which they arise.

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

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

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

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

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

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

## j) Employee benefits

### Provident fund

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

### Gratuity

Gratuity is a post-employment benefit and is in the

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

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

### Compensated absences

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

### Share-based payment

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

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

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

#### **Other short term benefits**

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

#### **k) Borrowing costs**

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

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

#### **l) Earning per share**

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

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

#### **m) Income tax**

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

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

#### **n) Contingent liabilities and provisions**

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

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

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

#### **o) Impairment of assets**

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

#### **p) Segment reporting**

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

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

### 3 Share capital

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Number	Amount	Number	Amount
<b>Authorised share capital</b>				
- Equity shares of ₹ 10 each (Previous Year ₹ 10 each)	30,000,000	3,000.00	30,000,000	3,000.00
<b>Issued, subscribed and fully paid up capital</b>				
- Equity shares of ₹ 10 each (Previous Year ₹ 10 each)	26,453,582	2,645.36	26,305,609	2,630.56
<b>Total Issued, subscribed and fully paid up capital</b>	<b>26,453,582</b>	<b>2,645.36</b>	<b>26,168,395</b>	<b>2,630.56</b>

- a) During the year, the Company had issued and allotted 147,973 (previous year 137,214) equity shares to eligible employees of the Company and its subsidiaries under Employees stock option scheme.

**b) Terms / rights attached to equity shares**

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

During the year ended March 31, 2015 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 2.00 per share (previous year ₹ 2.25 per share).

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

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

	Number	% shareholding	Number	% shareholding
Equity shares of ₹ 10 each				
India Agri Business Fund Limited	3,835,015	14.50%	3,835,015	14.58%
Ashwani Arora	2,723,152	10.29%	2,723,152	10.35%
Surinder Arora	2,820,152	10.66%	2,820,152	10.72%
Gurucharan Dass Arora	1,573,932	5.95%	1,573,932	5.98%
Ashok Kumar Arora	2,742,418	10.37%	2,742,418	10.43%
Raghuvesh Holdings Private Limited	3,098,413	11.71%	2,676,084	10.17%
Vijay Kumar Arora and Ashwani Arora	1,606,320	6.07%	1,606,320	6.11%
Gurucharan Dass Arora and Surinder Arora	1,109,520	4.19%	1,109,520	4.22%
Vijay Kumar Arora	1,117,964	4.23%	1,117,964	4.25%

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

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

The Company had reserved issuance of 849,538 (previous year 849,538) Equity shares of ₹ 10 each for offering to eligible employees of the Company and its subsidiaries under Employees Stock Option Plan (ESOP). During the year, the Company had issued and allotted 147,973 (previous year 137,214) equity shares to eligible employees of the Company and its subsidiaries under ESOP. The option would vest over a maximum period of 4 years or such other period as may be decided by the Employees Stock Compensation Committee from the date of grant based on specific criteria.

#### 4 Reserves and surplus

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Capital reserve / subsidy</b> (A)		
Balance at the beginning of the year	133.61	108.61
Add : Additions made during the year	-	25.00
Balance at the end of the year	<b>133.61</b>	<b>133.61</b>
<b>Securities premium reserve</b> (B)		
Balance at the beginning of the year	6,768.03	6,729.60
Add : Additions made during the year	41.44	38.43
<b>Balance at the end of the year</b>	<b>6,809.47</b>	<b>6,768.03</b>
<b>General reserve</b> (C)		
Balance at the beginning of the year	1,672.37	1,287.53
Add : Additions during the year	-	384.84
<b>Balance at the end of the year</b>	<b>1,672.37</b>	<b>1,672.37</b>
<b>Share options outstanding amount</b> (D)		
Balance at the beginning of the year	154.22	113.48
Add : Additions made during the year	29.00	40.74
<b>Balance at the end of the year</b>	<b>183.22</b>	<b>154.22</b>
<b>Surplus in the statement of profit and loss</b> (E)		
Balance at the beginning of the year	26,271.95	19,516.73
Add : Transferred from statement of profit and loss	7,248.65	7,832.53
Less : Proposed dividend	(529.07)	(591.88)
Less : Corporate dividend tax	(105.78)	(100.59)
Less : Transfer to general reserve	-	(384.84)
Less: Depreciation adjustments against reserves	(94.19)	-
<b>Balance at the end of the year</b>	<b>32,791.56</b>	<b>26,271.95</b>
<b>Foreign currency translation reserve</b> (F)	<b>2,036.67</b>	<b>1,462.50</b>
<b>Total reserves and surplus (A+B+C+D+E+F)</b>	<b>43,626.90</b>	<b>36,462.68</b>

#### 5 Long term borrowings

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non current	Current	Non current	Current
<b>Secured</b>				
Term loans				
From banks	8,720.22	5,181.33	12,546.40	5,218.67
Vehicle loans	164.32	123.82	197.36	124.24
	<b>8,884.54</b>	<b>5,305.15</b>	<b>12,743.76</b>	<b>5,342.91</b>

##### a) Details of guarantee for each type of borrowings

###### Guaranteed by directors

###### Term loans

From banks

13,901.55

17,765.07

##### b) Details of term loan :

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	500.00	2011-12	12 equal quarterly	41.66	-	64.26
Oriental Bank of Commerce	1,710.00	2011-12	12 equal quarterly	142.50	-	427.50

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
Oriental Bank of Commerce	1,242.00	2012-13	12 equal quarterly	103.50	-	828.00
Oriental Bank of Commerce	1,613.00	2013-14	12 equal quarterly	134.41	-	1,478.58
Oriental Bank of Commerce	2,855	2014-15	12 equal quarterly	237.91	1,463.11	-
Oriental Bank of Commerce	1,156	2014-15	12 equal quarterly	96.33	1,059.67	-
Corporation Bank	875.00	2012-13	12 equal quarterly	72.92	291.64	583.32
Allahabad Bank	3,750.00	2010-11	24 equal quarterly	156.25	729.97	1,402.00
Allahabad Bank	2,700.00	2011-12	32 equal quarterly	156.25	1,643.52	2,018.44
Allahabad Bank	250.00	2011-12	12 equal quarterly	22.50	40.63	97.24
Karur Vysysa Bank	1,644	2014-15	12 equal quarterly	45.67	1,507.00	-
Indian Overseas Bank	2,227.00	2013-14	11 equal quarterly 12th installment	186.60 181.00	1,669.00	2,227.00
Bank of Baroda, Deira, Dubai	304.87	2010-11	180 equal monthly	1.78	-	279.10
Allahabad Bank, Hong Kong	USD 10.00 million	2011-12	USD 0.25 million for 4 quarterly installments then USD 0.75 million per quarter	USD 0.25 Million	1,718.75	2,770.83
US Finance	USD 0.1 million	2012-13	36 equal monthly	19.52	73.03	179.49
Citi Bank	USD 1.56 million	2013-14	175.5 equal monthly	5.33	888.68	915.76
Citi Bank	USD 1.0 million	2013-14	54 equal monthly	11.09	472.02	585.59
Allahabad Bank	2,500.00	2011-12	12 equal quarterly	208.40	-	416.00
Allahabad Bank	150.00	2012-13	12 equal quarterly	5.47	62.32	99.79
Dena Bank	1,500.00	2011-12	72 equal monthly	18.52	682.21	992.16
State Bank of India	2,395.00	2011-12	12 equal monthly	27.33	-	-
Dena Bank	2,400.00	2013-14	12 equal quarterly	200.00	1,600.00	2,400.00
					<b>13,901.55</b>	<b>17,765.06</b>

(i) The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2015 the interest rates ranges from 10.00 % to 13.50 % on rupee working capital loan and 3.00% to 6.50% on foreign currency working capital loans.

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

(iii) Working capital term loan from Allahabad Bank, Hong Kong is availed to the extent of USD 5 million against sanction of USD 10 million

**c) Details of vehicle loan :**

(₹ in lacs)

Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7.5	2010-11	72	0.19	-	1.30
HDFC Bank	7	2011-12	72	0.23	-	2.20
HDFC Bank	8	2011-12	36	0.26	-	0.77
HDFC Bank	22.25	2013-14	60	0.47	18.34	21.96
ICICI Bank	17.83	2010-11	60	0.38	2.29	6.56
ICICI Bank	60	2010-11	60	1.27	12.12	25.20
ICICI Bank	12.3	2013-14	60	0.26	10.27	12.30
HDFC Bank	74.41	2012-13	60	1.22	32.70	42.55
State Bank of India	48.00	2012-13	60	0.68	25.30	34.39
ICICI Bank	49.77	2014-15	60	1.00	42.41	-
HDFC Bank	18.59	2012-13	60	0.06	9.06	12.75



Name of the bank	Amount of Sanction	Year of Sanction	No of installments	Amount per installments	March 31, 2015	March 31, 2014
HDFC Bank	42.58	2012-13	60	0.76	42.51	57.46
HDFC Bank	5.98	2014-15	60	0.16	4.52	-
HDFC Bank	19.07	2011-12	48	0.50	0.50	6.12
HDFC Bank	19.07	2011-12	48	0.50	0.50	6.12
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.14
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	20.10	2011-12	48	0.49	2.86	8.14
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.14
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	19.10	2011-12	48	0.49	2.86	8.13
HDFC Bank	7.59	2014-15	48	0.20	6.27	-
HDFC Bank	11.50	2014-15	48	0.25	10.13	-
HDFC Bank	5.66	2014-15	48	0.15	4.83	-
HDFC Bank	6.68	2014-15	48	0.18	5.69	-
HDFC Bank	18.99	2014-15	48	0.50	16.85	-
HDFC Bank	21.00	2014-15	48	0.45	18.48	-
HDFC Bank	21.00	2014-15	36	0.30	2.51	5.60
Bank of Baroda	22.31	2012-13	60	0.32	-	19.95
					<b>288.14</b>	<b>321.60</b>

The interest on above term loans from banks are linked to the respective banks base rates which are floating in nature. As of March 31, 2015 the interest rates ranges from 8.50% to 12.00% per annum..

**d) Details of security for each type of borrowings :**

- (i) Term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu charge on current assets of the Company and personal guarantee of promoters.
- (ii) Term loan from Allahabad Bank is secured against first exclusive charge over the entire fixed assets created under the Varpal, Amritsar project. Second charge on current assets on reciprocal basis with ceding of second charge on the fixed assets in favour of working capital loan bankers.
- (iii) Term loan from Allahabad Bank is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar. Second pari -passu charge over fixed assets of Bahalgarh unit along with equitable mortgage over land and building on pari passu basis to secure entire credit facilities sanctioned by consortium.
- (iv) Term loan from Dena Bank is secured against first exclusive charge over the entire fixed assets created under the Kurkure plant, Kamasapur.
- (v) Term loan from Dena Bank is secured against first pari passu charge with Allahabad Bank on existing project assets excluding vehicles and computer software and fixed assets pertaining to Kurkure project.
- (vi) Term loan from Oriental Bank of Commerce are secured against first pari-passu charge on existing project assets excluding assets charged specifically to Allahabad Bank and second pari-passu charge on current assets of the company.
- (vii) Term loan Karur Vysya Bank are secured against first pari-passu charge on existing project assets excluding assets charged specifically to Allahabad Bank and second pari-passu charge on current assets of the company.
- (viii) Term loan from Citi Bank is secured primarily by all assets.
- (ix) Term loan from Allahabad Bank, Hong Kong is secured by mortgage over land and building, personal guarantee of promoters, corporate guarantee of LT Foods Limited and assignment of brands.
- (x) USD term loan from Allahabad Bank is secured by assignment of "Kusha" brand.
- (xi) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

## 6 Deferred tax (asset) / liability

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Deferred tax liabilities arising on account of :</b>		
Depreciation and amortisation	434.69	748.20
Keyman insurance policy	74.65	87.88
	<b>509.34</b>	<b>836.08</b>
<b>Deferred tax assets arising on account of :</b>		
Provision for employee benefits	(139.04)	(28.42)
Unabsorbed carry forward losses	-	(129.15)
Provision for doubtful debts and advances	(236.93)	(218.74)
Diminution in value of investment	(19.44)	(0.92)
Expenses disallowed for tax computation	(73.39)	(73.99)
Others	(160.44)	(257.24)
	<b>(629.24)</b>	<b>(708.46)</b>
	<b>(119.90)</b>	<b>127.62</b>

## 7 Other long term liabilities

(₹ in lacs)

	March 31, 2015	March 31, 2014
Security deposits from distributors	9.78	8.68
	<b>9.78</b>	<b>8.68</b>

## 8 Provisions

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Provisions for employee benefits	130.81	31.09	124.95	20.53
Proposed dividend to equity shareholders	-	529.07	-	591.88
Corporate dividend tax	-	105.78	-	100.59
Provision for taxation (net of advance tax)	-	2,632.18	-	3,878.49
Others	2.91	33.10	-	10.35
	<b>133.72</b>	<b>3,331.22</b>	<b>124.95</b>	<b>4,601.84</b>

### a) Employee benefits (Gratuity)

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	259.35	245.75
Current service cost	69.61	49.65
Interest cost	25.21	22.88
Actuarial (gain) / loss	(28.40)	(23.25)
Benefits paid	(21.74)	(35.68)
<b>Projected benefit obligation at the end of the year</b>	<b>304.03</b>	<b>259.35</b>

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year	201.39	118.21
Expected return on plan assets	19.81	11.78
Employer contributions	46.48	106.87
Actuarial gains	1.60	-
Benefits paid	(21.74)	(35.47)
<b>Fair value of plan assets at the end of the year</b>	<b>247.54</b>	<b>201.39</b>
<b>Reconciliation of present value of obligation on the fair value of plan assets</b>		
Present value of projected benefit obligation at the end of the year	304.04	259.36
Funded status of the plans	247.54	202.16
<b>Liability recognised in the balance sheet</b>	<b>56.50</b>	<b>57.20</b>
<b>Components of net gratuity costs are</b>		
Service cost	80.16	49.65
Interest cost	25.21	22.88
Expected returns on plan assets	(19.81)	(12.18)
Recognised net actuarial (gain)	(28.40)	(24.02)
<b>Net gratuity costs</b>	<b>57.16</b>	<b>36.33</b>
<b>Assumptions used</b>		
Discount rate	7.85%	9.15%
Long-term rate of compensation increase	5.00%	5.00%
Rate of return on plan assets	9.00%	9.25%
Average remaining life	23.28 to 26.35	23.60 to 24.70

#### Compensated absences

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year	88.28	56.82
Current service cost	7.80	3.16
Interest cost	8.13	4.82
Actuarial loss	10.08	28.49
Benefits paid	(8.89)	(5.01)
<b>Projected benefit obligation at the end of the year</b>	<b>105.40</b>	<b>88.28</b>
<b>Expenses recognised in the statement of profit and loss</b>		
Current service cost	18.06	3.16
Interest cost	(6.97)	4.82
Recognised net actuarial (gain) / loss	84.25	28.49
<b>Net costs</b>	<b>95.34</b>	<b>36.47</b>
<b>Assumptions used</b>		
Discount rate	7.85%	9.15%
Long-term rate of compensation increase	5.00%	5.00%
The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.		

#### b. Details with respect to proposed dividend

Dividends proposed to		
Equity shareholders	529.07	591.88
Proposed dividend per share		
Equity shareholders	2.00	2.25

**9 Short-term borrowings**

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Secured</b>		
From banks	154,854.84	128,580.71
	<b>154,854.84</b>	<b>128,580.71</b>
<b>Unsecured</b>		
Loans repayable on demand		
From banks	-	3,469.10
From directors	100.10	0.10
From other parties	29.09	93.30
	<b>129.19</b>	<b>3,562.50</b>
	<b>154,984.03</b>	<b>132,143.21</b>

- a) The working capital loans is repayable on demand and the interest on the above term loans from banks are linked to the respective bank base rates which are floating in nature. The interest ranges from 10.00% to 13.50% on rupee working capital loan and 3.00% to 6.50% on foreign currency working capital loans.
- b) Working capital loans are secured by hypothecation of stocks and book debts of the Company.

**10 Trade payables**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Dues to micro, small and medium enterprises (refer note (a) below)	643.28	930.81
Other sundry creditors	9,121.36	13,901.87
Acceptances	231.33	-
	<b>9,995.97</b>	<b>14,832.68</b>

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
Principal amount remaining unpaid	643.28	930.81
Interest accrued and remaining unpaid as at year end	-	-

The management has identified enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2015 and 2014 has been made in the financial statements based on information received and available with the Company.

**11 Other current liabilities**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Current maturity of long term debts (refer note 5)	5,305.15	5,342.91
Interest accrued but not due on borrowings	52.81	99.08
Unclaimed dividend *	14.60	12.88
Advances form customers	6,899.15	1,752.63
Other liabilities	5,191.70	5,325.14
Security deposits from customer	11.80	9.70
	<b>17,475.21</b>	<b>12,542.34</b>

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

## 12 Tangible assets

(₹ in lacs)

	Land Freehold	Land leasehold	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total
<b>a) Gross block</b>								
<b>Balance as at April 01, 2013</b>	<b>4,561.76</b>	<b>616.70</b>	<b>9,823.98</b>	<b>25,200.91</b>	<b>437.64</b>	<b>1,112.80</b>	<b>2,047.05</b>	<b>43,800.84</b>
Additions	-	35.07	1,738.92	1,687.58	424.07	174.00	157.56	4,217.20
Disposals	-	-	(108.24)	(485.12)	62.98	(46.35)	(72.20)	(774.89)
- Foreign exchange fluctuation	47.74	-	144.77	45.18	9.01	11.41	10.51	268.62
- Borrowing costs	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2014</b>	<b>4,609.50</b>	<b>651.77</b>	<b>11,599.43</b>	<b>26,448.55</b>	<b>807.74</b>	<b>1,251.86</b>	<b>2,142.92</b>	<b>47,511.77</b>
Additions	0.41	-	1,775.09	4,156.16	259.45	170.32	282.74	6,644.17
Disposals	-	-	(27.76)	(110.10)	(2.04)	(2.66)	(47.63)	(190.19)
- Foreign exchange fluctuation	22.40	-	81.85	43.52	15.70	5.89	2.20	171.56
- Borrowing costs	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2015</b>	<b>4,632.31</b>	<b>651.77</b>	<b>13,428.61</b>	<b>30,538.13</b>	<b>1,080.85</b>	<b>1,425.41</b>	<b>2,380.23</b>	<b>54,137.31</b>
<b>b) Accumulated depreciation</b>								
<b>Balance as at April 01, 2013</b>	<b>-</b>	<b>-</b>	<b>2,332.58</b>	<b>12,566.39</b>	<b>227.63</b>	<b>645.62</b>	<b>1,146.31</b>	<b>16,918.53</b>
Depreciation charge	-	-	627.71	2,490.80	83.35	144.95	255.40	3,602.21
Reversal on disposal of assets	-	-	(52.59)	(313.01)	(36.29)	(52.53)	(33.26)	(487.68)
Translation Reserve	-	-	14.92	29.47	5.34	4.99	4.86	59.58
<b>Balance as at March 31, 2014</b>	<b>-</b>	<b>-</b>	<b>2,922.62</b>	<b>14,773.65</b>	<b>280.03</b>	<b>743.03</b>	<b>1,373.31</b>	<b>20,092.64</b>
Depreciation charge	-	-	716.85	2,898.60	188.26	328.18	307.62	4,439.51
Reversal on disposal of assets	-	-	-	(65.93)	(1.04)	(2.55)	(23.19)	(92.71)
Translation reserve	-	-	9.28	83.82	4.73	2.02	1.25	101.10
Charge to Opening general reserve (refer note 4)	-	-	11.18	12.96	1.32	66.79	1.94	94.19
<b>Balance as at March 31, 2015</b>	<b>-</b>	<b>-</b>	<b>3,659.93</b>	<b>17,703.10</b>	<b>473.30</b>	<b>1,137.47</b>	<b>1,660.93</b>	<b>24,634.73</b>
<b>Net block</b>								
<b>Balance as at March 31, 2015</b>	<b>4,632.31</b>	<b>651.77</b>	<b>9,768.68</b>	<b>12,835.03</b>	<b>607.55</b>	<b>287.94</b>	<b>719.30</b>	<b>29,502.58</b>
Balance as at March 31, 2014	4,609.50	651.77	8,676.81	11,674.90	527.71	508.83	769.61	27,419.13

## 13 Intangible assets

(₹ in lacs)

Gross Block	Goodwill	Brands/ Trademarks	Computer software	Total
Balance as at April 01, 2013	8,259.96	300.00	14.30	8,574.26
Additions	10.28	-	-	10.28
Other adjustments	-	-	-	-
- Foreign exchange fluctuation	826.88	-	-	826.88
<b>Balance as at March 31, 2014</b>	<b>9,097.12</b>	<b>300.00</b>	<b>14.30</b>	<b>9,411.42</b>
Additions	-	-	-	-
Other adjustments	-	-	-	-
- Foreign exchange fluctuation	279.58	-	-	279.58
<b>Balance as at March 31, 2015</b>	<b>9,376.70</b>	<b>300.00</b>	<b>14.30</b>	<b>9,691.00</b>
<b>Accumulated depreciation</b>				
<b>Balance as at April 01, 2013</b>	<b>1,406.62</b>	<b>186.00</b>	<b>4.41</b>	<b>1,597.03</b>
Depreciation charge*	130.89	5.70	1.33	137.92
- Foreign exchange fluctuation	126.44	-	-	126.44
<b>Balance as at March 31, 2014</b>	<b>1,663.95</b>	<b>191.70</b>	<b>5.74</b>	<b>1,861.39</b>
Depreciation charge	181.43	33.80	2.62	217.85
- Foreign exchange fluctuation	75.49	-	-	75.49
<b>Balance as at March 31, 2015</b>	<b>1,920.87</b>	<b>225.50</b>	<b>8.36</b>	<b>2,154.73</b>
<b>Net block</b>				
<b>Balance as at March 31, 2015</b>	<b>7,455.83</b>	<b>74.50</b>	<b>5.94</b>	<b>7,536.27</b>
Balance as at March 31, 2014	7,433.17	108.30	8.56	7,550.03

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

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Non- Trade investments</b>		
(i) Investment in associate		
42,500 (previous year 42,500) equity shares of		
- L T Infotech Private Limited of ₹ 10 each*	4.25	4.25
Less: Share of loss in associate	(4.25)	(4.25)
- Raghuvesh Warehousing Private Limited		
1,600,000 (previous year nil) equity shares of ₹10 each	160.00	-
- Raghuvesh Agri Foods Private Limited	160.00	-
1,600,000 (previous year nil) equity shares of ₹10 each		
(ii) Keyman insurance policies	225.82	264.63
<b>Other investments- Quoted</b>		
(a) 2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
(b) Investment in mutual fund (quoted)		
50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
48,875.855 (previous year 48,875.855) 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 Sundaram BNP Paribas select Midcap Dividend Plan	0.30	0.30
894.055 (previous year 894.055) units of Reliance Vision Fund	0.40	0.40
<b>Other investments- Unquoted</b>		
<b>Fully paid-up equity shares (unquoted)</b>		
(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) <b>Investment in Mutual funds</b>		
10,00,000 (previous year 10,00,000) units of ₹10 each of CIG Realty Fund	-	100.00
(d) <b>In Government securities</b> National Saving Certificate **	0.21	0.22
	697.76	516.58
*Less: Share of loss in associate	4.25	4.25
	<b>693.51</b>	<b>512.33</b>
** National saving certificate of ₹0.22 lacs is held in the name of an employee.		
<b>Aggregate amount of :</b>		
Non trade quoted investments	12.43	12.43
Unquoted non trade investments	135.26	235.27
Unquoted trade investments	225.82	264.63
<b>Market value of quoted investments</b>	25.83	23.28

**15 Loans and advances**

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
<b>Unsecured, considered good unless otherwise stated</b>				
Capital advances	187.03	-	750.35	-
Security deposits				
- Unsecured, considered good	613.12	209.20	409.58	301.58
- Consider doubtful	-	-	1.60	-
- Provision for doubtful advances	-	-	(1.60)	-
Minimum alternative tax credit receivable	-	345.13	28.64	385.71
Advance income tax (net of provision for tax)	1,660.52	300.72	581.44	1,326.75
Balances with central excise authorities	234.98	50.73	244.15	46.31
	<b>2,695.65</b>	<b>905.78</b>	<b>2,014.16</b>	<b>2,060.35</b>

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Long term	Short term	Long term	Short term
Advances recoverable in cash or in kind or value to be received				
- Unsecured, considered good	173.92	30,978.03	98.24	6,226.44
- Consider doubtful	-	-	-	52.06
- Provision for doubtful advances	-	-	-	(52.06)
	<b>173.92</b>	<b>30,978.03</b>	<b>98.24</b>	<b>6,226.44</b>
	<b>2,869.57</b>	<b>31,883.81</b>	<b>2,112.40</b>	<b>8,286.79</b>

## 16 Other assets

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
Interest accrued but not due on fixed deposits	-	55.66	30.85	51.23
Deferred premium on forward contracts	-	-	-	89.95
Bank deposits with maturity of more than 12 months (refer note 19)	162.74	-	203.38	-
Others	108.33	0.11	102.97	0.19
	<b>271.07</b>	<b>55.77</b>	<b>337.20</b>	<b>141.37</b>

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

(₹ in lacs)

	March 31, 2015	March 31, 2014
Raw material		
Paddy	57,099.15	61,047.11
Bardana	2,221.49	1,229.83
Packaging Material	1,480.97	1,108.32
Finished goods	70,641.00	69,811.16
Traded goods	4,252.89	1,515.93
Stores and spares	526.07	223.00
	<b>136,221.57</b>	<b>134,935.35</b>

## 18 Trade receivables

(₹ in lacs)

	March 31, 2015	March 31, 2014
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	390.63	-
Considered doubtful	587.42	475.76
	<b>978.05</b>	<b>475.76</b>
Less : Allowances for bad and doubtful debts	(587.42)	(475.76)
	<b>390.63</b>	<b>-</b>
Other debts :		
Unsecured considered good	31,401.59	32,612.72
	<b>31,792.22</b>	<b>32,612.72</b>

**19 Cash and bank balances**

(₹ in lacs)

	March 31, 2015		March 31, 2014	
	Non-current	Current	Non-current	Current
Cash and cash equivalents:				
Cash on hand				
In Indian currency	-	80.65	-	57.09
In foreign currencies	-	6.00	-	4.48
Balances with banks				
- in current accounts	-	1,616.65	-	2,640.91
- in deposit account (with original maturity upto 3 months)*	-	90.00	-	748.44
Other bank balances:				
Unpaid dividend account	-	14.60	-	12.88
Deposits with original maturity more than 3 months but residual maturity less than 12 months	-	312.60	-	43.23
Bank deposits with residual maturity of more than 12 months	162.74	-	203.38	-
	<b>162.74</b>	<b>2,120.50</b>	<b>203.38</b>	<b>3,507.03</b>

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

**20 Revenue from operations**

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Sale of products</b>		
Rice	262,707.35	239,429.76
Other items	8,971.73	6,742.88
	<b>271,679.08</b>	<b>246,172.64</b>
Sale of services	1,779.07	1,237.97
	<b>273,458.15</b>	<b>247,410.61</b>

**21 Other income**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Dividend from non trade investments	0.14	0.13
Profit from sale of fixed assets (net)	57.77	4.69
Interest on bank fixed deposits	59.17	104.02
Profit on exchange fluctuation (net)	2,835.88	-
Profit on sale of investments	23.00	-
Export incentive	26.13	18.81
Amounts written back	328.15	448.83
Miscellaneous receipts	1,189.85	1,281.40
	<b>4,520.09</b>	<b>1,857.88</b>

**22 Material consumed**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Opening stock		
Paddy	61,047.11	48,097.20
Bardana	1,229.83	1,614.62
Packing material	1,108.33	860.46
	<b>63,385.27</b>	<b>50,572.28</b>
Add: purchases		
Paddy	117,525.80	118,027.90
Bardana	1,797.14	826.85
Packing material	6,802.98	6,459.34
Broken rice / unpolished rice for consumption	33,553.07	55,342.96
Others	13.57	26.11



(₹ in lacs)

	March 31, 2015	March 31, 2014
	159,692.56	180,683.16
Less: closing stock		
Paddy	57,099.15	61,047.11
Bardana	2,221.49	1,229.83
Packing material	1,480.97	1,108.33
	60,801.61	63,385.27
	162,276.22	167,870.17
<b>Consumption details</b>		
Paddy	121,473.76	105,077.99
Bardana	805.48	1,211.64
Other	13.57	26.11
Packing material	6,430.34	6,211.47
Rice	33,553.07	55,342.96
	162,276.22	167,870.17
<b>Less: Loss due to fire</b>	18,037.04	-
	144,239.18	167,870.17

## 23 Purchase of stock in trade

(₹ in lacs)

	March 31, 2015	March 31, 2014
Rice (traded)	61,199.19	28,635.66
Soyabean	2,181.89	1,840.59
Others	3,268.21	1,072.97
	66,649.29	31,549.22

## 24 Changes in inventories of finished goods and stock in trade

(₹ in lacs)

	March 31, 2015	March 31, 2014
<b>Opening stock</b>		
Finished goods	68,153.72	48,365.62
Traded goods	3,173.37	6,838.02
Translation reserve	277.92	889.75
<b>Closing stock</b>		
Finished goods	70,641.00	68,153.72
Traded goods	4,252.89	3,173.37
	(3,288.88)	(15,233.70)

## 25 Employee benefits

(₹ in lacs)

	March 31, 2015	March 31, 2014
Salaries, wages and bonus	6,483.40	5,548.59
Contribution to provident and other fund	234.72	141.36
Staff welfare expenses	255.38	206.77
Director's remuneration	263.94	257.48
Directors remuneration of subsidiary companies	184.48	232.36
	7,421.92	6,386.56

**a) Share-based payment**

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

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

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. The total expense recognised in the income statement for the year ended March 31, 2015 is ` 29.00 lacs (March 31, 2014 ` 40.74 lacs).

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

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

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

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

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

**ESOP-2010 (Grant I)****Share options granted to employees and others providing similar services**

Number of options	March 31, 2015			March 31, 2014		
	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Balance at beginning of the year	467,048	38	-	598,348	38	-
Forfeited during the year	128,677	38	-	-	-	-
Exercised during the year	142,059	38	-	131,300	38	-
Balance at end of the year	196,312	38	-	467,048	38	-
Exercisable at end of the year	196,312	38	1	304,966	38	2

**ESOP-2010 (Grant II)**

**Share options granted to employees and others providing similar services**

	March 31, 2015			March 31, 2014		
	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life	Number of options	Weighted average exercise price (in ₹)	Weighted average remaining contractual life
Balance at beginning of the year	195,295	38	-	201,209	38	-
Forfeited during the year	53,763	38	-	-	-	-
Exercised during the year	5,914	38	-	5,914	38	-
Balance at end of the year	135,618	38	-	195,295	38	-
Exercisable at end of the year	32,057	38	2.86	44,388	38	3.86

**26 Finance costs**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Interest on working capital loans	13,208.37	9,427.22
Interest on term loans	1,326.09	1,375.53
	14,534.46	10,802.75
Bank charges	580.45	539.04
	<b>15,114.91</b>	<b>11,341.79</b>

**27 Other expenses**

(₹ in lacs)

	March 31, 2015	March 31, 2014
Warehouse rent (refer note 34)	568.34	397.77
Wages	1,142.08	931.31
Job work	25.00	499.76
Factory insurance	76.34	60.24
Power and fuel	2,857.61	2,369.35
Security services	220.63	118.29
Research and development	6.58	1.98
Packing expenses	350.78	195.58
Repairs and maintenance		
- Machinery	187.57	179.00
- Building	135.24	106.67
- Others	98.15	87.15
Stores and spares consumed	1,305.81	1,151.23
Advertisement	4,167.95	<b>3,196.28</b>
Insurance	512.17	414.90
Legal and professional charges	1,755.35	984.73
Rates and taxes	204.55	136.21
Donation and charity	41.55	47.79
Directors' sitting fees	11.35	9.83
Auditors' remuneration	54.01	118.90
Fines and penalties	8.36	3.13
Rent (refer note 34)	61.89	312.03
Vehicle running and maintenance	232.64	149.05
Other administrative expenses	1,210.98	1,530.71
Travelling and conveyance	1,476.63	1,247.13
Rebate and discounts	1,879.60	1,529.31
Commission to selling agents	733.48	535.73
Clearing, forwarding and freight charges	7,776.29	5,956.68
Business promotion expenses	280.27	229.87
Freight outward	1,433.43	1,066.41

	(₹ in lacs)	
	March 31, 2015	March 31, 2014
Other selling expenses	2,973.53	2,762.20
Amounts written off	176.18	1,633.52
Loss on sales of fixed assets	0.41	223.39
Provision for doubtful recoveries	-	55.69
Loss on exchange fluctuation (net)	-	2,161.35
Premium on forward contract	89.95	109.27
	<b>32,054.70</b>	<b>30,512.44</b>

## 28 Contingent liabilities

	(₹ in lacs)	
Nature of contingency	March 31, 2015	March 31, 2014
- Income-tax demands *	2,895.85	904.11
- HRDF Demand of Market Committee, Sonapat	-	30.78
- Guarantees given by group	813.82	1,628.52
- FCI Demand for differential price / freight / taxes	339.00	339.00
- Claims against the group	35.25	35.25
- Duty saved under EPCG licenses (export obligation outstanding ₹5,955.78 lacs (previous year ₹6,965.01 lacs))	931.86	1,088.54
- Saracen Advertising JLT demand for breach of contract	133.07	-
- Non-payment of commission to D. M. Livemore	-	419.37
<b>Total</b>	<b>5,148.84</b>	<b>4,445.57</b>

\* In case of Daawat Foods Limited, the group has filed appeals in previous years against the order of AO before CIT (Appeals) for the Assessment Year 2007-08 and Assessment Year 2009-10. The CIT (Appeals) has allowed substantial relief to the group and after allowing appeal effect of the order of CIT(Appeals) by the Assessing Officer, the demand has reduced to ₹59.57 lacs (previous year ₹59.57 lacs). The group has filed appeals against the order of CIT (Appeals) for the above said assessment year before the Income Tax Appellate Tribunal, on issues for which relief has not been given by CIT (Appeals). During the current year, the group has received demands under section 143(3) for Assessment Year 2010-11 and Assessment Year 2011-12 for ₹225.21 lacs and ₹250.30 lacs respectively. For these Assessment Year, the group has already filed an appeal before the CIT (Appeals). Pending the orders from CIT (Appeals), no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability. The management is confident that it's position is likely to be upheld in the appeals pending before Income Tax Appellate Tribunal and no liability on the group on account of these proceedings.

\* In case of LT Foods Limited, the group has filed appeals in previous years against the order of the AO before CIT (Appeals) for the AY 2003-04 to AY 2007-08. The CIT (Appeals) vide its order dated March 25, 2013, March 28, 2013 and October 10, 2013 has allowed substantial relief to the group and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has reduced to ₹89.84 lacs (previous year ₹89.84 lacs). The group in previous years has filed appeals against the order of CIT (Appeals) for the above said assessment years before the Income Tax Appellate Tribunal, on issues for which relief has not been given by CIT (Appeals). The group's appeal for the AY 2008-09 and AY 2009-10 are still pending before Income Tax Appellate Tribunal and demand of ₹ 563.57 lacs (net of relief from CIT (Appeals)) are outstanding against the group (previous year ₹563.57 lacs). Further, the group appeal for the AY 2000-01 has been decided in the favor of group by ITAT and after allowing appeal effect of the order of ITAT, the liability is reduced to ₹1.47 lacs (previous year ₹180.96 lacs) which has been provided by the group in the books in the current year. During the current year, the group has received demands under section 143(3) for AY 2010-11 and AY 2011-12 for ₹1,691.78 lacs.

For AY 2010-11 the group has already filed an appeal before the CIT (Appeals) and for AY 2011-12 the group is in the process of filing an appeal before the CIT (Appeals). Pending the orders from CIT (A) and filing of orders respectively, no adjustment has been made in the financial statements for the additional tax so demanded and the same has been disclosed as a contingent liability. The group has paid ₹1,028.15 lacs (previous year ₹1,028.15 lacs) are per the directions of Income Tax Department against the outstanding demands and the same will be adjusted / refunded, once the appeals are final. The management is confident that it's position is likely to be upheld in the appeals pending before Income Tax Appellate Tribunal and no liability on the group on account of these proceedings.

\* In case of SDC India Foods Limited, The group has filed an appeal against the order of AO imposing penalty under section 271(1)© for the AY 2008-09 before the CIT (Appeals). The management is confident that it's position is likely to be upheld in the appeal pending before CIT (Appeals) and there will be no liability on the group on account of these proceedings

\* In case of Nature Bio Foods Limited, During the assessment year 2009-10 the Income Tax Department ('The Department') has added back ₹4.97 Lacs on account of various reasons to the total income of the group. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 30.12.2010 demanding ₹10.17 Lacs. The group had contested the above order before CIT (Appeal) and the Ld. CIT (Appeal) has dismissed the appeal vide order dated. 29.3.2012. The group has contested above order before H'ble ITAT. No Provision is considered necessary in this regard since the group has been advised that it has a good case and the chances of case decided against the group is not probable. During the assessment year 2010-11 the Income Tax Department ('The Department') has added back ₹24.43 Lacs on account of various reasons to the total income of the group. The department has issued notice of demand u/s 156 of the Income Tax Act, 1956 on 28.03.2013 demanding ₹5.15 Lacs. The group had contested the above order before CIT (Appeal). No Provision is considered necessary in this regard since the group has been advised that it has a good case and the chances of case decided against the group is not probable. The aforesaid demand is including interest up to 28.03.2013 but excluding interest from 01.04.2013 onwards and penalty.

## 29. Capital Commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹466.93 lacs (previous year: ₹1,649.38 lacs)].

## 30. Related party disclosures

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

### (i) Names of related parties and description of relationship

#### - Associates

LT Infotech Private Limited  
Raghuvesh Agri Foods Private Limited  
Raghuvesh Warehousing Private Limited

### Key Management Personnel and their relatives

Name	Designation
Vijay Kumar Arora	Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Joint Managing Director
Ashok Arora	President-Punjab Operations
Abhinav Arora	Relative of Managing Director
Aditya Arora	Relative of President-Punjab Operations
Aditi Arora	Relative of Managing Director
Gursajan Arora	Relative of Joint Managing Director
Isha Arora	Relative of Joint Managing Director
Ritesh Arora	Relative of Joint Managing Director
Anmol Arora	Relative of Joint Managing Director
Purva Arora	Relative of Joint Managing Director
Sanjana Arora	Relative of Joint Managing Director
Divya Arora	Relative of President-Punjab Operations
Sakshi Arora	Relative of Joint Managing Director
Ranju Arora	Relative of Managing Director

**Enterprises over which Key Management personnel exercise significant influence**

V.K. Foods  
S K. Engineering Group  
R.S. Rice & General Mills  
Ashok Arora HUF  
Raghunath Arora HUF  
Super Taxfab Private Limited

**Transactions with key management persons and their relatives**

(₹ in lacs)		
Particulars	March 31, 2015	March 31, 2014
<b>Sales</b>		
V.K Foods	173.24	-
S K Engineering Company	13.75	-
<b>Purchases</b>		
S K Engineering Company	30.27	-
Super Taxfab Private Limited	77.17	18.42
<b>Remuneration paid</b>		
Vijay Kumar Arora	120.39	120.39
Ashwani Kumar Arora	72.28	70.75
Surinder Kumar Arora	78.32	78.39
Ashok Arora	60.00	60.00
Abhinav Arora	110.06	108.89
Aditya Arora	18.00	9.60
Aditi Arora	4.00	4.00
Anmol Arora	1.25	-
Gursajan Arora	27.42	9.76
Isha Arora	4.00	4.00
Ritesh Arora	4.75	0.74
Purva Arora	1.67	-
Sanjana Arora	3.74	-
Divya Arora	6.75	-
Dividend paid to key management personnel	247.73	165.35
Dividend paid to relatives of key management personnel	155.12	174.74
<b>Rent Paid</b>		
R.S. Rice & General Mills	8.00	-
Vijay Kumar Arora	7.50	2.18
Ranju Arora	7.50	2.18
<b>Rent Received</b>		
V.K Foods	2.40	2.02
S K Engineering Company	1.40	-
<b>Interest paid</b>		
Ashok Arora	-	1.23
Ashok Arora HUF	0.19	1.07
Raghunath Arora HUF	0.09	0.11
Ranju Arora	0.88	0.79
Sakahi Arora	0.16	0.15
<b>Balance at year end</b>		
Ashok Arora	-	-
Ashok Arora HUF	1.73	1.56
Raghunath Arora HUF	0.87	0.78
Ranju Arora	8.11	7.32
Sakahi Arora	1.51	1.37

### 31 Earnings per share

Particulars	March 31, 2015	March 31, 2014
Net profit attributable to equity shareholders after minority interest (₹ in lacs)	7,248.65	7,832.52
Numbers of weighted average equity share outstanding at the year end for Basic (₹ in lacs)		
Numbers of weighted average equity share outstanding at the year end for Diluted (₹ in lacs)	263.86	262.63
Nominal value of equity share (₹)	266.09	265.31
Earnings Per Share-	10	10
Basic (₹)	27.46	29.82
Diluted (₹)	27.23	29.52

### 32 The following subsidiary companies, partnership firms and associates are considered in the consolidated financial statements:

Name of Subsidiary	Country of operations	Percentage of holding by LT Foods Limited
<b>Subsidiaries</b>		
Daawat Foods Limited	India	70.48%
Nature Bio Foods Limited	India	100.00%
SDC Foods India Limited	India	80.00%
LT International Limited	India	89.98%
Sona Global Limited	UAE	100%
LT Overseas North America, Inc	USA	100%
Raghuvesh Foods & Infrastructure Limited	India	100%
<b>Step subsidiaries</b>		
Nice International FZE (Liquidated on 22 March 2015)	UAE	100%
Kusha Inc.	USA	100%
LT Foods USA LLC	USA	100%
Universal Traders Inc.	USA	100%
Royal Curry Delights LLC	USA	60%
LT Foods Middle East DMCC	UAE	100%
LT Agri Services Private Limited	India	70.48%
Expo Services Private Limited	India	80%
Raghuvesh Power Projects Limited	India	35.94%
Fresco Fruit N Nuts Private Limited	India	35.94%
<b>Name of partnership firm</b>		
Raghunath Agro Industries	India	100%*
<b>Name of Associates</b>		
LT Infotech Private Limited	India	42.5%
Raghuvesh Agri Foods Private Limited	India	40%
Raghuvesh Warehousing Private Limited	India	40%

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

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

Particulars	India	North America	Rest of the world	Total
<b>Revenue:</b>				
External	149,704.80	84,443.29	43,830.14	277,978.24
Previous year	140,478.23	71,811.97	36,978.31	249,268.50
Segment assets	7,636.60	8,281.63	15,873.98	31,792.21
Previous year	11,864.23	8,335.10	12,413.39	32,612.72
Unallocated assets*				212,619.89
Previous year				186,657.94
Capital expenditure**				5,527.18
Previous year				5,447.26

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

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

**34** The group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2015 and 2014 was ₹630.23 lacs and ₹709.80 lacs respectively. The Group has not executed any non-cancelable operating leases.

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

	March 31, 2015 (₹ in lacs)	March 31, 2014 (₹ in lacs)	March 31, 2015 (FC in lacs)	March 31, 2014 (FC in lacs)
Receivables in Foreign Currency				
- Trade receivables	17,288.73	18,926.20	USD 258.06 EURO 14.87	USD 298.90 EURO 11.48
Payables in Foreign Currency				
- Trade payables	452.29	290.46	USD 4.14 EURO 2.85	USD 4.10 EURO 1.10 YEN 1.88

ii) The parent company uses derivative contracts to hedge its risks associated with fluctuations with foreign currencies relating to foreign currencies receivables. The following are outstanding derivative contracts as on March 31, 2015.

(₹ in lacs)

Particulars	Purpose
Forward contract to sell (USD) USD 576.69 (previous year: USD 420.67) ₹37,398.98 (previous year: ₹26,593.80) Euro 20.00 (previous year: Nil) ₹1437.71 (previous year: Nil)	Hedge of highly probable foreign currency

- b) The Company has taken put option of USD 40 lacs from Bank of Baroda to hedge its foreign currency receivable exposure having an exercising period between April 2015 to November 2015 for USD 5 lacs per month.
- c) The Company has taken put option of USD 24 lacs from ICICI to hedge its foreign currency receivable exposure having an exercising period for April 2015 and November 2015 for USD 3 lacs per month.
- d) The Company has taken put option of USD 39 lacs from ICICI Bank to hedge its foreign currency receivable exposure having an exercising period for September 2015 and February 2016 for USD 6.5 lacs per month.

**36.** On June 7, 2014, a major fire occurred in one of the subsidiary company, Daawat Foods Limited, resulting in loss of stock of raw material (including paddy, Bardana, consumables and other items) having book value of ₹17,991.40 lacs. The Company has filed an insurance claim with the insurance company amounting to ₹18,971.02 lacs and recognized insurance claim receivable to the extent of net books value of ₹17,991.40 lacs in the books of account. Receivable has subsequently been reduced by amount of ₹224.89 lacs realised on sale of salvaged goods. The insurance company is in the process of completing its assessment and is yet to conclude on this matter. Basis opinion from an independent legal lawyer and other developments, the Company is confident of successful recovery of the said claim amount and therefore, no adjustment to the carrying values of amount recoverable is considered necessary in the financial statement

### 37. Previous year figures

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

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

Sd/-  
per **Neeraj Goel**  
Partner

Place: Gurgaon  
Date : May 27, 2015

Sd/-  
**Ashwani Kumar Arora**  
Joint Managing Director  
DIN 01574773

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

For and on behalf of Board of Directors

Sd/-  
**Pramod Bhagat**  
Director  
DIN 00198092

Sd/-  
**Som Nath Chopra**  
Chief Financial Officer



## Notes

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# CORPORATE INFORMATION

## Board of Directors

Mr. Vijay Kumar Arora, Chairman & Managing Director  
Mr. Surinder Kumar Arora, Managing Director  
Mr. Ashwani Kumar Arora, Managing Director  
Mr. Rajesh Kumar Srivastava, Nominee Director  
Ms. Radha Singh, Independent Director  
Mr. Pramod Bhagat, Independent Director  
Ms. Renu Challu, Independent Director

## Company Secretary & Compliance Officer

Ms. Monika Chawla Jaggia

## Key Management Team

### Corporate Office

Mr. Ashok Kumar Arora, President Punjab Operations  
Mr. Som Nath Chopra, Chief Financial Officer  
Mr. Vivek Chandra, CEO (Global Branded Business)  
Mr. Kaizar Colombowala, Head Research & Development  
Mr. S. K. Salhotra, Group Head Treasury  
Mr. Vikram Patil, Associate Director Strategic Process Improvement  
Mr. Rajinder Wadhawan, Director Operations  
Mr. Vijay Malik, Associate Director & Head Middle East  
Mr. Kamal Poplai, Head Quality  
Mr. Dipol Dhole, Vice President HR & Admin  
Mr. J. S. Oberoi, Senior Consultant Projects

### Kusha Inc. USA

Mr. Abhinav Arora, President  
Mr. Jerry Taylor, Vice President Marketing  
Mr. Mukesh Aggarwal, Vice President Accounts  
Ms. Nadine Curias, Kusha-Vice President Strategy & Marketing  
Mr. Sai S. Krishnan, Vice President Supply Chain & Operations

### Nature Bio Foods Limited

Mr. Tapan Ray, Managing Director & CEO

## Statutory Auditors

Walker, Chandio & Co

## Internal Auditors

Pro Legal Advisory LLP

## Manufacturing Facilities

Basmati and Other value-added products  
43Km Stone, GT Road, Bahalgarh,  
Kamaspur, Bahalgarh, Sonapat-131001  
Mandideep, Bhopal  
Phoola Road, Amritsar  
Varpal, Punjab

## Kurkure

Kamaspur, Sonapat-131001  
Silos Plant, Amritsar

## Packaging Facility in U.S.

Cypress  
Houston

## Bankers to the Company

Oriental Bank of Commerce (Lead Bank)  
State Bank of India  
Corporation Bank  
Punjab National Bank  
Allahabad Bank  
Bank of Baroda  
State Bank of Hyderabad  
Indian Overseas Bank  
ICICI Bank  
IDBI Bank  
Karur Vasya Bank





**LT Foods**

**LT FOODS LIMITED**

4th Floor, MVL-I Park  
Sector 15, Gurgaon -122001, Haryana