



Nurturing  
Goodness

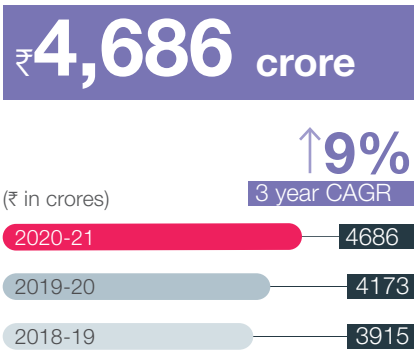




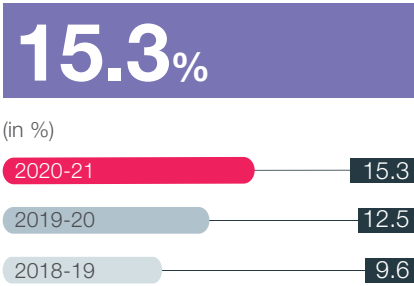
# 2021 highlights

## Financial and strategic KPIs

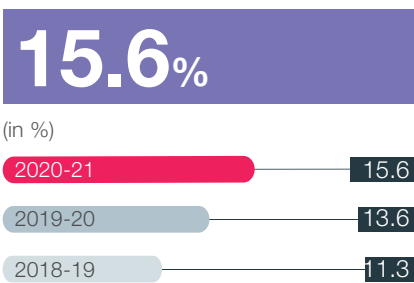
### Revenue From Operations



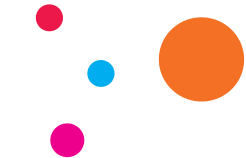
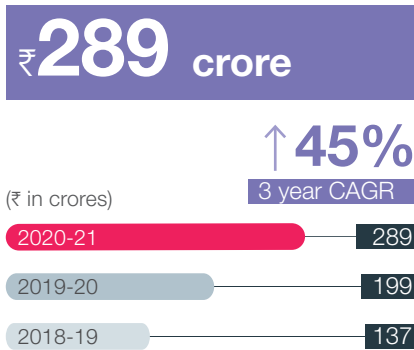
### Return on Net Worth



### Return on Capital Employed



### Profit After Tax (PAT)



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### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

### Corporate Overview

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## Nurturing Goodness

**Over the years, we have leveraged our brands to create a Global Consumer Food Company.**

**We have done this by developing/creating a portfolio of food brands that cater to current and emerging Consumer needs.**

**All this has been achieved without compromising our endeavour to be a Sustainable Global Consumer Food Company.**

From being a renowned Basmati Rice Company to expanding our foray in health and convenience food, we continuously map evolving consumer needs and preferences. This is helping us in developing our portfolio, be it targeted brands or formats, which in turn is increasing our reach and penetration.

Many of our innovations are setting new category first benchmarks in the packaged foods industry.

Strengthening our dominance in India and International markets, we are consistently delivering finest food products, that have a global reach. Resting on the success of superior quality products and the timeless appeal of our brands, we remain steadfast in our commitment to deliver the finest experiences – carefully designed for cherished moments.

**Our growing consciousness to enable Value Creation beyond profitability motivates us to propagate a sustainable business model. Constantly tracking our ecological contributions, we seek to maintain an enduring relationship with our natural environment.**

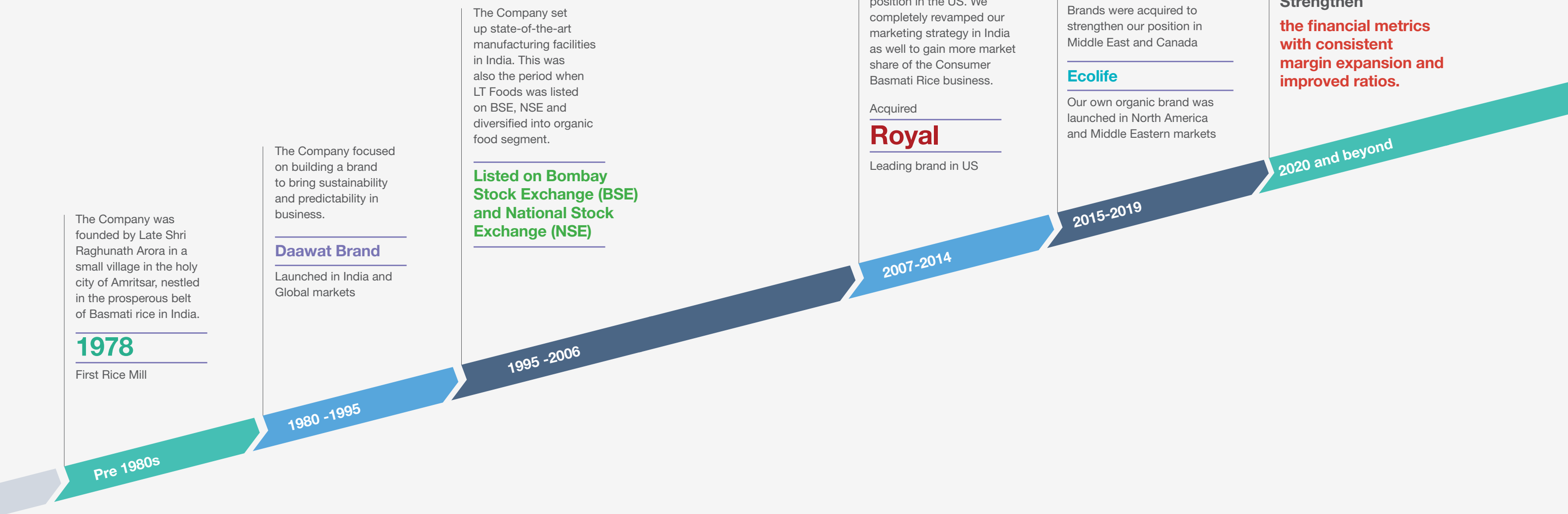
**We are, therefore, constantly redefining our approach, successfully adopting modern practices and delivering value from Farm to Fork - to nurture goodness and make an indelible mark.**



# LT Foods’ Journey

## OUR JOURNEY OF TRANSFORMATION....

LT Foods is a Global Consumer Food Company which deals in Basmati and Other Specialty Rice, Organic Food and Ingredient business and Health and Convenience segments that strive to deliver the finest quality food products to its consumers across 60+ countries. Riding on its robust Farm to Fork business model, today the Company has expanded its offerings to serve millions of consumers.





# Message from Management



**Vijay Kumar Arora**  
Chairman



Being in essential food category, each member of LT Foods family stepped up to ensure the availability of our food products to a growing consumer base without any disruptions.”



**Ashwani Kumar Arora**  
Managing Director  
& CEO



LT Foods once again exhibited a good year-on-year performance with a 3 Year CAGR Revenue growth of 9%, and PAT growth of 45%.”

## Dear Stakeholders,

As we report our Company's performance for the fiscal under review, we hope you and your loved ones are safe. The year 2020 suffered an intense economic slowdown, with global GDP contracting by 3.3%, mostly on account of the severe disruptions caused by Covid-19. The loss of lives overshadowed the negative impact on global trade, lockdowns and subsequent slowdown in businesses.

Amidst a dismal economic scenario, we achieved a solid all-round performance through operational excellence and adoption of right strategies. We are proud of our team's ability to respond to challenges and their agility and resilience is evident in our continued success. Being in essential food category, each member of the LT Foods family stepped up to ensure the availability of our food products to a growing customer base without any disruptions.

As a Global Consumer Food Company which deals in Basmati and Other Specialty Rice, Organic Food and Ingredient business and Health and Convenience segment, we strive to deliver the finest quality food to our consumers around the world. We realise the value of food for every family and understand the crucial role it plays in bringing families together. Often, the simple joys of life are shared through food and as a consumer-centric Company we are constantly broadening our offerings by adding healthy and convenient choices in our portfolio for our consumers.

## Overcoming Covid-19

Proactive investments in our state-of-the-art facilities for automation and technology advancement in the last few years enabled us to weather the challenges posed by Covid-19. All our plants remained operational since the beginning of the lockdown and automated operations ensured higher efficiency and productivity. We strictly adhered to social distancing protocols at all our manufacturing facilities and at distribution centres around the globe.

## Growing Globally

The India market is led by Daawat and other regional brands which have a strong brand recall amongst the consumers. Despite the pandemic, our brands continued to hold their fort as a market leader in the category. Amongst the business segments, consumer business performed quite well and small packs business increased by 10% on year. While the Company's investments in building a strong and resilient distribution channel helped steer past the covid19 related obstacles, e-commerce channel recorded a strong growth in the distribution mix for the Company. While e-commerce enabled us to communicate more about the product to the customers, digital platforms overall helped us establish a deeper engagement with the consumers. Our sales and marketing campaigns struck the right chords with themes around festivals, experiential cooking and many more initiatives to deepen the



**Vision is to be a leading Indian origin Global Consumer Food Company that creates sustainable business growth, has a positive impact on society and creates value for its internal as well as external stakeholders.”**

engagement with consumers. In the Ready to Eat segment, we launched Daawat Cuppa rice and it was widely accepted by the consumers. We are planning to expand the product mix in ready to eat segment which is gaining prominence in households due to the convenience it offers in consuming tasty and healthy food. We also witnessed huge traction in the organic food health concerns continue to shape consumers' decision making. Daawat Sehat, a fortified rice product, has also gained significant positive response from the consumers and we believe, it will continue to complement the Nation's fight against malnutrition.

In the global arena, we registered a 21% growth during the year. Our Global Supply Chain Hubs and our efforts to boost brand preference through dedicated consumer marketing initiatives helped to increase the availability of products. Besides, a strong distribution network in existing and new geographies allowed us to deepen our reach globally.

The Royal Ready-to-Heat (RTH) range, introduced in the United States last year, performed well and demand for convenience food also saw good growth, we leveraged our strong brand equity and drove omni channel campaigns to market the Royal brand in North American markets.

We strengthened our foray in European markets with specific marketing campaigns that promoted our brands in the region. We also widened our brand visibility and outreach by making our products available at leading stores. Our latest product, Daawat 'boil in bag' variant was highly appreciated by our consumers as the innovative product aligned to their convenience, health and nutrition expectations.

We reworked our strategy in the Middle East, channelising our products and supply towards the retail and branded business, due to the slowdown experienced by the HoReCa segment. Hence, we aligned our product strategy along with evolving consumer



Message from Management

demands, laying a strong foundation for future growth opportunities. We launched ‘Dawaat Cuppa rice’ in the Middle East and redesigned ‘Hadeel’, regional brand for UAE market with a new packaging to create a better recall in the minds of the consumers. The demand for these brands have been overwhelmingly positive after these campaigns.

Performance Highlights

LT Foods once again delivered a good year-on-year performance and a 3 Year CAGR Revenue growth of 9%, EBITDA growth of 19% and PAT growth of 45%. The Consolidated revenues stood at ₹ 4686 crore, compared to ₹ 4173 crore in the previous year. Due to significant alterations in product mix and lower input costs, the gross margin increased by 232 basis points to 31.1%. This led to an increase in the EBITDA margin by 58 basis points y-o-y, from 12.2% to 12.8%. Overall profit margins also increased by 139 basis points to 6.2%, owing to a 34% drop in finance costs.

Our efforts to strengthen the Balance Sheet allowed us to generate significant cash flow of ₹ 345 crore, driven by a decline in overall debt by ₹ 205 crore to ₹ 1,253 crore. A major part of our capital allocation was for upgrading our business and improving Return on Capital Employed ratio, which rose by 193 basis points to 15.6% and Return on Equity improved by 283 basis points to 15.3% in FY21.

The robust revenue-growth and profitability has been mainly fuelled by our ability to provide superior consumer experiences through strong global brands. Our flagship brands like ‘Daawat’ and ‘Royal’ enjoy market leadership in India and the US, with a market share of 20%+ and 50%+

respectively. Other brands such as Heritage, Devaaya, Gold Seal Indus Valley, 817 Elephant and Rozana has also emerged as preferred brands.

The organic segment contributes 12% to the overall revenue. The Company procures and supplies quality ingredients to organic food manufacturers and also performs marketing of end use organic food products through its subsidiary companies. The organic business has delivered consistent and remarkable performance during the year as it grew by 51% during the year.

The Health and Convenience segment also witnessed significant growth as consumers increasingly opted for health and convenience food. The segment grew 45% during the year. The product category’s potential can also be gauged by the phenomenal 48% CAGR growth over the last 3 years. Leading with the baton is the Royal Ready to Heat portfolio of aromatic rice which is available in different flavors conforming to cuisines preferred by the target customers. Royal Ready to Heat garnered 97% growth during the year versus the category growth of 17% in its market in North America. Daawat Saute sauces have also been supplementing the experiential cooking segment. Daawat Cuppa rice was launched in India during the latter half of the year and is already charting high growth trajectory. The product has also been launched for the Middle East market. Our Daawat Sehat and Brown Rice fulfills the customers demand for healthy, and nutritious rice and delivered a strong growth. Kari Kari is yet another feather in the cap and with this premium and healthy snack, we are increasingly meeting consumer demand for healthy and convenient food.

Benefiting Communities

With a vision to be a leading Indian origin Global Food Company that ensures sustainable business growth, has a positive impact on society and creates value for its internal as well as external stakeholders, we continue to maximise value creation for both society and our shareholders. We also remain focused on best business practices and processes for Environment, Social, and Economic Sustainability.

Further, during the year, LT Foods worked on various sustainability initiatives to create shared value for its stakeholders

LT Foods has been awarded a ‘Significant Achievement Certificate’ in the Category of ‘Large Value Chain on Basmati Rice, by Confederation of Indian Industry (CII). The Award was given on the basis of Impact on Environment in terms of reduction in Water Usage, Energy, reduced use of Chemicals, Pollution and Waste Management and Promotion of biodiversity and Societal impact of sustainable practices on lives and livelihoods of people, who are a part of the supply chain.

LT Foods has become the first Company globally to be certified with the highest level of verification – L3, by UN-backed Sustainable Rice Platform (SRP) ecolabel. This will enable the Company to use Sustainable Rice Platform (SRP) verified logo on rice packs produced by 1000+ verified farmers opting for sustainable methods of farming for rice production. LT Foods works with farmers to grow sustainable & residue free basmati rice as per the SRP standards under its Agri Program. The L3 SRP certification



Our strategy is in line with the strategic pillars of Growth, Margin Expansion and Strengthening of Financial Metrics to create a strong, progressive, sustainable, profitable and growing consumer business across all geographies that Creates Value for all its stakeholders.”

is the highest level of verification for sustainable cultivation of rice.

The Company is also is driving numerous CSR initiatives such as adoption of villages, providing better sanitations facilities, offering opportunities for empowerment, sponsoring the education of girls and is also collaborating with NGOs to improve the quality of life in communities.

We will continue to work in this direction to create shared value and enable people to lead healthier and happier lives. As a responsible partner for communities, we aspire to improve the livelihood of people across the value chain and aim to adopt sustainable practices that minimise the impact of our operations on the natural environment.

Strategic Roadmap

We work towards nurturing goodness by providing our consumers with a portfolio of food products led by our flagship brands “Daawat” and “Royal” and regional leading brands. Keeping our focus on the strategic pillars of Growth, Margin Expansion and Strengthening of Financial Metrics to create a strong, progressive, sustainable, profitable and growing consumer business, we strive to create value for all stakeholders. We endeavour to achieve this by strengthening our leadership position across geographies via organic and inorganic routes and grow via product portfolio expansion through continuous innovation in business segments including Basmati and Other Specialty Rice, Organic Food and Ingredient business and Health and Convenience segment. We are consciously investing in growth in politically stable countries

to strengthen our business across geographies. We aim to drive our agenda of margin expansion via cost management, benefits of scale and better product mix across geographies and business segments. A well-defined capital allocation framework is also in place with prudent financial policies that help balance the earnings and borrowings, to create sustained value for our shareholders/stakeholders.

We would like to convey our sincere admiration for the Board of Directors, my co-workers, suppliers, distributors and all the shareholders/stakeholders for their ongoing support and active involvement in our journey.

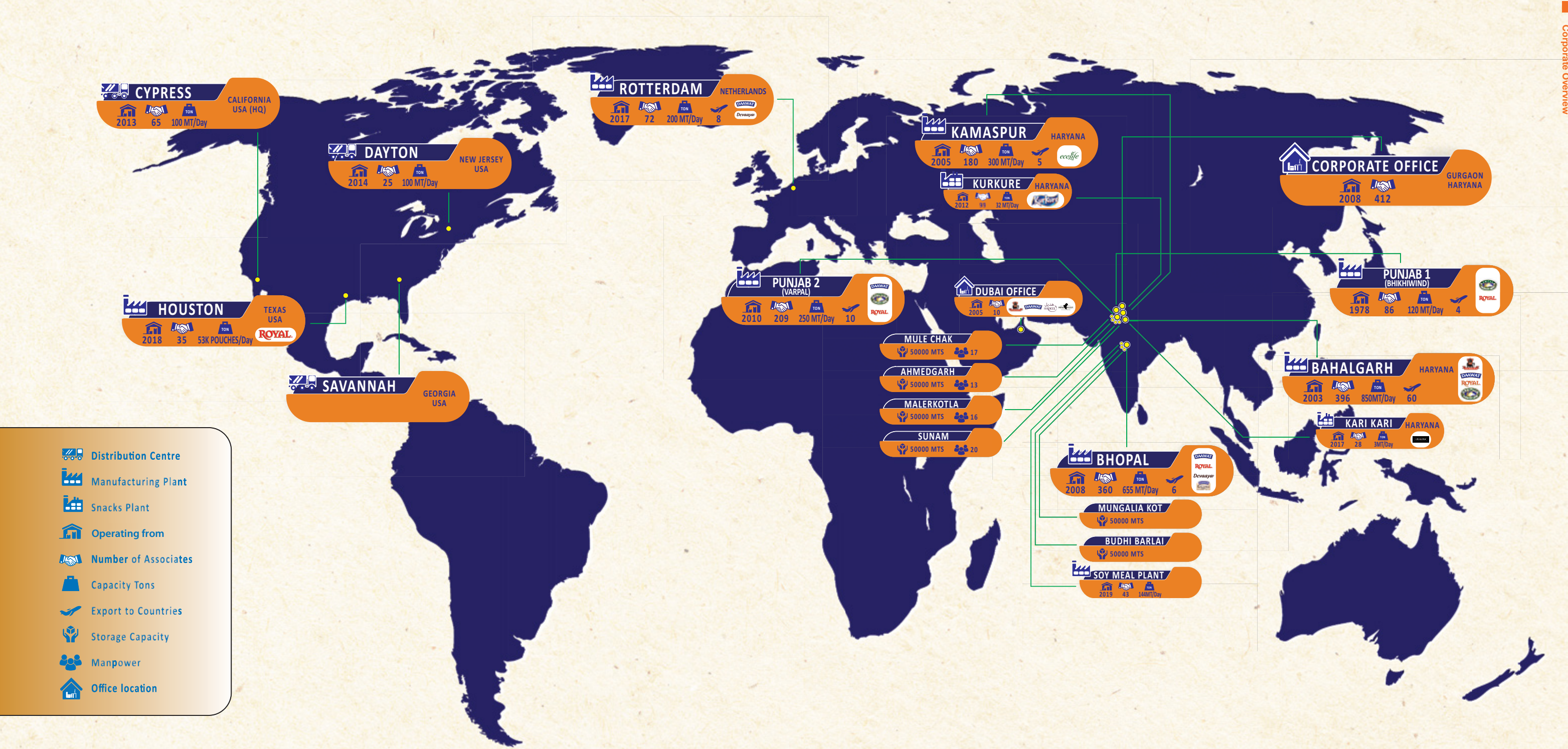
Thanks and Regards,

Vijay Kumar Arora  
Chairman

Ashwani Kumar Arora  
Managing Director  
& Chief Executive Officer



# Nurturing Goodness Since 1952



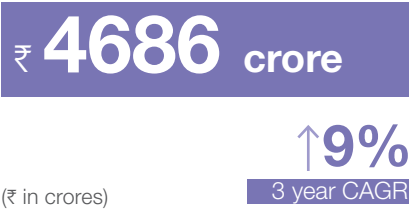


# Sustaining Performance

Armed with strong brand equity, global supply chain, wide distribution network and integrated business model, we continue to deliver performances that showcase our commitment to Create Value for our Stakeholders.

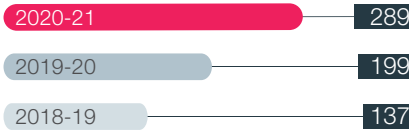
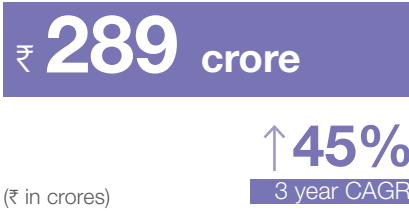
## PROFIT AND LOSS METRICS

### Revenue From Operations



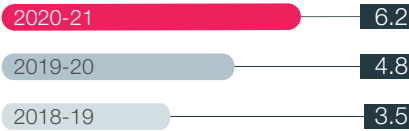
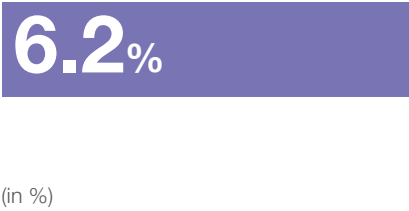
Revenue from operations increased at a CAGR of 9% during the past three fiscals (FY19-FY21) aided by strong growth across geographies. The Company reported a revenue growth of 12% aided by 9% growth in the Basmati and Specialty Rice segment, 51% growth in the Organic business and 45% growth in the Health and Convenience segment.

### PAT



The Gross Profit and EBITDA margin expansion during the year was on account of change in product mix and lower input cost. The Company generated significant free cash flows amounting to ₹345 crore, driven by strong performance in FY21 that led to decline in overall debt by ₹205 crore. This further led to a reduction in the finance cost by 34% and the average fund cost was down by 242 bps from 7.54% to 5.12%. Overall, PAT increased by 45% to ₹289 crore.

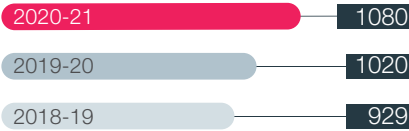
### PAT Margins



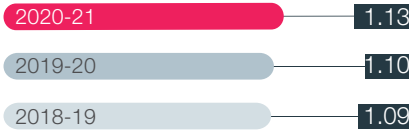
Our margin expansion of 139 basis points to 6.2% is a result of our controlled mechanisms to monitor costs that were optimised. During the year, the team worked to keep the non-operating/finance costs strictly under control. It not only helped to deliver robust cash flow but, also enabled higher profitability.

## BALANCE SHEET METRICS

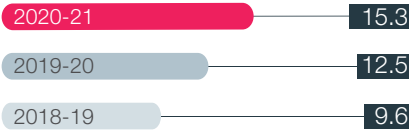
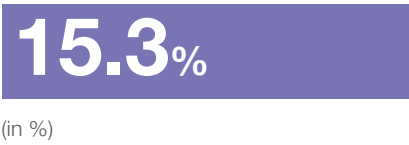
### Tangible – Gross Block



### Asset Turnover Ratio



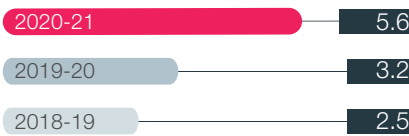
### Return on Net Worth



### Debt-equity ratio

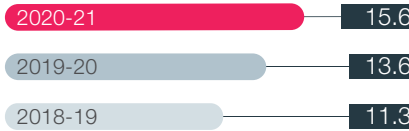
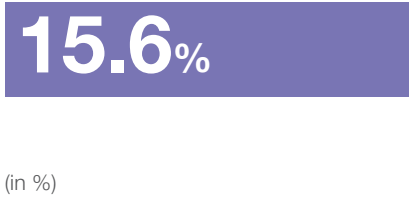


### Interest coverage ratio



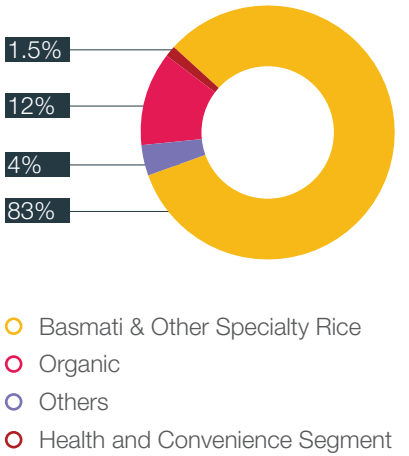
Our efforts to deleverage our Balance sheet continue with a robust interest coverage ratio and a declining debt-equity ratio. We continue business expansion with a balanced mix of internal accruals and borrowings, with timely payment of debt obligations and keeping the Balance sheet healthy.

### Return on Capital Employed

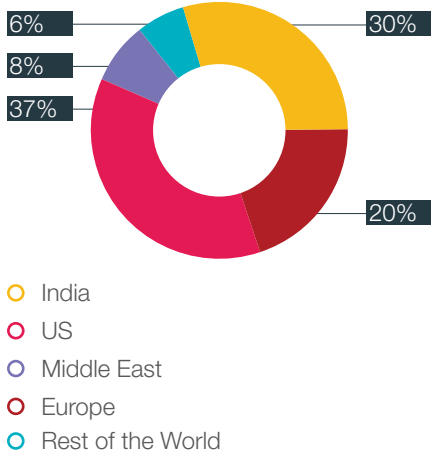


Our operational capabilities and financial prudence in providing finest and premium quality consumer food products, reflects in our increasing return on capital. Together with our competitive advantages, a strong growth in ROCE is indicative of the sustainable performance of the Company, year on year.

### Diversified business portfolio



### Diversified market presence



Our balanced business portfolio, spread across countries with a global consumer base, allows us to sustain our growth momentum. A steady expansion into new businesses organically and inorganically, backed by strong brand equity, modern packaging and processing plants and a strong global distribution network that enabled us to deliver long-term profitability and sustainable growth.





# Integrated Value Accretive Business Model

## INPUT

<b>Financial Capital</b>	<b>Manufactured Capital</b>	<b>Intellectual Capital</b>
<b>₹ 1890 crore</b>	<b>₹ 278 crore</b>	<b>30+</b>
Shareholder's Fund	Additional CAPEX (Property, Plant & Equipment) in last 3 years	Average experience of top management (in years)
<b>₹ 1253 crore</b>	<b>5</b>	<b>70+</b>
Debt (Bank Borrowings)	Manufacturing facilities in India	Years of experience in business
<b>Human Capital</b>	<b>1</b>	<b>Social and Relationship Capital</b>
<b>2000+</b>	Manufacturing facility in Europe	<b>₹ 3.5 crore</b>
Employees across the globe	<b>3</b>	Invested in CSR activities
	Packaging units and a Ready-to-Heat facility in US	<b>258+</b>
	<b>1</b>	Network of agents
	Snacks Factory in India	<b>235+</b>
		Procurement markets
		<b>4,400+</b>
		Farmers engaged in the SRP Program



## We offer our consumers finest range of products

### Our product offerings

#### Basmati & Other Specialty Rice

- Basmati
- Regional Rice
- Specialty Rice
- Arborio Rice
- Jasmine Rice
- Fortified Rice

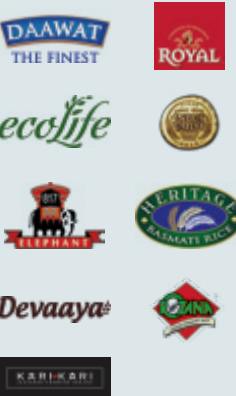
#### Organic business

- Organic Food & Ingredient
- Eco-life

#### Ready-to-eat/heat

- Rice based snacks
- Saute' Sauces
- Ready to Heat
- Cuppa Rice

#### Our Brands



## OUTPUT

<b>Financial Capital</b>	<b>Intellectual Capital</b>
<b>₹ 4686 crore</b>	<b>5+</b>
Revenue from operations	New products introduced in last 5 years
<b>12.8%</b>	<b>Social and Relationship Capital</b>
EBITDA Margin, improved by 58 bps over previous year	<b>Re. 1</b>
<b>45%</b>	Dividend per share
YoY increase in PAT	<b>1,37,000+</b>
<b>15.6%</b>	Retail Outlets in India
Return on Capital Employed	<b>100+</b>
<b>Human Capital</b>	International distributors to cater to the global market
<b>3900 hours</b>	<b>60+</b>
Training and Development	Countries of presence for our products
<b>Manufactured Capital</b>	
<b>Integrated</b>	
Operations to achieve operational excellence	

## MAPPING THE NEEDS OF STAKEHOLDERS



### Consumers

- Finest & Consistent Quality Products
- Appropriate and affordable pricing
- Healthy choices
- Convenience in Meal planning



### Communities

- Quality Education
- Economic development
- Empowering lives of Farmers



### Shareholders

- Sustainable business model
- Return on Investment
- Transparent and timely reporting



### Government and Regulator

- Compliance with regulations
- Transparent and proactive engagement with regulators and policy makers



### Our People

- Diverse workplace
- Recognition and reward for excellence
- Engaging work culture
- Development and career growth



### Business partners, suppliers and distributors

- Mutually beneficial relationship
- Collaborative Approach
- Transparent and ethical functioning





# Our Strategic Approach to ‘Nurturing Goodness’

We work towards nurturing goodness by providing our consumers a vast portfolio of food products, led by our flagship brands “Daawat” and “Royal” and other leading regional brands. We aim to constantly innovate and diversify into new food categories based on emerging consumer habits and demands. We strive to create a sustainable business model that has a positive impact on society and creates value for its internal as well as external stakeholders.

## OUR STRATEGY

The Company’s strategy is in line with the strategic pillars of Growth, Margin Expansion and Strengthening of Financial Metrics to create a strong, progressive, sustainable, profitable and growing consumer business across all geographies and Creates Value for all its stakeholders.



## OUR VALUE CREATION MODEL

Our long-term value creation model is based on efficient top-line and bottom-line growth as well as improved capital efficiency.

### LT Foods Creates Value by:

**1 Solidifying leadership position across geographies via organic and inorganic routes and Growth via product portfolio expansion through continuous innovation** – Our objective is to nourish our flagship brands “Daawat” and “Royal” as well as the regional brands to drive sales growth via a combination of rapid innovation, solid leadership position via organic and inorganic routes, and increased consumer penetration across segments to strengthen market share, widen global distribution network and enhance the financial performance of the Company across business segments, such as Basmati and Other Specialty Rice, Organic Food and Ingredient business and Health and Convenience segment.

The success of our Company is also built on maintaining a diversified portfolio, both in terms of geography and category and its expansion based on changing consumer

trends. Our ability to adapt to the changing environment led to the expansion of its product portfolio in the health and convenience platform, leveraging its strong brand presence & distribution strength.

In line with our strategies, the Company has been growing year on year and saw a growth of 12% in its overall revenue, aided by growth in its Basmati & Other Specialty business by 9%, Organic business by 51% and New Product business by 45%. The small pack business also witnessed a growth of 8% versus last year due to increase in home consumption across the globe. Further, the Company also reported a 3 Year CAGR Revenue growth of 9% and PAT growth of 45%.

## 2

### Investing in Strategic Drivers –

- Investing in regions that are politically stable and with high-growth potential for all our business categories
- Investing in our core category of Basmati and Other Specialty Rice that provides a huge opportunity landscape for growth as people are shifting from unbranded to branded products and packaged products.

- Investment in Premiumization and change in sales mix has significantly increased this financial year. During the year, our revenue from premium offerings grew by 28%

- Investments to expand our consumer base through effective marketing mix and Go-to-Market (GTM) strategies that focus on improving our distribution network across all channels – General Trade, Modern Trade, E-commerce, etc.

- Strengthening position in Organic segment by expanding reach through stock and sell model, diversified product portfolio and expanding reach by venturing into new territories.

- Investing in high-growth categories such as the Health and Convenience segment as there is an increase in demand for healthy, hygienic and convenient products to remain attuned to customer demands.

- Building capacity by Investing in highly mechanized/automated infrastructure to meet the growing demand of our consumers

- Leveraging technology/digitalization across all our business segments to redefine our business model for enhanced reach and communication with all our internal as well as external stakeholders

- Investing in People and creating a strong pool of talented resources

- Strengthening the Governance Framework of the Organization

## 3

**Enhancing operational efficiency for Margin Expansion** – We aim to drive our agenda of margin expansion by cost management, benefits of scale and better product mix across all geographies and business segments.

We have continuously worked on margin expansion and it is visible in our 3 Year CAGR Revenue growth of 9%, Gross Profit growth of 22% and EBITDA growth of 19%. The revenue from premium offerings was up by 28% on year on year basis. Our 3-year Profit After Tax CAGR was 45%, reflecting our prudent measures to reduce the interest cost by 37% over a period of 3 years, thereby leading to a reduction in the average fund cost, currently at 5.12%. We also aim to maximise shareholder’s wealth by strategically focusing on profitable growth.

## 4

### Judicious Capital Allocation and Improved Capital Efficiency

– We have a well-defined Capital Allocation Framework in place with prudent financial policies wherein we aim to balance the objectives of ploughing back earnings to support

sustained growth, debt reduction and appropriate reward to shareholders through dividend. In combination with our operating performance, this has allowed us to increase our Return on Capital Employed (ROCE) by 193 bps, from 15.6% in FY 21 to 13.6% in FY 20.

We have generated a free cash flow of ₹ 345 crore during the year and will allocate these resources discerningly, focusing on projects with the highest potential to create profit i.e. for growth in the Core Basmati and Other Specialty Rice and Organic business along with an impetus on new growth engines. We also keep evaluating opportunities to grow inorganically to protect and enhance our Return on Capital Employed and sustain attractive financial returns.


Though majority of our debt is Working Capital debt, we have cautiously reduced our overall debt by ₹ 205 crore to ₹ 1,253 crore. The Debt-Equity ratio improved from 0.91 to 0.66 times and the Debt-EBITDA ratio also improved from 2.9 to 2.1.

We strive to maintain a steady stream of dividend to reward our shareholders. Effective FY 21, we have adopted a revised Dividend policy and expect the dividend pay-out ratio in the medium term to be in the range of 20%-30% of Standalone profits.





# Board of Directors



**VIJAY KUMAR ARORA**  
Chairman



**ASHOK KUMAR ARORA**  
Managing Director



**SURINDER KUMAR ARORA**  
Managing Director



**ASHWANI KUMAR ARORA**  
Managing Director & Chief Executive Officer



**ABHIRAM SETH**  
Independent Director



**NEERU SINGH**  
Independent Director



**ANIL KHANDELWAL**  
Independent Director



**AMBIKA SHARMA**  
Independent Director

# Next Generation Leaders



**ABHINAV ARORA**  
President - LT Foods Americas



**ADITYA ARORA**  
Director - LT Foods Europe B.V.



**ROHAN GROVER**  
Director - NBFL B.V. (Organic Business)



**GURSAJAN ARORA**  
Director - LT Foods Middle East DMCC



**RITESH ARORA**  
Chief Executive Officer - India and Far East Business



**ANMOL ARORA**  
Director - Nature Bio Foods Limited (Organic Business)



# Corporate Information

Board of Directors

**Vijay Kumar Arora**  
Chairman and Managing Director

**Ashok Kumar Arora**  
Managing Director

**Surinder Kumar Arora**  
Managing Director

**Ashwani Kumar Arora**  
Managing Director & Chief Executive Officer

**Neeru Singh**  
Independent Director

**Abhiram Seth**  
Independent Director

**Anil Khandelwal**  
Independent Director

**Ambika Sharma**  
Independent Director

Company Secretary & Compliance Officer

**Monika Chawla Jaggia**

Key Management Team

Corporate Office

**Vivek Chandra**  
Chief Executive Officer - Consumer Business

**S. K. Salhotra**  
Group Head Treasury

**Ritesh Arora**  
Chief Executive Officer - India and Far East Business

**Sachin Gupta**  
Group Financial Controller

**Palash Aggarwal**  
Chief Human Resource Officer

**Sanjeev Uppal**  
Head- Supply Chain & Operations

**Manoj Chugh**  
Head- Procurement

LT Foods Americas

**Abhinav Arora**  
President

**Mukesh Aggarwal**  
Chief Financial Officer

Andrew W Cops

Senior Vice President, Sales, Marketing & Innovation

Shankar Satappagol

Senior Vice President, Sales International & Food Service

Chris Skolmutch

Director of Research & Development

Shea Levitch

Vice President, Human Resources

Steve Kline

Director, Quality and Food Safety

LT Foods Europe

Vikas Magoon

Managing Director

Aditya Arora

Director

Anubha Bajaj

Director, Sales & Marketing

Kamal Poplai

Assistant Director - Quality and Food Safety

LT Foods Middle East

Gursajan Arora

Director

Vivek Kumar

Business Head, Gulf Business

Daawat Foods Limited

Rajinder Wadhawan

Chief Executive Officer & Chief Financial Officer

Anamika Gulati

Quality Head

Nature Bio Foods Limited

Anmol Arora

Director

Rohan Grover

Director, NBFL B.V

J. S. Oberoi

Chief Executive Officer

Rajesh Jaswal

Plant Head

Statutory Auditors

MSKA & Associates

Internal Auditors

Grant Thornton Bharat, LLP

Secretarial Auditors

D Dixit & Associates

Production and Packaging Facilities

Bahalgarh, Sonapat, Haryana  
Mandideep, Bhopal, Madhya Pradesh  
Bhikiwind, Amritsar, Punjab  
Varpal,Punjab  
Rotterdam, Europe  
Houston, United States

Packaging Facilities

Cypress, Houston, New Jersey  
Kurkure, Kamaspur, Sonapat  
Silos Plant, Punjab  
Silos Plant, Madhya Pradesh

Organic Plant

Kamaspur, Sonapat,Haryana,

Bankers to the Company

Punjab National Bank (lead bank)  
State Bank Of India  
ICICI Bank Ltd.  
Indian Bank  
Indusind Bank  
Kotak Mahindra Bank  
IDFC First Bank Ltd.  
HDFC Bank Ltd.  
Qatar National Bank  
CTBC Bank Co. Ltd.  
Doha Bank (QPSC)  
Kookmin Bank  
Rabo Bank  
Mechanics Bank  
Bank of Baroda  
Mashreq Bank  
Yes Bank  
Allahabad Bank  
South Indian Bank  
Union Bank of India

# Management Discussion & Analysis

Global Economy

The world faced an unprecedented health and economic crisis in the form of the COVID-19 pandemic in 2020. During the year, the global economy contracted by 3.5%<sup>1</sup>. This was one of the biggest economic downturns in seven decades since World War II.

As most countries across the globe closed their borders and were forced to curtail economic activity, to control the spread of the virus, it deeply affected people as well as businesses. The economically weaker sections of society, people employed in the informal sector and the youth population were severely impacted. The pandemic led to massive pay-cuts and job-losses across the globe. It is estimated to have caused an effective loss of 255<sup>2</sup> million full-time jobs worldwide. Governments and central banks across the world resorted to favourable fiscal policies and offered monetary stimulus to prevent economic meltdown.

Among the developed economies, the United Kingdom (UK) was the hardest hit and registered a contraction of 10%. Easing of government restrictions and fiscal aid gradually led to a recovery and allowed economic activity to resume. European economies too declined by 7.2% during the year, as lockdowns continued for the first-two quarters of the fiscal year. Although, activity resumed by the third quarter of the fiscal, partial lockdowns in the fourth quarter, due to growing cases of corona-virus infection curtailed a possible recovery. In the United

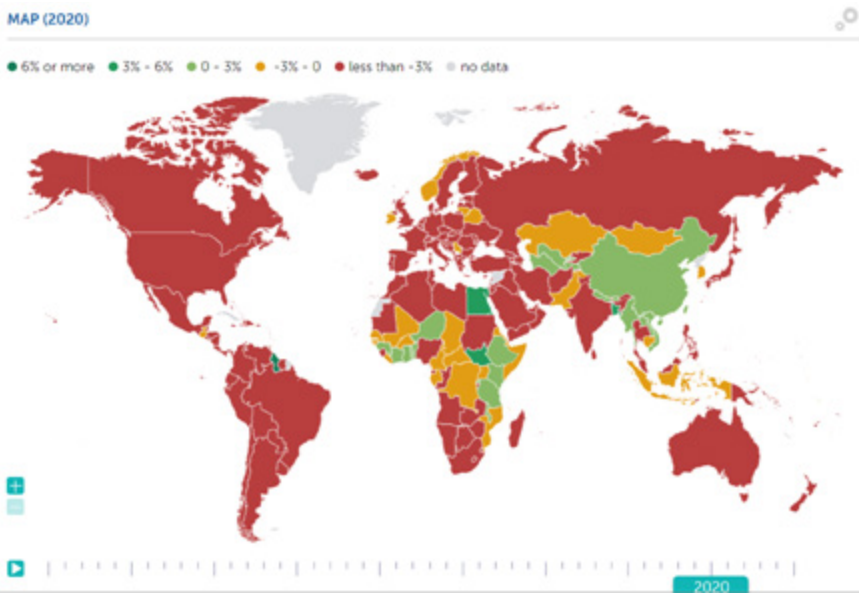
States, economic growth slowed by 3.4%, owing to better-than-expected fiscal relief packages. The Middle East too faced a particularly difficult year due to a steep fall in oil and petroleum trade and prices. The emerging and developing economies also contracted by 2.4%, with China being one of the few countries to sustain a positive growth of 2.3%.

Outlook

Although new strains of Coronavirus continue to pose a threat in some parts of the world, vaccine approvals across the world bring a ray of hope for most countries. Resting on

stronger than expected momentum in the second half of 2020, the global economy is anticipated to grow at 5.5% in 2021 and 4.2% in 2022. However, the momentum is expected to sustain only if vaccination drives are successful, further outbreaks are controlled in advanced and middle-income countries, inflation and sovereign debts are efficiently managed. Successful vaccination drives and additional policy support in large economies are expected to outweigh the risk of rising infection. Going forward, the economic growth prospects appear to be particularly promising for advanced economies like United States and Japan.

Real GDP Growth - 2020



Source: IMF- Jan 2021<sup>3</sup>

<sup>1</sup> <https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update>

<sup>2</sup> [https://unctad.org/system/files/official-document/gdsinf2021d1\\_en.pdf](https://unctad.org/system/files/official-document/gdsinf2021d1_en.pdf)

<sup>3</sup> [https://www.imf.org/external/datamapper/NGDP\\_RPCH@WEO/OEMDC](https://www.imf.org/external/datamapper/NGDP_RPCH@WEO/OEMDC)



Indian Economy

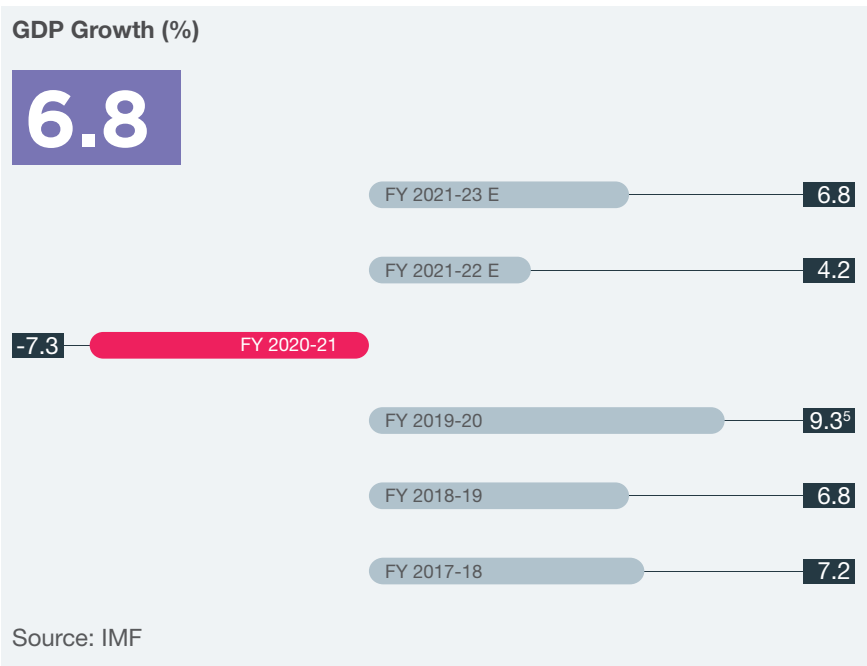
The GDP of India contracted by -7.3% during the fiscal 2020-21 due to covid 19 pandemic and the consequent economic crisis that followed thereafter<sup>4</sup>. By the end of March 2020, a countrywide lockdown was imposed to control the spread of the virus. Thereafter, a slew of fiscal measures that were announced to keep the economy afloat. It mostly aimed to ease supply constraints and inject liquidity into the economy. With restrictions across the country severely limiting movement, income and consumption patterns were significantly hampered. But, towards the second half of the year, lockdowns were lifted in phases and pent-up demand added the much-needed impetus to the economy. The festive season in second half of 2020 further revived the demand, helping the economy to bounce back.

Outlook

Despite the severe demand contraction in the economy during the recessionary trend in the first half of the current fiscal year, the economic recovery towards the later-half of 2020 was particularly impressive. The successful implementation of vaccination drive in India is expected to further lead the recovery in 2021. As a result of the negative impact of the second wave; the real, inflation-adjusted GDP growth forecast has been lowered down to 9.3% from 13.7% for FY2022.<sup>5</sup> This wave is projected to slow down near-term economic recovery and could also hamper longer-term growth efforts. The budget for FY 22 also focuses on stimulating demand with an emphasis on public investment. As the country slowly resumes economic activity, manufacturing output is likely to improve and demand is expected to pick up, both in the Indian and

International market. Controlled inflation, higher demand from partner economies, stable currency rates and

favourable fiscal stimulus can help to further boost the projected recovery.



<sup>4</sup> NSO, MoSPI  
<sup>5</sup> [https://www.business-standard.com/article/economy-policy/moody-s-cuts-india-s-fy22-gdp-forecast-to-9-3-rating-upgrade-ruled-out-121051101012\\_1.html](https://www.business-standard.com/article/economy-policy/moody-s-cuts-india-s-fy22-gdp-forecast-to-9-3-rating-upgrade-ruled-out-121051101012_1.html)

Industry Overview

Consumer Food

In 2020, 'Health is Wealth' became the philosophy for survival. As the COVID-19 pandemic wreaked havoc around the world, people turned towards healthier food and a sustainable lifestyle. Food consumption patterns were also modified, with the growing preference for healthy food and snacks that was perceived to boost immunity or mental health.

The global health and convenience food industry is expected to grow further by the end of 2021. It is anticipated to record a steady CAGR of ~6%, from 2020-27, to ~\$1 trillion. US is the largest market, with a 29%<sup>6</sup> share of the global market, at an estimated market size of \$221.2 billion. Europe, Canada and China continue to expand its foray in this segment and are expected to have a major share by 2027.

Indians are adopting a preventive approach to health and convenience to keep the elderly and children safe, the most vulnerable groups to be affected by the pandemic. The shift in consumer behaviour has led to an increased demand for healthy food. By 2030, annual household consumption is set to treble<sup>7</sup> in India, making it a favourable market for India's food consumption story.



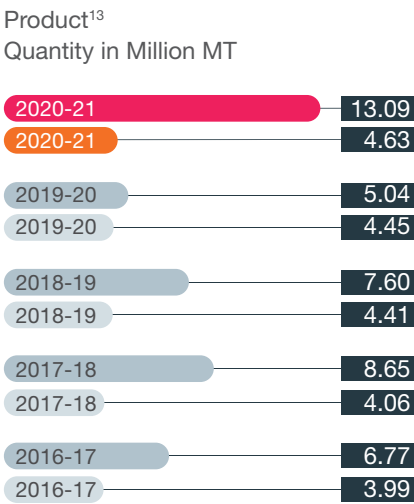
Rice & Specialty Rice Segment

Rice is one of the most important consumer foods and is a staple food for half of the world's population<sup>8</sup>. An average person is expected to have consumed around 54<sup>9</sup> kg of rice in 2020-21, marginally up from the previous year. While the global rice market is projected to grow at a CAGR of 1.2%<sup>10</sup> between 2021-26, the India rice market is expected to grow at a faster rate of 2.7%<sup>11</sup> during the same period.

India, the second largest producer of rice after China<sup>12</sup>, is the biggest exporter of rice in the world. Export of rice from India increased 9.5 million MT in 2019-20 to 11.59 million MT by December 2020.

In the Specialty Rice segment, Basmati Rice holds leading share. Total Basmati market stands at 9 million metric tonne (MT) out of which India produces c.8 million MT and Pakistan produces c.1 million MT.

India Export



Source: APEDA

<sup>6</sup> <https://www.globenewswire.com/news-release/2020/10/01/2101979/0/en/Global-Health-and-Wellness-Foods-Industry.html>  
<sup>7</sup> <https://www.investIndia.gov.in/siru/indian-food-processing-sector-untapped-growth-opportunity#:~:text=With%20the%20government's%20focus%20and,manufacturing%20and%20agriculture%20sector%20respectively.>  
<sup>8</sup> <https://www.britannica.com/plant/rice>  
<sup>9</sup> <http://www.fao.org/3/cb1993en/CB1993EN.pdf>  
<sup>10</sup> <https://www.mordorintelligence.com/industry-reports/rice-market>  
<sup>11</sup> <https://www.mordorintelligence.com/industry-reports/india-rice-market>  
<sup>12</sup> <http://www.fao.org/faostat/en/#data/QC/visualize>



Consumption in both India and International markets continue to grow. India Basmati market stood at 2.5 million MT and is growing at c. 8% as consumers are shifting from Regional Rice to Basmati Rice. Exports of Basmati rice reaching 4.63 million MT during the year 2020-21.<sup>14, 11</sup> With the Middle East being one of the worlds’ biggest Basmati markets and accounting for three-fourths of rice exports, followed by US and UK.

Further, in the International market we have witnessed a shift among different ethnicities other than Persians, Iranians and South Asians, wherein Indian cuisine specially Basmati Rice recipes are gaining traction. Hence there lies a big opportunity for Basmati Rice category to expand further across geographies.

Organic Food Industry

Organic food is produced naturally, with limited or no use of pesticides, preservatives or any other harmful chemical additives. As a result, it is considered a healthier option and its preference continues to grow in the global as well as India markets. Besides, its environmental impact is minimal and plays a vital role in conserving the ecological balance. Due to the COVID-19 pandemic, demand grew phenomenally as consumers become more health conscious. Combined with growing consumer health awareness, the global organic food market reached 106 billion euros in 2019, growing at a 5 Year CAGR of 9%. The United States is the leading market (44.7 billion euros), followed by Germany (12.0 billion euros) and France (11.3 billion euros). In 2019, many

major markets continued to show strong growth rates; for example, the French market increased more than 13 percent. Danish and Swiss consumers spent the most on organic food (344 and 338 euros per capita, respectively). Denmark had the highest organic market share, with 12.1 percent of its total food market.<sup>17</sup>

India ranks first in terms of the number of organic farmers<sup>18</sup> and it is home to nearly one-third<sup>19</sup> of organic producers in the world. India accounts for 2.1%<sup>20</sup> of global export of organic products, mainly to the EU, USA and UK, with flax seeds, sesame, soybean, tea, medicinal plants, rice, and pulses comprising major export items. The Indian organic food sector is expected to reach US \$10.75<sup>21</sup> billion by 2025. A burgeoning middle

class, rapid urbanisation, increased health and food safety concerns, easy availability and the development of a niche consumer base is expected to contribute towards the growth of this sector.

Retail sale of organic packaged food is projected to grow at a faster rate due to increased awareness about healthy food, mostly triggered by the recent pandemic. Speciality organic stores at strategic locations, especially curated menus at hotels and restaurants and easy availability of organic food on major e-commerce websites is likely to fuel demand for organic food in the days ahead in India as well as globally.



<sup>13</sup> <https://agriexchange.apeda.gov.in/IndExp/PortNew.aspx>  
<sup>14</sup> APEDA  
<sup>15</sup> <https://krishijagran.com/agriculture-world/India-may-get-gi-tag-for-basmati-rice-from-eu/> <https://www.consilium.europa.eu/media/49523/eu-India-leaders-meeting-joint-statement-080521.pdf>  
<sup>16</sup> <https://www.thebusinessresearchCompany.com/report/organic-food-global-market-report>  
<sup>17</sup> [https://www.organic-world.net/fileadmin/images\\_organicworld/yearbook/2021/Infographics/willer-et-al-2021-MASTER-2021-02-04\\_19.pdf](https://www.organic-world.net/fileadmin/images_organicworld/yearbook/2021/Infographics/willer-et-al-2021-MASTER-2021-02-04_19.pdf)  
<sup>18</sup> <https://www.ibef.org/news/India-ranks-first-in-number-of-organic-farmers-and-ninth-in-terms-of-area-under-organic-farming-major-organic-exports-from-India-are-flax-seeds-sesame-soybean-tea-medicinal-plants-rice-and-pulses>  
<sup>19</sup> [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Indian%20Organic%20Foods%20Market%20Report\\_New%20Delhi\\_India\\_06-08-2020](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Indian%20Organic%20Foods%20Market%20Report_New%20Delhi_India_06-08-2020)  
<sup>20</sup> <https://www.pureecoIndia.in/indian-organic-market-2020-new-trends-focus-areas-rutaksha-rawat/>  
<sup>21</sup> [https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Indian%20Organic%20Foods%20Market%20Report\\_New%20Delhi\\_India\\_06-08-2020](https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Indian%20Organic%20Foods%20Market%20Report_New%20Delhi_India_06-08-2020)

Organic Products Consumption in India (USD million)

Category	2015	2016	2017	2018	2019	2020*	CAGR (2017-2020)
Health & wellness products consumption	10,678	12,279	14,200	15,526	16,848	18,158	8.50%
Organic packaged food and beverages consumption	38.6	46.3	54.6	61.6	69.0	77.0	12%
Organic packaged food consumption	6.7	7.8	9.2	10.2	11.1	11.8	9%
Organic beverages consumption	32.0	38.5	45.3	51.4	57.9	65.1	13%

Note - Estimates for 2020 | Source: Global Organic Trade

Health and Convenience Segment

The segment consists of processed food such as ready-to-eat/heat foods, shelf-stable products, culinary aids and prepared mixes. It aims to merge health and convenience alternatives to home cooked food to consumers. The global food market is witnessing a rapid shift towards this segment, mainly on account of the huge variety of tasty food available in this segment and its ability to make food readily available.

The global processed food industry is estimated at Euro 2.5 trillion with US, Europe and Japan occupying 60% of the market. The demand for healthy and convenient food has increased post Covid. According to a survey

based report, 26% of consumers in Europe expressed their willingness to have sustainable and healthy products, while 30% intended to spend more on healthy eating in 2021-22. A similar finding was also observed in Asia, where in-store safety, healthy offerings and locally sourced products are driving food sales.<sup>23</sup>

Owing to rapid urbanisation, nuclear families continue to grow and the evolving gender roles are propagating the need to find easier and healthier alternatives to home cooked food. The Indian Processed food market is expected to double from USD 263 billion in FY20 to USD 535 billion by 2025, driven by an abundance of raw material, enabling policies and supportive infrastructure. Besides, opportunities for export also continue

to grow. While urbanisation and changes in lifestyle are prime reasons for the demand for processed food in urban areas, its preference continues to grow in semi urban and rural areas as well.<sup>24</sup> Furthermore, the pandemic has increased the preference for healthy food, thereby providing significant opportunities for the growth of nutritious and healthy food.

Megatrends in Food Industry

Some of the major trends witnessed in the India and International markets are as follows:

- 1. Higher spending capacity: According to a research by the India Brand Equity Foundation, the spending capacity of the Indian middle class is expected to double by 2025. With the rise of disposable income and access to credit, the Indian middle class is anticipated to spend more on convenience and branded food products
- 2. Growing health awareness: The global health crisis has increased awareness about healthy diets and people are not only conscious about their consumption patterns but, are also cognizant about the nutrient content of their food. Preference for branded, convenient, healthy



<sup>22</sup> McKinsey: The path forward for European grocery retailers  
<sup>23</sup> McKinsey: Reimagining food retail in Asia after covid 19  
<sup>24</sup> KPMG: India Food Processing Industry published May 2021



## Experiencing Changes in Consumption Trends



Channel Shift



Working Population and urbanisation



Growing health awareness



Government Regulations pertaining to Malnutrition



Higher spending capacity



Increasing internet penetration

and safely packaged food also continues to rise. Besides, 60% of global consumers are looking for immunity boosting food and beverages due to growing consciousness.

### 3. Focus on Sustainability:

Environmental concerns continue to influence people to choose organic and sustainably sourced food globally. Moreover, a growing trend to reduce wastage and utilise unused fruits and vegetables for soups, sauces and other food items is auguring sustainable practices across the value chain.

### 4. Transparency:

Customers are aware of their food choices and are keen to get a better understanding about the processes involved in food sourcing, production and packaging. This has compelled the consumer food industry to transparently disclose information about the food supplied and produced by them in India and International markets.

### 5. Urbanisation:

The National Commission on Population in India predicts that 38.6 percent of Indians will live in urban areas by 2036. The UN too highlights

that India's urban population will nearly double between 2018 and 2050, from 461 to 877 million.<sup>25</sup> With rapid urbanisation, lifestyle changes are expected to be prominent and demand for convenience and ready-to-cook meals are expected to increase.

### 6. Reliance on e-commerce platforms:

As the demand for packaged, healthy and convenient food continues to grow along with ready-to-cook food, consumers are relying on e-commerce platforms to purchase food online. The COVID-19 outbreak has also accelerated the growth of India's e-commerce market, which is projected to grow at a CAGR of 19.6% between 2019 and 2023 to reach ₹ 7 trillion by 2023. At the global level also the traction for e-commerce platform has increased.

### 7. Increasing Internet penetration:

Greater internet penetration has allowed people to gather knowledge about the benefits of superior quality food. It also provides information about different types of food, empowering them to choose healthy and convenient alternatives to traditional food.

**8. Government Support:** The Government of India has undertaken several steps to improve the food supply and consumption patterns in the country. The Paramparagat Krishi Vikas Yojana (PKVY) was introduced in 2015 to promote organic farming in the country. Additionally, Food Standards and Safety Authority of India (FSSAI), a statutory body, has mandated NPOP or PGS-India certification for all types of organic food<sup>27</sup>, thereby improving confidence in Indian organic food in the international markets. The Government has also identified the need to fortify food with essential nutrients to address malnutrition in India.

## Company Overview

### Business Segments

#### Basmati Rice and Specialty Rice

The Basmati & Other Specialty Rice segment forms the core of the business of LT Foods that comprises of Consumer as well as Strategic Private Label business. This segment contributes 83% to the overall revenue and has been growing at a 3-year CAGR Revenue growth of 8% backed by our flagship brands "Daawat" and "Royal" and other brands such as Gold Seal Indus Valley, 817 Elephant, Heritage, Devaaya, Rozana, etc. Our flagship brands Daawat and Royal command leadership position in India and US markets with market share of 20%+ and 50%+ respectively and our brands also hold leadership position in other geographies as well, i.e., Israel, Reunion Island, Mauritius, etc. The Company's Global Supply Chain Network and Wide Distribution Network of 900+ distributors helps to reach its consumers across 60+ countries and 1,37,000+ retail outlets in India. The Company has presence



across all price points and at all channels be it General Trade, Modern Trade, HORECA, E-Commerce, etc. that has aided it to reach its loyal consumers without any disruption in challenging times of Covid. The increase in home consumption led to an increase in the Consumer pack contribution from 84% to 86% and overall small pack business up by 8% versus last year.

LT Foods is also relentlessly working in expanding its product basket to meet the needs of its consumers and ventured in the regional rice segment by launching Daawat Sona Masoori and Daawat Kolam.

86%

Consumer Pack Business Share of Basmati & Other Specialty Rice during the year

Our portfolio of Basmati & Other Specialty Rice brands caters to a growing consumer base across all price points. We are one of the leading player in this space reaching out to our consumers in India and Globally with vast range of offerings across all the channels.



## Organic Food & Ingredients

Consumers are increasingly making a shift towards higher consumption of organic foods in their daily food routine as they look more closely at personal health, convenience and nutrition. While a shift towards healthier food by consumers in US during the pandemic sparked huge sales, the European markets are driven by the highly conscious consumers who look for the personal, environmental and social impact of food they eat. The India business is driven by Company's ability to provide the finest and consistent experience to consumers who have become more health and hygiene conscious through increased awareness.

LT Foods has been at the forefront of fulfilling consumer demands by closely monitoring the evolving preferences of its consumers in this segment as well. In the organic food and ingredients business, the Company mostly supplies ingredients to reputed organic food manufacturers along with marketing finished goods products in India and from its subsidiary companies in US and Europe.

Nature Bio Foods Limited (NBF), the organic subsidiary of LT Foods started in 1999, has emerged as a trusted partner, over the years, offering authentic organic ingredients to consumers in US and Europe. It offers a range of organic products including rice, pulses, beans and ancient grains sourced from Asia. The Company also exports organic soya meal and meal, a nutritious protein supplement, sourced from farms in India and African countries in Togo and Uganda. With over two decades of existence and experience, NBF now partners with over 64,000 farmer families and over 94,000 hectares of organic villages across India in addition to

<sup>25</sup> ORF Online : managing India's urban transition

<sup>26</sup> IAMAI and Kantar Report 2021 June

<sup>27</sup> NPOP: National Program for Organic Production. PGS – Participatory Guarantee Scheme, Ministry of Agriculture

<sup>28</sup> <https://fssai.gov.in/cms/fortified-food.php>

<sup>29</sup> <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6366258/>



farms in Africa and Thailand to secure quality organic products.

The Company has established a strong foothold in various countries including Germany, the Netherlands, Italy, Austria, the US, Canada, Australia, New Zealand, the UAE and Israel. The Company consistently maintains safety across its operations that has enabled it to achieve a rare feat of being the first Company in India to be conferred with the coveted CII Food Safety Award.

51%

Growth in exports from Nature Bio Foods India year on year basis

During the year, the segment grew by 51% in revenues, and is contributing 12% to the overall revenue. The Company has incorporated two subsidiaries in US and Europe to strengthen its position in these geographies via the stock and sell model. Investment at the backend, strong supply chain and expansion in product portfolio has helped the Company gain market share across its product portfolio across geographies. During the year, the Company has also launched its product in India across the online platforms.



Amazon.in

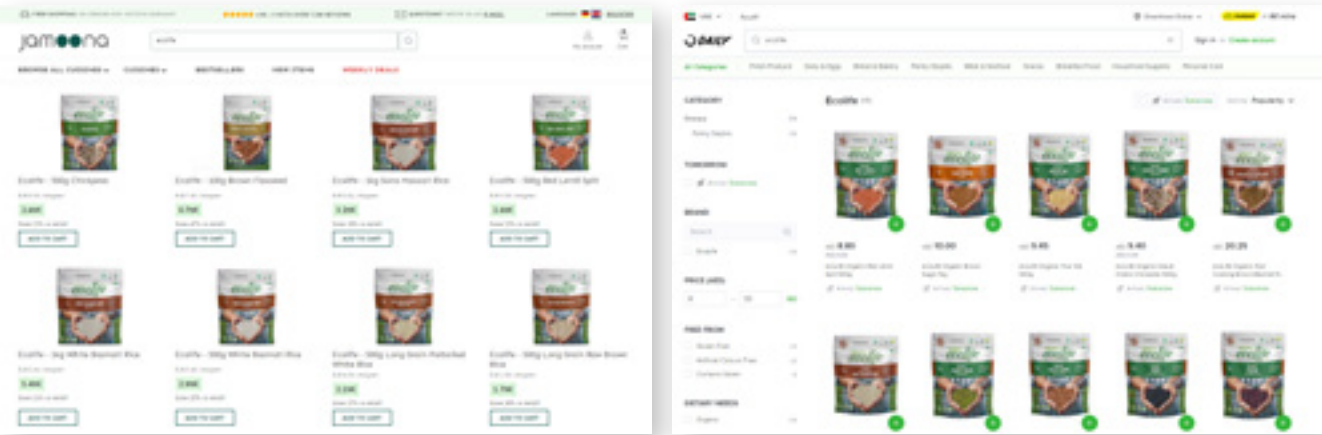
Ecolife presence on Indian e-commerce platform.

9.2%

Share of NBF in all Indian exports globally in category catered to by NBF

Noon in UAE, Jamoona in Germany

Ecolife brand presence on ecommerce platform in International markets



Health and Convenience Food

Convenience food enable the consumers to save time and effort in meal preparation, cooking, consumption and post meal activities which appeals to the individual preference of broad consumer base. The recent trends of increasing working women in families, shift towards nuclear families and even individual preferences within a joint family have started to create demand for health and convenience-driven products. Across the globe, consumer preferences are transitioning towards healthier and safe food products, and the shift has accelerated in the aftermath of the pandemic.

Aligning with these trends in the consumer space, LT Foods has

defined 3 strategic pillars for Health & Convenience segment - Finest (Authentic, Superior Quality, Taste), Health and Convenience (Easy to use and addressing the consumer need) and Innovate to differentiate (Reason for consumer to switch or evolve) and would be riding on the brand equity of its brands and distribution network to market these products.

The Company has launched Daawat Sehat, a fortified rice on the Health platform and Royal Ready to Heat, Daawat Sauté Sauces, Daawat Cuppa Rice and Kari Kari on the convenience platform that currently contributes c.2% to the overall revenue amounting to ₹ 69 crore during the year and expected to give a higher contribution in terms of revenue and margins going forward.



Business Performance by Geography

India Business

Our India business contributes 30% to our overall revenue and saw a 10% increase in its small pack business in this financial year aided by strong brands, distribution expansion, product portfolio expansion and implementation of new Go To Market Strategies.

The basmati and other speciality rice business in India is led by “Daawat”

and other regional brands such as Heritage, Devaaya, Chef Secretz, Rozana, etc. catering to a diverse customer portfolio, ranging from value to premium consumers.

‘Daawat’ which is the Company’s flagship brand continued to command strong position. The brand was also very highly penetrated across all channels, as per Kantar’s home panel data. The Basmati rice consumption per household is estimated to have increased by 3 kilograms during the lockdown, and our brand Daawat was

successful in garnering the maximum benefits from this transition. The temporary shortfall in demand from the HORECA segment was offset, to a large extent, by uptake in consumer business led by increase in home consumption.

The Company is present across all channels such as General Trade, Modern Trade, HORECA, E-commerce and has been expanding its distribution network year on year. The Company has a strong foothold in urban and rural markets in India and consistently expanding its distribution network across Tier-II and Tier-III markets, resulting in increased business. The investments made over the past few years on the distribution front have helped the Company to reach its consumers during these challenging times with agility. In this financial year, the retail outlet reach increased to 1,37,000+ with 800+ distributors.

Another channel that gained huge traction during the year under review is the e-commerce platform that witnessed a growth of 70% and contributed between 3% to 5% of the total category business.

The Company has also expanded its product portfolio by expanding offerings in the Regional Rice segment through Daawat Sona Masoori and Daawat Kolam.

During the year, the Company identified and nimbly executed a slew of innovative Go To Market approaches which yielded positive results for the Company. In line with our Go to Market (GTM) strategy to increase distribution, we focussed on engaging with our consumers, by creating digital campaigns to celebrate occasions and launching new products to cater to their preferences.

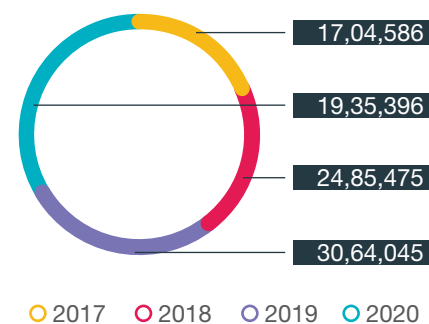
800+

Distributors in India spread across multiple cities

30 FIBL



### Growth in households served



In the Organic food and ingredients segment, the Company launched organic brand “Eco Life” across e-commerce platforms to cater to a rising consumer demand for chemical free and environmentally safe food products amongst the consumers. The Ecolife business in India saw a 26% growth in this financial year.

In India, the Company also expanded its product portfolio on the **Health and Convenience platform** to fulfil shifting trends in Indian consumerism towards healthy, personalised and easy to cook rice-based/rice allied food, i.e., Daawat Cuppa Rice, Daawat Sauté Sauces and Kari kari.

### Daawat Sehat



A one of its kind in the current offerings, Daawat Sehat is a fortified everyday rice, fortified with iron, folic acid and vitamins B1, B3, B6 and B12. The rice is made with

a special process which helps retain the nutritional content even at the final stage of consumption, thereby providing twin benefits from improved nutrition and immunity. The brand carries +F logo and also features on FSSI website. Launched in early FY21 and following the success of a digital campaign which garnered over a million eyeballs, the Company recently launched a 30 second commercial (TVC) to reach a wider consumer base. The product, which is now popularly known as ‘Poshan Wala Chawal’, is another endeavour by the Company to help reach the Government’s mission of malnutrition free India through food fortification. The strong brand equity of

Daawat and a widespread distribution channel facilitated the availability of Daawat Sehat across the country at major retail outlets in modern trade, general trade and e-commerce.

### Daawat Sauté sauces



During the pandemic, culinary aids witnessed a rapid acceleration and Daawat Saute Sauces were launched to cater the emerging needs of consumer demand for culinary aids. The Sauté Sauces have expanded rapidly across major distribution channels, particularly in e-commerce. Currently available pan India, the product is available in 5 variants and has received significant traction by consumers.

### Daawat Cuppa Rice



Daawat Cuppa rice, which provides tasty and home style food instantly, was launched during the year in India. These are ready to eat meals packed in dehydrated state, and reconstitutes in 10 minutes after pouring hot water. The easy to prepare functionality and presence of all-natural ingredients without any preservatives and artificial flavours make it a healthy and convenient choice for on-the-go consumption.

They are available in 5 variants and have already generated significant traction among consumers.

### Kari Kari



Kari Kari is an innovative premium rice-based snack launched in January

2020 in the ₹ 800 crores snack market in India. Primarily driven by demand in Metro cities and driven by e-commerce distribution channel, Kari Kari continued on its growth momentum and recorded a growth of 239% during the year. The product has been successful in gaining acceptability from the consumer. The distribution channel comprises of several modern trade chains, and standalone outlets in addition to significant presence in e-commerce. The product is currently available in 10+ states in India.

### International business

Our International business, comprising nearly 70% of the revenues, is driven by the strong brand equity of our flagship brands such as Royal and Daawat along with a robust global supply chain that facilitates distribution of our products across geographies. A long-lasting relationship with leading supermarket chains across regions, presence across all channels and an increased demand of aromatic rice and rice products from different ethnicities in global markets continues to drive our business growth.

### North America

The US Basmati Rice market stood at c. \$351 million in during the year under review, up by 4% on year on year basis. LT Foods’s one of the flagship brand “Royal” with 50%+ market share continues to be the market leader in the US. This business is growing at a 3 Year CAGR of 9%.

The US business delivered another strong year in terms of growth, margin expansion and strengthening of financial metrics. Overall, the consumer business continued the growth momentum and grew by 7% during the fiscal 2020-21 on year-on-year basis. The revenue growth was primarily driven by growth in our flagship brand “Royal”. In North America our brands are available to all consumer groups through distribution across Indian & Middle Eastern ethnic stores, the club stores

and main stream stores. Our business has grown across all channels and therefore across all ethnicities. To further enhance our consumer business, the Company has increased availability through new listings on the E-commerce platforms during the year.

LT Foods had also worked proactively to ensure availability of its key products and was able to expand its consumer home penetration.

With its strong strategies in place and its offerings in Royal brand not only in rice but also in organic and Ready to Heat (RTH) segment, the business grew by 7%.

Royal RTH is an authentic 90-second meal, specialty grains convenient food product which aims to cater to changing consumer trends in the US with preference for quick cooking meal components and more authentic flavours. The shift has been driven by an increasing number of women in the workforce, a young and more diverse consumer base and a fast-growing South Asian ethnic group in the country. Since its launch in 2019, Royal RTH has posted consistently remarkable growth rates and recorded an impressive growth rate of 97% in

year under review over the previous year, indicative of the consumer trust on the brand. In addition to the strong brand equity and an efficient distribution network of ‘Royal’ brand in the US markets, the dramatic rise in sales of RTH came along with the increased demand from ‘easy to cook’ in-house cooking during the pandemic. The growth was also driven by the multitiered campaigns undertaken to generate awareness, consideration and trial of RTH, in addition to expansion in new distribution channels and aggressive marketing. While the Company continues to increase RTH’s broad appeal across consumer ethnicities with launch of new flavours and trial and consume campaigns, RTH continues to gain new listings in retail chains and add new distribution in the existing chains to capitalise on the huge demand potential and brand equity of Royal in these markets.

~50%

Market Share of Royal

97%

Growth rate of Royal Ready to Heat (RTH) segment

### Europe

The European Basmati Rice market stood at 4.6 lakh Metric tonne and grew by 18% in year under review. LT Foods present with its flagship brand “Daawat” and strategic private label business have strengthened its presence there and it has gained approximately 15% market share. The European business is growing at a 3 Year CAGR of 48%.

The European business incorporated in 2017 has been growing year on year coupled by margin expansion and strengthening of financial metrics. The growth momentum of the Company’s business in Europe continued its trend and recorded a remarkable growth of 58% during the fiscal 2020-21, along with significant improvement in the return ratios. The business adopted the strategies during the year for distribution expansion, product portfolio expansion and consumer expansion.

20%

Revenue Share

58%

Growth in Business

‘Boil in a Bag’

Daawat’s latest product launch in the Region





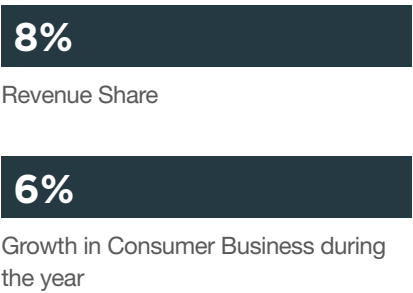
The Company has started its own distribution network in UK for supplies sent from India facility to serve and build long lasting partnership with the customers in the UK market

The Company followed a strategy of customer expansion through new listings with mainstream customers and with well-known supermarket chains like Jumbo, Auchan, etc. The marketing efforts were also aimed to increase traction of the Daawat brand amongst the UK's ethnic market.



**Middle East**

The middle east market consists of countries adjoining the Persian Gulf which are Oman, UAE, Qatar, Bahrain and Kuwait, along with Saudi Arabia, Iraq and Yemen. The region witnessed contraction in retail sales which could be partially attributed to job losses, decreased household income and reverse migration of expatriates in some countries in the aftermath of the pandemic. Nevertheless, the Company focussed on widening the brands reach through innovative marketing campaigns, strategic partnerships with major ecommerce players in the region and leveraging on key branded products in the portfolio. The launch of Daawat Basmati Brown Rice was successful in catering to the shift in consumer demand towards a healthy and branded product.



While the business declined in the Middle East due to Covid 19 pandemic, the Company registered an improved margin profile on account of reduction in expenses, amongst others. The Company's continued focus on expanding its distribution network and delivering a superior consumer experience led to solid positioning of the brands. Leveraging on strong brands in the product portfolio, the Company aims to follow a growth strategy by focusing more on Consumer pack segment across channels including Horeca & E-Commerce and charter a profitable journey.

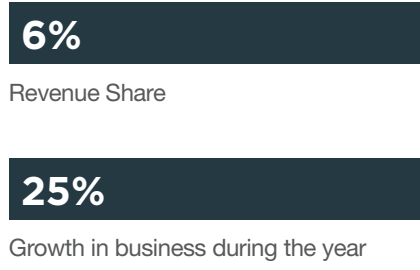


**Rest of World**

Our Rest of World segment contributes 6% to the overall revenue and adopted the strategies to expand its business in this region. The Company was quite aggressive in entering into new geographies, making investments on brand and simultaneously expanding the product portfolio to fill up the gaps in consumer space that led to an increase in the business by 25% during the year. We have strengthened our market share across geographies including Singapore, Australia, New Zealand, Reunion Island, Japan, Mauritius, etc.

During the year new geographies such as Philippines, Indonesia, Congo, Ukraine, etc. were added to increase the brand availability. To increase the brand preference amongst the consumers, the Company undertook several marketing initiatives. The distribution expansion was done by appointing new distributors, listing of our products across various platforms such as modern trade stores, grocery stores, e-commerce, etc.

In this region also the Company has expanded its product portfolio in the Basmati & Other Specialty category as well as the Health & Convenience range. Kari Kari snacks were launched in Australia and have been very well accepted by the consumers.



**Operations review**

**Integrated Farm to Fork Model**

The Company is present across all aspects of the value chain and has an integrated "Farm to Fork" model. The Company has made investments across the value chain be it – Sustainable Farming, Procurement, Manufacturing Facilities & Supply Chain, Distribution, Sales & Marketing, People, Processes, Digitalisation etc. to create an integrated business model and to stay relevant to consumers. The investments have helped the Company to pave through these challenging times without any disruption and was able to tap the share of increased demand with agility and continued to deliver superior consumer experience.



**Sustainable Farming**

At the outset, the Company's integrated Farm to Fork model collaborates with the farmers to integrate knowledge and practices from the Sustainable Rice Platform (SRP) to procure sustainably cultivated rice. Sustainable Rice Platform (SRP) is a global multi-stakeholder alliance, originally convened by International Rice Research Institute (IRRI), the United Nations Environment Programme (UNEP) and GIZ, a German Development Agency working in the field of International cooperation for sustainable development. With over 100 institutional members in its current format, the SRP aims to transform the rice sector by improving small landholder livelihood, reducing the social, environmental climate footprint of rice production and assuring a supply of sustainably produced rice in the global market. The platform promotes resource use efficiency and climate change resilience in rice system, both on farm and throughout the value chain, while pursuing voluntary market transformation initiatives.

Over 4,400+ farmers are associated with LT Foods, through its SRP program, to grow paddy in compliance with the SRP standards in over 18,000 hectares of land. The farming is further strengthened by the application of advanced technologies such as satellite based



remote sensing to monitor crop health, water usage GHG emissions, & drone sprays for efficient pest management. Use of water saving technologies such as laser levelling, micro irrigation, alternate wetting and drying (AWD) and direct sowing have led to reduction in water and fertilizer consumption. The Company also deploy a team of qualified graduates as field officers to work within an allocated farming community in knowledge dissemination, adoption of technology, in-situ data collection and overall monitoring of compliance with the SRP norms. Furthermore, the Daawat Farmers

app has been provided to the farmers associated with the program for two-way communication and digital connectivity to resources such as training and education and input services.

Over the years, the Company's effort has resulted in increased farmer's income through improved productivity, optimized utilization of inputs and timely procurement / payments. The Company has also become the first Company globally to be successfully audited at the L3 level allowing for our brands to carry the coveted SRP Logo.

L3

LT Foods successfully audited to the highest level of certification by SRP, the **first Company globally** to achieve this distinction.

18,000 hectares

Hectares of land under cultivation through SRP program

4,400+

Total farmers associated with the Company's SRP programme in India for Basmati.



survey, extremity survey and Market Committee Report.

The Company leverages its network of farmers, commission agents and stakeholders spread across 235 Government recognised mandis to monitor quality and procures paddy at competitive rates. Company's procurement is based on web based platform that ensure two way communication between our team and commission agents from mandi to further strengthen the end to end buying process and guarantees a smooth buying process.

The Company also has a dedicated procurement team for its organic produce that ensures consistent quality, hygiene and safety at all times. The Company has a farmer base of 64,000 farmers and organic land bank of 94,000 hectares.

Effective Procurement

The Company procures paddy from the mandis (procurement centres) in Northern and Central India through an extensive network of agents during the season. The Company has deployed a Procurement Planning Tool driven through structured framework that helps to procure the right paddy at competitive prices.

to them to help them to procure the targeted quantity at best prices in their respective areas.

A detailed monitoring at the beginning of the harvest season is backed by scientific methods. Data is collected on paddy varieties produced within the framework of a 5-tier structured system that involves initial survey, mid-season survey, yield and disease

258+

Commission agents and Market Yards in the Company's procurement network, across **Haryana, Uttar Pradesh, Punjab, Madhya Pradesh**



The procurement process is based on scientific principles and is broadly divided into pre- and post-harvest phases.

The pre-harvest phase involves a deep survey-based analysis of the supply demand dynamics, ahead of the harvesting season, with relevant stakeholders in field and mandis. The Company also leverages on remote sensing technology to capture imagery data from the fields which enriches the quality of data with minimal time lag. The quantitative data so obtained is further analysed for estimating supply and the demand through the lens of International trade policies. Regular stakeholder interaction is organised in person as well as virtual wherein the demand and supply analysis is communicated

Quality Checkpoints across procurement cycle:

Stringent quality checks are placed each stage from Mandi to Company premises.	Best practices followed in Stack Storage	Transfer to production (through SAP release)
Silo storage	Drying and Milling controls	Blending and Final Packing inspection
Incoming inspection of Packaging Material	Final pack aesthetics	Compliance of import country regulations



Global Supply Chain

Over the years, the Company has built a global supply chain network spanning across continents to ensure an uninterrupted supply of our food products and strengthened trust of its consumers.

In India, our supply chain efforts have been towards automation and reducing reducing time to delivery which helped the Company during the COVID crisis. Moreover, the Company shifted towards palletization process which further reduced our dependency on manual labour. A world class distribution centre has been set up adjacent to the mother plant to enable quick deployment of shipments using VNA (Very Narrow Aisle Trucks) and forklifts. The initiatives helped the Company to maintain its focus on delivering its products to consumers on time in the India as well as in International markets.

In the International markets, the strategic investments in automation and digitalisation of facilities helped the Company address the Covid-19 associated challenges of distribution. An integrated ERP system across the organisation provided end-to-end supply chain visibility which improved the flow of information across all functions.

There are five state of the art manufacturing facilities in India, three state-of-the-art facilities in the US; and one in Europe. All facilities also act as distribution centers to service a vast range of customers/consumers across geographies.

During the year, the Company took several initiatives to reduce lead time, improve productivity, better inventory management with digital intervention to reduce cost and add efficiencies at plant level.

Well-Entrenched Distribution Network

The consistent efforts on strengthening distribution network across geographies has aided the Company to make its products available and

expand its reach to more than 60 countries with over 900 distributors across the globe and more than 137,000+ outlets in India.

Over the years, the Company has evolved its distribution framework, that includes several network routes, with a set of optimized logistic services that suit diverse distributors and dealer network. During the year under review, it embarked upon alternate channels for reaching to the consumer during the pandemic, such as tele ordering and partnership with delivery partners, that helped expand its product reach to a wider consumer base.

800+

Distributors in India

1,37,000+

Outlets in India

Amazon, Big Basket, Grofers, Paytm, Flipkart, Zomato

Daawat is the market leader in most of the ecommerce platforms in India

100 +

Distributors across the globe

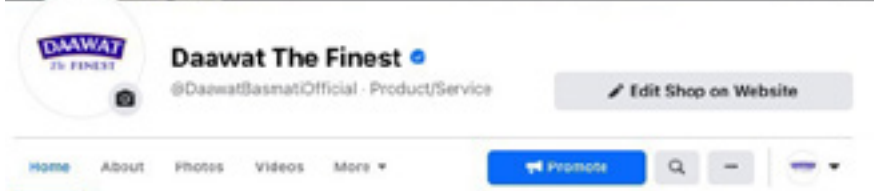


Sales and marketing

The Company launched innovative marketing campaigns around the flagship brands in key markets to strengthen the brand equity to gain market share and to increase the recall of its brands among its consumers. The marketing efforts were further strengthened with forging partnerships with leading players across different distribution channels, to increase availability and visibility. The Company adopted 360 degree approach to target its consumers at all touch points. With changed scenario on account of pandemic, the Company revisited its marketing strategies and added Digital as a main platform for marketing to be on top of the mind of its consumers.

The marketing activities in the Indian market revolved around increasing the reach, strengthening the brand and an uninterrupted engagement with the consumer. The Company organised digital campaigns under various themes such as experiential cooking, healthy food and relationships, based on consumer insights from search engine behaviour and prevailing trends. Consequently, we launched easy to cook recipes to help consumers prepare tasty food at home during the lockdown with ease. Our Daawat Brown Rice campaign with Shilpa Shetty aimed at generating awareness on the immunity boosting feature, received a good traction from our consumers. Our television commercials (TVC) were created to instill positivity in people's mind and aimed at celebrating relationships amongst people during these trying times. The Pehli Daawat campaign, wherein various celebrities participated, immediately connected with consumers who were deprived of in-person social interaction during the lockdown period. Furthermore, the Daawat festive campaign during Raksha Bandhan aimed to highlight the social distancing way of celebrating life and relationships.

As a Brand, we are focusing on offering the right product to satisfy



customer demand across all the channels such as General Trade, Modern Trade, HORECA and E-commerce. The Company has strengthened its presence across

e-commerce platforms as it provides us the opportunity to foster a deeper engagement with the consumers through improved product messaging.



Soya Chaap Tikka Dum Biryani Recipe | Chef Sanjyot Keer  
237,475 views • Feb 19, 2021

10 lakhs +

Total Views on Influencer Campaign

Meghna Gobble, Your Food Lab

Partnership with social media influencers





**Brown digital campaign**

Search for healthy food resulting in 415+ lakhs views and 124+ lakhs total audience



**Daawat**  
**Market leader**

Leading e-commerce platforms with 35% market share in Amazon.com



**First brand**

To get verified accounts amongst top 5 brands in India

**Gujarat Specific Campaign in Digital**

Achieved 21+ lakhs reach, 70+ lakhs views



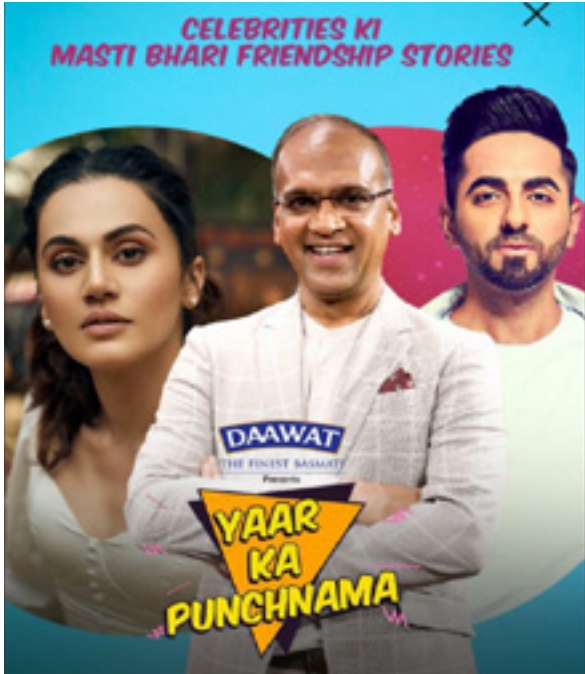
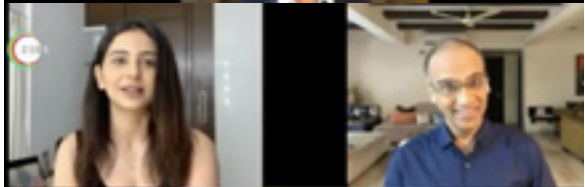
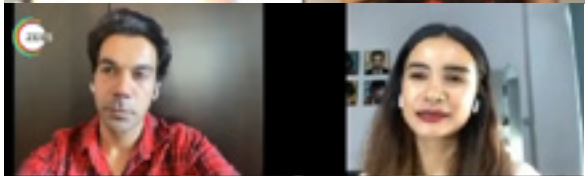
**Easy to cook recipes**

Shared with audience received very high engagement amongst female audience resulted in total reach of 260 lakhs and total views of 55+ lakhs



**Zindegi Phir Sajegi**

TV campaign generated 300 lakhs + views and reached 500 lakhs +



**200 Lakhs +**

Total Reach for Sponsorship & Brand Integration in Zee5 show - Yaar da punch





Rakhi campaign

83 lakh + views and 275 lakhs + total reach



Making

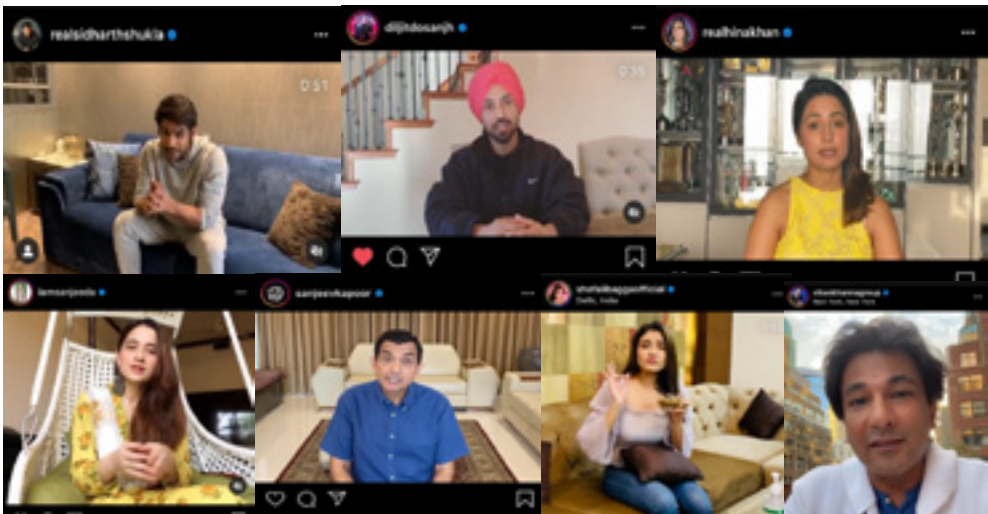
Out of Home

Brand Presence Stronger



Celebrities Pehli Daawat

200 lakhs + reach and 40 lakhs + views



Daawat Cuppa Rice

Sold through 4 trade channels and Packaging has been well-appreciated for being attractive, sturdy and with good shelf throw



Media Campaign

Undertook to promote the offer which gained 80+ lakhs views





International

The Company has adopted geography-wise marketing strategies keeping in mind the ethnicities we are focusing on, the existing brand share and the target brand share we want to achieve in the respective geographies.

The marketing campaigns in US focused on strengthening the brand equity of the Royal brand through print and digital advertising, in-store demos and displays on 'Avocados from Mexico' chain. Product awareness campaigns for Royal brand were also planned through the distribution of digital coupons to increase the consumer conversion ratio. The Company also increased its presence in regional grocery chains to improve visibility.

To increase the acceptance of Royal Ready to Heat and Royal Chef Secret, advertising campaigns were conducted on print, social and linear streaming media. The social media campaigns, in particular, revolved around festivals, New Year celebrations and Back to School meal ideas for the entire family. With the help of local social media influencers, creative meal ideas were also promoted through the campaign.

The Company further strengthened its market share by introducing new flavours, products and innovative packaging strategies. While Royal Ready to Heat expanded its offering with the introduction of 4 new ethnically inspired flavours, the Jasmine rice brand '817 Elephant', helped to improve the market share in this segment. Furthermore, the Company

added two new brands of Basmati rice in its existing portfolio in North America to strategically respond to consumer demands and sustain a competitive edge. While Royal Golden Sella was introduced to serve consumers from Bangladesh and Afghanistan, at affordable rates, Indus Valley was launched to negate the stress from disruptor brands. The Daawat Quick Cook Brown Basmati rice was launched in early 2021 to cater to the evolving needs of South Asian consumers in the North American markets.

In the Middle East, the marketing initiatives were targeted to attract local consumers. The Company introduced an Arabic logo for all products available in the region, concentrated on branding efforts for e-commerce and expanded its distribution network to serve consumers better.

New products, particularly Daawat Cuppa Rice in the convenience segment, was launched along with the Indus Valley brand. Daawat was also launched in two large supermarket chains- Lulu and Danube. The promotional activities aimed to improve the reach of products through distribution of influencer kits which ensured better visibility at stores.

In Rest of World, customized campaigns were launched to strengthened the position of our brands.

Daawat listed in

Leading Grocery Chains

across Europe

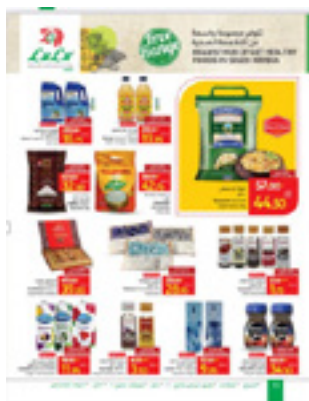
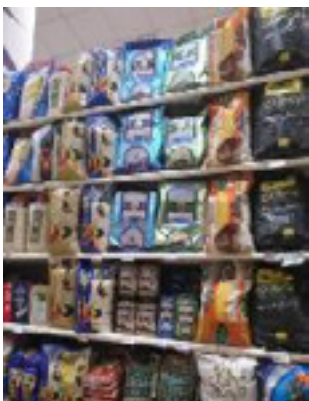


Launched Daawat "Boil in a Bag"



Revamp Hadeel to the new look "Orange"

New Product Launched in Middle East



Change of Arabic logo has now been implemented across all products in the region

Daawat

Launched in retail packs in Lulu and Danube



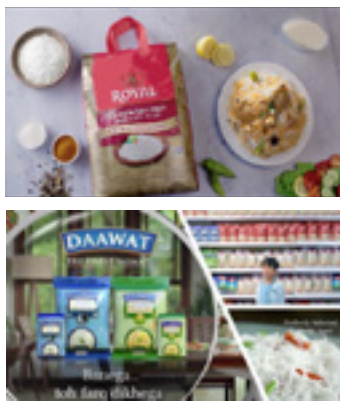
Daawat Cuppa Rice

Launched in Middle East



140 lakhs +

Total impression in Print media campaign for Royal brand in US



180 lakhs +

Total impressions in Digital campaign for Royal brand in US

90+ Demos at Restaurant Depot and partnership with Avocado's From Mexico



Co-Branded Recipe Cards





Growth Enablers

Digital transformation

The Company has made investments on the digital transformation across value chain, i.e., manufacturing, supply chain and sales and marketing. It adopted a system thinking approach wherein each component of the chain representing a specific function within the organisation was reviewed and a structured process was created. The robust process flow was further layered with IT based digital capabilities and automation with a strategic objective to build a leaner and well-informed organization through process automation, real time online MIS systems and remote data capturing using mobile devices.

Digital intervention at Sales level also helped the Organization to track the productivity of Sales team and add more efficiency at market level. Marketing strategy was revamped and aligned with the changing scenario in Consumer space. Digital took a significant share of our strategy and the Organization drove lots of digital initiatives to expand its reach to consumers across geographies.

The digital intervention across value chain has helped the organization to grow and expand its business in India as well as across geographies along with driving the agenda of margin expansion through cost optimization.

Human Resource

LT Foods Ltd takes pride in a culture that promotes care, transparency and innovation as cornerstones

of its people agenda. Our values reinforce our commitment to be an organization that ensures equal opportunity, respect and fairness for all our employees. Being a recipient of “Great Place To Work” certification consecutively for the past two years is a testimony to the same.

Driven by our core values of Consumer Centricity, Integrity, Continuous Innovation, Passion for Excellence, Respect for People and Responsibility, we enable our people to truly have a sense of ownership at LT Foods, learn and develop as individuals and perform to their highest potential even as they grow the business in a symbiotic relationship.

The Company has always believed in providing opportunities to internal talent for leadership roles and our talent management program ensures readiness of talent for such opportunities as and when they occur. Our Campus Hiring program is also based on the tenets of infusing fresh talent in the organization and creating an ever churning talent engine to fuel our business growth.

As part of our commitment to consistently evolve our people practices, LT Foods embarked upon the journey of HR Transformation in 2020. The objective is to build a future ready organization to support the next phase of growth. To achieve this, over the next year our HR systems & processes in the critical areas of Talent Acquisition, Development, Performance Management, Talent Management, Career Progression and

Total Rewards will be reviewed and modified as needed. Responding to the changing needs of the business the existing competency framework is also being redefined and it will be at the core of all the people processes and practices.

The Company has a dedicated team of over 2000+ employees across geographies including India to nurture the growth of the Company.

Food safety and Certifications

LT Foods abides by stringent food safety standards prescribed at India and International levels to deliver superior quality products to its customers. Through its state-of-the-art testing facilities, it undertakes a wide range of reliable and analytical tests to verify the safety, identity and purity of its food products. The Company also conducts several quality audits to ensure compliance to country specific standards applicable in its areas of operation.

The Company to provide confidence to its consumers/customers world wide has set up a high end analytical laboratory. The laboratory complies with local and global standards like NABL, FSSAI, EIC, EU & USFDA. The Assurance laboratory has been setup

strategically within LT Foods’ biggest and most modern rice state of the art manufacturing facility at Bahalgarh and close to the Organic plant at Kamaspur to serve the needs of both the conventional and organic business emanating from Nature Bio Foods.

The laboratory utilizes cutting edge instrumentation with modern protocols and skilled technical personnel to offer analytical solutions comparable anywhere.

A dedicated team of highly skilled scientists takes the responsibility to carry out this challenging task and meet customer expectations.

Certifications



Plant	Certification Standards
LT Foods Limited Sonepat, Haryana	ISO 45001 : 2018 (Health and Safety) ISO 9001 : 2015 (Quality Management System) ISO 14001 : 2015 (Environment Management System) SQF (Safe Quality Foods) BRC Global Standard for Food Safety IFS (Food Safety) ISO 17025: 2005 NABL, EIC & - Laboratory Management System SA 8000 (Social Standard) Halal Kosher Certification (OU)
LT Foods Limited Varpal, Amritsar	FSSC 22000 : 2010 (Inclusive ISO:22000 & ISO/TS 22002-1) BRC Global Standard for Food Safety
Subsidiaries	
Daawat Foods Limited Mandideep, Madhya Pradesh	ISO 45001 : 2018 (Health and Safety) ISO 9001 : 2015 (Quality Management System) ISO 14001 : 2015 (Environment Management System) FSSC 22000 : 2010( Inclusive ISO:22000 & ISO/TS 22002-1) BRC Global Standard for Food Safety+ Costco Addendum FSMA   FDA   IFS (Food Safety)   HACCP   SA 8000 (Social Standard)   Sedex   Halal   Kosher Certification (OU) NOP (National Organic Programme) of USFDA Organic Standard NPOP (National Programme for Organic Production) Registration of Rice mills for USA & China   EIA- IPQC
Nature Bio Foods Limited (Organic Division)	FSSC 22000 (Food Safety Standard) NOP (National Organic Programme) of USFDA Organic Standard. NPOP (National Programme for Organic Production) EEC 837:2007 (Europe Organic Standard) IFS (Food Safety) Kosher Certification ( OU ) Fair Trade Halal BRC
Raghunath Agro Industries Private Limited Amritsar, Punjab	FSSC:22000:2015 FDA
LT Foods Americas	FSSC 2200: GFSI Certification for Processing, Storage and Distribution (International Food Safety)(with Costco Addendum) Certified Organic Processor NOP (National Organic Program with Canadian Equivalency) Kosher Certification (OU) Non-GMO Project Verified State Department of Health FDA Preventive Controls (FSMA) and Site Registration; FDA LACF (Low Acid Can Food) RTH) , Safe Food For Canadians





Plant	Certification Standards
LT Foods Europe	BRC Global Standard for Food Safety version – 7
	SKAL – Organic
	GMP + (Feed)
	IFS - 6.1
	Fairtrade

## Financial Overview

A broad-based growth across the three segments - Basmati & Other Specialty Rice, Organic Food and Ingredient business and Health and Convenience segment have collectively led to an overall increase in revenue by 12% to reach ₹ 4,686 crore during the year versus ₹ 4,173 crore in the last year on account of increased revenue from US, Europe and Organic business.

The Company posted an increase in the Gross Profits by 21.3% to ₹ 1,459 crore during year from ₹ 1,202 crore in the previous fiscal. Moreover, the gross profit margins increased by 232 basis points to 31.1% during the year due to change in product mix and lower input cost

While EBITDA increased by 17.6% to ₹ 598 crore during the fiscal 2020-21, the EBITDA margin grew by 58 basis points due to the increase in Gross Profits.

Riding on the back of a strong brand equity, the Company leveraged on its robust global supply chain network including distributors and retailers across the globe to record a 45% increase in net profits to ₹ 289 crores during the year under review. The overall Profit margins also expanded by 139 basis points to 6.2% in the year under review led by 34% reduction in finance cost.

The Company's debt portfolio reduced by ₹ 205 crore to ₹ 1,253 crore in FY 21 driven primarily by the significant cash flows amounting to ₹ 345 crores generated during

the year under review owing to a strong performance in the year. Consequently, the debt-to-equity ratio reduced significantly from 0.91 in FY20 to 0.66 in the current fiscal year with Debt-EBITDA ratio declined from 2.9 to 2.1.

Moreover, the Company recorded a 193-basis point increase in Return on Capital Employed (ROCE) to 15.6% and 283 basis points increase in Return on Equity (RoE) to 15.3% in the year under review which further indicates the operational efficiency and solid financial strength of the Company.



## Standalone financial performance (₹ in crore)

	FY2020-21	FY2019-20	Growth
Revenue	2,326	2,378	(2%)
Gross Profit	474	440	8%
EBITDA	205	199	3%
EBIT	179	173	3%
PBT	146	113	29%
PAT	106	85	25%
EPS	3.33	2.66	25%
Cash Profit	132	112	18%
Net Worth	966	871	11%

## Consolidated financial performance (₹ in crore)

	FY2020-21	FY2019-20	Growth
Revenue	4,686	4,173	12%
Gross Profit	1,459	1,202	21%
EBITDA	598	509	17%
EBIT	490	417	18%
PBT*	402	285	41%
PAT	289	199	45%
EPS	8.57	5.77	49%
Cash Profit	398	291	37%
Net Worth	1,890	1,599	18%

\*PBT is before Share of loss of associates and joint ventures accounted for using equity method

## Key Ratios





At Standalone and Consolidated level, there has been improvement in interest coverage ratio and Net profit margin by more than 25% due to increase in profit, reduction in debt and finance cost on account of better operational performance. At consolidated level, there has been improvement in debt equity ratio by more than 80 bps due to reduction in debt. Better receivables management and working capital efficiency also helped improve the Cash profit, which improved by 37% (on a consolidated basis) to ₹ 398 crore during FY 20-21. Further, the Return on Net worth ratio (consolidated) during FY20-21 was 15.3% as compared to 12.5% during FY19-20 which improved by 280 bps on account of higher profitability.

Risk management

Strategic Risk

Changing Consumer Preferences		
Description	Mitigation Plan	Stakeholders Impacted
Demand could be adversely affected by shift in consumer preferences. Given the explosion and exposure of social media, the speed of such a shift could be unparalleled	<ul style="list-style-type: none"><li>The R&amp;D team collaborates with the strategy team, to gain consumer insights to adapt to changing consumer preferences</li><li>Actively track and monitor the social media trends to spot the changing consumer needs with agility and offer innovative products</li></ul>	<ul style="list-style-type: none"><li>Consumers</li><li>Shareholders</li></ul>
Perceived as a Commodity Player		
Description	Mitigation Plan	Stakeholders Impacted
Our majority business is Basmati business and we are still perceived as a commodity player	The Company has over the last 7 decades evolved from being a rice trader to a Global Consumer Food Company that deals in Basmati and Other Specialty Rice, Organic Food and Ingredient business and Health and Convenience segment with all the elements in place such as an integrated “Farm to Fork” approach with well-entrenched Distribution Network with Global Supply Chain Hubs backed by Automated state-of-the art and strategically located Processing Units in India, the US and Europe, and a robust distribution network with 900+ distributors across globe. The Company is continuously interacting with all stakeholders via PR/IR/ Corporate communication to position LT Foods as a Global Consumer Food Company and highlight the transition journey and the strength of the business.	<ul style="list-style-type: none"><li>Consumers</li><li>Shareholders</li></ul>

Strategic Risk

Competition		
Description	Mitigation Plan	Stakeholders Impacted
Increase in number of competitive brands in the market and aggressive pricing strategies by competition may cause disruption	The Company has made investments in various brand building activities across geographies and enjoys leadership position in India, US, Far East, Europe, etc. Our market share has increased year on year in different geographies with continuous investments on brand	<ul style="list-style-type: none"><li>Consumers</li><li>Shareholders</li></ul>
Low Success Rate of New Products		
Description	Mitigation Plan	Stakeholders Impacted
The achievements that define a consumer food Company solely relies on its ability to achieve success on new products launched at regular intervals that are adaptive to changing consumer preference. The success rate for new product launches in the consumer space is very low as they may not be accepted by consumers or may not achieve the sales target	<ul style="list-style-type: none"><li>Identify and invest in big-ticket new ideas in the chosen categories for driving growth and margin expansion.</li><li>The Company has a well-defined stage gate process from ideation to execution coupled with rigorous governance prior to introducing a new product in the market. The product goes through this rigorous process in terms of its market demand, commercial viability, return on investment, future demand, etc. Each product is first test launched in a smaller market and then post the success of the same is launched at a larger scale with requisite investment in marketing and brand building activities. LT Foods has launched various products on the Health and Convenience platform with high success rate.</li></ul>	<ul style="list-style-type: none"><li>Consumers</li><li>Shareholders</li></ul>
Private Label Business		
Description	Mitigation Plan	Stakeholders Impacted
Growth in e-commerce and modern trade channels could lead to emergence of private label brands	Investment in brand building activities to ensure higher recall of our brands in consumer’s mind and also partnering with modern trade and e-commerce channels in category management. E-commerce has emerged as one of the channels that has gained good traction and LT Foods’s E-commerce business witnessed a 70% growth during the year	<ul style="list-style-type: none"><li>Consumers</li><li>Shareholders</li></ul>



## Operational Risk

### Increase in use of Pesticides exceeding MRL (Minimum Residue Levels)

Description	Mitigation Plan	Stakeholders Impacted
Frequent change in a country's MRLs can pose as a threat to the business performance of a Company	<ul style="list-style-type: none"> <li>LT Foods has been working extensively at the back end with farmers to give them a know-how on the use of pesticides so as to ensure residue compliant paddy to meet the global standards as well as ensuring the farmers income.</li> <li>The Company is associated with more than 4,400 farmers through its Sustainable Rice Production program growing residue compliant paddy in 18,000 hectares of land</li> <li>The Company is a leading partner of Sustainable Rice Platform (SRP), a UN Environment and International Rice Research Institute initiative and has become the first Company globally to be certified with highest level of verification – L3, by UN-backed Sustainable Rice Platform (SRP) ecolabel. The L3 SRP certification is the highest level of verification for sustainable cultivation of rice</li> </ul>	<ul style="list-style-type: none"> <li>Consumers</li> <li>Shareholders</li> <li>Value Chain Partners</li> </ul>

### Volatility in Raw Material Prices

Description	Mitigation Plan	Stakeholders Impacted
Any unexpected change in the raw material prices due to unfavourable weather conditions or pricing, supply dynamics can have an impact on the business operations as well as the margins of the Company	<ul style="list-style-type: none"> <li>LT Foods is a Consumer Food Company with strong brands in place. The strength of our brands acts as a shock absorber in case of any volatility in the raw material prices to a great extent</li> <li>The Company has an integrated procurement model in place, partnering with the farmers for timely procurement of paddy at competitive prices.</li> <li>The Company has deployed and developed various programmes and uses enhanced technology to ensure continuous supply of raw material to support future business requirements. Initiatives taken are also to implement an effective procurement strategy that helps to adapt to changing supply patterns in line price volatility across different locations</li> <li>The Company's Inventory Policy defines the purchase of raw material in line with the business requirements and also does not encourage speculative buying</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Value Chain Partners</li> </ul>

## Operational Risk

### Political Instability in Operating Geographies

Description	Mitigation Plan	Stakeholders Impacted
Financial Performance of the Company can be severely impacted on account of political instability and unrest in the geographies that the Company operates in	<ul style="list-style-type: none"> <li>LT Foods has a well-defined policy in place to select countries that are politically stable in nature, have future growth opportunities for business expansion and also where the consumption of the product category we are present in, is increasing</li> <li>An insurance plan in place to hedge all insurable risks</li> <li>Diversified sales across geographies</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders</li> <li>Members</li> </ul>

## Compliance & Governance Risk

### Non-Compliance with various Regulatory requirements

Description	Mitigation Plan	Stakeholders Impacted
Non-compliance on any account can expose the Company to legal consequences thereby causing financial loss and penalty. The same can also adversely impact the reputation of the Company	LT Foods has invested in an extensive IT enabled global compliance tool that has all the requisite compliances mapped across geographies and are monitored on regular basis with a two-step authentication for each completed compliance. Regular workshops are held across all offices and production facilities to emphasize on the importance of the compliance framework and how non-compliance can severely impact the reputation of the organization. Regular workshops are also conducted to keep the team members and the Management abreast with the changing laws of the land. The Company communicates periodically to reiterate the importance of compliances	<ul style="list-style-type: none"> <li>Government Body</li> <li>Members</li> </ul>

### Violation of Code of Conduct

Description	Mitigation Plan	Stakeholders Impacted
Any non-compliance with respect to the Code of Conduct of the Company can adversely impact the reputation of the Company as well as the business performance	LT Foods has a Code of Conduct that outlines the Company's commitment to ethics and integrity. It is signed by any new recruitment done and is also a part of the orientation process for new induction. The same is reviewed on a regular basis with the Board of Directors to keep the document updated with the changing governance norms. The Company also has a Whistle Blower Policy that enables all the stakeholders to report any fraud/unethical behaviour to the designated Ombudsman.	<ul style="list-style-type: none"> <li>Value Chain Partners</li> <li>Members</li> </ul>



Liquidity & Financial Risk

Foreign Currency Risk

Description	Mitigation Plan	Stakeholders Impacted
The Company's presence in more than 60 countries exposes it to financial loss due to currency volatility	The Company has put in place a well-framed hedging policy that mitigates any potential risk due to currency volatility that can cause a financial impact. The policy is reviewed on a regular basis to ensure there is no deviation	<ul style="list-style-type: none"><li>Shareholders</li></ul>

Volatility in Interest Rates

Description	Mitigation Plan	Stakeholders Impacted
Change in interest rate regime, Rising borrowing cost and challenges of liquidity at lending institutions pose a risk to secure funding to operate business viably	<ul style="list-style-type: none"><li>The Company continues to secure funds from a consortium of banks at competitive interest rates to diversify its risk</li><li>The Company has over the last few years reduced its borrowing cost, improved interest coverage ratios and the cash flow from operations. The Company has generated significant free cash flows amounting to ₹ 345 crore, driven by strong performance in the year under review that led to decline in overall debt by 205 crore. This further led to a fall in the finance cost by 34%, overall fund cost by 242 bps from 7.45% to 5.12% and consequentially an improvement in the Credit Rating from 'CRISIL A-' to 'CRISIL A'</li></ul>	<ul style="list-style-type: none"><li>Shareholders</li></ul>

Cyber and Data Security

Description	Mitigation Plan	Stakeholders Impacted
The Company's business has can be severely impacted due to loss of critical information due to cyber attacks. This can also impact financials performance as well as the reputation of the Company	<ul style="list-style-type: none"><li>The Company has identified critical IT systems to ensure identification and implementation of preventative controls to ensure smooth functioning of the business</li><li>The Company has put in place latest cyber security technologies to prevent loss of sensitive information due to unauthorized access</li><li>A Grievance Office has been appointed under Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2021</li><li>Regular workshops are organized on Cyber Security Awareness across all offices and manufacturing facilities</li></ul>	<ul style="list-style-type: none"><li>Shareholders</li><li>Value Chain Partners</li><li>Consumers</li></ul>

Liquidity & Financial Risk

Macro Economic Factors

Description	Mitigation Plan	Stakeholders Impacted
Lower GDP growth can lead to shift in consumer demand from branded to unbranded and premium to value range products	LT Foods caters to the requirement of its consumers across all price points ranging from premium to value range. LT Foods also has a robust supply chain network and has presence across channels. The Company has also expanded its product portfolio inline with changing consumer trends to keep itself future ready.	<ul style="list-style-type: none"><li>Consumers</li><li>Shareholders</li></ul>

Social Risk

Failure to meet product quality and safety requirements

Description	Mitigation Plan	Stakeholders Impacted
Being a Consumer Food Company any non-compliance in matching the quality and safety norms with respect to our products can lead to reputational risk, loss of customer trust and exposure to legal consequences.	<ul style="list-style-type: none"><li>The Company has checks at each step of the value chain with respect to the quality and safety of a product</li><li>Stringent Quality checks for all suppliers and vendors prior to inducting their supplies in the value chain</li><li>There is also a proper feedback mechanism for the consumers to get in touch with the Company at any given point and time</li><li>A stringent compliance system is in place to ensure adherence to regulatory requirements with dedicated quality personnel at every manufacturing unit"</li></ul>	<ul style="list-style-type: none"><li>Government</li><li>Value Chain Partners</li><li>Consumers</li></ul>

Talent Acquisition & Retention

Description	Mitigation Plan	Stakeholders Impacted
The Company's ability to pursue its growth strategy may be adversely impacted due to mismatch in talent acquisition and retention	The Human Resource department ensures that the talent acquired is in line with the needs of the organization and aligned with the strategic goal of the Company. The Company also ensures to provide a growing, challenging, ethical, enriching and fulfilling career to its talent along with providing them with a culture of openness and transparency. It also ensures that the workforce is provided with suitable training and development tools so as to enhance their productivity at all levels. The Company conducts regular town hall sessions across globe to keep the team members abreast with any new developments about the Company and to make them feel proud. These sessions also provide them with a framework/ open platform to give their suggestions as well as opinions.	<ul style="list-style-type: none"><li>Members</li></ul>



Environmental Risk

Disruption due to climatic changes

Description

Any change in the rainfall pattern can have an adverse impact on the crop health that can in turn lead to impact the business operations in terms of quality of crop

Mitigation Plan

- It is a myth that Basmati as a crop is dependent on rainfall and so an erratic rainfall pattern can have an adverse impact on its production. Basmati as a crop is mostly grown in areas that are not dependent on rainfall and that has access to other ways of irrigation such as canal and ground water
- The Company keeps a check on climatic changes so as to ensure that there is no/ minimum impact on the business due to climate related changes
- The Company closely monitors the implementation of environmental policies and also the implementation of any changes thereof

Stakeholders Impacted

- Community
- Shareholders
- Consumers
- Government
- Value Chain Partners

Energy & Water Scarcity

Description

Any water and energy scarcity can lead to disruption in operations

Mitigation Plan

- Implementation of energy and water conservation initiatives
- Keeping in line with the global transition & strengthening its sustainability program, the Company has set up a Carbon Neutral, Renewable Energy Plant at its manufacturing facility in Haryana.
- Rain Water Harvesting carried out across plants

Stakeholders Impacted

- Community
- Shareholders
- Consumers

Outlook

The Company has delivered on all its strategic pillars i.e. Growth, Margin Expansion and Strengthening the Financial metrics which is visible in our financial performance as the well. The overall revenue of the Company has increased by 12% on year on year basis.

The Basmati and other Specialty Rice segment business grew by 9% bolstered by the growth in demand especially in our International

business. The Organic business grew an impressive 51% versus last year. Health & Convenience business also grew by 45%.

The Gross Margins expanded by 232 bps to 31.1% due to change in product mix and lower input cost. The EBITDA margins also expanded by 58 bps to 12.8% vs. 12.2% last year and was up by 18% from ₹ 509 to ₹ 598 crore. The PAT increased by 45% to ₹ 289 crore while the margins expanded by 139 bps to 6.2%.

The financial metrics also improved, Return on Capital Employed (ROCE) improved by 193 bps to 15.6%. Return on Equity improved by 283 bps to 15.3%. The debt-equity ratio improved from 0.91 to 0.66 times as the overall debt of the Company was down by ₹ 205 crore to ₹ 1,253 crore on Y-o-Y basis. The DEBT to EBITDA ratio stood at 2.1. Current ratio has also improved significantly to 1.70 from 1.52 last year.

The Company aims to further consolidate and grow its market

share by increasing consumer penetration across all segments. LT Foods endeavours to widen its supply and distribution across the globe by expanding and improvising its product offerings, to include unique, healthy and innovative products. To drive margin expansion, it plans to change its product mix with products that assure higher margins, increase efficiency and drive cost synergies.

Going forward, Company will continue to focus on its strategic goal to create progressive, sustainable, profitable and growing business to create value for its stakeholders.

We endeavour to achieve this through solidifying leadership position across geographies via organic and inorganic routes and grow via product portfolio expansion through continuous innovation across business segments, i.e., Basmati and Other Specialty Rice, Organic Food and Ingredient business and Health and Convenience segment. We are consciously investing in growing and politically stable countries to strengthen our business across geographies. We aim to drive our agenda of margin expansion via cost management, benefits of scale and better product mix across geographies and business segments.

For the Company's Strategy refer to page number 16 of the Report.

Opportunities & Threats

A detailed analysis of opportunities across our businesses is given in the industry overview section and mega trends in food industry on

page 25 that highlight the emerging opportunities for our Company. The corresponding threats have been captured in the risk mitigation section at page 48 of the report, capturing risks and possible mitigation action plans.

Internal control systems

LT Foods has a well-established system of internal controls and procedures, in line with the size and nature of its operations. The Company regularly conducts internal audit of operations, establishments and stockyards to ensure that the set processes are strictly adhered to. The Audit Committee reviews the reports of internal auditors and evaluates the operational efficiency of the internal control systems. The Committee then suggests improvements in the Company's business processes, systems, and internal controls to the Board of Directors. The Company has created an inhouse team who diligently works on improvements suggested by renowned team of auditors i.e Grant Thornton Bharat, LLP. Annual internal audit plans are prepared by internal auditors in consultation with the Audit Committee. The Company has implemented SAP, the world's leading ERP system, to automate the internal control environment and keep track of processes and performance.

Governance & Audit

The Company is committed to earn the trust of our customers, shareholders, employees, suppliers, distributors, local community and

other stakeholders through fair and efficient governance framework by upholding the highest standards of integrity, transparency and accountability. The Company recognises the significance of continuous improvement of corporate governance model, and efforts are directed consistently towards realising this goal. During the year under review, the appointment of MSKA & Associates as Group Statutory Auditor, will further strengthen the compliance monitoring framework across the Company's wide geographic operational presence.

Cautionary Statement

Statements in this report on Management Discussion and Analysis, describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable laws and regulations. These statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied since the Company's operations are influenced by many external and internal factors beyond its control. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements, based on any subsequent developments, information or events. Readers are cautioned that the risks outlined here are not exhaustive. Readers are requested to exercise their judgment in assessing the risks associated with the Company.



# Directors' Report

To,  
The Members,

Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2021.

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

Particulars	₹ In Lakhs	
	Financial Year (2020-21)	Financial Year (2019-20)
Gross Income	232636.26	237778.53
Profit Before Finance Cost, Depreciation & Amortization	20525.03	19920.00
Finance Cost	3363.67	6009.91
Gross Profit	47428.70	43969.90
Provision for Depreciation	2586.48	2645.20
Profit Before Tax	14574.88	11264.89
Profit After Tax	10648.10	8516.26
Balance of Profit brought forward	40758.13	34820.38
Balance available for appropriation	48200.11	40758.13
Proposed Dividend on Equity Shares	3198.46	2078.99
Tax on proposed Dividend	-	427.34
Transfer to General Reserve	NIL	NIL
Surplus carried to Balance Sheet	48200.11	40758.13

## 2. Company's working during the year

Our **Consolidated** revenue for FY21 was up by 12.3% at ₹ 4,686 crore vs. ₹ 4,173 crore last year on account of increased revenue from US, Europe and Organic business.

The Gross Margins expanded by 232 bps to 31.1% due to change in product mix and lower input cost.

The EBITDA margins also expanded by 58 bps to 12.8% vs. 12.2% last year and was up by 17.6% from ₹ 509 to ₹ 598 crore.

The Company has generated significant free cash flows amounting to ₹ 345 crore, driven by strong performance in FY21 that led to decline in overall debt by 205 crore. This further led to a fall in the finance cost by 33.9% and the overall fund cost was down by 242 bps from 7.5% to 5.1%.

The Profit Before Tax margins\* also expanded by 176 bps to 8.6% to 6.8% last year and was up by 41.2% from ₹ 285 to ₹ 402 crore.

\*Profit Before share of loss of Investments accounted for using equity method, tax and exceptional items.

The Profit After Tax increased by 45% to ₹ 289 crore while the margins expanded by 139 bps to 6.2%. The Earnings per Share was also up by 48.5% to ₹ 8.57 per share vs. ₹ 5.77.

The Company has also taken efforts towards the strengthening the Balance Sheet of the Company. ROCE improved by 193 bps to 15.6%. The normalized ROCE on account of funds blocked in fire insurance claim is 16.3%. Return on Equity improved by 283 bps to 15.3%. The debt-equity ratio improved from 0.91 to 0.66 times as the overall debt of the Company was down by ₹ 205 crore to ₹ 1,253 crore on Y-o-Y basis. This is to reiterate that majority of our debt is working capital debt which is required because of the nature of our business and our focus is to maintain the debt to EBITDA ratio between 2 to 3 times which stood at 2.1. Current ratio has also improved significantly to 1.70 from 1.52 last year.

Our **Standalone** revenue for FY21 was down by 2.2% at ₹ 2,326 crore vs. ₹ 2,378 crore last year.

The Gross Margins expanded by 190 bps to 20.4% due to change in product mix and lower input cost.

The EBITDA margins also expanded by 45 bps to 8.8% vs. 8.4% last year and was up by 3% from ₹ 199 to ₹ 205 crore.

Driven by strong performance in FY21 led to decline in overall debt by 185 crore on Standalone basis. This further led to a fall in the finance cost by 44% and the overall fund cost was down from 9.10% to 7.5%.

The Profit before Tax margins also expanded by 153 bps to 6.3% vs. 4.7% last year and was up by 29.4% from ₹ 113 crore to ₹ 146 crore.

The Profit after Tax increased by 25% to ₹ 106 crore while the margins expanded by 100 bps to 4.6%. The Earnings per Share was also up by 25% to ₹ 3.33 per share vs. ₹ 2.66.

The Company has also taken efforts towards the strengthening the Balance Sheet of the Company. ROCE improved by 130 bps to 13.3%. The debt-equity ratio improved from 0.65 to 0.39 times as the overall debt of the Company was down by ₹ 185 crore to ₹ 380 crore on Y-o-Y basis. The Debt to EBITDA ratio stood at 1.9. Current ratio has also improved significantly to 1.99 from 1.68 last year.

## 3. Highlights of performance of subsidiaries, associates, joint ventures and their contribution to the overall performance of the Company.

A separate statement containing salient features of the financial statements of all subsidiaries, associate Companies/ Joint Ventures of your Company forms part of this report.

The audited financial statements of the subsidiary Companies are available on Company's website.

Your Company has approved a policy for determining material subsidiaries and the same is available on Company's website <http://www.ltgroup.in/pdf/LT-Foods-Material-Subsidiary-Policy-2021.pdf>.

## 4 Change in the nature of business, if any

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

## 5. Dividend

During the year, the Company has paid Re 1 per share as interim dividend for the financial year 2020-21 and decided to retain back the remaining earnings.

## 6. Reserves

During the financial year, there was no amount proposed to be transferred to the Reserves.

## 7. Share Capital

There was no change in share capital of the Company during the financial year 2020-21.

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

Mrs. Ambika Sharma, was appointed as Additional Director (in Independent Director category) of the Company through circular resolution passed on 10th March 2021. She is Managing Director for India at the U.S.-India Business Council. Prior to this position, she was the Director General – International at the Federation for Indian Chambers of Commerce and Industry (FICCI). During her three-decade career, she led a number of innovative and impactful initiatives at FICCI across the Americas, Europe, Asia Pacific and Oceania, Africa and Foreign Trade Policy Division teams.

With regard to integrity, expertise and experience of the Independent Directors appointed/re-appointed during the Financial year 2020- 21, the Board of Directors have taken on record the declarations and confirmations submitted by the independent Directors and is of the opinion that all the Independent Directors are persons of integrity and possesses relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the institute, as notified under Sub-Section (1) of Section 150 of the Act, the Board of Directors have taken on record the declarations submitted by Independent Directors that they are exempt from appearing in the test or that they will comply with the applicable law within the prescribed time.

## 9. Particulars of Employees & Employee Remuneration

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

### Managerial Remuneration:

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



1. Ratio of remuneration of each Director to median remuneration of employees	
Vijay Kumar Arora	1:50
Ashwani Kumar Arora	1:50
Surinder Kumar Arora	
2. Percentage increase in remuneration of each Director and KMPs	
Vijay Kumar Arora	Nil
Surinder Kumar Arora	NA
Ashwani Kumar Arora	Nil
Monika Chawla Jaggia	5%
3. Percentage increase in the median remuneration of employees	7%
4. Number of permanent employees (on Standalone basis)	1090
5. Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	
Managerial Increase	5%
Non Managerial Increase	9%
6. Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

As per rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the employees who draw salary exceeding the limits of ₹ 1.02 crore is as follows:

Name	Designation	Remuneration (in crore)	Nature of employment	Qualification	Experience	Age	Last employment	% of shares held
Vijay Kumar Arora	Managing Director	2.15*	Permanent	B.Sc.	45	63	NA	7.19
Ashwani Kumar Arora	Managing Director	2.11	Permanent	B COM	33	54	NA	7.19

\* Mr. Vijay Kumar Arora was also paid ₹ 1.1 crore from LT Foods Europe B.V during last year.

## 10. Board Meetings

During the Financial Year, four Board Meetings were held, on 28th May, 2020, 30th July 2020, 30th October 2020 and 29th January 2021.

A resolution was passed through circulation on 10th March 2021.

The details of the same is given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

## 11. Performance Evaluation

In pursuance of Section 178 of the Companies Act, 2013 read with Regulation 4(2), 17(10) and 19(4) read with Schedule II Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards-I, the Nomination and Remuneration Committee has framed the evaluation process and the performance evaluation of Independent Directors, Executive Directors and of the Board as a whole as well as working of its Committees has been carried out during the financial year 2020-21.

The Independent Directors of the Company met separately on 29th January 2021 without the presence of Non-Independent Directors and inter-alia reviewed the performance of the members of management, Non-Independent Directors, Board as a whole performance of the Chairman of the Company and the Committees after taking into consideration the views of Executive and Non-Executive Directors.

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

It was further acknowledged that every individual Member and Committee of the Board has contributed best in the growth of the organization.

It was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board has a right balance of discussion between strategic and operational issues. The Board Members from different backgrounds bring about different deliberations in the Board and Committee Meetings are enriched by such diversity. The Board is actively engaged on the key issue concerning strategy, talent, risk and governance. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committees & Board was updated on the same. The Board also noted that given the changing external environment, more frequent sessions on strategy with emphasis on sustainability may be considered. There are specific areas that have been identified as part of the exercise for the Board to engage itself with and the same will be acted upon.

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

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

## 13. Remuneration Policy

The Company has framed the Remuneration Policy in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules and Regulation 19 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Remuneration policy of the Company is in compliance of Section 178 (4) of the Companies Act, 2013. The Remuneration policy can

be referred to the weblink <http://www.ltgroup.in/pdf/LT-Foods-Remuneration-Policy.pdf>

The salient features of Remuneration policy are as follows:

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

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

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

Further, the Annual Accounts and related documents of the subsidiary Companies shall be kept open for inspection at the Registered & Corporate Office of the Company. The Company shall also make available copy thereof upon specific request by any member of the Company interested in obtaining the same. Further, the Consolidated Financial Statements presented by the Company in this Annual Report include the financial information of its subsidiaries.



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

No new Company, Subsidiary, Joint Venture or Associate was incorporated during the year.

SDC Foods India Limited, L T International Limited, Fresco Fruits N Nuts Private Limited, Ecolife LLC and Universal Traders ceased to be the subsidiaries of the Company during the year.

The Company has filed strike off application for both SDC Foods India Limited and Fresco Fruits N Nuts Private Limited during the year.

## 15. Auditors

M/s MSKA & Associates were appointed as Statutory Auditors in 30th Annual General Meeting held on 30th September 2020.

## 16. Auditors' Report

The Independent Auditors' report for the financial year ended 31st, March, 2021 on the Standalone financial statements of the Company forms part of the Annual report. The said report was issued by Statutory Auditors with an unmodified opinion and doesn't contain any qualification, reservation, adverse remark.

The Independent Auditors' report for the financial year ended 31st, March, 2021 on the Consolidated financial statements of the Company also forms part of the Annual report. The said report was issued by Statutory Auditors with an "Emphasis of Matter" Paragraph with an unmodified opinion and doesn't contain any qualification, reservation, adverse remark.

During the year under audit, the Auditors have not reported any fraud under Section-143(12) of the Act and therefore no details are required to be disclosed under Section-134(3)(ca) of the Act.

## 17. Audit Committee

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

## 18. Secretarial Audit Report

In terms of Section 204 of the Act and Rules made there under, M/s. D Dixit & Associates, Practicing Company

Secretary has been appointed as Secretarial Auditors of the Company. The report of the Secretarial Auditors is enclosed as Annexure IV to this report. The observations made by the Secretarial Auditors in their Audit report are as follows:

- As per section 7(2) of Payment of Gratuity Act, 1972, as soon as gratuity becomes payable, the employer shall, whether an application referred to in sub-section (1) has been made or not, determine the amount of gratuity and give notice in writing to the person to whom the gratuity is payable and also to the controlling authority specifying the amount gratuity so determined. However, on verification of records of the Company, it has been found that it has defaulted in giving such intimation to the controlling authority.

The Company couldn't make the intimation due to lockdown.

- 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 adherence to the timeline with respect to the payment of Gratuity to the ex-employees.

The Company couldn't make timely payment due to lockdown and the same was made as soon as the Company received the due amount from Insurance Company.

- As per sub-section (3A) Section 7 of The Payment of Gratuity Act, 1972, "If the amount of gratuity payable under sub-section (3) is not paid by the employer within the period specified in subsection (3), the employer shall pay, from the date on which the gratuity becomes payable to the date on which it is paid, simple interest at such rate, not exceeding the rate notified by the Central Government from time to time for repayment of long-term deposits, as that Government may, by notification specify.

As stated in point no.2, gratuity service provider was non-operational during that phase due to lockdown. They were not accepting gratuity documents through any digital mode.

- The Company has not reconstituted the Internal Committee as required under Section 4(3) of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The Presiding Officer and other members of the Internal Committee are holding office in the Internal Committee exceeding three years, from the date of their nomination.

The Company had conversation with few NGO's for appointing presiding officer but they denied to accept any offer last year due to covid spread. Rotation of other members and appointment of new presiding officer shall be made this year and the same shall be notified along with Posh return to the statutory authority.

- As per Regulation 17(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the Listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors. On verification it was observed that, around 43% Directors of the Company are Independent Directors. Till 10th March 2021, there were seven Directors on the Board of the Company. Out of the seven Directors, three Directors were Independent, three were Executive Directors and one of them was Nominee Director. As on 10th March 2021, the Company appointed one more Additional Independent Director in compliance with Regulation 17 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.

The Company has duly appointed the Independent Directors in compliance with aforesaid regulation and is complied as on date.

- The Company has filed FLA return for the Financial Year 2019-20 on 18th September 2020.

The Company has filed the return on the aforesaid date due to non functioning of RBI website.

## 19. Internal Audit & Controls

In terms of compliance of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) rules, 2014, the Board of Directors in their meeting appointed Grant Thornton, Bharat LLP as its Internal Auditors. During the year, the Company appreciated 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, statutory compliances, and assessing the internal control strengths in all areas. Internal Auditors findings were discussed with the process owners and suitable corrective actions were taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

The Company has defined policies and standard operating procedures for all key business processes to guide business operations in ethical and compliant manner.

The Board reviews the internal processes, systems and the Internal financial controls. The Directors Responsibility Statement contains a confirmation for adequacy of the internal financial controls.

## 20. 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 can be found on the link [http://www.ltgroup.in/pdf/Whistle-Blower%20Policy\\_August%202021.pdf](http://www.ltgroup.in/pdf/Whistle-Blower%20Policy_August%202021.pdf) on the website of the Company. In terms of amendment in regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which requires a listed Company to have a whistle-blower policy and to make employees aware of such policy to enable them to report instances of leak of unpublished price sensitive information. Since the Company has already in place policy on Whistle Blower formulated in terms of Listing Regulations and thereby informed the employees through internal circular, about their right to report any instance of leak or suspected leak of UPSI under the guard of the said policy in place.

## 21. Risk Management Policy

Risk Management is an integral and important aspect of Corporate Governance. The Board of the Company has duly constituted Risk Management Committee which will assist the Board in monitoring and reviewing the risk management plan, implementation of the risk management framework of the Company and to further ensure that the appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

The Company has in place a comprehensive Risk Management Policy which can be accessed at <http://www.ltgroup.in/pdf/LT-Foods%20-Risk-Management.pdf>.

LT Foods has in place comprehensive risk assessment and minimization procedures, which is reviewed by the top management at regular interval.

## 22. Annual Return

Pursuant to the requirements of Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the annual return in the prescribed format is available at [http://www.ltgroup.in/pdf/Annual\\_Return\\_2021.pdf](http://www.ltgroup.in/pdf/Annual_Return_2021.pdf)

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

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



## 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 orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, prevention and detection of frauds and errors, the accuracy and completeness of

the accounting records, and the timely preparation of reliable financial information.

The Company has a well-placed internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly. The Company's internal financial control system also comprises compliance of Company's policies and Standard Operating Procedures (SOPs) and audit by Internal Audit team, Grant Thornton Bharat, LLP.

## 26. Deposits

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

## 27. Cost Record

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

## 28. Particulars of loans, guarantees or investments

The details of Loans given, Guarantee provided and Investments made are as follows:-

### Details of loans:-

S No	Date of loan	Name of the Company	Amount (in ₹ Lakhs)	Purpose for which loan was given	Date of Board meeting / Management Committee meeting	Rate of interest charged
1	31-03-2021	Raghuvesh Warehousing Private Limited	5,500,000	Business	18.03.2021	10%
2	31-03-2021	Raghuvesh Agri Foods Private Limited	5,000,000	Business	18.03.2021	10%

### Details of Investments:-

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
NIL							

No investment was made by the Company during the financial year 2020-21.

### Details of Guarantee / Security Provided during the financial year 2020-21:

Sl. No	Details of recipient	Amount (In crore)	Purpose for which the security/guarantee is proposed to be utilized by the recipient
1	Daawat Foods Limited	66.00	Working capital loan availed from State Bank of India, Punjab National Bank and Union Bank of India
2	Nature Bio Foods Limited	109.00	Working capital loan availed from Indusind Bank, IDFC First Bank, Kotak Mahindra Bank
3	Raghunath Agro Industries Private Limited	4.20	Covid Working capital loan availed from Punjab National Bank, Amritsar
4	Ecopure Specialities Limited	30.40	Working capital loan availed from Indusind bank

## 29. Particulars of contracts or arrangements with related parties:

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

## 30. Corporate Governance Certificate

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

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

## 31. Management Discussion and Analysis

The Management Discussion and Analysis Report prepared in accordance with the Regulation 34(2)(e) of Listing Regulations forms part of this Annual Report for the year ended 31st March 2021.

## 32. 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, 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 the complaints relating to sexual harassment at work place of any women employee.

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

## 33. Conservation of energy, technology absorption and foreign exchange earnings and outgo

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

### a) Conservation of energy

Energy conservation has been one of the key objectives that are associated with the manufacturing units from past many years. LT Foods has shown improvement year on year basis and has successfully achieved the targets. There have been several initiatives taken in this direction, few of them are listed below:

- Machine output plays a vital role in energy consumption. This year, we have worked on increasing the plant throughput with better production planning and as a result of this initiative, we are able to achieve reduction in units per metric tonnes.
- Efficient production planning has resulted in reducing our net production days thereby identifying certain days or shifts in a particular month where there is no need to carry out production and hence enabling in reduction of power consumption over the month.
- Identification of no production days also resulted in the optimal usage of alternate source of electricity (Diesel Generator) and operating only the critical machineries when required.
- Power boosters were installed in the compressor line which resulted in lowering down the power consumption in the form of reduction in the requirement of compressed air for plant operations.
- Energy audit was also conducted and the suggested recommendations were able to plug in certain leakages which further helped in reducing the overall energy consumption.

### Power & Fuel Consumption (Bahalgarh Plant)

Particulars	2020-21	2019-20
Electricity Through Purchases Units	2,20,40,635	2,10,75,703
Total Amount (₹)	17,07,34,839	16,51,13,421
Rate/Unit(₹)	7.75	7.83



Particulars	2020-21	2019-20
Through Diesel Generator		
Units generated	7,70,639	4,29,082
Total Amount (₹)	1,54,59,400	87,35,314
Cost/Unit (₹)	20.06	20.36

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

Particulars	2020-21	2019-20
Electricity		
Through Purchases		
Units	48,52,000	48,36,317
Total Amount (₹)	3,43,30,157	3,35,36,661
Rate/Unit (₹)	7.08	6.93
Through Diesel Generator		
Units generated	63,300	91,900
Total Amount (₹)	32,21,504	22,42,728
Cost/Unit (₹)	50.89	24.40

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

During the year, the Company has formed a core Committee in order to make the Business Digital. We are following SAP's tag line "Business Runs on SAP". We have divided Digitization journey broadly in 3 categories:-

**1. Bringing Control into System by Process Automation-**

In order bring control & efficiency in system we have migrated from SAP ECC to s4HANA which support use of mobile devices and analytics. Also it has more than 1300 inbuilt app. We have even integrated our system with some of European & US Customers system where in everything starting from Purchase Order till Invoicing are automatically sent and received through system without any manual intervention. EDI integration has brought lot of controls & efficiency. We have also automated inventory planning system through a tool developed as per consulting partner. Banks are also integrated with SAP. Integration of SAP with GST portal for Ewaybill and e-invoicing is also there.

**2. Remote Data capturing using Mobile Device-**

We have implemented SAS based Sales Force Automation system wherein our SOs captures

Sales Order on Mobile devices as per their route plan and same order will be reflected on Distributors Billing system. We are also capturing various data from fields and plants using IOT devices. We have also integrated SAP with DMS. Similar mobile app is also developed for procurement process.

**3. Real-time Online MIS systems for better Decision making**

Since we are capturing lot of Data from various source so in order to present Data to Management we have implemented PowerBi in our Organization. Inventory control towers and other Dashboard are helping management in having better controls.

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

During the year, the total foreign exchange spent was depicted below in Lakhs and the total foreign exchange earned were as follows:

Particulars	31-03-2021	31-03-2020
Value of imports on CIF basis		
Capital goods	113.63	30.64
Stores and spares	36.62	81.99
Packing Material	37.05	-
Other	-	-
Other Food Items	-	-
<b>Total</b>	<b>187.30</b>	<b>112.63</b>
Expenditure in foreign currency		
Legal & Professional	13.70	110.61
Interest and other charges to bank	747.98	965.82
Clearing & Forwarding Exp	2,498.28	2,563.90
Sales promotion	76.51	37.89
Commission on export sales	171.98	364.06
Others	19.21	70.16
<b>Total</b>	<b>3,527.66</b>	<b>4,112.43</b>
Earnings in foreign currency		
FOB value of exports		
Rice	102,555.56	98,201.09
<b>Total</b>	<b>102,555.56</b>	<b>98,201.09</b>

**35. 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 I).

**36. Human Resources**

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

The 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. The Company's thrust is on the promotion of talent internally through job rotation and job enlargement. The Company maintains healthy, cordial and harmonious industrial relation at all level. The enthusiasm of employee has enabled the Company to maintain its leader position in the industry.

**37. Directors' Responsibility Statement**

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors have 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 have prepared the annual accounts on a going concern basis; and
- The Directors, have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

**38. Transfer of Amounts to Investor Education and Protection Fund**

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

Further the amount of Dividend unclaimed/unpaid for the financial year 2013-14 to 2019-20 lies in the respective unpaid dividend account and can be claimed from Company's Registrar and Share Transfer Agent i.e. Big Share Services Private Limited, before the due date for transfer of the same in IEPF account.

The dividend declared for the financial year 2013-14, is due to be transferred to IEPF account in the financial year 2021-2022.

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 30th September, 2020 with the Ministry of Corporate Affairs.

**39. Details of Application made under Insolvency and Bankruptcy Code, 2016**

During the year, no such application was made and no such proceeding is pending under the said code.

**40. The details of difference between amount of the valuation done at the time of One time settlement and valuation done while taking loan from the bank or financial institutions along with the reason thereof -**

Not applicable.



**41. Listing with Stock Exchanges:**

The Company confirms that it has paid the Annual Listing Fees for the year 2020-21 to NSE and BSE where the Company's Shares are listed.

**42. Compliance with Secretarial Standards**

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

**43. Acknowledgements**

The Director places on record their gratitude to all stakeholders for their assistance, cooperation and encouragement. The Directors also wishes to place on record their sincere thanks to all investors, vendors, and employees for their outstanding performance.

For and on behalf of the Board of Directors

Sd/-

**Vijay Kumar Arora**

Chairman & Managing Director  
DIN:00012203

Place: Gurugram

Date: 30th July 2021

**ANNEXURE INDEX**

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

**Annexure-I to Directors Report for the year ended 31st March, 2021****CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2020****1. Brief outline on CSR Policy of the Company.**

- To set a guiding principles for carrying out CSR activities.
- To set up the process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.
- To conduct its business in line with the Responsible Business framework.
- To create superior value for our stakeholders.
- Implementation of the CSR activities in Projects/ Programme mode through a focused approach for generating maximum approach.

**2. Composition of CSR Committee:**

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Gokul Patnaik	Chairman (Non- Executive Director)	2	2
2	Vijay Kumar Arora	Member, Executive Director	2	2
3	Neeru Singh	Member, Non-Executive Director	1	1
4	Rajesh Kumar Srivastava	Member, Nominee Director	2	2

**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.**

<http://www.ltgroup.in/pdf/LT-Foods-CSR-Policy-2021.pdf>

**4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).**

Not Applicable



5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set- off for the financial year, if any (in ₹)
1			
2		NOT APPLICABLE	
3			
TOTAL			

6. Average net profit of the Company as per Section 135(5). - ₹ 8378.21 lakhs

7. (a) Two percent of average net profit of the Company as per Section 135(5) - ₹ 167.56 lakhs

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

Nil

(c) Amount required to be set off for the financial year - NA

(d) Total CSR obligation for the financial year (7a+7b- 7c). - ₹ 167.56 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
171.77	Nil	-	NA	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Hamari Udaan	Education	Yes	Haryana	Sonepat	More Than 1 Financial Year	1,000,000	1,000,000	Nil	NO	Fair Farming Foundation	CSR00001426
2	Parivartan Project	Rural Development	Yes	Madhya Pradesh	Chattarpur	More Than 1 Financial Year	450,000	450,000	Nil	No	Fair Farming Foundation	CSR00001426
3	Safe & Clean drinking water	Preventive health care and sanitation	Yes	Haryana/ Uttar Pradesh	Shajhanpur, Badaun Kalan/ Sonapat	More Than 1 Financial Year	2,730,000	2,730,000	Nil	No	Fair Farming Foundation	CSR00001426
4	Sustainable Agriculture	Vocational Skill Livelihood Enhancement	Yes	Haryana/ Uttar Pradesh	Shajhanpur, Badaun Kalan/ Sonapat	More Than 1 Financial Year	11,000,000	11,000,000	Nil	No	Fair Farming Foundation	CSR00001426
5	Udayan Shalini Fellowship	Promoting Education	No	Uttarakhand	Haridwar	More Than 1 Financial Year	731,092	731,092	Nil	No	Udayan Care	CSR00000619
Total							1,59,11,092	1,59,11,092				

The above projects were not initially approved as multi-year project but due to covid outbreak duration has been extended beyond one Financial Year

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (in ₹).	Mode of im- plementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State.	District			Name	CSR Registration number.
1.	Udayan Ghar	Promoting education	Yes	New Delhi	Mehrauli	363,636	No	Udayan Care	CSR00000619
2.	PPE KIT COVID-19	Disaster Management	Yes	Haryana	Sonipat	500,000	No	Udayan Care	CSR000001426
TOTAL						863,636			

\* The amount spent by the Company on CSR was not fully utilized by the Implementing Agency due to covid.

(d) Amount spent in Administrative Overheads- ₹ 402,620

(e) Amount spent on Impact Assessment, if applicable- NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)- ₹ 171.77 lakhs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 167.56 crore
(ii)	Total amount spent for the Financial Year	₹ 171.77 crore
(iii)	Excess amount spent for the financial year [(ii)-(i)]	₹ 4.21 Lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹ 4.21 Lakhs

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(Amount in Lakhs)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under Section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years.
				Name of the Fund	Amount	Date of transfer.	
1.	2019-20	NA	69.77				59.32
2.	2018-19	NA	52.98	NOT APPLICABLE **			44.11
3.	2017-18	NA	61.75				27.69
	TOTAL						

\*\* Applicable wef 22nd Jan 2021



**(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):**

[illegible]

Not applicable, as the concept of 'ongoing projects' has been introduced in the CSR Amendment Rules, relevant from fiscal 2021.

**10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year**

**(asset-wise details).**

**(a) Date of creation or acquisition of the capital asset(s).**NA

(b) Amount of CSR spent for creation or acquisition of capital asset. NA

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.** NA

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).<sup>NA</sup>

**11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5).** NA

Sd/-  
**Ashwani Kumar Arora**  
(Chief Executive Officer & Managing Director).

Sd/-  
**Gokul Patnaik**  
(Chairman CSR Committee).

**Annexure-II** to Directors Report for the year ended 31st March, 2021**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.	Particular	Details
a)	Name (s) of the related party & nature of relationship	Not Applicable
b)	Nature of contracts/arrangements/transaction	Not Applicable
c)	Duration of the contracts/arrangements/transaction	Not Applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Not Applicable
e)	Justification for entering into such contracts or arrangements or transactions'	Not Applicable
f)	Date of approval by the Board	Not Applicable
g)	Amount paid as advances, if any	Not Applicable
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	Not Applicable

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

					(Amount in Lakhs)	
Sl. 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.	Daawat Foods Limited (Subsidiary Company)	Sales / Purchase / Rent / Freight Exp/ Insurance Income /Interest Income/ corporate guarantee charges/ Business Support Service/Sale in PPE/Purchase of PPE/Corporate Guarantee Given	01.04.20 - 31.03.21	62673.89	26/05/2020, 30/07/2020, 30/10/2020 and 29/01/2021	NIL
2.	Nature Bio Foods Limited (Subsidiary Company)	Reimbursement of Expenses/ Processing Charges Income/ Transport Income/ Corporate Guarantees given / Corporate Guarantee charges /Fumigation Income	01.04.20 - 31.03.21	8687.80	-do-	NIL
3.	LT Foods Americas Inc. (Subsidiary Company)	Sales	01.04.20 - 31.03.21	28912.90	-do-	NIL
4.	LT Foods Middle East DMCC (Subsidiary Company)	Sales/Commission Paid	01.04.20 - 31.03.21	11419.36	-do-	NIL



					(Amount in Lakhs)	
Sl. 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
5.	Raghunath Agro Industries Private Limited (Subsidiary Company)	Corporate Guarantee charges income/Fumigation Income / Corporate Guarantees given/ Reimbursement of Expenses/ Purchases/Sales	01.04.20 - 31.03.21	19176.36	-do-	NIL
6.	Raghuvesh Agri Foods Private Limited (Associate Company)	Loan granted/Payment received against loan/interest income	01.04.20 - 31.03.21	99.15	-do-	NIL
7.	Super Texfab Private Limited (Entities of KMP)	Purchase	01.04.20 - 31.03.21	601.03	-do-	NIL
8.	Raghuvesh Warehousing Private Limited (Associate Company)	Loans granted/Payment Received against Loan/interest income	01.04.20 - 31.03.21	144.92	-do-	NIL
9.	Deva Singh Sham Singh Exports Private Limited (Wholly Owned Subsidiary)	Sales /Rental Expenses/Processing Charges paid Purchases/ Reimbursement of expenses	01.04.20 - 31.03.21	1644.49	-do-	NIL
10.	UIPL Innovations Private Limited (Entities of KMP)	Purchase/ Reimbursement of expense	01.04.20 - 31.03.21	334.20	-do-	NIL
11.	LT Foods Europe B.V. (Subsidiary Company)	Sale/Purchase	01.04.20 - 31.03.21	20206.47	-do-	NIL
12.	Daawat Kameda India Private Limited (Joint Venture)	Purchases/ Sales/ Rental Income/ Reimbursement of Expenses/	01.04.20 - 31.03.21	684.05	-do-	NIL
13.	Raghuvesh Infrastructure Private Limited (Associate Company)	Dividend income/Reimbursement of expenses	01.04.20 - 31.03.21	33.94	-do-	NIL
14.	Eco Pure Specialities Limited (Subsidiary Company)	Corporate guarantee given, Corporate Guarantee charges, Reimbursement of expenses	01.04.20 - 31.03.21	1866.46	-do-	NIL

All material transactions were approved by shareholders in the Annual General meeting of the Company held on 30th September, 2020.

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

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

Sd/-  
**Surinder Kumar Arora**  
Managing Director  
DIN 01574728

Sd/-  
**Gokul Patnaik**  
Independent Director  
DIN 00027915

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

## Annexure-III to Directors Report for the year ended 31st March, 2021

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

#### For the Financial Year ended 31st March, 2021

[Pursuant to Section-204(1) of the Companies Act, 2013 and Rule 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 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 LT Foods Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 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 LT Foods Limited ("the Company") for the financial year ended on 31st March, 2021 to the extent applicable according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
  - (e) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015;
  - (f) \*The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-; and
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-
  - (i) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- \* No Event took place under these regulations during the Audit Period.

- (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 and also the abovementioned act except the below mentioned observations.

- (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
- (16) The Industrial Dispute Act, 1947
- (17) The Payment of Bonus Act, 1965
- (18) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

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

As per Management Confirmation, the Company has disbursed entire CSR obligation to its Implementing Agencies. However, Implementing Agencies has not utilized ₹ 44.21 Lakhs out of the total fund disbursed of ₹ 171.77 Lakhs

### Observations in Clause (iv) Para One of Our Report

According to information and Explanation and verification of forms and returns maintained by Company, the Company has filed FLA return for the Financial Year 2019-20 on 18th September 2020.

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

1. As per section 7(2) of Payment of Gratuity Act, 1972, as soon as gratuity becomes payable, the employer shall, whether an application referred to in sub-section (1) has been made or not, determine the amount of gratuity and give notice in writing to the person to whom the gratuity is payable and also to the controlling authority specifying the amount gratuity so determined.

However, on verification of records of the Company, it has been found that it has defaulted in giving such intimation to the controlling authority.

2. 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 adherence to the timeline with respect to the payment of Gratuity to the ex-employees.
3. As per sub-section (3A) Section 7 of The Payment of Gratuity Act, 1972 , "If the amount of gratuity payable under sub-section (3) is not paid by the employer within the period specified in sub-section (3), the employer shall pay, from the date on which the gratuity becomes payable to the date on which it is paid, simple interest at such rate, not exceeding the rate notified by the Central Government from time to time for repayment of long-term deposits, as that Government may, by notification specify.

On verification of records, it was found that, though there was delay in payment of gratuity, no payment of simple interest was made to the employee.

### Observations in Clause (vi) (18) of Para One of Our Report

The Company has not reconstituted the Internal Committee as required under section 4(3) of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The presiding officer and other members of the Internal Committee are holding office in the Internal Committee exceeding three years, from the date of their nomination.

## PARA SECOND

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

- (i) Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) issued by Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

Based on our verification of the Company's Books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents, and its

authorized representatives during the conduct of Secretarial Audit we hereby report that in our opinion during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

- a. As per Regulation 17(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the Listed entity does not have a regular non-executive chairperson, at least half of the Board of Directors shall comprise of Independent Directors.

On verification it was observed that, around 43% Directors of the Company are Independent Directors. Till 10th March 2021, there were seven Directors on the Board of the Company. Out of the seven Directors, three Directors were Independent, three were Executive Directors and one of them was Nominee Director. As on 10th March 2021, the Company appointed one more Additional Independent Director in compliance with Regulation 17 of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015

As on date, the Company is complied with the said regulation.

- b. One of the Designated employee has violated the code of Conduct framed under SEBI(Prohibition of Insider Trading) Regulations, 2015. He has done contra trade of shares and has not taken pre clearance from the Compliance officer to selling shares more than ₹ 10 Lakhs. Further, he did not intimate the Company under Regulation 7(2) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

Another Designated employee has also violated the code of conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015. He has entered into a contra trade within 6 months and thus violated Clause 9(7) of Code of Conduct of LT Foods Limited to regulate, monitor and report trading by designated persons.

Entire profit earned by the said designated employees were transferred to Investor Protection and Education Fund administered by the Board under SEBI Act, 1992

- c. Action taken by BSE for Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman Director.

The Company has already paid the penalty amount and it has complied as well.

- d. Action taken by NSE for Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman Director.

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.

The Company has applied to NSE for waiver of penalty thereof and it has complied as well

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 following approval of Shareholders in Annual General Meeting of the Company held on 30th September, 2020
  - (a) Ordinary resolution passed for appointment of Mrs. Neeru Singh as Independent Director for a term up of 5 consecutive years with effect from her date of appointment.
  - (b) Ordinary resolution passed for increase in remuneration of Mr. Ritesh Arora, Head- India Business of the Company.
  - (c) Ordinary resolution passed for reappointment of Mr. Surinder Kumar Arora as Managing Director of the Company for a period of 5 years w.ef. 21st June 2020.
  - (d) Ordinary resolution passed for reappointment of Mr. Ashwani Kumar Arora as Managing Director of the Company for a period of 5 years w.ef. 21st June 2020.
  - (e) Continuation of directorship of Mr. Supras Bhandari, Director, in terms of regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - (f) Ordinary resolution to approve material related party transactions for the financial year 2020-21.

For D Dixit and Associates

Company Secretaries  
**CS Debasis Dixit**  
FCS No. 7218, CP No.: 7871  
UDIN-F007218C000706268  
Place: New Delhi  
Date: 29.07.2021



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: 29.07.2021  
Place: New Delhi

Annexure-IV to Directors Report for the year ended 31st March, 2021

Statement Containing certain financial information of subsidiaries, associate Companies and Joint Ventures of LT Foods Limited as at 31st March 2021

STATEMENT PURSUANT TO FIRST PROVISIO TO SUB –SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES,2014

PART-A SUBSIDIARIES

Statement containing certain financial information of subsidiaries, associate companies and joint ventures of LT Foods Limited as at March 31, 2021

(Pursuant to first proviso to sub -section (3) of section 129 of Companies Act, 2013 read with rule 5 of Companies (Accounts) Rules, 2014

S. No	Name of the subsidiary	Reporting currency	Date of acquisition of Subsidiary	Financial year ended on	Share capital	Reserve & surplus	Total assets	Total liabilities	Investments	Turnover (including other income)	Profit/(loss) before taxation	(in lacs unless otherwise stated)			
												Provision for taxation & prior period adjustment	Profit/(loss) after tax expenses and prior period adjustment	Proposed dividend	% of shareholding
1.	LTO North America, Inc. USA (Wholly Owned Subsidiary)	USD **	02.11.2007	31.03.21	67.70	(62.62)	148.50	143.43	29.66	-	(3.67)	(0.34)	(3.33)	-	100.00%
2.	LT Foods Americas, Inc. (Subsidiary)	USD **	22.09.2010	31.03.21	1.00	650.70	1,174.23	522.53	-	2,162.07	176.66	48.80	127.85	-	100.00%
3.	LT Foods USA LLC (Subsidiary)	USD **	21.10.2007	31.03.21	-	(7.48)	58.68	66.16	-	-	(1.27)	(0.32)	(0.95)	-	100.00%
4.	Universal Traders, Inc. (Subsidiary)	USD **	19.07.2012	28.08.20	-	-	-	-	-	-	(0.00)	-	(0.00)	-	100.00%
5.	LT Foods Middle East DMCC (Subsidiary)	AED **	17.04.2013	31.03.21	10.00	26.61	318.46	281.85	-	801.83	32.58	-	32.58	-	100.00%
6.	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	AED **	19.03.2005	31.03.21	65.20	5.50	70.83	0.13	10.00	1.92	(0.14)	-	(0.14)	-	100.00%
7.	Daawat Foods Limited (Subsidiary)	INR	04.05.2005	31.03.21	2439.56	30431.53	86,318.38	53,447.29	221.47	1,06,335.99	7,026.77	1,955.52	5,071.25	-	70.48%
8.	Nature Bio Foods Limited (Subsidiary)	INR	25.11.2005	31.03.21	4152.9	11865.06	35,278.18	19,260.12	1,514.02	41,012.99	1,623.56	515.76	1,107.80	-	99.95%
9.	Fresco Fruits & Nuts Pvt Limited (Subsidiary)	INR	28.08.2014	31.12.20	435.69	(435.69)	-	-	-	108.23	108.22	-	108.22	-	84.94%
10.	LT Agri Services Private Limited (Subsidiary)	INR	27.04.2009	31.03.21	1.00	(1.00)	-	-	-	1.60	1.60	-	1.60	-	70.48%
11.	LT International Limited (Subsidiary)	INR	12.01.1999	30.09.20	200.00	(171.01)	28.99	0.00	-	-	(135.50)	-	(135.50)	-	89.98%



S. No	Name of the subsidiary	Reporting currency	Date of acquisition of Subsidiary	Financial year ended on	Share capital	Reserve & surplus	Total assets	Total liabilities	Investments	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation & prior period adjustment	(in lacs unless otherwise stated)	
													Profit/(loss) after tax expenses and prior period adjustment	% of shareholding
12.	Ragunath Agro Industries Private Limited (Subsidiary)	INR	20.07.2015	31.03.21	424.79	2,271.34	8,494.71	5,798.58	-	28,801.79	341.42	89.67	251.75	- 98.82%
13.	LT Foods International Limited (Subsidiary)	USD **	24.06.2016	31.03.21	0.76	23.72	110.81	86.33	77.84	14.39	(2.28)	(0.43)	(1.85)	- 100.00%
14.	LT Foods Europe BV (Subsidiary)	USD **	06.09.2016	31.03.21	77.84	(15.19)	660.91	598.25	-	1,066.64	24.86	6.02	18.84	- 100.00%
15.	Deva Singh Sham Singh Export Private Limited (Wholly owned subsidiary)	INR	12.04.2017	31.03.21	1.00	(2.45)	877.18	878.63	-	6,898.33	1.87	0.48	1.39	- 100.00%
16.	Nature Bio-Foods B.V. (Subsidiary)	EURO	06.11.2017	31.03.21	0.00	19.16	64.37	45.21	0.85	144.62	10.54	2.47	8.08	- 99.95%
17.	Ecopure Specialities Limited (Subsidiary)	INR	01.11.2017	31.03.21	362.14	1,840.56	11,053.24	8,850.54	-	20,753.97	1,330.44	307.53	1,022.91	- 99.95%
18.	Nature Bio Foods Inc (Subsidiary)	USD	01.08.2020	31.03.21	1.00	1.29	10.85	8.56	-	14.10	1.64	0.34	1.29	- 99.95%

Profit & Loss Items dealt with:-

- \*\* 1 USD (US Dollar) ₹ 74.3044
- \*\* 1 AED (United Arab Emirates Dirham) ₹ 20.2242
- \*\* 1 EURO (European Currency) ₹ 86.4992

Balance Sheet Items dealt with:-

- \*\* 1 USD (US Dollar) ₹ 73.5
- \*\* 1 AED (United Arab Emirates Dirham) ₹ 19.9466
- \*\* 1 EURO (European Currency) ₹ 86.10

- 1. Name of the Subsidiary which is yet to commence its business operations- Not applicable
- 2. Name of the subsidiaries which have been liquidated or sold during the year: SDC Foods India Limited, L T International Limited, Fresco Fruits N Nuts Private Limited, Ecolife LLC and Universal Traders
- 3. The Company has filed strike off application for both SDC Foods India Limited and Fresco Fruits N Nuts Private Limited during the year

PART- B ASSOCIATES AND JOINT VENTURES

Sl. No.	Name of Associates or Joint Ventures	Raghuvesh Agri Foods Private Limited (Associate)	Raghuvesh Warehousing Private Limited (Associate)	Raghuvesh Infrastructure Pvt. Ltd. (Associate)	Daawat Kamada India Private Limited (Joint Venture)
1.	Last Audited Balance Sheet date	31/03/2021	31/03/2021	31/03/2021	31/03/2021
2.	Date on which the Associate or Joint Venture was associated or acquired	20/05/2014	20/05/2014	24/08/2015	14/03/2017
3.	Shares of the Associate or Joint Venture held by the Company on the year end				
	No.	1600000	1600000	15000	24056359
	Amount of Investment in the Associate or Joint Venture	160.00	160.00	1.50	2405.625
	Extent of holding (in percentage)	40	40	30	51
4.	Description of how there is significant Influence	Holding More than 20% of Total Share Capital of the Company			
5.	Reason why the associate/joint venture is not Consolidated	Not Applicable			
6.	Net worth attributable to shareholding as per latest audited balance sheet	931.64	1127.03	30.86	3253.68
7.	Profit or Loss for the year				
	(i) Considered in consolidation	(16.68)	(7.04)	50.33	-457.81
	(ii) Not Considered in consolidation	(25.02)	(10.56)	117.44	-439.85

- 1. Names of associates or joint ventures which are yet to commence operations: None
- 2. Names of associates or joint ventures which have been liquidated or sold during the year: None
- 3. Names of associates/Joint venture acquired/sold during the year: None

CEO/CFO Certificate

To  
The Board of Directors  
LT Foods Limited

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

We have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder, the provisions of various statutes, wherever applicable, the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on 31st March 2021 and in our opinion and to the best of our information

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

For LT Foods Limited  
  
**Ashwani Kumar Arora**  
Chief Executive Officer & Chief Financial Officer

Date: 26.05.2021  
Place- Gurugram

In compliance with Regulation 24A of SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015, the Secretarial Audit Report of Daawat Foods Limited,the material subsidiary of the Company is part of the Annual report which is as follows:

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year ended 31st March, 2021

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

To,  
The Members,  
Daawat Foods Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to corporate practices by M/s **Daawat 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 **Daawat Foods Limited** books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 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 **Daawat Foods Limited** (“the Company”) for the financial year ended on 31st March, 2021 to the extent applicable according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there-under;
- (ii) \*The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there-under;
- (iii) \*The Depositories Act, 1996 and the Regulations and Bye-laws framed there-under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there-under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
  - (a) \*The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) \*The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) \*The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) \*The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
  - (e) \*The Securities and Exchange Board of India (Listing Obligations and Other Disclosure Requirements) Regulations, 2015
  - (f) \*The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-; and
  - (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-
- \* Not Applicable to the Company during the Audit Period.

- (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 and also the abovementioned act except the below mentioned observations.



- (1) The Employee’s Provident fund & Miscellaneous Provisions Act, 1952
- (2) The Equal Remuneration Act, 1976
- (3) The Maternity Benefit Act, 1961
- (4) The Minimum wages Act, 1948
- (5) The Water (Prevention and Control of Pollution) Act, 1974
- (6) The Air (Prevention and Control of Pollution) Act, 1981
- (7) The Environment (Protection) Act, 1986
- (8) The Employee’s State Insurance Act, 1948
- (9) Legal Metrology Act, 2009
- (10) The Factories Act, 1948
- (11) Payment of Gratuity Act, 1972
- (12) The Payment of Wages Act, 1956
- (13) The Contract Labour (Regulation and Abolition) Act, 1970
- (14) The Industrial Employment (Standing Orders) Act, 1946
- (15) The Industrial Dispute Act, 1947
- (16) The Payment of Bonus Act, 1965
- (17) The Sexual Harrasement of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013.

Observations/Disclaimer in Clause (i) & (iv) of Para One of Our Report

- 1. According to information and Explanation and verification of forms and returns maintained by Company, the Company as required under Section 403 pays the prescribed additional fees in case of delayed filing;
- 2. During the financial year 2020-21, Company was required to spend ₹ 118.21 Lakhs towards CSR. Pursuant to the same, paid the entire budget to Fair Farming Foundation, its implementing agency. However, the Implementing agency has utilized only ₹ 78.90 Lacs out of the allocated budget;
- 3. As per Management representation, the related party transactions during the financial year does not requires shareholder’s approval, as the related party transactions entered into by the Company is in its ordinary course of business and on arm’s length basis. However, I am

unable to comment on the Company’s claim of ordinary course of business and on arm’s length basis.

- 4. As per Section 123(4), the amount of dividend shall be deposited in a Separate Account opened with any Scheduled Bank within 5 days from the date of declaration of dividend. However, Company has delayed in depositing the dividend amount into dividend account for preference shareholders and deposited in 9 days from the date of declaration of dividend.
- 5. The Company has received Long Term Export Advance from customer in previous year pursuant to RBI Master Director-Export of Goods and Services dated 01st January, 2016 and making provisions of Interest payable at the rate of LIBOR+220 Basis point instead of applicable maximum limit of LIBOR +200 Basis Point.

PARA SECOND

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

- (i) Secretarial Standards on meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meeting (SS-2) issued by Institute of Company Secretaries of India.

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

I further report that

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

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

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

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

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

- 1. Taken Shareholders approval in the Extra Ordinary General Meeting of Shareholders held on 22nd May

2020 to amend the Articles of Association of the Company pursuant to Shareholder’s Agreement.

For D Dixit and Associates

Company Secretaries

CS Debasis Dixit

Place: New Delhi

Date: 24.07.2021

FCS No. 7218, CP No.: 7871

UDIN: F007218C000682860

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  
Daawat 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.

Corporate Governance Report

Corporate Governance encompasses laws, procedures, practices and implicit rules that determine a management’s ability to take sound decisions vis-à-vis all its stakeholders – in particular, its shareholders, creditors, employees and the State.

The objective of Good Corporate Governance is maximizing long-term shareholder value.

The Company is conscious of the fact that the success of a corporation is a reflection of the professionalism, and ethical values of its management and employees. In addition to compliance with regulatory requirements, the Company endeavours to ensure that highest standards of ethical and responsible conduct are met throughout the organization.

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

BOARD OF DIRECTORS

In accordance with our Corporate Governance philosophy and in strict adherence to the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations / LODR), we have a diverse Board with appropriate combination of skills as well as integrity of Independent Directors. The Company has always recognized the advantage of a diversified Board in effecting better decision-making, better ideas, advancement of knowledge and improvement of brand and reputation.

The Company's diversity policy is available on the website of the Company at weblink <http://www.ltgroup.in/pdf/LT-Foods-Diversity-Policy-2021.pdf>

On March 31, 2021, our Board consisted of eight members, three of whom are Executive, four are Non-executive independent members and one is Non-executive Nominee Director. On 10th March, 2021, the Board appointed Mrs Ambika Sharma as Additional Director, who is independent of the other Board members.

a) The Company has two woman Directors on its Board. The Board has formed seven Committees including the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Capital Raising Committee, Management Committee, Governance Committee and Corporate Social Responsibility Committee.

On 26th May 2021, the Company has constituted Risk management Committee in pursuance of SEBI (Listing Obligation and Disclosure Requirements) Second Amendment Regulations, 2021

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

b) None of the Directors on the Board can be members of more than ten committees or hold the post of Chairman in more than five Committees in other Companies. Necessary disclosures regarding the Committee positions on the Board of other Public Companies, as on March 31, 2021, have been made by the Directors.

c) As the Chairman of the Board is Executive, more than half of the Board is Independent.

d) The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year, and the numbers of Directorships and Committee Chairmanships/Memberships held by them in other Companies are given below:



The Composition of the Board and Attendance record of Directors for 2020-21:

Name& DIN	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2020-21		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
Vijay Kumar Arora 00012203	Chairman & Managing Director (Promoter, Executive)	22986920	4	4	NO	3	NIL	NIL
Ashwani Kumar Arora 01574773	Managing Director (Promoter, Executive)	22986920	4	4	YES	3	NIL	NIL
Surinder Kumar Arora 01574728	Managing Director (Promoter, Executive)	22986920	4	4	YES	3	NIL	NIL
*Rajesh Kumar Srivastava 00302223	Non-executive (Nominee Director)	Nil	4	4	NO	4	NIL	2
Suparas Bhandari 00159637	Non-executive (Independent)	Nil	4	4	YES	1	1	2
Gokul Patnaik 00027915	Non-executive (Independent)	Nil	4	4	YES	1	1	1
Neeru Singh 06987939	Non-executive (Independent)	Nil	4	4	YES	1	0	0
Ambika Sharma 08201798	Non-executive (Independent)	Nil	4	4	NA	1	0	1

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

- e) During the year, four meetings of the Board members were held and the interval between two meetings did not exceed one hundred twenty days. The dates on which these meetings were held are: May 28, 2020, July 30, 2020, October, 30, 2020, January 29, 2021. Further a resolution was passed through circulation on 10<sup>th</sup> March 2021 for appointment of Mrs. Ambika Sharma as Independent Director of the Company.
- f) During the year, information, as mentioned in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements), has been placed before the Board for its consideration.
- g) None of the Non-Executive Directors have any material or pecuniary relationship or transactions with the Company.
- h) There is no inter se relationship between the Independent Directors. However, Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora are related to each other.
- i) The Board reviews the compliance report pertaining to all applicable laws, as well as the steps taken by the Company to rectify the instances of non-compliance.
- j) The Non-executive Directors do not hold any convertible instruments in the Company.
- k) The Senior management has disclosed to the Board of Directors that they have not entered into any material, financial, commercial transactions which may have potential conflicts with the interest of the Company.
- l) No employee, including Key Managerial Personnel or Director or Promoter of a listed entity have entered into an agreement for himself or on behalf of any other person, with any shareholder or other third party, with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity.
- m) \*Mr. Rajesh Kumar Srivastava was a Nominee Director representing India Agri Business Fund and Real trust as equity investor.

Details of listed Companies in which our Directors hold position of Director along with the categories of directorship:

Name of Directors of the Company	Name of other listed Companies	Category of Directorship
Vijay Kumar Arora	NA	NA
Ashwani Kumar Arora	NA	NA
Surinder Kumar Arora	NA	NA
Rajesh Kumar Srivastava	Centrum Capital Limited	Non-executive Director
Suparas Bhandari	J.K. Cement	Independent Non-executive Director
Gokul Patnaik	Kerala Ayurveda Limited	Independent Non-executive Director
Neeru Singh	NA	NA
Ambika Sharma	NA	NA

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

Skills, Expertise and Competencies	Mr. Vijay Kumar Arora	Mr. Ashwani Kumar Arora	Mr. Surinder Kumar Arora	Mr. Rajesh Kumar Srivastava	Mr. Gokul Patnaik	Mr. Suparas Bhandari	Mrs. Neeru Singh	Mrs. Ambika Sharma
Corporate Strategy & Planning	☑	☑	☑	☑	☑	⊗	⊗	☑
Entrepreneurship	☑	☑	☑	☑	☑	☑	⊗	☑
Brand Building	☑	☑	⊗	☑	⊗	⊗	☑	⊗
Financial & Accounting	⊗	☑	☑	☑	☑	⊗	⊗	⊗
Corporate Governance, Risk & Compliance	⊗	☑	⊗	☑	☑	☑	☑	☑
Supply Chain Management	☑	☑	☑	☑	⊗	⊗	☑	⊗

- o) The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and are Independent of the management.
- p) \*Mrs. Ambika Sharma was appointed as Additional Director on 10<sup>th</sup> March 2021.
- q) Change in Directorate after the closure of financial year-
- i) Mr. Rajesh Kumar Srivastava resigned from the post of Nominee Director w.e.f 14<sup>th</sup> April, 2021 due to certain personal reasons.
- ii) Due to personal preoccupation, Mr. Gokul Patnaik and Mr. Suparas Bhandari resigned from the Directorship of the Company on 22<sup>nd</sup> July 2021. The outgoing Directors have confirmed that there are no other material reason for the resignation other than the personal preoccupation.
- iii) Mr. Anil Khandelwal and Mr. Abhiram Seth , were appointed as Additional Directors (as Independent Directors) through circular resolution passed unanimously by the Board on 22<sup>nd</sup> July 2021.

### Role of the Board of Directors

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

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

Definition of Independent Directors

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

Familiarization Programme of Independent Directors

The Company conducts Familiarization Programme for the Independent Directors to enable them to familiarize with the Company, its Management and its operations which helps them to get clear understanding of their roles, rights and responsibilities for the purpose of contributing significantly towards the growth of the Company. They are given full opportunity to interact with senior Management personnel and are provided with all the documents required and/ or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part. The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company at [www.ltgroup.in](http://www.ltgroup.in) and the web link thereto is <http://www.ltgroup.in/pdf/familiarization-programme-for-independent-directors.pdf>.

Performance Evaluation of Independent Directors

The Board of Directors, on recommendation from the Nomination and Remuneration Committee, has laid down the criteria for performance evaluation of the Board of the Company, its Committees and individual Board members, including Independent Directors. Performance evaluation of the Board is done by each Director and during such assessment, the Director being evaluated doesn't participate. The criteria for performance evaluation is posted on the website of the Company. Evaluation of the Board and its Committees is subject to various aspects of their functioning, including adequacy of the constitution, composition of the Board and its Committees, matters addressed in the meetings, processes followed at the meeting, Board's focus, regulatory compliances, Corporate Governance, and so on. Similarly, for evaluation of individual Director's performance, various parameters like Director's profile, contribution in Board and Committee meetings, execution and performance of specific duties, obligations, regulatory compliances, governance, etc. are considered.

Additionally, the performance of Chairman, Executive Directors and Independent Directors are evaluated using certain indices depending upon their roles and responsibilities. For the Chairman, the criteria includes leadership, relationship with stakeholders, and so on, while for the Executive Directors the criteria includes execution of business plans, risk management, achievement of business targets, development of plans and policies aligned to the vision and mission of the Company, among others. Similarly, ideals for evaluation of Independent Directors include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts to his/her role, high ethical standards, adherence to applicable codes and policies, effective participation and application of objective as well as independent judgement during meetings, among others.

The Independent Directors met separately on January 29,2021 without the presence of Non-Independent Directors and the Members of Management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and that of the Chairman of the Company, after taking into consideration the views of Executive and Non-Executive Directors.

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

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

The evaluation of all the Independent Directors have been executed by the entire Board, excluding the Director being evaluated. Based on the Board's assessment, the decision of whether to extend or settle their term of appointment, whenever their respective tenure expires, is undertaken. Appointment, re-appointment, removal or resignation of Independent Directors is in strict adherence to Schedule IV of the Companies Act, 2013. Reappointment of the Independent Directors is based on the report of performance evaluation. Performance Evaluation criteria for the Board have been laid down and posted on the Company's website

Succession Plan

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

BOARD COMMITTEES

(Constitution as on 31st March 2021)

Audit Committee	Nomination and Remuneration Committee
1. Gokul Patnaik (Chairman of the Committee) Independent Director	1. Gokul Patnaik (Chairman of the Committee) Independent Director
2. Suparas Bhandari Independent Director	2. Suparas Bhandari Independent Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee Director

Governance Committee	Corporate Social Responsibility Committee
1. Vijay Kumar Arora (Chairman of the Committee) Executive Director	1. Gokul Patnaik (Chairman of the Committee) Independent Director
2. Ashwani Kumar Arora Executive Director	2. Vijay Kumar Arora Executive Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee Director
4. Surinder Kumar Arora Executive Director	4. Neeru Singh Non Executive Director

Stakeholders Relationship Committee

1. Gokul Patnaik (Chairman of the Committee) Independent Director
2. Rajesh Kumar Srivastava Nominee Director
3. Suparas Bhandari Independent Director

After change in Directorate, all the Committees were reconstituted. As on date, the Committee position is as follows-

I. GOVERNANCE COMMITTEE

S NO	NAME OF DIRECTOR	DESIGNATION
1.	Vijay Kumar Arora	Chairman
2.	Ashwani Kumar Arora	Member
3.	Surinder Kumar Arora	Member
4.	Neeru Singh	Member

II. AUDIT COMMITTEE

S NO	NAME OF DIRECTOR	DESIGNATION
1.	Anil Khandelwal	Chairman
2.	Ambika Sharma	Member
3.	Neeru Singh	Member
4.	Abhiram Seth	Member



III. STAKEHOLDERS RELATIONSHIP COMMITTEE

S NO	NAME OF DIRECTOR	DESIGNATION
1.	Neeru Singh	Chairman
2.	Abhiram Seth	Member
3.	Ashwani Kumar Arora	Member
4.	Surinder Kumar Arora	Member

IV. CSR COMMITTEE

S NO	NAME OF DIRECTOR	DESIGNATION
1.	Neeru Singh	Chairman
2.	Vijay Kumar Arora	Member
3.	Ashwani Kumar Arora	Member
4.	Abhiram Seth	Member

V. NOMINATION & REMUNERATION COMMITTEE

S NO	NAME OF DIRECTOR	DESIGNATION
1.	Abhiram Seth	Chairman
2.	Ambika Sharma	Member
3.	Neeru Singh	Member

VI. CAPITAL RAISING COMMITTEE

S NO	NAME OF DIRECTOR	DESIGNATION
1.	Ashwani Kumar Arora	Chairman
2.	Anil Khandelwal	Member
3.	Neeru Singh	Member

VII. RISK MANAGEMENT COMMITTEE

S NO	NAME OF DIRECTOR	DESIGNATION
1.	Ashwani Kumar Arora	Chairman
2.	Ashok Kumar Arora	Member
3.	Abhiram Seth	Member

Audit Committee

Brief description and terms of reference:

The Audit Committee of the Board was constituted in accordance with the requirements prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 of LODR. Members of the Audit Committee possess financial accounting expertise and exposure.

The Committee oversees the work carried out by the Management and Internal Auditors with reference to the financial reporting process.

Powers of the Audit Committee







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

Role of the Audit Committee

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible
- Recommendations for appointment, remuneration and terms of appointment of Auditors of the Company
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors
- Evaluation with the management, the annual financial statements and Auditors Report before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement as well as the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgement by the management
  - d. Significant adjustments made in financial statements arising out of audit discoveries
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft Audit report
- Management review of the quarterly financial statements before submission to the Board for approval
- Monitoring and reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, right issue, preferential issue, and so on), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency overseeing the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Review and regulation of the auditors' independence, performance, and effectiveness of audit process
- Approval or any subsequent modification of transactions of the Company with the related parties
- Valuation of undertakings or assets of the Company, wherever it is necessary
- Assessment of Internal Financial Controls and Risk Management Systems
- Management's review of the performance of statutory auditors, internal auditors, adequacy of internal control systems
- Formulation of the scope, functioning, periodicity and methodology for conducting the internal audit
- Analysis of the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- Discussions with internal auditors regarding any significant findings and follow-up thereon
- Thorough study of the discoveries from internal investigations by the auditors regarding matters where there could be suspected fraud, irregularity or a failure of internal control systems of a material nature, which also requires reporting of the matter to the Board.
- Discussion regarding the nature and scope of audit with statutory auditors before the audit commences as well as post audit discussion to ascertain any area of concern
- Arrival at reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- Supervision of the functioning of the Vigil and Whistle Blower mechanism
- Approval of the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, among others of the candidate
- Execution of any other function as is mentioned in the terms of reference of the Audit Committee
- Examination of financial statements, in particular the investments made by the Company's unlisted subsidiaries
- Evaluation of the following information:
  - a) The Management Discussion and Analysis of financial condition and result of operations
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management
  - c) Management letters/letters of internal control weaknesses issued by the statutory auditors
  - d) Internal audit reports related to internal control weaknesses and
  - e) Material in relation to appointment, removal and terms of remuneration of the Chief Internal Auditor/ Internal Auditors

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

May28, 2020, July 30,2020, October 30,2021, and January 29, 2021

Members of the Committee	Category and Designation	Number of the meetings held during the year 2020-21	
		Held	Attended
Gokul Patnaik	Independent, Non-executive (Chairman)		
Rajesh Kumar Srivastava	Nominee, Non-executive		
Suparas Bhandari	Independent, Non-executive		

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

All the members of the Audit Committee are financially literate.

Mr. Gokul Patnaik was present at the Thirtieth Annual General Meeting of the Company to answer the queries of shareholders.

## II. NOMINATION & REMUNERATION COMMITTEE

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

The Committee comprises of two Independent Directors and one Non-executive Nominee Director, viz. Mr. Gokul Patnaik, Mr Suparas Bhandari and Mr. Rajesh Kumar Srivastava (Member), respectively.







### Brief Description and Terms of Reference:

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

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

During the financial year, three Nomination & Remuneration/Compensation Committee Meeting was held. Further a Circular resolution was passed by the members of the Committee on 10th March 2021 for appointment of Mrs. Ambika Sharma.

The Nomination & Remuneration Committee meetings were held on July 30, 2020, March 25,2021 and January 29,2021.

Members of the Committee	Category and Designation	Number of the meetings held during the year 2020-21	
		Held	Attended
Gokul Patnaik	Independent, Non-executive (Chairman)		
Rajesh Kumar Srivastava	Nominee, Non-executive		
Suparas Bhandari	Independent, Non-executive		

## I. Remuneration Policy

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

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

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

## II. Directors Remuneration Policy

### 1. Independent Non-executive Directors -

The Non-executive Directors are given sitting fees only, as recommended by Nomination & Remuneration Committee and approved by the Board.

**2. Executive Directors -** The Executive Directors are remunerated on the recommendation of the Nomination & Remuneration Committee and the approval of Board of Directors and the Shareholders of the Company.

III. No pecuniary relationship or transaction happened between the Non-Executive Directors vis-à-vis the Listed entity, during the financial year ended March 31, 2021, except for the sitting fees for attending meetings of the Board and other Committees.

The details of sitting fees paid to the Non-executive Directors for attending the meetings of the Board(s) and Committee(s) during the financial year ending March 31, 2021

Name of the Director	(₹ In Lakhs)
	Sitting fees paid
Neeru Singh	2.80
Gokul Patnaik	5.80
Suparas Bhandari	5.40

Service:

The Executive Directors have been appointed for a period of five years commencing from their respective dates of appointment. The details of remuneration paid to the Executive Directors for the financial year ending March 31, 2021, are as under:

Name of Director	(Amount in ₹)	
	Vijay Kumar Arora	Ashwani Kumar Arora
<b>Salary Components(₹)</b>		
Salary	16,539,600*	16,121,424
Benefits(perquisites)		
Bonuses	NIL	NIL
Stock Option	NIL	NIL
Pension	NIL	NIL
Fixed Component	NIL	NIL
Performance linked incentive and performance criteria	50,00,000	50,00,000
Service Contract	As per terms and conditions of appointment	As per terms and conditions of appointment
Notice Period	As per terms and conditions of appointment	As per terms and conditions of appointment
Severance Fee	NIL	NIL
Stock Option details	NIL	NIL

\*Mr. Vijay Kumar Arora was also paid ₹ 111.34 lakhs from LT Foods Europe B.V during the year.

Mr. Surinder Kumar Arora, the Managing Director of the Company draws salary from Daawat Foods Limited.

Criteria for payment to Non-executive Directors is disclosed on the website of the Company. It is available on <http://www.ltgroup.in/pdf/Criteria-of-making-Payments-to-Non.pdf>

Disclosure as per Companies Act, 2013 as required under Schedule V(C) (6)(c) of LODR has been disclosed in the Director's Report.

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



### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

























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

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

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

May 28,2020, July 30,2020, October 30,2020, January 29,2021

The constitution of the Committee as on 31st March 2021 is as follows:

Members of the Committee	Category and Designation	Number of the meetings held during the year 2020-21	
		Held	Attended
Gokul Patnaik	Independent, Non-executive (Chairman)	   	   
Rajesh Kumar Srivastava	Nominee, Non-executive	   	   
Suparas Bhandari	Independent, Non-executive	   	   

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

#### Shareholder's Complaints: 2020-21

During the year, the Company has received two complaints which were duly resolved within the stipulated time and to the satisfaction of the shareholders. There were no pending complaints as on 31st March, 2021.

### IV. GOVERNANCE COMMITTEE


























The Governance Committee comprises of four members: including Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora, Mr. Rajesh Kumar Srivastava and Mr. Surinder Kumar Arora

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

The dates and other details of these meetings are as follows

Dates: May 28,2020, July 30, 2020, October 30,2020 January 29,2021

Constitution of Committee as on 31st March 2021 is as follows-

Members of the Committee	Category and Designation	Number of the meetings held during the year 2020-21	
		Held	Attended
Vijay Kumar Arora	Executive (Chairman)	   	  
Ashwani Kumar Arora	Member, Director	   	   
Rajesh Kumar Srivastava	Member, Nominee Director	   	   
Surinder Kumar Arora*	Member, Director		

\* Mr. Surinder Kumar Arora was appointed as member of the Committee w.e.f 30th Oct, 2020.















### V. CSR COMMITTEE

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

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

Dates: July 30, 2021 and January 29, 2021

As on 31st March 2021, the CSR Committee includes the following members:

Members of the Committee	Category and Designation	Number of the meetings held during the year 2020-21	
		Held	Attended
Gokul Patnaik	Member, Non-executive, Independent (Chairman of the Committee)	 	 
Vijay Kumar Arora	Member, Executive	 	 
Rajesh Kumar Srivastava	Member, Nominee Director	 	 
Neeru Singh	Member, Non-executive, Independent		

### RISK MANAGEMENT

Risks are an integral part of any business environment and it is essential that we create structures and processes that are capable of identifying and mitigating risks consistently. For LT Foods, risks are multidimensional and thus, they need to be looked in a holistic manner which includes Business risk, Financial and Governance risk and Operational risk.

The Company has a comprehensive risk management platform to identify principal threats, ascertaining that only the best practical procedures are employed to monitor and mitigate such risks.

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

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

**In compliance with SEBI second amendment regulations, 2021 the Board has constituted Risk Management Committee which includes:**

S NO	NAME OF DIRECTOR	DESIGNATION
1	Ashwani Kumar Arora	CHAIRMAN
2	Ashok Kumar Arora	MEMBER
3	*Gokul Patnaik	MEMBER

\*After resignation of Mr Gokul Patnaik ,Mr Abhiram Seth was inducted as a member of Risk Management Committee.

#### Brief Description and terms of reference-

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectorial, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

## WHISTLE BLOWER POLICY/VIGIL MECHANISM

The Whistle Blower Policy of the Company allows a mechanism for employees/Board members and others to raise concerns, in good faith, regarding violations of the Company's Code of Conduct and protects individuals who take such actions from subsequent retaliation or any threat of the same. Direct access to interaction with the Chairman of the Audit Committee is also provided in the event of exceptional cases. The functioning of the vigil mechanism is evaluated by the Audit Committee from time to time. No personnel has denied access to the Audit Committee of the Board. The details of the Whistle Blower Policy are given in the Report on Corporate Governance and are also available on the website of the Company at the following link: [www.ltgroup.in](http://www.ltgroup.in); <http://www.ltgroup.in/pdf/whistle-blower-policy.pdf>

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

## POLICY ON PREVENTION OF INSIDER TRADING

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

## DETAILS OF THE ANNUAL GENERAL MEETINGS

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

Financial Year	General Meeting	Location	Date	Time
2019-2020	30th AGM	Audio Visual Means	30.09.2020	12:00 PM
2018-2019	29th AGM	Siri Fort Auditorium, August Kranti Marg, New Delhi-110049	30.09.2019	12:00 PM
2017-2018	28th AGM	Air Force Auditorium, Subroto Park, Dhaura Kuan, New Delhi-110010	24.09.2018	03:00 PM

## MATERIAL SUBSIDIARY COMPANIES

There are three material subsidiaries as on 31st March, 2021 including-

LT Foods Americas

Daawat Foods Limited

LT Foods Europe B.V.

Daawat Foods Limited is an unlisted material subsidiary of the Company with its Independent Director, Mrs. Neeru Singh on the Board. The Audit Committee and the Board of Directors of the Company evaluate the financial statements of the subsidiary.

LT Foods Americas is another Material subsidiary of the Company with its Independent Director, Mrs Neeru Singh on the Board as required under Regulation 24 of SEBI( Listing Obligations & Disclosure Requirements)

The Financial Statements of all the unlisted subsidiaries of the Company were periodically reviewed by the Audit Committee of LT Foods Limited. The results of the subsidiaries are available on Company's website i.e [www.ltgroup.in](http://www.ltgroup.in)

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

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

The Company has framed a policy for determining the material subsidiaries and it is available on our website [www.ltgroup.in](http://www.ltgroup.in). The weblink for the same is: <http://www.ltgroup.in/pdf/LT-Foods-Material-Subsidiary-Policy-2021.pdf>

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
2019-2020	30th AGM	Continuation of directorship of Mr. Suparas Bhandari (DIN:0159637), Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2018-2019	29th AGM	Appointment of Mr. Parmod Bhagat as an Independent Director Appointment of Mrs. Radha Singh as Independent Director Reappointment of Mr. Vijay Kumar Arora as Managing Director of the Company
2017-2018	28th AGM	Ratify material related party transactions entered by the Company during financial year 2017-18.

## POSTAL BALLOT

No Resolution was passed through Postal Ballot during the financial year 2020-21.

No resolution is proposed to be passed through postal ballot during the financial year 2020-21.

## DISCLOSURES

- During the financial year ended March 31, 2021, there were no materially significant transactions with related parties, including promoters, relatives, the management, and subsidiaries, among others, that may have a potential conflict with the interest of the Company at large other than the disclosed transactions. The relevant disclosures on related parties and transactions with them are appearing in the Notes to the Accounts. The Company has formulated a policy on materiality of Related Party transactions and on dealing with RPT, in accordance with the relevant provision of Companies Act, 2013 and Listing Regulations, 2015 (as amended from time to time). The policy has been placed on the website of the Company at weblink: <http://www.ltgroup.in/pdf/LT-Food-Related-Party-Transactions-2021.pdf> under the investors section. Necessary disclosure has been made in Director's Report Annexure III.

All related party transactions get prior approval from the Audit Committee before being approved by the shareholders and no related party shall vote to approve such resolutions, whether or not the entity is a related party to a particular transaction.

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

- Action taken by BSE and NSE for Non-compliance with the requirements pertaining to the composition of the Board including failure to appoint woman Director.

The Company has already paid the penalty amount to BSE though the compliance for the same has been taken care of.

The Company has applied to NSE for waiver of penalty thereof though the compliance for the same has been taken care of.

- The CEO/CFO Certificate in terms of Reg17 (8) of SEBI (Listing Obligations and Disclosure Requirements) 2015 has been placed before the Board.

- In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended till date, on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly followed by its management, staff and relevant business associates. The Code expressly lays down the guidelines, the procedure to be followed and disclosures to be made, while dealing with shares of the Company. It also cautions them on the consequences of non-compliance thereof.

- The Company follows the practice of 'Closure of Trading Window' prior to the publication of price sensitive information. During this period, a mechanism was formulated, whereby the management and relevant staff and business associates of the Company are informed regarding the same and advised not to trade in the Company's securities.

- The Company complies with all the mandatory requirements of Listing Regulations, 2015.

- Reconciliation of Share Capital Audit

A qualified Company Secretary carried out a Secretarial Audit to reconcile the total admitted equity capital with the National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL), in addition to the total issued and listed equity capital. The Reconciliation of Share Capital Audit confirms that the total issued/paid up capital is in line with the total number of shares in the physical form and the total number of dematerialized shares held with NSDL and CDSL.

- Disclosure of accounting treatment in preparation of financial statements

The Company has followed prescribed accounting standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.

- The Company has also established effective Whistle Blower mechanism and hereby affirms that no personnel or stakeholder has been denied access to the Audit Committee for any such grievance.



10. Necessary disclosures have been made on the website of the Company as required under Regulation 46(2) of LODR.

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

11. Details of the utilization of funds raised through preferential allotment or qualified institutional investor as specified under regulation 37(2A) of SEBI (Listing Obligations and Disclosure Requirements) 2015. NA

12. All the mandatory recommendation (wherever required) of the committee(s) are accepted by the Board.

13. Total fees ₹ 14,688,478/-(One Crore Forty Six Lakhs Eighty Eight Thousand Four Hundred and Seventy Eight Only) was paid by the Company and its subsidiaries, on a Consolidated basis to the Statutory Auditors and all entities in the network firm /network entity of which the Statutory Auditors are a part.

14. No complaint was received by Sexual Harassment Committee formed in terms of Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act 2013.

15. **Disclosure of Commodity price risks and commodity hedging activities.** The Company has a structured governance framework in place to ensure that the Organisation is reasonable protected from the market volatility in terms of price and availability. The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach is to minimize the currency volatility. The Company uses forward exchange contracts / Foreign currency loans to hedge its foreign currency exposures. The details of foreign exchange exposures as on 31st March, 2021 are disclosed in Notes to the Standalone financial statements.

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

### Annual Affirmations

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Board composition	17(1), 17(1A) & 17(1B)	yes
Meeting of Board of Directors	17(2)	yes
Quorum of Board meeting	17(2A)	yes
Review of Compliance Reports	17(3)	yes
Plans for orderly succession for Appointments	17(4)	yes
Code of Conduct	17(5)	yes
Fees/compensation	17(6)	yes
Minimum Information	17(7)	yes
Compliance Certificate	17(8)	yes
Risk Assessment & Management	17(9)	yes
Performance Evaluation of Independent Directors	17(10)	yes
Recommendation of Board	17(11)	yes
Maximum number of directorship	17A	yes
Composition of Audit Committee	18(1)	yes
Meeting of Audit Committee	18(2)	yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	yes
Meeting of Nomination & Remuneration Committee	19(3A)	yes
Composition of Stakeholder Relationship Committee	20(1),20(2) & 20(2A)	yes
Meeting of Stakeholder Relationship Committee	20 (3A)	yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	yes
Meeting of Risk Management Committee	21(3A)	yes
Vigil Mechanism	22	yes

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Policy for related party Transaction	23(1),(1A),(5),(6), (7) & (8)	yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	NA
Approval for material related party Transactions	23(4)	yes
Disclosure of related party transactions on Consolidated basis	23(9)	yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	yes
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2),(3),(4),(5) & (6)	yes
Annual Secretarial Compliance Report	24(A)	yes
Alternate Director to Independent Director	25(1)	NA
Maximum Tenure	25(2)	yes
Meeting of independent Directors	25(3) & (4)	yes
Familiarization of independent Directors	25(7)	yes
Declaration from Independent Director	25(8) & (9)	yes
Directors and Officers insurance	25(10)	NA
Memberships in Committees	26(1)	yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management Personnel	26(3)	yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	yes
Policy with respect to Obligations of Directors and senior management	26(2) & 26(5)	yes
Other Corporate Governance Discretionary requirements	27	NA
Filing of Quarterly Compliance Report on Corporate Governance	27	yes
Website	27	yes
(b) terms and conditions of appointment of independent Directors;		
(c) composition of various committees of Board of Directors;		
(d) code of conduct of Board of Directors and senior management personnel;		
(e) details of establishment of vigil mechanism/ Whistle Blower policy;		
(f) criteria of making payments to non-executive Directors, if the same has not been disclosed in annual report;		
(g) policy on dealing with related party transactions;		
(h) policy for determining 'material' subsidiaries;		
(i) details of familiarization programmes imparted to independent Directors including the following details:-		
(i) number of programmes attended by independent Directors (during the year and on a cumulative basis till date),		
(ii) number of hours spent by independent Directors in such programmes (during the year and on cumulative basis till date), and		
(iii) other relevant details		

17. Out of discretionary requirements as specified in PART E of schedule II, the Company complies with point E relating to reporting by Internal Auditor

### Voluntary Disclosure of Dividend Distribution Policy

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

Brief objectives of the policy are:

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

The detailed policy is available on [http://www.ltgroup.in/pdf/Dividend-Policy\\_Final.pdf](http://www.ltgroup.in/pdf/Dividend-Policy_Final.pdf)

### CODE OF CONDUCT

The Commitment to ethical professional conduct is a must for every employee, including Board Members and Senior Management Personnel of LT Foods Limited. The Code is intended to serve as a basis for ethical decision-making in conduct of professional work. The Code of Conduct is available on the website of the Company [www.ltgroup.in](http://www.ltgroup.in). All Board Members and Senior Management Personnel affirm compliance with the Code of Conduct annually.

### 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 2020-21.

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

### MEANS OF COMMUNICATION

- The quarterly and annual results were generally published in the Economic Times, Financial Express and Jansatta.
- The quarterly results are also displayed on the website of the Company i.e., [www.ltgroup.in](http://www.ltgroup.in), and is available on the website of BSE and NSE.
- The Management Discussion and Analysis (MDA) report, which covers the operations of the Company, forms part of the Annual Report.
- The Company has made presentation to Institutional Investor.

Website link were on the official news released and can be played on this link - <http://www.ltgroup.in/media.html>

### GENERAL SHAREHOLDER'S INFORMATION

Thirty First Annual General Meeting

Date and Time	30th September, 2021 at 12.00 noon
Venue	Video Conferencing/ Audio Visual means
Financial Calendar for the Year 2020-21:	April 01, 2020 to March 31, 2021
Book Closure	Friday, September 24, 2021 to Thursday, September 30, 2021, both days inclusive

Registered Office and Corporate Office

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

Listing on Stock Exchanges

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

BSE LIMITED	NATIONAL STOCK EXCHANGE OF INDIA LIMITED
PhirozeJeejeebhoy 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, BandraKurla Complex, Bandra (E), Mumbai – 400051. Tel.: 022- 26598110- 14 Fax: 022- 26598120 Security Code: DAAWAT

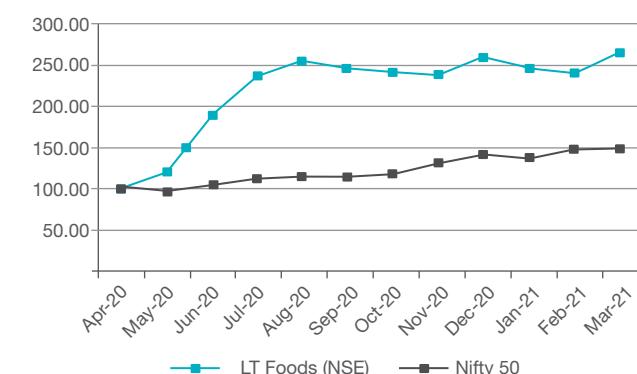
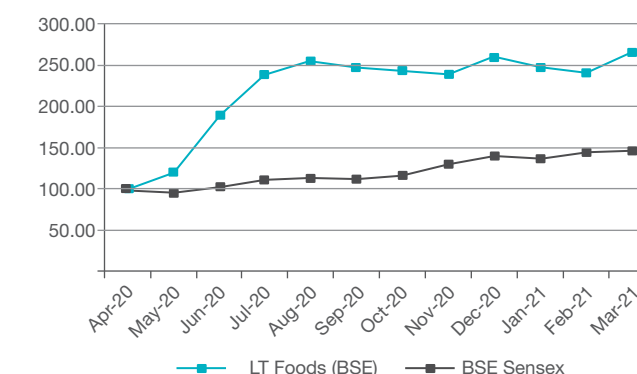
ISIN No. for NSDL & CDSL: INE818H01012

Listing Fees/Custodial Fees for 2020-21:

The annual listing fees have been paid to BSE and NSE while the annual custodian fees have been paid to NSDL and CDSL for the financial year 2020-21.

### Stock Market Data on BSE and NSE

Month	Bombay Stock Exchange Limited					National Stock Exchange Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	Nifty 50
Apr-20	24.85	19.85	21.85	1221910	33718	25.00	19.85	21.85	18933033	9860
May-20	26.75	19.90	26.25	1228393	32424	26.75	19.85	26.25	18158126	9580
Jun-20	45.55	25.95	41.55	9436382	34916	45.80	25.80	41.60	88338272	10302
Jul-20	55.75	40.30	52.30	5344344	37607	55.70	40.30	52.30	63102120	11073
Aug-20	63.50	50.10	55.95	5023301	38628	63.30	51.00	56.05	44814848	11388
Sep-20	57.60	47.45	54.20	2351212	38068	58.00	47.30	54.15	22645201	11248
Oct-20	57.00	47.30	53.20	2660361	39614	57.10	48.65	53.15	26323455	11642
Nov-20	53.75	48.70	52.50	2909973	44150	53.75	48.50	52.40	29836703	12969
Dec-20	62.60	46.85	57.15	7225768	47751	62.65	50.55	57.20	68275560	13982
Jan-21	59.30	53.40	54.20	2798869	46286	59.35	53.25	54.25	22999508	13635
Feb-21	54.65	48.85	52.75	1882551	49100	54.70	48.75	52.70	20443702	14529
Mar-21	66.10	52.10	58.25	9013642	49509	66.20	52.10	58.50	78390023	14691



The graphs above have share prices and indices indexed to 100 on the first working day of 2020-21

### Unclaimed Dividend

The shareholders who have not encashed their dividend warrants for the year 2019-20 are requested to claim the amount from the Registrar and Share Transfer Agent (in case shares are held in the demat form) or the Corporate Office (in case shares are held in the physical form).

As per Companies Act, 2013, any money transferred by the Company to the Unpaid Dividend Account, which remains unclaimed for a period of seven years from the date of the transfer shall be transferred to a fund called 'The Investor Education and Protection setup by the Central Government. The unclaimed dividend for the financial year 2013-14 will due to be transferred to IEPF account on 16th Oct, 2021. The shareholders who have not claimed their dividend are

requested to contact our Registrar and Share Transfer Agent Bigshare Services Private Limited.

### Disclosures with respect to demat suspense account/ unclaimed suspense account

There are no shares in Unclaimed Suspense Account.

### Share Transfer System and Registrar and Share Transfer Agent

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



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

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

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

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

Fax No. 022-28475207

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

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

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

## Dematerialization of Shares and 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. Following verification, the Registrar will request the National Securities Depository Ltd. (NSDL)/Central Depository Services Ltd. (CDSL) to confirm the demat request. The demat account of the concerned shareholder will be credited with an equivalent number of shares. In case of a rejection of the request, it will be communicated to the shareholder.

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

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

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

Distribution of Shareholding as on dated March 31, 2021:

### (A) Distribution of Shareholding by Ownership

Category	Total Shareholders	% Of Shareholders	Voting Strength	%
ALTERNATE INVESTMENT FUND	2	0.00	1962889	0.61
CLEARING MEMBER	339	0.40	6151109	1.92
CORPORATE BODIES	261	0.31	8585540	2.68
DIRECTORS	4	0.0049	63860760	19.9662
EMPLOYEE	55	0.07	3289096	1.03
FINANCIAL INSTITUTIONS	1	0.00	2007803	0.63
FOREIGN Company	1	0.00	8289454	2.59
FOREIGN PORTFOLIO INVESTOR	18	0.02	4553885	1.42
GROUP COMPANIES	2	0.00	33349472	10.43
NON NATIONALISED BANKS	1	0.00	65437	0.02
NON RESIDENT INDIANS	1150	1.37	3303609	1.03
OVERSEAS CORPORATE BODIES	1	0.00	500000	0.16
PROMOTERS	14	0.02	79260040	24.78

Category	Total Shareholders	% Of Shareholders	Voting Strength	%
PUBLIC	81880	97.78	82936005	25.93
TRUSTS	4	0.00	13000	0.00
MUTUAL FUND	2	0.00	16173684	5.06
IEPF	1	0.0012	442997	0.14
<b>TOTAL</b>	<b>83736</b>	<b>100</b>	<b>319844780</b>	<b>100.0000</b>

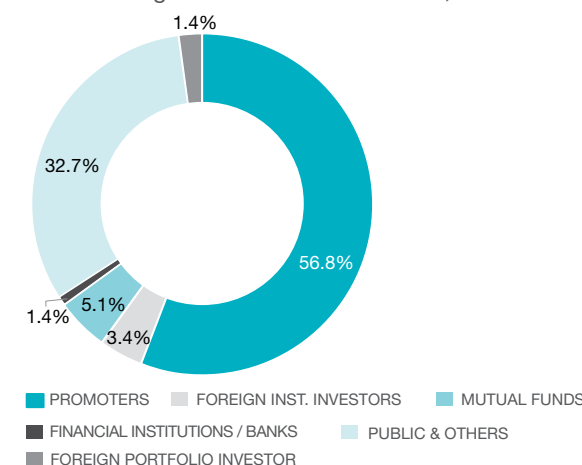
### (B) Distribution of Shareholding by Size

No. of shares	No. of shares	No of shareholders	% of total shareholders	Share Amount(₹)	% of total
1	5000	81553	97.3930	35191678	11.0027
5001	10000	1115	1.3316	8441160	2.6391
10001	20000	537	.06413	7812678	2.4426
20001	30000	168	0.2006	4198290	1.3126
30001	40000	75	0.0896	2648157	0.8280
40001	50000	69	0.0824	3114898	0.9739
50001	100000	103	0.1230	7416158	2.3187
100001	999999999	116	0.1385	251021761	78.4824
<b>Total</b>		<b>83736</b>	<b>100</b>	<b>319844780</b>	<b>100.0000</b>

### (C) Top ten Shareholders as on March 31, 2021

Sr No	Name	Shares	Percentage
1	RAGHUVESH HOLDINGS PRIVATE LIMITED	33384472	10.44
2	ASHOK KUMAR ARORA	22986920	7.19
3	VIJAY KUMAR ARORA	22986920	7.19
4	ASHWANI KUMAR ARORA	22986920	7.19
5	SURINDER ARORA	22986920	7.19
6	GURUCHARAN DASS ARORA	21286920	6.66
7	DSP SMALL CAP FUND	11083075	3.47
8	VANDANA ARORA	8396500	2.63
9	SAKSHI ARORA	8371500	2.62
10	RANJU ARORA	7738160	2.42
	<b>TOTAL</b>	<b>182208307</b>	<b>56.97</b>

Shareholding Pattern as on 31st March, 2021-



### Plant Locations:

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

- 43 K. Stone, GT Road, Bahalgarh, Sonapat.
- Phoola Road, Distt. Amritsar, Punjab.
- Mandideep, Bhopal, Madhya Pradesh.
- Kamaspur, Bahalgarh, Sonapat.
- Varpal, Punjab.
- Rotterdam, Netherlands.
- Cypress, Texas

Investors Correspondence:

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

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

Company Secretary and Compliance Officer

Name Monika Chawla Jaggia  
Address 04th Floor, MVL-i-Park, Sector-15,  
Gurgaon, Haryana – 122001  
Contact Details Ph: 91-124-3055101  
Fax: 91-124-3055199  
email id:monika.jaggia@ltgroup.in

**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad-Credit rating is the same**

Name of Credit rating Agency	Fund Based Limits	Non Fund Based Limits
CRISIL Ratings Limited	CRISIL A-/ Positive from CRISIL A-/ Stable	CRISIL A2+ from CRISIL A2
	CRISIL A/ Stable	CRISIL A1
Brickwork Ratings	BWR A+ / Stable	BWR A1+
India Ratings	IND A/ Positive	IND A1

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

I have examined the compliance of conditions of Corporate Governance by LT Foods Limited, for the year ended March 31, 2020 as stipulated in applicable Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as “SEBI Listing Regulations, 2015”).

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

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

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

- a. As required under Regulation 17(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do not have half of the Board of Directors as Independent and have only 43% of Directors in Independent Category till 10th March 2021.

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

For D Dixit & Associates  
Company Secretaries



**Debasis Dixit**  
FCS-7218, CP-7871  
UDIN-F007218C000704783  
Date:-29th July 2021  
Place:- New Delhi

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

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

For D Dixit & Associates  
Company Secretaries



**Debasis Dixit**  
FCS-7218, CP-7871  
UDIN-F007218C000704827  
Date:-29th July 2021  
Place:- New Delhi



Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended 31st March, 2021 pursuant to Regulation 34(2) C(f) of the SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI notification no. SEBI/LAD- NRO/GN/2019/45 dated 26th Dec, 2019.

Section A) General Information About The Company

- 1. Corporate Identity Number (CIN) of the Company- L74899DL1990PLC041790
- 2. Name of the Company- LT FOODS LIMITED
- 3. Registered address- Unit no. 134, Rectangle-1, Saket District Centre, New Delhi-110017
- 4. Website- www.ltgroup.in
- 5. E-mail id-ir@ltgroup.in
- 6. Financial Year reported- 2020-21
- 7. Sector(s) that the Company is engaged in (industrial activity code-wise)-10612
- 8. Key products/services that the Company manufactures/ provides –Rice, Saute Sauces and Staples
- 9. Locations where business activity is undertaken by the Company- The Company’s business are spread across the Country and other geographies. Details of plant locations are provided in the Corporate information page.
- 10. Markets served by the Company – The Company’s products are available in India as well as globally in more than 60 Countries,

Section B) Financial Details of the Company

- 1. Paid up Capital- ₹ 31.98 crore
- 2. Total Turnover - ₹ 2304 crore
- 3. Total profit after taxes (INR)- ₹ 106 crore
- 4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - 2%
- 5. Activities in which expenditure in 4 above has been incurred: -

Areas listed under Schedule VII to the Companies Act, 2013	Role of LT Foods Limited through Foundations
Promoting education, including special education and employments enhancing vocational skills specially among children, women, elderly and the differently abled and livelihood enhancement projects	Education, Vocational training, Livelihood enhancement
Rural Development Projects	Agri Development
Disaster Management	Medical facility and care during the Covid Pandemic by providing health checkups, vaccination and donation of Oxygen concentrators to the village hospitals. It also helped to support in making makeshift hospital for providing treatment for Covid-19.

Section C) Other Details

- 1. Does the Company have any Subsidiary Company/ Companies? - Yes
- 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s)- Yes, two subsidiaries of the Company i.e. Daawat Foods Limited and Nature Bio Foods Limited participate in BR initiatives of LT Foods Limited
- 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]-

The same has not been identified by the Company.

Section D) BR Information

1. Details of Director/Directors responsible for BR

- (a) Details of the Director/Director responsible for implementation of the BR policy/policies
  - 1. DIN Number- 01574773
  - 2. Name- Ashwani Kumar Arora
  - 3. Designation- Managing Director & CEO

(b) Details of the BR head

No.	NAME OF DIRECTOR	DESIGNATION
1.	DIN Number (if applicable)	01574773
2.	Name	Ashwani Kumar Arora
3.	Designation	Managing Director & CEO
4.	Telephone number	0124-3055111
5.	e-mail id	ashwani@ltgroup.in

2. Principle-wise (as per NVGs) BR Policy/policies

(a) Details of compliance

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for?	Yes	Yes	Yes	No	Yes	Yes	No	Yes	Yes
2.	Has the policy being formulated in? consultation with the relevant stakeholders?	Yes	Yes	Yes		Yes	Yes		Yes	Yes
3.	Does the policy conform to any national / international standards? If yes, specify?	Policy is formulated keeping in mind national standards and best industry practices		Policy is formulated keeping in mind best industry practices		Policy is formulated keeping in mind best industry practices	Yes – Part of our rice sourcing confirms to SRP standards (www. sustainable rice. org). All factories conform to national norms on energy, pollution, biodiversity, emission etc.		As per the national guidelines on CSR	We follow all national/ international norms on individual components of the principal to provide value to the consumer in responsible manner
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes		Yes	Yes		Yes	Yes
5.	Does the Company have a specified committee of the Board/? Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes		Yes	Yes		Yes	Yes

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	http://www.ltgroup.in/pdf/LT-Food-Code-of-Conduct.pdf		http://www.ltgroup.in/pdf/Whistle-Blower%20Policy_August%202021.pdf We have a detailed HR policy covering wide range of policies		http://www.ltgroup.in/pdf/LT-Foods-Diversity-Policy-2021.pdf Code of conduct, diversity policy and, Prevention of sexual harassment policy, no child labour and various other policies included in HR policy			http://www.ltgroup.in/pdf/LT-Foods-CSR-Policy-2021.pdf	
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes		Yes	Yes		Yes	Yes
8.	Does the Company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes		Yes	Yes		Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes		Yes	Yes		Yes	Yes
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	NO	Yes		Yes	Paddy grown as per SRP standards is audited by independent third party auditor		Yes	Yes

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The Company has not understood the Principles									
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 Months									
5.	It is planned to be done within the next 1 year				Yes				Yes	
6.	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The Board of Directors will assess the BR performance on annual basis.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

No

satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Nil

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

As a responsible Company, LT Foods provide safe and high quality products to its consumers where the various processing units have been certified for various GFSI Benchmarked food safety system certifications carried out by external independent agencies which are internationally accredited and recognized. And also regulatory compliances such as EIA, USFDA etc. And to support the food safety and sustainability, the Company has installed a super high end chemical analytical lab with state of the art battery of instruments to analyze very complicated matrix of the contaminants and toxins to ensure that every product processed at the Company meets the highest food safety standard and complies to all the international food safety norms with respect to various chemicals, toxins, and other contaminants. Also the Company's High end lab is accredited from NABL, FSSAI, APEDA, EIC, ILAC MR.

Food Safety System Certificates of the Company:-

BRCGS with FSMA Addendum

IFS

SQF

FSSC 22000 And other Non GFSI Food Safety standards

Social and Environmental Certificates.

SEDEX

SA 8000

Costco Code Of Conduct is audited by Buyer

Section E: Principle-Wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

LT Foods is committed to achieve highest standards of integrity and ethics. The Company follows ethical standards in dealing with all its stakeholders including its customers, employees, suppliers, government, etc.

The Company follows a "Code of Conduct" with a belief of conducting its business in an ethical manner. The Audit Committee of the Company oversees the functioning of Whistle Blower Policy and the compliance of Code of Conduct by the designated employees on the quarterly basis

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes

2. How many stakeholder complaints have been received in the past financial year and what percentage was



Integrated Management System for 9001, 14001 and 45001

The Company has signed agreement with various prestigious Organization for learning and sharing knowledge along with technology transfer such as NPL under Council Of Scientific and Industrial Research (Govt. Of India). The Company makes continual effort to improve its processes and regularly review new technology development, deployment and commercialization while keeping social, ethical, and environmental considerations at the core.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) **Rice- The Company works with farmers based on SRP – Sustainable Rice Platform –www.sustainablerice.org – an IRRI and UN initiative**

(b) **Staples**

(c) **Cuppa Rice**

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

~25% reduction in water use in cultivation of Basmati rice with farmers. The respective team is involved with farmers to help achieve the same.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

NA

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

**Yes. About 5% of paddy procured by LT Group is certified sustainable by third party. Certified as per SRP ( www.sustainablerice. org ) standards.**

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

**LT Foods buys significant portion of its paddy from farmers, mostly small and medium, from farms around its production facilities. LT Foods**

**runs a program, as per SRP standards, whereby each farmer enrolled in the program is trained on various agronomic practices, supported with collaterals and equipment and provided digital advisory. Besides, LT Foods in locations selected, provides significant incentive (about 2%) over the market price for sustainably grown paddy.**

5. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

**Yes. >10%**

**All our jute bags (used in paddy packaging) are used at least thrice. All waste water is recycled and used for various purposes including landscape irrigation.**

**Principle 3: Business should promote well-being of all employees**

LT Foods considers employees as its most valuable asset for consistent growth of the business. The Company's code of conduct provides guidelines for its employees related to freedom, gender equality, non-discrimination with respect to caste, creed, race, religion, disability or sexual orientation during their course of employment.

The Company gives special attention on training of its employees based on their job requirements. The HR department prepares annual training plans for its employees through e learning or group training modules.

1. Please indicate the Total number of employees. - 994

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. 408

3. Please indicate the Number of permanent women employees. -42

4. Please indicate the Number of permanent employees with disabilities - 02

5. Do you have an employee association that is recognized by management? - NO

6. What percentage of your permanent employees is members of this recognized employee association? - NOT APPLICABLE

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of Complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

(a) Permanent Employees- 90%

(b) Permanent Women Employees- 95%

(c) Casual/Temporary/Contractual Employees- 70%

(d) Employees with Disabilities- NOT APPLICABLE

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the Company mapped its internal and external stakeholders? Yes/No

**Yes**

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

**No**

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so

**No**

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/Contractors/NGOs/ Others?

**The Company's Code of Conduct covers guidelines on human rights and the same is applicable to the group as well as its stakeholders.**

The Company has not receive any complaint with respect to human rights violation during the financial year 2020-21.

**Principle 6: Business should respect, protect and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

**Efforts related to environment and climate change extends to the group and the paddy suppliers (farmers).**

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

**As per SRP standards, we work with farmers to promote sustainable rice cultivation. We are represented by Brig J S Oberoi on the SRP Board. (http://www.sustainablerice.org/assets/docs/SRP%20Board%202019.png).**

**We are also members of Indo – Dutch partnership on sustainable management of paddy straw.**

**We continue to be a key implementation partner in WAPRO project along with Swiss Development Corporation (SDC), Helvetas, MARS Foods, Jain Irrigation and Partner in Prosperity (https:// www.helvetas.org/en/switzerland/what-we-do/how-we-work/our-projects/global/water- productivity-WAPRO.**

3. Does the Company identify and assess potential environmental risks? Y/N

**Yes, The Company has mechanism to assess potential environment risks. The same is part of our Risk Management Policy. We also work to reduce the use of water in rice cultivation, enhance productivity, strive to decrease net Green House Gas emission, ensure food safety, use renewable energy in the production process, promote water recycling etc. to control environmental risks.**

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**Yes, The Company has Clean Development Mechanism in place. Environmental compliance reports for pollution control, waste water recycling and effluence, responsible disposal of factory waste etc. are filed with respective agencies.**

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

**Yes, The Company has undertaken initiatives on energy efficiency, renewal energy etc. A significant portion of our power requirement for factories is met by solar energy. All lights have been replaced with**

energy efficient LED. We treat and recycle all waste water and ensure zero discharge within our facilities.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, The Emissions, wastes generated by the Company are within the permissible limits given by CPCB, SPCB for the financial year 2020-21.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Our Company is a member of the following Associations:

- (a) AIREA (All India Rice Exporters Association)
- (b) CII
- (c) FICCI
- (d) ASSOCHAM
- (e) FSSAI

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, we are actively working with these industry bodies to enable sustainable rice production, ensure food safety and reduce pesticide residues in rice. Our inputs are also incorporated in the suggestions/ recommendations given by these bodies to the Government.

The Company is also working with these chambers and associations for development of Industry.

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, The Company is associated with Foundations/ Associations for education of under privileged Children, vocational skill development, woman empowerment.

2. Are the programs/ projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

Yes, the programs are undertaken through Partner NGO's or external foundations

3. Have you done any impact assessment of your initiative? Yes

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The contribution to Community development projects is highlighted in the CSR section of the Annual report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We provide long term support to community development with educational programs (adoption of school), Women empowerment, Economic assistance to Farming community, Development of tribal farming community etc. (<http://www.ltgroup.in/csr.html>)

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

None

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)

Yes. The Company displays information on the product label over and above what is mandated as per local laws like nutritional facts, recipes etc.,

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No, there was no case filed by any stakeholder against the Company regarding any Unfair Trade Practice, anti-competitive behavior or irresponsible advertising during last years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, The Company regularly conducts consumer survey to understand their feedback on product quality and its acceptance by the people at large.

Independent Auditor's Report

To the Members of LT Foods Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone financial statements of LT Foods Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

S. Key audit matters No.	Our audit procedures to address the key audit matter
1. Revenue recognition – Sale of goods	Our audit work included, but not limited to, the following procedures -
Refer Summary of significant accounting policies.	
The Company recognised revenues amounting to ₹2,30,415.49 lakhs for the year ended March 31, 2021, as disclosed in Note 31 and Note 54 to the Standalone financial statements.	<ul style="list-style-type: none"><li>Understood the business process of revenue and receivables process for evaluating the design effectiveness of internal financial controls;</li><li>Validated the operating effectiveness of internal financial controls in revenues and receivables process;</li></ul>
Revenue comprises of sale of manufactured goods (rice) and by products – which is recognized when control of such goods is transferred to the customers and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates, trade discounts etc.	<ul style="list-style-type: none"><li>Assessed the appropriateness of the accounting policies relating to revenue recognition by ensuring their compliance with Ind AS 115 ("Revenue from Contracts with Customers");</li><li>Performed substantive analytical procedures on revenue which includes margins analysis (corroboration between revenues and costs for current year and its comparison with last year), analysis for key customers etc.;</li></ul>
Also, there is presumed risk of fraud in revenue recognition as per Standard on Auditing. In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly,	<ul style="list-style-type: none"><li>Evaluated the terms and conditions of the Key contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards;</li></ul>



Independent Auditor’s Report

S. Key audit matters No.	Our audit procedures to address the key audit matter
1. occurrence of revenue is a key focus area on account of the multiplicity of Company’s products, multiple channels for sales, transactions with subsidiaries and the volume of the sales made to them.  Due to the above factors, we have identified testing of revenue recognition as a key audit matter.	<ul style="list-style-type: none"><li>Performed substantive testing on test check basis for revenue transactions recognised during the year by testing their underlying documents which include purchase orders from customers, proof of deliveries (bill of lading for export sales and lorry receipts etc for domestic sales), invoices and collection of money from the customers (as applicable). Considering different categories of customers, the nature of documents supporting accuracy and occurrence of transactions varies. Our testing methodology was designed and implemented considering these facts and circumstances;</li><li>Reviewed reconciliation of revenues between books and revenues disclosed in statutory returns (i.e., GST returns);</li><li>Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors; and</li><li>Evaluated disclosures made in the financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.</li></ul>
2. Inventory – existence and valuation  Refer Summary of significant accounting policies.  The Company is engaged in the business of manufacturing and selling rice and the Company’s inventory primarily comprises of raw material i.e., paddy, semi-finished rice, finished rice, stores and spares and packing material. Such inventory is stored in plant, rented warehouses, silos and storage bags. Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy and natural ageing process followed by the Company for getting desired level of quality. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.  The valuation of raw material, semi-finished and finished rice is a comprehensive exercise and is carried out manually. The valuation process involves estimation around determination of – <ul style="list-style-type: none"><li>Allocable overheads and their absorption rates;</li><li>Determination of net realisable value of by-products;</li><li>Capitalisation of borrowing costs to paddy, semi-finished and finished rice, given significant holding period between acquisition and production. Period and rate of finance costs to be capitalised.</li></ul>	<p>Our audit work included, but not limited to, the following procedures -</p> <ul style="list-style-type: none"><li>Assessed the appropriateness of the accounting policies relating to valuation of Inventory by ensuring their compliance with Ind AS 2 (“Inventories”) and Ind AS 23 (“Borrowing Costs”);</li><li>Obtained inventory records and results of management conducted count and reviewed reconciliation of differences, if any, between management physical count and inventory records. Tested the necessary adjustments, if any, made in the inventory records by the management;</li><li>Reviewed reconciliation of inventory quantitative details in general ledger/ valuation workings with reports obtained from the management, as retrieved from SAP i.e., the integrated ERP used by the Company. Understood and tested the reconciling items, if any;</li><li>Obtained independent confirmations, on sample basis, for inventory lying with third parties as at year-end;</li><li>Observed physical verification done by the management as at year-end and also, independently verified few items physically on sample basis for locations scoped-in, basis materiality of stock lying at such locations to overall inventory balance of the Company as at year-end;</li><li>Corroborated the results of our physical verification procedures, on sample basis, with valuation workings obtained from the management; and</li></ul>

Independent Auditor’s Report

S. Key audit matters No.	Our audit procedures to address the key audit matter
2. Accordingly, existence and valuation of the year-end inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.	<ul style="list-style-type: none"><li>Presented our approach and results of physical verification, including but not limited to scoped-in locations, methodology followed for verification of inventory stored in bags and silos and confirmation procedures, to the audit committee.</li></ul> <p><b>Valuation:</b></p> <ul style="list-style-type: none"><li>Obtained an understanding of management process of inventory valuation;</li><li>Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;</li><li>Tested inputs into the valuation process from source documents/ general ledger accounts;</li><li>Tested quantitative reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate the rice yield during the year and to identify any abnormal production loss. Compared the yield between current year and prior year to identify abnormalities, if any;</li><li>Compared basis of key estimates, including those involved in computation of allocable overheads and borrowing costs, to prior year and enquired reasons for any significant variations;</li><li>Tested net realisable value of by-products from supporting documents</li><li>Tested arithmetical accuracy of valuation calculations; and</li><li>Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.</li></ul>

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

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

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 ‘The Auditor’s responsibilities Relating to Other Information’.

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matter

The Standalone Ind AS financial statements of the Company for the year ended March 31, 2020, were audited by another firm of chartered accountants whose report dated May 28, 2020 expressed an unmodified opinion on those statements.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 purposes 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 Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the
- Statement of Cash Flow 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.

(e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the Directors are disqualified as on 31st March, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to Standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Note 42 to the Standalone financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2021;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its Directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAAAZ9762

**Place:** Gurugram  
**Date:** May 26, 2021

Independent Auditor's Report

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2021

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However,

future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAAAZ9762

**Place:** Gurugram  
**Date:** May 26, 2021

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ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2021

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets (Property, Plant and Equipment).
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties (freehold) are held in the name of the Company.
- ii. The inventory (except for goods in transit and stock lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, written confirmations have been obtained by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on verification between the physical stock and the book records.
- iii. The Company has not granted any loan, secured or unsecured to Companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its Directors

or to any other person in whom the Director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Further, in our opinion, the Company has complied with the provisions of loans and guarantees as per section 186 of the Act.

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and income tax, though there has been slight delay in few cases, and is regular in depositing undisputed statutory dues including sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and services tax, cess and other statutory dues, as applicable, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us and examination of records of the Company, the outstanding dues of income-tax, goods and services tax, customs duty, cess and any other statutory dues, as applicable, on account of any dispute are as follows:

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Name of the statute	Nature of dues	Amount (in ₹ Lakhs)	Amount Paid in protest (in ₹ Lakhs)	Period to which the amount relates (FY)	Forum where dispute is pending
Income tax Act, 1961	Penalty	36.27	36.27	1998-99	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	57.54	-	2002-03	Assessing Officer*
Income tax Act, 1961	Income tax demand	4.84	-	2006-07	Assessing Officer*
Income tax Act, 1961	Income tax demand	327.62	850.00	2007-08	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	235.95	223.95	2008-09	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	346.01	103.38	2009-10	Income Tax Appellate Tribunal
Income tax Act, 1961	Penalty	177.42	10.00	2009-10	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax demand	142.68	19.50	2011-12	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	175.61	108.16	2012-13	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	90.43	200.00	2013-14	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	466.81	100.00	2014-15	Commissioner of Income Tax (Appeals)

\*Appeal effect of the order of Income Tax Appellate Tribunal is pending

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to the financial institution, bank or debenture holders during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.
- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with Directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAAAZ9762  
**Place:** Gurugram  
**Date:** May 26, 2021

Independent Auditor's Report

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2021

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to Standalone financial statements of LT Foods Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to Standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone financial

statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to Standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone financial statements included obtaining an understanding of internal financial controls with reference to Standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

A Company's internal financial control with reference to Standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to Standalone financial statements, including

Independent Auditor's Report

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Standalone financial statements to future periods are subject to the risk that the internal financial control with reference to Standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Standalone financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the

internal financial controls with reference to Standalone financial statements criteria established by the Company considering the essential components of internal controls stated in the Guidance Note.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAAAZ9762  
**Place:** Gurugram  
**Date:** May 26, 2021



Standalone Balance Sheet as at March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	19,639.29	20,153.41
Capital work-in-progress	2	2,222.34	520.24
Right of use assets	2	188.62	275.80
Goodwill	3	0.33	0.41
Other intangible assets	3	162.22	92.92
Financial assets			
Investments	4	12,614.16	12,750.55
Loans	5	924.85	761.38
Other financial assets	6	19.94	600.67
Deferred tax assets (net)	7	-	235.93
Other non-current assets	8	159.80	57.02
Non-current tax assets	9	3,203.30	3,259.02
<b>Total non-current assets</b>		<b>39,134.85</b>	<b>38,707.35</b>
<b>Current assets</b>			
Inventories	10	94,945.46	84,434.46
Financial assets			
Trade receivables	11	12,931.14	24,713.24
Cash and cash equivalents	12	515.19	367.74
Bank balances other than cash and cash equivalent	13	920.99	117.52
Loans	14	443.09	708.46
Other financial assets	15	643.91	304.33
Other current assets	16	7,497.69	11,248.48
<b>Total current assets</b>		<b>1,17,897.47</b>	<b>1,21,894.23</b>
<b>Total assets</b>		<b>1,57,032.32</b>	<b>1,60,601.58</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	3,198.45	3,198.45
Other equity	18	93,387.19	83,942.05
<b>Total equity</b>		<b>96,585.64</b>	<b>87,140.50</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	19	118.22	72.54
Other financial liabilities	20	6.50	7.00
Lease liabilities	21	-	116.15
Provisions	22	629.63	340.98
Deferred tax liabilities (net)	7	338.99	-
Other non-current liabilities	23	175.01	245.98
<b>Total non-current liabilities</b>		<b>1,268.35</b>	<b>782.65</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	24	37,909.45	56,485.92
Trade payables	25	17,754.32	11,288.32
Due to micro and small enterprises		733.66	417.83
Due to others		17,020.66	10,870.49
Other financial liabilities	26	1,768.56	3,463.04
Lease liabilities	27	136.08	110.84
Other current liabilities	28	1,445.76	1,047.04
Provisions	29	149.46	268.57
Current tax liabilities (net)	30	14.70	14.70
<b>Total current liabilities</b>		<b>59,178.33</b>	<b>72,678.43</b>
<b>Total liabilities</b>		<b>60,446.68</b>	<b>73,461.08</b>
<b>Total equity and liabilities</b>		<b>1,57,032.32</b>	<b>1,60,601.58</b>
<b>Statement of significant accounting policies</b>	1		

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

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

Place: Gurugram

Date: May 26, 2021

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Gokul Patnaik**

Independent Director

DIN 00027915

For and on behalf of Board of Directors of

LT Foods Limited

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No.: F5150

Standalone Statement of Profit and Loss for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>			
Revenue from operations	31	2,30,415.49	2,35,006.69
Other income	32	2,220.77	2,771.84
<b>Total income</b>		<b>2,32,636.26</b>	<b>2,37,778.53</b>
<b>Expenses</b>			
Cost of material consumed	33	1,77,794.80	1,62,031.06
Purchases of stock-in-trade	34	19,947.44	31,059.91
Changes in inventories of semi-finished goods, finished goods and stock- in- trade	35	(12,534.68)	717.66
Employee benefits expense	36	6,578.77	6,261.09
Finance costs	37	3,363.67	6,009.91
Depreciation and amortization expense	38	2,586.48	2,645.20
Other expenses	39	20,324.90	17,788.81
<b>Total expenses</b>		<b>2,18,061.38</b>	<b>2,26,513.64</b>
<b>Profit before tax</b>		<b>14,574.88</b>	<b>11,264.89</b>
<b>Tax expenses</b>	40		
Current tax		3,646.81	3,192.89
Deferred tax (credit)/ charge		212.72	(444.26)
Tax pertaining to prior years		67.25	-
<b>Total tax expense</b>		<b>3,926.78</b>	<b>2,748.63</b>
<b>Profit for the year</b>		<b>10,648.10</b>	<b>8,516.26</b>
<b>Other comprehensive income</b>			
1) Items that will not be reclassified to Statement of Profit or Loss			
Remeasurements of net defined benefit plans		(10.23)	(110.18)
Tax on above	7	2.58	32.57
2) Items that will be reclassified to Statement of Profit or Loss			
(Loss)/ gain on cash flow hedge reserve		2,676.87	(4,181.37)
Tax on above	7	(673.71)	1,231.70
<b>Other comprehensive (loss)/ income for the year</b>		<b>1,995.51</b>	<b>(3,027.28)</b>
<b>Total comprehensive income for the year</b>		<b>12,643.61</b>	<b>5,488.98</b>
<b>Earning per equity share</b>			
- Basic and diluted	41	3.33	2.66
<b>Statement of significant accounting policies</b>	1		

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

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

Place: Gurugram

Date: May 26, 2021

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Gokul Patnaik**

Independent Director

DIN 00027915

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No.: F5150

Standalone Cash Flow Statement for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from operating activities:</b>		
<b>Net Profit before tax</b>	14,574.88	11,264.89
Adjustments for:-		
Depreciation and amortisation expense	2,586.48	2,645.20
Loss/(Profit) on sale of property, plant and equipment	(36.31)	35.19
Unrealised foreign exchange (gain)/ loss	(697.54)	(236.64)
Corporate guarantee charges	(438.18)	(418.15)
Trade receivables and other amounts written off	39.95	82.76
Finance charges	3,363.67	6,009.91
Interest income	(254.78)	(835.10)
Loss/(Profit) on sale of investments	153.88	(4.36)
Dividend income	(216.81)	-
Rental Income	(195.89)	(223.20)
Liabilities written back	(167.46)	-
Provision for doubtful debts	35.61	673.93
Fair valuation of investments	(18.83)	(9.20)
Impairment in value of investments	-	5.00
<b>Operating profit before working capital changes</b>	<b>18,728.67</b>	<b>18,990.23</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade receivables	11,690.82	5,721.44
Inventories	(10,511.00)	5,506.33
Other financial assets (current and non-current)	(13.31)	256.87
Other Assets (current and non-current)	4,294.06	(4,693.77)
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Trade payables	6,634.97	(2,142.59)
Other Liabilities (current and non-current)	699.79	(871.81)
Other financial liabilities (current and non-current)	(441.29)	196.41
<b>Cash generated from operations</b>	<b>31,082.71</b>	<b>22,963.10</b>
Income taxes paid (net of refunds)	(3,967.27)	(2,930.13)
<b>Net cash generated from operating activities (A)</b>	<b>27,115.44</b>	<b>20,032.96</b>
<b>Cash flow from investing activities</b>		
Payment for Purchase of property, plant and equipment (including CWIP and capital advances)	(3,899.42)	(1,536.71)
Proceeds from sale of property, plant and equipment	73.25	67.01
Purchase of non-current investments	(24.74)	(39.40)
Rental Income	195.89	223.20
Interest received	254.78	835.10
Proceeds from sale/maturity of investments	26.08	79.42
Withdrawal/(Investment) in fixed deposits	(228.11)	338.74
Dividends received	24.00	-
<b>Net cash used in investing activities (B)</b>	<b>(3,578.27)</b>	<b>(32.64)</b>

Standalone Cash Flow Statement for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	87.14	83.95
Repayment of long-term borrowings	(21.96)	(137.97)
Proceeds from/(repayment) of short term borrowings (net) [Refer note 19]	(16,637.20)	(11,511.27)
Finance charges paid	(3,513.78)	(5,913.23)
Payment of lease liabilities	(110.84)	(110.84)
Dividends paid on equity shares	(3,193.08)	(2,078.99)
Tax on equity dividend paid	-	(427.34)
<b>Net cash generated/(used) from financing activities (C)</b>	<b>(23,389.72)</b>	<b>(20,095.70)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A+B+C)</b>	<b>147.45</b>	<b>(95.37)</b>
(Gain)/loss on re-statement of foreign currency cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	367.74	463.11
<b>Cash and cash equivalents at the end of the year</b>	<b>515.19</b>	<b>367.74</b>
<b>Components of cash and cash equivalents (Refer note 12)</b>		
Cash on hand	74.00	122.00
Balances with banks		
- on current accounts	441.19	245.74
<b>Total cash and cash equivalents</b>	<b>515.19</b>	<b>367.74</b>

Statement of significant accounting policies (Refer note 1)

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

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

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration Number:- 105047W

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN: 01574773

**Gokul Patnaik**  
Independent Director  
DIN 00027915

Place: Gurugram  
Date: May 26, 2021

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

**Surinder Kumar Arora**  
Managing Director  
DIN: 01574728

**Monika Chawla Jaggia**  
Company Secretary  
Membership No.: F5150



Standalone Statement of Changes in Equity for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

A. Equity share capital (Refer note 17)

Particulars	Amount
Balance as at April 01, 2019	3,198.45
Changes during the year	-
<b>Balance as at March 31, 2020</b>	<b>3,198.45</b>
Changes during the year	-
<b>Balance as at March 31, 2021</b>	<b>3,198.45</b>

B. Other equity

Particulars	Reserves and surplus				Total
	Retained earnings	General reserve	Securities premium reserve	Cash flow hedge reserve	
<b>Balance as at April 01, 2019</b>	34,820.38	1,698.31	43,240.01	1,195.27	80,953.97
Impact on account of adoption of Ind AS 116 (Refer note 2(ii)(c))	5.43	-	-	-	5.43
Profit for the year	8,516.26	-	-	-	8,516.26
<b>Items of OCI for the year:</b>					
Gain/(Loss) on cash flow hedge (net of tax)	-	-	-	(2,949.67)	(2,949.67)
Remeasurement of defined benefit obligations (net of tax)	(77.61)	-	-	-	(77.61)
<b>Total Comprehensive Income for the year</b>	<b>8,444.08</b>	<b>-</b>	<b>-</b>	<b>(2,949.67)</b>	<b>5,494.41</b>
<b>Transaction with owners</b>					
Interim dividend	(1,599.22)	-	-	-	(1,599.22)
Final dividend	(479.77)	-	-	-	(479.77)
Tax on dividend	(427.34)	-	-	-	(427.34)
<b>Balance as at March 31, 2020</b>	<b>40,758.13</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>(1,754.40)</b>	<b>83,942.05</b>
<b>Balance as at April 01, 2020</b>	<b>40,758.13</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>(1,754.40)</b>	<b>83,942.05</b>
Profit for the year	10,648.10	-	-	-	10,648.10
<b>Items of OCI for the year:</b>					
Gain/(Loss) on cash flow hedge (net of tax)	-	-	-	2,003.16	2,003.16
Remeasurement of defined benefit obligations (net of tax)	(7.65)	-	-	-	(7.65)
<b>Total Comprehensive Income for the year</b>	<b>10,640.44</b>	<b>-</b>	<b>-</b>	<b>2,003.16</b>	<b>96,585.65</b>
<b>Transaction with owners</b>					
Interim dividend	(3,198.46)	-	-	-	(3,198.46)
<b>Balance as at March 31, 2021</b>	<b>48,200.11</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>248.76</b>	<b>93,387.19</b>

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

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration Number:- 105047W

**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place: Gurugram  
Date: May 26, 2021

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN: 01574773

**Gokul Patnaik**  
Independent Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN: 01574728

**Monika Chawla Jaggia**  
Company Secretary  
Membership No.: F5150

Summary of Significant Accounting Policies for the year ended March 31, 2021

1. i) Corporate Information

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

ii) Basis of preparation

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

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

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

iii) Use of estimates

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

iv) Significant Accounting Policies

a) Inventory

Inventories are valued as follows:

**Raw materials, stores and spares and packing materials**

Raw materials, components, stores and spares are valued at lower of cost and net realisable value.

Summary of Significant Accounting Policies

for the year ended March 31, 2021

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

Work in progress

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

Finished goods

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

b) Property, Plant and Equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (against which input has not been availed) borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit or Loss as incurred.

Subsequent measurement (depreciation and useful lives)

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

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

De-recognition

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

c) Intangible assets

Recognition and initial measurement

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

Subsequent measurement (amortization and useful lives)

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

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

De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

d) Impairment of non-financial assets

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

Summary of Significant Accounting Policies

for the year ended March 31, 2021

losses of continuing operations are recognized in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

e) Borrowing costs

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

f) Functional and presentation currency

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

Foreign Currencies

Transactions and balances

Initial recognition

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

Subsequent measurement

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

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognized as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

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

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

g) Leases

The Company has adopted Ind AS 116-Leases effective April 1, 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (April 1, 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for plant and machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease;
- (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, at the date of the commencement of the



## Summary of Significant Accounting Policies

for the year ended March 31, 2021

lease the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight line basis over the term of the lease. The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

- (iv) The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.
- (v) A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### h) Fair value measurement

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

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

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of

relevant observable inputs and minimizing the use of unobservable inputs.

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

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

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

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

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

### i) Revenue recognition

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

#### Sale of goods:

Revenue from sale of goods is recognized when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from the customers exceed revenue recognized to date on a

## Summary of Significant Accounting Policies

for the year ended March 31, 2021

particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

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

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

#### Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognized when the Company transfers control at the point in time the customer takes undisputed delivery of the goods.

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

#### Payment terms

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

#### Rental income:

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

#### Interest income:

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

For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

### j) Financial instruments

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

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

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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

#### Financial assets

##### Classification and subsequent measurement

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

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

Summary of Significant Accounting Policies

for the year ended March 31, 2021

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

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

ii. **Investments in equity instruments of subsidiaries** - Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial statements.

iii. **Financial assets at fair value**

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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

Financial liabilities

Subsequent measurement

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

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

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

Offsetting of financial instruments

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

Impairment of financial assets

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

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

k) Hedge accounting

Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

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

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to

Summary of Significant Accounting Policies

for the year ended March 31, 2021

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

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

l) Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

m) Retirement and other employee benefits

Defined Contribution plan

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

Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the

projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognized directly in the other comprehensive income in the period in which they arise. Gratuity fund is administered through Life Insurance Corporation of India.

Other Employee Benefits

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

Other short term benefits

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

n) Provisions

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

Provisions are measured at the present value of management's best estimate of the expenditure



Summary of Significant Accounting Policies

for the year ended March 31, 2021

required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognized as interest expense.

o) Earnings per share

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

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

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

p) Taxes

Current income tax

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

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

Deferred tax

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

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

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

q) Government grants and subsidies

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

r) Segment reporting

In terms of Paragraph 4 of Ind AS 108 ‘Operating Segments’, entity wide disclosures have been presented in the Consolidated financial statements.

s) Financial guarantee contracts

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

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

Summary of Significant Accounting Policies

for the year ended March 31, 2021

t) Cash and cash equivalents

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

u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

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

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

a. Impairment of trade receivables – The impairment for trade receivables reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.

b. Defined benefit obligation (DBO) –

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

c. Evaluation of indicators for impairment of assets –

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

d. Recognition of deferred tax assets -

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.

e. Contingent liabilities –

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

f. Inventory –

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

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

2 (i) Property, plant and equipment

Particulars	Freehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Grand Total
Gross carrying value							
As at April 01, 2019	3,541.36	11,154.09	25,134.55	861.49	971.67	1,680.59	43,343.75
Additions	2.08	1,398.16	1,198.76	108.94	70.09	184.88	2,962.91
Disposals	-	-	(712.67)	(0.17)	(10.90)	(10.82)	(734.56)
As at March 31, 2020	3,543.44	12,552.25	25,620.64	970.26	1,030.86	1,854.65	45,572.10
Additions	-	653.16	1,090.17	14.05	57.34	193.58	2,008.30
Disposals	-	(3.44)	(285.22)	-	(7.49)	(152.57)	(448.72)
As at March 31, 2021	3,543.44	13,201.97	26,425.59	984.31	1,080.71	1,895.66	47,131.68
Accumulated depreciation							
As at April 01, 2019	-	-	-	-	-	-	-
Charge for the year	-	521.88	1,774.67	58.49	67.34	133.80	2,556.18
Disposals	-	-	(611.69)	(0.16)	(10.30)	(10.22)	(632.37)
As at March 31, 2020	-	4,644.67	17,741.20	717.84	860.31	1,454.67	25,418.69
Charge for the year	-	636.87	1,572.75	64.91	63.49	147.47	2,485.49
Disposals	-	-	(260.49)	-	(7.11)	(144.20)	(411.79)
As at March 31, 2021	-	5,281.54	19,053.46	782.75	916.68	1,457.94	27,492.39
Net carrying value as at March 31, 2020	3,543.44	7,907.58	7,879.44	252.42	170.55	399.98	20,153.41
Net carrying value as at March 31, 2021	3,543.44	7,920.43	7,372.13	201.56	164.03	437.72	19,639.29

a. Contractual obligations

Refer note 42(B) for disclosure of capital commitments for the acquisition of property, plant and equipment.

b. Property, plant and equipment pledged as security

Refer note 46 for information on property, plant and equipment pledged as security by the Company.

c. Adoption of Ind AS 116 “Leases”

The Company has taken various premises on operating lease for its warehouses and office spaces. With effect from April 1, 2019, the Company had adopted Ind AS 116, ‘Leases’ retrospectively with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (April 1, 2019). Accordingly, the Company was not required to restate the comparative information for the year ended March 31, 2019.

Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, on April 01, 2019, the Company had recognised, a lease liability amounting to ₹308.42 lakhs measured at the present value of the remaining lease payments and Right-of-Use (ROU) asset amounting to ₹328.38 lakhs at its carrying amount as if the standard had been applied since the lease commencement date but discounted using the lessee's incremental borrowing rate as at April 1, 2019. This resulted in an adjustment to the opening balance of retained earnings amounting to ₹5.43 lakhs. As at March 31, 2020 ₹275.80 lakhs of Right-of-use assets and ₹226.99 lakhs of lease liabilities is recognised. Also, in relation to those leases under Ind AS 116, the Company has recognised amortisation cost and finance cost, instead of operating lease expense. During the year ended March 31, 2021, the Company recognised ₹87.17 lakhs (March 31, 2020: ₹52.58 lakhs) of amortisation charges and ₹14.49 lakhs (March 31, 2020: ₹29.41 lakhs) of finance costs from these leases.

d. The following is the summary of practical expedients elected on initial application:

- a) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- b) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- c) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

Following are the changes in the carrying value of right of use assets (Plant and machinery) for the year ended March 31, 2021

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	275.80	-
Addition on account of adpotion of Ind AS 116	-	328.38
Amortisation	87.17	52.58
Net carrying value	188.62	275.80

(ii) Capital work-in-progress

Particulars	As at March 31, 2021	As at March 31, 2020
Capital work-in-progress	2,222.34	520.24

Movement in capital work in progress:

Particulars	Amount
Balance as at April 01, 2019	1,833.66
Additions during the year	416.15
Capitalisation during the year	(1,729.57)
Balance as at March 31, 2020	520.24

Particulars	Amount
Balance as at April 01, 2020	520.24
Additions during the year	2,159.74
Capitalisation during the year	(457.65)
Balance as at March 31, 2021	2,222.34



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### Capitalised borrowings cost on property, plant and equipment (including Capital work-in-progress)

The Company has capitalised borrowing costs during the year ended March 31, 2021: Nil (March 31, 2020: ₹73.64 Lakhs).

### 3 (i) Intangible assets

Particulars	Goodwill	Brand	Software	Grand Total
<b>Gross carrying value</b>				
<b>As at April 01, 2019</b>	12.11	310.28	1,096.79	1,419.18
Additions	-	-	5.29	5.29
<b>As at March 31, 2020</b>	<b>12.11</b>	<b>310.28</b>	<b>1,102.08</b>	<b>1,424.47</b>
Additions	-	-	83.04	83.04
<b>As at March 31, 2021</b>	<b>12.11</b>	<b>310.28</b>	<b>1,185.12</b>	<b>1,507.51</b>
<b>Accumulated Amortization</b>				
<b>As at April 01, 2019</b>	11.60	273.07	1,009.97	1,294.64
Charge for the year	0.11	6.87	29.52	36.50
<b>As at March 31, 2020</b>	<b>11.71</b>	<b>279.94</b>	<b>1,039.49</b>	<b>1,331.14</b>
Charge for the year	0.08	5.58	8.16	13.82
<b>As at March 31, 2021</b>	<b>11.78</b>	<b>285.52</b>	<b>1,047.65</b>	<b>1,344.95</b>
<b>Net carrying value as at March 31, 2020</b>	<b>0.41</b>	<b>30.34</b>	<b>62.59</b>	<b>93.33</b>
<b>Net carrying value as at March 31, 2021</b>	<b>0.33</b>	<b>24.76</b>	<b>137.46</b>	<b>162.55</b>

### 4 Investments - Non-current

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments carried at cost</b>		
(i) In subsidiary companies		
- in Equity instruments	7,657.07	7,837.03
- in Preference instruments	2,000.00	2,000.00
(ii) In associate companies	321.50	321.50
(iii) In joint ventures	2,405.64	2,405.64
Less: Impairment in value of investment in equity instrument of subsidiary Company	(80.00)	(80.00)
	<b>12,304.21</b>	<b>12,484.17</b>
<b>Investments at fair value through Statement of Profit and Loss</b>		
Key man insurance policies	309.69	266.12
Equity instruments - Quoted	0.21	0.21
Equity instruments - Unquoted	0.05	0.05
	<b>309.95</b>	<b>266.38</b>
<b>Total Investments</b>	<b>12,614.16</b>	<b>12,750.55</b>
<b>Aggregate amount of</b>		
Quoted investments	0.21	0.21
Unquoted investments	12,693.95	12,830.34
Less: Impairment in value of investment	(80.00)	(80.00)
<b>Total</b>	<b>12,614.16</b>	<b>12,750.55</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### Details of investment is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments carried at cost</b>		
<b>Equity instruments - Unquoted</b>		
<b>(i) in subsidiary companies</b>		
- LT International Limited	-	179.96
Nil (March 31, 2020: 1,799,581) fully paid up equity shares of ₹10 each		
- Nature Bio Foods Limited	200.00	200.00
2,000,000 (March 31, 2020: 2,000,000) fully paid up equity shares of ₹10 each		
- Sona Global Limited	907.73	907.73
65,200 (March 31, 2020: 65,200) fully paid up equity shares of AED 100 each		
- Daawat Foods Limited	1,324.99	1,324.99
13,249,944 (March 31, 2020: 13,249,944) fully paid up equity shares (with voting rights) of ₹10 each		
250,050 (March 31, 2020: 250,050) fully paid up equity shares (without voting rights) of ₹10 each	25.01	25.01
- SDC Foods India Limited	80.00	80.00
800,000 (March 31, 2020: 800,000) fully paid up equity shares of ₹10 each	(80.00)	(80.00)
Less: Impairment in value of investment of SDC Foods India Limited (subsidiary)		
- LT Overseas North America, Inc	2,822.31	2,822.31
338,500 (March 31, 2020: 338,500) shares fully paid up equity shares of USD 20 each		
- Raghunath Agro Industries Private Limited	2,296.03	2,296.03
4,078,020 (March 31, 2020: 4,078,020) equity shares fully paid up of ₹10 each		
- Deva Singh Sham Singh Exports Private Limited	1.00	1.00
10,000 (March 31, 2020: 10,000) shares fully paid up equity shares of ₹10 each		
<b>Total (A)</b>	<b>7,577.07</b>	<b>7,757.03</b>
<b>Investment in subsidiary Company carried at cost</b>		
<b>Preference shares - Unquoted</b>		
- Daawat Foods Limited	2,000.00	2,000.00
1,562,500 (March 31, 2020: 1,562,500) 10% Non cumulative redeemable preference shares fully paid of ₹10 each		
<b>Total (B)</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>(ii) In associate companies</b>		
- Raghuvesh Warehousing Private Limited	160.00	160.00
1,600,000 (March 31, 2020: 1,600,000) equity shares of ₹10 each		
- Raghuvesh Agri Foods Private Limited	160.00	160.00
1,600,000 (March 31, 2020: 1,600,000) equity shares of ₹10 each		
- Raghuvesh Infrastructure Private Limited	1.50	1.50
15,000 (March 31, 2020: 15,000) equity shares of ₹10 each		
<b>Total (C)</b>	<b>321.50</b>	<b>321.50</b>
<b>(iii) In joint ventures</b>		

## Notes to the Standalone Financial Statements

for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	As at March 31, 2021	As at March 31, 2020
- Daawat Kameda India Private Limited		
24,056,359 (March 31, 2020: 24,056,359) equity shares of ₹10 each	2,405.64	2,405.64
<b>Total (D)</b>	<b>2,405.64</b>	<b>2,405.64</b>
<b>Total investments carried at cost (A + B + C + D)</b>	<b>12,304.21</b>	<b>12,484.17</b>
<b>Investments at fair value through statement of profit and loss</b>		
<b>Key man insurance policies</b>	309.69	266.12
<b>Equity instruments - Quoted</b>		
2,300 (March 31, 2020: 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.21	0.21
<b>Equity instruments - Unquoted</b>		
500 (March 31, 2020: 500) equity shares of India International Marketing Limited of ₹10 each fully paid up	0.05	0.05
<b>Total</b>	<b>309.95</b>	<b>266.38</b>
<b>Total investments - non-current</b>	<b>12,614.16</b>	<b>12,750.55</b>

### 5 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	690.44	737.37
Loans and advances to related parties*	198.97	-
Loan to employees	35.44	24.01
	<b>924.85</b>	<b>761.38</b>

#### Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good -Secured	-	-
Loans considered good -Unsecured	924.85	761.38
Loan which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	<b>924.85</b>	<b>761.38</b>

\*Includes receivables from related parties (refer note 51)

Raghuvesh Agri Foods Private Limited	185.45	-
Raghuvesh Warehousing Private Limited	13.52	-

### 6 Other financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Bank deposits with maturity of more than 12 months (refer note below)	19.94	600.67
	<b>19.94</b>	<b>600.67</b>

(i) ₹19.94 lakhs (March 31, 2020: ₹600.67 lakhs) represents deposits with maturity more than 12 months, held by the entity and are not available for use by the Company, as these are pledged.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 7 Deferred tax assets/liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>On temporary difference between the book base and tax base</b>		
<b>Deferred tax liability arising on account of:</b>		
Property, plant and equipment and intangible assets	(369.04)	(332.86)
Key man insurance policy	(77.94)	(66.36)
Unrealised foreign exchange gain on forward contracts	(82.39)	-
	<b>(529.37)</b>	<b>(399.22)</b>
<b>Deferred tax asset arising on account of:</b>		
Provision for employee benefits	79.00	62.86
Impairment of trade receivables	23.86	178.15
Impairment in value of investment	-	18.31
Ind AS 116 impact	34.25	59.56
Loss on sale of investment	-	31.33
Unrealised foreign exchange loss on forward contracts	-	282.38
Others	-	2.57
Deferred govt. grant	53.27	-
	<b>190.38</b>	<b>635.16</b>
<b>Deferred tax asset/(liabilities) (net)</b>	<b>(338.99)</b>	<b>235.93</b>

#### Movement in deferred tax assets/(liabilities) (net)

Particulars	As at April 01, 2020	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at March 31, 2021
<b>Deferred tax liabilities arising on account of:</b>				
Property, plant and equipment and intangible assets	(332.86)	-	(36.18)	(369.04)
Key man insurance policy	(66.36)	-	(11.58)	(77.94)
Unrealised foreign exchange gain on forward contracts	282.38	(364.77)	-	(82.39)
	<b>(116.84)</b>	<b>(364.77)</b>	<b>(47.76)</b>	<b>(529.37)</b>
<b>Deferred tax assets arising on account of:</b>				
Provision for employee benefits	62.86	2.58	13.56	79.00
Impairment of trade receivables	178.15	-	(154.29)	23.86
Impairment in value of investment	18.30	-	(18.30)	-
Loss on sale of investment	31.33	-	(31.33)	-
Ind AS 116 impact	59.56	-	(25.31)	34.25
Others	2.57	-	50.70	53.27
	<b>352.77</b>	<b>2.58</b>	<b>(164.97)</b>	<b>190.38</b>
<b>Net Deferred tax liabilities</b>	<b>235.93</b>	<b>(362.19)</b>	<b>(212.73)</b>	<b>(338.99)</b>



## Notes to the Standalone Financial Statements

for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	As at April 01, 2019	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at 31 March 2020
<b>Deferred tax liabilities arising on account of</b>				
Property, plant and equipment and intangible assets	(547.20)	-	214.34	(332.86)
Key man insurance policy	(83.15)	-	16.79	(66.36)
Unrealised foreign exchange gain on forward contracts	(466.37)	748.75	-	282.38
	<b>(1,096.72)</b>	<b>748.75</b>	<b>231.13</b>	<b>(116.84)</b>
<b>Deferred tax assets arising on account of</b>				
Provision for employee benefits	46.60	32.57	(16.31)	62.86
Impairment of trade receivables	9.09	-	169.08	178.15
Impairment in value of investment	47.76	-	(29.46)	18.30
Loss on sale of investment	-	-	31.33	31.33
Ind AS 116 impact	-	-	59.56	59.56
Others	3.61	-	(1.05)	2.57
	<b>107.06</b>	<b>32.57</b>	<b>213.15</b>	<b>352.77</b>
<b>Net Deferred tax asset</b>	<b>(989.66)</b>	<b>781.32</b>	<b>444.28</b>	<b>235.93</b>

### 8 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	14.08	17.27
Capital advances (considered good -Unsecured)	145.72	39.75
	<b>159.80</b>	<b>57.02</b>

### 9 Non-current tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (Net of provision)	3,203.30	3,259.02
	<b>3,203.30</b>	<b>3,259.02</b>

### 10 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material* (Refer Note (a) below)	21,270.74	25,115.66
Semi-finished goods* (Refer Note (a) below)	56,762.56	41,409.52
Finished goods* [including goods in transit of ₹6,979.29 lakhs (March 31, 2020: ₹8,342.29 lakhs)]	11,921.39	11,977.14
Traded goods	1,932.26	2,279.85
Stores and spares	508.13	681.24
Packing material		
Bardana	1,091.98	1,320.61
Others	1,458.40	1,650.44
	<b>94,945.46</b>	<b>84,434.46</b>

\*The interest capitalised as at March 31, 2021 is ₹2,233.09 lakhs (March 31, 2020 ₹2,262.62 lakhs).

Note (a):- Includes Inventory lying with third parties ("Suppliers") on behalf of the Company ₹3,567.43 lakhs (March 31, 2020: Nil) under agency relationship against which the Company had paid advance amounting to ₹866.20 lakhs and remaining amount of ₹2,701.23 lakhs is classified under trade payables as at March 31, 2021.

## Notes to the Standalone Financial Statements

for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 11 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables*	13,025.95	25,413.17
Less: Allowance for expected credit loss	(94.81)	(699.93)
	<b>12,931.14</b>	<b>24,713.24</b>

#### Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	12,931.14	24,713.24
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	94.81	699.93
<b>Total</b>	<b>13,025.95</b>	<b>25,413.17</b>
Less: Loss allowance	(94.81)	(699.93)
<b>Total trade receivables</b>	<b>12,931.14</b>	<b>24,713.24</b>

Note:- No trade receivables are due from Directors or other officers of the Company either severally or jointly with any other persons or from the companies in which Directors hold directorship other than below.

\*Includes receivables from related parties (refer note 51)

Particulars	As at March 31, 2021	As at March 31, 2020
LT Foods Americas Inc.	2,961.22	3,584.30
LT Foods Middle East DMCC	1,496.92	98.09
LT Foods Europe B.V.	1,560.39	184.53
Ecopure Specialities limited	5.69	-
Raghunath Agro Industries Private Limited	-	2,392.10
Deva Singh Sham Singh Exports Private Limited	411.71	238.03
LT Foods International Limited	19.77	19.17
Nature Bio Foods Limited	199.75	116.00
UIPL Innovations Private Limited	-	2.87
Daawat Kameda India Private Limited	-	29.46

#### Transferred receivables

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

The relevant carrying amounts are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Total transferred receivables	-	1,086.31
Associated secured borrowing	-	1,086.31

Refer Note 49 for expected credit loss

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### 12 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks on current accounts	441.19	245.74
Cash on hand		
In Indian currency	71.60	119.25
In foreign currencies	2.40	2.75
	<b>515.19</b>	<b>367.74</b>

### 13 Bank balances other than cash and cash equivalent

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts (earmarked)	33.51	38.88
Deposits with original maturity more than 3 months and less than 12 months	887.48	78.64
	<b>920.99</b>	<b>117.52</b>

- (i) ₹887.48 lakh (31 March 2020: ₹78.64) represents deposits with maturity more than 3 months but less than 12 months as at year end, held by the entity and are not available for use by the Company, as these are pledged.
- (ii) Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 49 - Financial risk management for assessment of expected credit losses.

### 14 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	143.29	53.93
Loans to related parties* (refer note 51)	225.00	573.58
Loan to employees	74.80	80.95
	<b>443.09</b>	<b>708.46</b>

#### Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good- Secured	-	-
Loans considered good- Unsecured	443.09	708.46
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>443.09</b>	<b>708.46</b>

\*Includes receivables from related parties (refer note 51)

Raghuvesh Agri Foods Private Limited	100.00	328.49
Raghuvesh Warehousing Private Limited	125.00	245.09

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### 15 Other current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative assets	324.76	-
Insurance claim recoverable	74.76	-
Others	244.39	304.33
	<b>643.91</b>	<b>304.33</b>

### 16 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	1,072.30	570.60
Balances with government authorities	27.83	37.42
Advance to suppliers*	6,397.56	10,640.46
	<b>7,497.69</b>	<b>11,248.48</b>

\*Includes receivables from related parties (refer note 51)

Daawat Foods Limited	1,132.27	6,136.42
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### 17 Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
360,000,000 Equity shares of ₹1 each (March 31, 2020: 360,000,000 equity shares of ₹1 each)	3,600.00	3,600.00
<b>Issued, subscribed and paid up</b>		
319,844,780 Equity shares of ₹1 each (March 31, 2020: 319,844,780 equity shares of ₹1 each)	3,198.45	3,198.45
	<b>3,198.45</b>	<b>3,198.45</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,198.45	3,198.45	3,198.45	3,198.45
Changes during the year	-	-	-	-
<b>Equity shares at the end of the year</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>

#### (b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹1 per share (March 31, 2020: ₹1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2021 the amount of per share dividend recognised as distributions to equity shareholders was ₹1 per share (March 31, 2020: ₹0.65 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.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	% holding	No of shares	% holding
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Ashwani Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Surinder Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Gurucharan Dass Arora	2,12,86,920	6.66%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Raghuvesh Holdings Private Limited	3,33,84,472	10.44%	3,33,49,472	10.43%
DSP Investment Managers Private Limited	1,10,83,075	3.47%	1,61,73,684	5.06%
	<b>15,77,02,147</b>	<b>49.33%</b>	<b>16,27,57,756</b>	<b>50.91%</b>

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

### 18 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Retained earnings</b>		
Opening balance	40,758.13	34,820.38
Add: Net profit for the year	10,648.10	8,516.26
Impact on account of adoption of Ind AS 116	-	5.43
Add: Other comprehensive income (OCI)		
- Remeasurements of post-employment benefits obligation (net of taxes)	(7.65)	(77.61)
Less: Equity dividend	(3,198.46)	(2,078.99)
Less: Corporate dividend tax	-	(427.34)
<b>Profit available for appropriation</b>	<b>48,200.11</b>	<b>40,758.13</b>
<b>(ii) General reserve</b>		
Opening balance	1,698.31	1,698.31
Change during the year	-	-
<b>Closing balance</b>	<b>1,698.31</b>	<b>1,698.31</b>
<b>(iii) Securities premium reserve</b>		
Opening balance	43,240.01	43,240.01
Change during the year	-	-
<b>Closing balance</b>	<b>43,240.01</b>	<b>43,240.01</b>
<b>(iv) Cash flow hedging reserve</b>		
Opening balance	(1,754.40)	1,195.27
Change during the year	2,003.16	(2,949.67)
<b>Closing balance</b>	<b>248.76</b>	<b>(1,754.40)</b>
<b>Total other equity</b>	<b>93,387.19</b>	<b>83,942.05</b>

### Nature and purpose of other reserves

#### General reserve:

The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

#### Securities premium reserve:

Securities premium reserve represents premium received on issue of shares. The reserve is to be utilized in accordance with the provisions of the Companies Act.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### Cash flow hedging reserve:

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

### 19 Long-term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
Vehicle loans		
From banks	118.22	72.54
	<b>118.22</b>	<b>72.54</b>
<b>Current maturities of long-term borrowings (Refer note 26)</b>		
Vehicle loans	41.46	21.96
	<b>41.46</b>	<b>21.96</b>
	<b>159.68</b>	<b>94.50</b>

### Details of borrowings are as follows:

Name of the bank	Repayments*	Total amount of installment	As at March 31, 2021	As at March 31, 2020
<b>a) Vehicle loans (Refer point A part (i) for interest rate and point B part (i) for security)</b>				
HDFC Bank	36 - 60 months	1.41	39.22	52.20
Yes Bank	60 months	1.04	33.32	42.30
ICICI Bank	60 months	1.99	87.14	-
			<b>159.68</b>	<b>94.50</b>

\*From the date of disbursement

### A. Details of interest rate for each type of borrowings

- i. The interest on above vehicle loans from banks are fixed in nature. As at March 31, 2021 the interest rates ranges from 8.00% to 8.88% per annum (March 31, 2020: 8.35% to 8.88% per annum).

### B. Details of security for each type of borrowing:

- i. Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

Refer note 46 for assets pledged as security

### C. Reconciliation of liabilities arising from financing activities:

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Liabilities from financing activities			
	Lease Liability	Long-term borrowings	Short-term borrowings	Total
<b>Net debt as at April 01, 2019</b>	-	148.52	66,273.74	<b>66,422.26</b>
Cash movement:				
- Proceeds	-	83.95	1,46,019.99	<b>1,46,103.94</b>
- Repayment	(110.84)	(137.97)	(1,57,243.36)	<b>(1,57,492.17)</b>
- Interest paid	-	(7.79)	(5,905.44)	<b>(5,913.23)</b>
<b>Non cash movement</b>				
<b>Addition during the year</b>	308.42	-	-	<b>308.42</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

Particulars	Liabilities from financing activities			
	Lease Liability	Long-term borrowings	Short-term borrowings	Total
- Impact of currency restatement on PCFC (loss)	-	-	1,221.00	1,221.00
- Interest expense	29.41	7.79	6,046.35	6,083.55
- Interest capitalised	-	-	73.64	73.64
<b>Net debt as at March 31, 2020</b>	<b>226.99</b>	<b>94.50</b>	<b>56,485.92</b>	<b>56,807.41</b>

Particulars	Liabilities from financing activities			
	Lease Liability	Long-term borrowings	Short-term borrowings	Total
<b>Net debt as at April 01, 2020</b>	226.99	94.50	56,485.92	56,807.41
Cash movement:				
- Proceeds	-	87.14	1,13,546.54	1,13,633.68
- Repayment	(105.39)	(21.96)	(1,30,183.74)	(1,30,311.09)
- Interest paid	-	(12.44)	(3,495.26)	(3,507.70)
<b>Non cash movement</b>				
- Impact of currency restatement on PCFC (gain)	-	-	(1,774.67)	(1,774.67)
- Interest expense	14.49	12.44	3,330.7	3,357.59
<b>Net debt as at March 31, 2021</b>	<b>136.08</b>	<b>159.68</b>	<b>37,909.45</b>	<b>38,205.21</b>

### 20 Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits from distributors	6.50	7.00
	6.50	7.00

### 21 Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (Refer note 2)	-	116.15
	-	116.15

#### i) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	136.08	110.84
Non-current lease liabilities	-	116.15
<b>Total</b>	<b>136.08</b>	<b>226.99</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

#### The following is the movement in lease liabilities:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Balance at the beginning of the year</b>	<b>226.99</b>	<b>-</b>
Add: Additions	-	308.42
Add: Finance cost accrued during the year	14.49	29.41
Less: Payment of lease liabilities	(105.39)	(110.84)
<b>Balance at the end of the year</b>	<b>136.08</b>	<b>226.99</b>

The Company has lease for laboratory equipments. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment. The Company has considered automatic extension option available for laboratory equipment in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period.

#### ii) Nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right to use	Laboratory equipments
Number of right-of-used assets leased	3
Range of remaining lease term	0.67 - 0.75 Years
Average of remaining lease term	0.7 Years
No. of lease with extention options	3
No. of lease with options to purchase	3
No. of lease with variable payments linked to an index	-
No. of lease with termination option	3

#### iii) The following are amounts recognised in profit or loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2021
Amortisation expense of right-of-use assets	87.17	52.58
Interest expense on lease liabilities	14.49	29.41

#### iv) Total cash outflow for leases for the year ended March 31, 2021 was ₹105.39 lakhs (March 31, 2020: ₹110.84 lakhs)

### 22 Long-term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provisions for employee benefits		
Provision for gratuity	431.12	219.17
Provision for compensated absences	198.51	121.81
	<b>629.63</b>	<b>340.98</b>

Refer note 47 on Employee benefit obligations



Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

23 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred government grant	175.01	245.98
	175.01	245.98

Refer note 45 on Deferred government grant

24 Short-term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
- Rupee working capital loans	5,056.83	32,462.47
- Packing credit in foreign currency	24,018.85	22,937.14
- Foreign currency loans	8,833.77	-
- Bills discounted	-	1,086.31
	37,909.45	56,485.92

i) Particulars	As at March 31, 2021	As at March 31, 2020
<b>a) Rupee working capital loans</b>		
The rupee working capital loans are secured by hypothecation of all current assets, personal guarantee of Directors of the Company and their relatives and First Pari-Passu Charge over the office property at Gurugram, factory land and building at Bahalgarh and Varpal, lien of cash deposit of ₹437 lakhs with Oriental Bank of Commerce for and on behalf of the consortium and on entire moveable fixed assets of the Company except vehicle financed.	5,056.83	32,462.47
The rupee working capital loans are repayable on demand and interest on the above loans from banks are linked to the respective bank base rates/ MCLR which are floating in nature. The interest rate ranges from 8.10% to 12.55% (March 31, 2020: 9.05% to 12.55%) on rupee working capital loans.		
<b>b) Packing credit in foreign currency</b>		
The packing credit in foreign currency loans are secured by hypothecation of all current assets, personal guarantee of Directors of the Company and their relatives and First Pari-Passu Charge over the office property at Gurugram, factory land and building at Bahalgarh and Varpal, lien of cash deposit of ₹437 lakhs with Oriental Bank of Commerce for and on behalf of the consortium and on entire moveable fixed assets of the Company except vehicle financed.	24,018.85	22,937.14
The interest rate ranges from Libor + 190 basis points to Libor + 325 basis points (March 31, 2020: Libor + 200 basis points to Libor + 350 basis).		
<b>c) Foreign currency loans</b>		
The foreign currency loans are secured by hypothecation of all current assets, personal guarantee of Directors of the Company and their relatives and First Pari-Passu Charge over the office property at Gurugram, factory land and building at Bahalgarh and Varpal, lien of cash deposit of ₹437 lakhs with Oriental Bank of Commerce for and on behalf of the consortium and on entire moveable fixed assets of the Company except vehicle financed.	8,833.77	-
The interest rate on the above loans from banks are linked to the respective Libor/MCLR which are floating in nature. The interest rate ranges from 2.75% to 4.81% (March 31, 2020: Nil) in case of foreign currency loans.		

Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

i) Particulars	As at March 31, 2021	As at March 31, 2020
<b>d) Bills discounted</b>		
Factored receivables is secured by first charge on trade receivables subject to factoring arrangements.	-	1,086.31

ii) Refer note 46 for assets pledged as security

25 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to		
Micro and small enterprises	733.66	417.83
Others*	17,020.66	10,870.49
	17,754.32	11,288.32

\*Includes payable to related parties (refer note 51)

Raghunath Agro Industries Private Limited	339.97	-
Daawat Kameda India Private Limited	55.69	2.97
Super Texfab Private Limited	129.78	205.60
VK Foods	-	4.92
Raghuvesh Infrastructure Private Limited	-	117.29
UIPL Innovations Private Limited	64.54	14.02

a) Due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount remaining unpaid	732.26	414.08
- Interest accrued and remaining unpaid as at year end	1.40	3.75
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	60.99	-
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	0.20	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	1.60	-
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### 26 Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term borrowings	41.46	21.96
Interest accrued but not due on borrowings	97.22	247.33
Unclaimed dividend*	51.65	38.88
Derivative liabilities	-	1,123.08
Other liabilities	1,578.23	2,031.79
	<b>1,768.56</b>	<b>3,463.04</b>

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

### 27 Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 21)	<b>136.08</b>	<b>110.84</b>
	<b>136.08</b>	<b>110.84</b>

### 28 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	1,178.94	657.68
Statutory liabilities	115.01	241.70
Deferred government grant (Refer note 45)	36.63	25.63
Other liabilities	115.18	122.03
	<b>1,445.76</b>	<b>1,047.04</b>

### 29 Short-term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provision for employee benefits</b>		
Provision for gratuity	105.62	201.89
Provision for compensated absence	43.84	66.68
	<b>149.46</b>	<b>268.57</b>

Refer note 47 on Employee benefit obligations

### 30 Current tax liabilities (net)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for taxation (Net of advance tax)	<b>14.70</b>	<b>14.70</b>
	<b>14.70</b>	<b>14.70</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### 31 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of products *</b>		
Export	97,709.26	81,137.58
Domestic	1,08,506.49	1,19,332.32
<b>Sale of traded goods *</b>		
Export	6,018.55	18,224.65
Domestic	17,453.10	15,533.90
<b>Other operating revenue</b>		
Service charges	606.68	656.83
Processing charges	18.67	18.67
Rental income (refer note A below)	102.74	102.74
	<b>2,30,415.49</b>	<b>2,35,006.69</b>

\*Details of products sold

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of products</b>		
Rice	1,97,161.27	1,91,836.36
By products	4,950.95	4,832.27
Paddy	3,179.59	3,100.95
Bardana	407.39	22.25
Others	516.55	678.07
<b>Sale of traded goods</b>		
Rice	22,046.46	32,265.02
Others	1,425.19	1,493.53
	<b>2,29,687.40</b>	<b>2,34,228.45</b>

A. The Company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2021 and March 31, 2020 was ₹102.74 and ₹102.74 respectively. The Company has not executed any non-cancellable operating leases.

### 32 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Liabilities written back	167.46	-
Dividend from non trade investments	216.81	-
<b>Interest income on:</b>		
Fixed deposits with banks	55.75	53.72
Advances	169.82	478.00
Income tax refund	-	64.53
Other Income	29.21	238.86
Rental income (refer note A below)	195.89	223.20
Corporate service charges	220.23	226.98
Corporate guarantee charges	438.18	418.15
Government grant income (refer note 45)	59.97	48.48
Gain from sale of property, plant & equipment (net)	36.31	-
Gain on investments carried at fair value through profit and loss	18.83	-
Net gain on foreign currency transactions	-	826.10
Miscellaneous income	612.31	193.82
<b>Total other income</b>	<b>2,220.77</b>	<b>2,771.84</b>



Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

A. The Company has entered into rent agreements as a lessor for area of premises owned by the Company, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2021 and March 31, 2020 was ₹195.89 and ₹223.2 respectively. The Company has not executed any non-cancellable operating leases.

33 Cost of material consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
Raw Material	25,115.66	29,544.89
Bardana	1,320.61	1,417.01
Packing material	1,650.44	2,132.73
	28,086.71	33,094.63
Add: purchases		
Raw Material	69,382.94	76,424.78
Bardana	396.61	337.95
Packing material	6,546.47	5,291.69
Rice	96,050.79	74,968.72
	1,72,376.81	1,57,023.14
Less: closing stock		
Raw Material	20,118.34	25,115.66
Bardana	1,091.98	1,320.61
Packing material	1,458.40	1,650.44
	22,668.72	28,086.71
	1,77,794.80	1,62,031.06
Consumption details		
Raw Material	74,380.26	80,854.01
Bardana	625.24	434.35
Packing material	6,738.51	5,773.98
Rice	96,050.79	74,968.72
	1,77,794.80	1,62,031.06

34 Purchases of stock in trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rice	18,619.10	29,208.92
Others	1,328.34	1,850.99
	19,947.44	31,059.91

35 Changes in inventories of semi-finished goods, finished goods and stock- in- trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening Stock		
Semi-finished goods	41,409.52	38,417.96
Finished goods	11,977.14	17,246.41
Traded goods	2,279.85	719.80
Closing stock		
Semi-finished goods	54,347.54	41,409.52
Finished goods	11,921.39	11,977.14
Traded goods	1,932.26	2,279.85
	(12,534.68)	717.66

Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

36 Employee benefit expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, bonus and other allowances	6,002.50	5,657.67
Contribution to provident and other fund (Refer note 47)	318.38	299.15
Staff welfare expenses	257.89	304.27
	6,578.77	6,261.09

37 Finance cost

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on working capital loans	2,706.25	5,251.75
Interest on term loans	12.44	7.79
Interest on delay in payment of statutory liabilities	6.08	-
	2,724.77	5,259.54
Less: Interest capitalised	-	(73.64)
Other borrowing costs	638.90	824.01
	3,363.67	6,009.91

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 7.54% p.a. (March 31, 2020 - 9.10% p.a.). Also, refer note 2 and note 10.

38 Depreciation and amortization expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation on property, plant and equipment	2,485.49	2,556.12
Amortization of right-of-use-assets	87.17	52.58
Amortization of intangible assets	13.82	36.50
	2,586.48	2,645.20

39 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Warehouse rent (Refer note A)	836.60	637.94
Wages and other manufacturing expenses	1,244.32	842.83
Factory insurance	447.99	200.64
Power and fuel	2,066.70	2,004.43
Security services	266.72	237.56
Packing expenses	514.03	455.16
Repairs & maintainence to:		
- Plant and machinery	112.14	73.32
- Building	53.10	31.03
- Others	91.21	89.14
Stores and spares consumed	1,552.09	1,152.63
Advertisement	1,930.88	1,383.57
Insurance	125.78	109.28
Legal and professional charges	1,448.62	1,043.67
Rates and taxes	424.26	391.96
Donation and charity	87.61	69.38
Corporate social responsibility expense (refer note C)	171.77	69.77

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Directors' sitting fees	14.00	24.65
Auditors' remuneration (refer note B)	50.70	54.79
Vehicle running and maintenance	197.49	185.06
Travelling and conveyance	523.51	1,086.80
Commission to selling agents	453.33	740.77
Clearing, forwarding and freight charges	5,186.31	4,529.86
Impairment of trade receivables	35.61	673.93
Loss from sale of property, plant and equipment (net)	-	35.19
Write off/ impairment in the value of investment	153.88	5.00
Amounts written off	39.95	82.76
Business promotion expenses	130.98	207.91
Net loss on foreign currency transactions	0.46	-
Other selling expenses	1,290.10	617.20
Other administrative expenses	874.76	752.58
	<b>20,324.90</b>	<b>17,788.81</b>

**A.** The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended March 31, 2021 and March 31, 2020 was ₹836.60 lakhs and ₹637.94 lakhs respectively. The Company has not executed any non-cancellable operating leases. The operating leases are cancellable at the option of both the parties with a notice of one to six months.

### B. Auditors' remuneration (exclusive of applicable goods and service tax)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Statutory audit (including fees for limited reviews)	47.00	47.75
Others	-	5.00
Out of pocket expenses	3.70	2.04
	<b>50.70</b>	<b>54.79</b>

### C. Corporate social responsibility expenditure

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013	167.56	129.09
ii) Amount spent (in cash) during the year on:		
- Construction/acquisition of an asset	-	69.77
- on purpose other than above	171.77	-

## 40 Tax expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>The income tax expense consists of the following:</b>		
Current tax expense for the current year	3,646.81	3,078.70
Current tax expense pertaining to previous years	67.25	114.19
Deferred tax (credit)/ expense	212.72	(444.26)
<b>Total income tax</b>	<b>3,926.78</b>	<b>2,748.63</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income taxes	14,574.88	11,264.89
*At India's statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	3,668.21	2,835.15
<b>Adjustments in respect of current income tax</b>		
Tax expense related to earlier years	67.25	114.19
Donation and charities	65.28	24.72
Fines, penalties and interest on statutory dues	1.54	0.24
Long term capital loss not carried forward	50.54	(154.96)
Deduction under chapter VI-A	(56.38)	-
Loss on sale of investments	38.73	-
Others	91.61	(70.71)
<b>Total income tax expense</b>	<b>3,926.78</b>	<b>2,748.63</b>

\*During the previous year, the Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred tax liabilities basis the rate prescribed in the said section. The impact of this change has been recognised in the Statement of Profit and Loss and other comprehensive income for the previous year.

## 41 Earnings per share

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to equity shareholders	10,648.10	8,516.26
Numbers of weighted average equity share outstanding at the year end for basic and diluted EPS	3,198.45	3,198.45
Nominal value per share	1.00	1.00
<b>Earnings per equity share</b>		
Basic and diluted	3.33	2.66

Note: There are no potential equity shares in the Company.

## 42 Contingencies and commitments

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>(A) Contingent liabilities</b>		
I Income-tax demands (refer point a)	2,061.19	2,061.19
II Demand from Food Corporation India for differential price /freight /taxes	75.69	75.69
III Claims on Company	30.77	30.77
IV Duty saved under EPCG licenses (export obligation outstanding ₹243.56 (March 31, 2020: ₹248.98)	40.59	41.50
V Bank guarantees	145.70	145.70
VI Guarantee given by Company to bank on behalf of subsidiaries (refer point b)	36,301.66	40,691.53
VII Guarantee given by Company on the behalf of subsidiaries for export obligation under EPCG scheme	14.68	14.68
<b>Total</b>	<b>38,670.28</b>	<b>43,061.06</b>

a. The Company has pending appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2008-09 to AY 2010-11 and AY 2012-13 to AY 2014-15 and for AY 2016-17 on the matters over which no relief was provided by CIT (Appeals) amounting to ₹1,318.31 (March 31, 2020: ₹1,318.31).

The Company's appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2003-04 and AY 2007-08 have been concluded for amounting to ₹62.38 (March 31, 2020: ₹62.38). However, appeal effect of the same is yet to be processed by the Ld. Assessing Officer.



Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

- The Company's appeal for AY 1999-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹213.69 (March 31, 2020: ₹213.69) are pending at various levels of appeals.
- The Company has received demands during the FY 2019-20, under section 147 for the Assessment Year 2015-16 for ₹466.81 (March 31, 2020: ₹466.81). The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).
- The Company has paid ₹1,651.26 (March 31, 2020: ₹1,651.26) as per the directions of the Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/ refunded, once the appeals are final.
- The management is confident that its position is likely to be upheld in the appeals pending before various appellate authorities and no liability could arise on the Company on account of these proceedings.
- b. The guarantees given by LT Foods Limited on behalf of subsidiary companies against the loan availed by subsidiaries for their business purposes.

Name of bank	Name of subsidiary Company	Sanction limit (In ₹Lakhs)	As at March 31, 2021	As at March 31, 2020	Purpose
SBICAP Security Trustee Company Limited	Daawat Foods Limited	27,854 (March 31 2020: 29,969)	21,821.31	22,392.02	Working capital loan
Punjab National Bank	Daawat Foods Limited	500 (March 31 2020: 500)			
Union Bank of India	Daawat Foods Limited	5,000 (March 31 2020: Nil)			
Oriental Bank of Commerce	Raghunath Agro Industries Private Limited	7,520 (March 31 2020: 7,600)	4,344.46	3,799.07	Working capital loan
Yes Bank Limited	Nature Bio Foods Limited	Nil (March 31 2020: 3,580)	8,285.50	7,601.19	Working capital loan
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	3,200 (March 31 2020: 2,200)			
IDFC First Bank Limited	Nature Bio Foods Limited	2,500 (March 31 2020: Nil)			
Indusind Bank Limited	Nature Bio Foods Limited	5,200 (March 31 2020: 4,800)			
Cooperative Rabo Bank U.A. [Euro 7.30 million (March 31, 2020: Euro 7.30 millions)]	L T Foods Europe BV, Netherland	Nil (March 31 2020: 6,065.21)	-	4,822.12	Against plant and machinery
Cooperative Rabo Bank U.A. [Euro 2.50 million (March 31, 2020: Euro 2.50 millions)]	L T Foods Europe BV, Netherland	Nil (March 31 2020: 2,077.13)	-	2,077.13	Working capital loan
Indusind Bank Limited	Ecopure Specialities limited	3,040 (March 31 2020: Nil)	1,850.39	-	Working capital loan
<b>Grand Total</b>		<b>54,814.00 (March 31 2020: 56,791.34)</b>	<b>36,301.66</b>	<b>40,691.53</b>	

(B) Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹446.77 lakhs (March 31, 2020: ₹727.69 lakhs).

Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

43 Segment information

In terms of Paragraph 4 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented in the Consolidated financial statements.

44 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from April 01, 2001, the Company is required to use certain specified methods in computing arm's length price of international transactions between the Company and its 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 year. 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.

45 Deferred government grants

Particulars	As at March 31, 2021	As at March 31, 2020
At the beginning of the year	271.61	320.09
Released during the year	59.97	48.48
At the end of the year	211.64	271.61

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Government grants	36.63	175.01	25.63	245.98

46 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non-current assets</b>		
<b>First charge</b>		
Property, plant, and equipments and CWIP	20,179.81	18,875.01
Other financial assets	19.94	600.67
<b>Total non-current assets pledged as security</b>	<b>20,199.75</b>	<b>19,475.68</b>
<b>Current assets</b>		
<b>First charge</b>		
<i>Pari-passu</i>		
Inventories	94,945.46	84,434.46
Trade receivables	12,931.14	24,713.24
Cash and cash equivalents	515.19	367.74
Other bank balances	920.99	117.52
Loans	443.09	708.46
Other financial assets	643.91	304.33
Other current assets	7,497.69	11,248.48
<b>Total current assets pledged as security</b>	<b>1,17,897.47</b>	<b>1,21,894.23</b>
<b>Total assets pledged as security</b>	<b>1,38,097.22</b>	<b>1,41,369.91</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### 47 Employee benefit obligations

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Gratuity	105.62	431.12	201.89	219.17
Compensated absences	43.84	198.51	66.68	121.81
<b>Total</b>	<b>149.46</b>	<b>629.63</b>	<b>268.57</b>	<b>340.98</b>

#### A Gratuity

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. The planned assets are managed by Life Insurance Corporation of India. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognized funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### Disclosure of gratuity

##### (i) Amount recognised in the Statement of Profit and Loss is as under:

Description	March 31, 2021	March 31, 2020
Current service cost	94.36	91.15
Interest cost	21.09	25.46
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>115.45</b>	<b>116.61</b>

##### (ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Description	March 31, 2021	March 31, 2020
<b>Remeasurement on the net defined benefit obligation</b>		
Actuarial (gain)/loss arising from change in demographic assumption	(40.16)	46.00
Actuarial (gain)/loss arising from change in financial assumption	34.26	40.42
Actuarial (gain)/loss arising from change in experience assumption	16.50	19.69
<b>Remeasurement on plan assets</b>		
Return on plan assets (excluding interest)	(0.37)	4.07
<b>Total actuarial loss/(gain) recognised in OCI</b>	<b>10.23</b>	<b>110.18</b>

##### (iii) Movement in the defined benefit obligation during the year is as under:

Description	March 31, 2021	March 31, 2020
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>863.97</b>	<b>647.03</b>
Current service cost	94.36	91.15
Interest cost	46.51	49.85
Actuarial loss/(gain) recognised during the year	10.60	106.11
Benefits paid	(46.46)	(30.17)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>968.98</b>	<b>863.97</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

#### (iv) Change in fair value of assets:

Description	March 31, 2021	March 31, 2020
<b>Fair value of plan assets* at the beginning of the year</b>	<b>442.91</b>	<b>322.14</b>
Interest income on plan assets*	25.42	24.39
Contribution	10.00	130.62
Actuarial (losses)	0.37	(4.07)
Benefits paid	(46.46)	(30.17)
<b>Fair value of plan assets* at the end of the year</b>	<b>432.24</b>	<b>442.91</b>

\*Plan assets consist of 100% non-quoted insurer managed funds and T-Bills

#### (v) Actuarial assumptions

Description	March 31, 2021	March 31, 2020
Discount rate	7.07%	5.74%
Retirement age	58 years	58 years
Employee turnover:	10.00%	23.00%
Rate of increase in compensation	6.50%	4.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

#### (vi) Movement in net liability recognised in balance sheet

Description	March 31, 2021	March 31, 2020
Defined Benefit Obligation	968.98	863.97
Fair value of Plan Assets	(432.24)	(442.91)
<b>Liability recognised in the Balance Sheet</b>	<b>536.74</b>	<b>421.06</b>

#### (vii) Sensitivity analysis for gratuity liability

Description	March 31, 2021	March 31, 2020
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	968.98	863.97
- Impact due to increase of 1 %	(52.66)	(25.24)
- Impact due to decrease of 1 %	56.77	28.75
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	968.98	863.97
- Impact due to increase of 1 %	50.08	26.41
- Impact due to decrease of 1 %	(46.13)	(25.14)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### (viii) Maturity profile of defined benefit obligation (undiscounted)

Description	March 31, 2021	March 31, 2020
Within next 12 months	109.29	207.29
Between 2-5 years	476.37	286.48
Between 6-10 years	449.39	291.17

### B Compensated absence

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

#### (i) Actuarial assumptions

Description	March 31, 2021	March 31, 2020
Discount rate	7.07%	5.74%
Future basic salary increase	6.50%	4.00%
Employee turnover/ Withdrawal rate	10.00%	23.00%
Retirement age	58 years	58 years

#### Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

### C Provident fund and ESI fund

Contribution made towards provident fund by the Company during the year is ₹176.39 lakhs (March 31, 2020: ₹175.91 lakhs)

Contribution made towards ESI fund by the Company during the year is ₹17.89 lakhs (March 31, 2020: ₹18.69 lakhs)

## 48 Fair value disclosures

### i) Financial instruments by category

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	309.95	-	-	266.38	-	-
Security deposits	-	-	833.73	-	-	791.30
Trade receivables	-	-	12,931.14	-	-	24,713.24
Cash and cash equivalents	-	-	515.19	-	-	367.74
Other bank balances	-	-	920.99	-	-	117.52
Derivative asset	324.76	-	-	-	-	-
Other financial assets	-	-	873.30	-	-	1,583.54
<b>Total</b>	<b>634.71</b>	<b>-</b>	<b>16,074.35</b>	<b>266.38</b>	<b>-</b>	<b>27,573.34</b>
<b>Financial liabilities</b>						
Borrowings	-	-	38,069.13	-	-	56,580.42
Trade payable	-	-	17,754.32	-	-	11,288.32

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

Particulars	As at March 31, 2021			As at March 31, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Lease Liability	-	-	136.08	-	-	226.99
Derivative liabilities	-	-	-	1,123.08	-	-
Other financial liabilities	-	-	1,733.60	-	-	2,325.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>57,693.13</b>	<b>1,123.08</b>	<b>-</b>	<b>70,420.73</b>

Investment in equity instruments and preference shares of subsidiaries, joint ventures and associates has been accounted at cost in accordance with Ind AS 27. Therefore not within the scope of Ind AS 109, hence not included here.

### ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2021	Level 1	Level 2	Total
<b>Financial assets</b>			
Key man insurance policies	-	309.69	309.69
Equity instruments - Unquoted	-	0.05	0.05
Equity instruments - Quoted	0.21	-	0.21
Derivative asset	-	324.76	324.76
<b>Total financial assets</b>	<b>0.21</b>	<b>634.50</b>	<b>634.71</b>
<b>Financial liabilities</b>			
Derivative liabilities	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>

March 31, 2020	Level 1	Level 2	Total
<b>Financial assets</b>			
Key man insurance policies	-	266.12	266.12
Equity instruments - Unquoted	-	0.05	0.05
Equity instruments - Quoted	0.21	-	0.21
Derivative asset	-	-	-
<b>Total financial assets</b>	<b>0.21</b>	<b>266.17</b>	<b>266.38</b>
<b>Financial liabilities</b>			
Derivative liabilities	-	1,123.08	1,123.08
<b>Total financial liabilities</b>	<b>-</b>	<b>1,123.08</b>	<b>1,123.08</b>

#### Valuation process and technique used to determine fair value

- The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.

Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

- (ii) In order to arrive at the fair value of unquoted investments, the Company obtains independent valuations. The techniques used by the valuer are as follows:
  - a) Asset approach - Net assets value method
  - b) Income approach - Discounted cash flows (“DCF”) method
  - c) Market approach - Enterprise value/Sales multiple method”
- (iii) Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India, Max New York Life Insurance Company Limited, SBI Life Insurance Company Limited, Star Union Dai-ichi Life Insurance and Canara HSBC OBC Life Insurance which represents surrender value for the investors.

Derivative financial assets/liabilities:

The Company enters into derivative financial instruments with various counterparties and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.”

(iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	As at March 31, 2021		As at March 31, 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	833.73	833.73	791.30	791.30
Loan to related parties	Level 3	423.97	423.97	573.58	573.58
Loan to employees	Level 3	110.24	110.24	104.96	104.96
Other financial assets	Level 3	14,706.41	14,706.41	26,103.50	26,103.50
Total financial assets		16,074.35	16,074.35	27,573.34	27,573.34
Financial liabilities					
Borrowings	Level 3	38,069.13	38,069.13	56,580.42	56,580.42
Lease Liabilities	Level 3	136.08	136.08	226.99	226.99
Other financial liabilities	Level 3	19,487.92	19,487.92	13,613.32	13,613.32
Total financial liabilities		57,693.13	57,693.13	70,420.73	70,420.73

The management assessed that security deposits, loan to related parties, loan to employees, other financial assets, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities are estimated at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) All the borrowing facilities (other than vehicles loans) availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company’s creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

49 Financial risk management

(i) Risk management framework

The Company’s activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Indian Rupees(INR)	Cash flow forecasting	Forward contract and hedging.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not have any significant investments in equity shares, except for entities where it exercises control or significant influence.

The Company’s risk management is carried out by a central treasury department (of the Company) under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company’s receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

Assets under credit risk –

Credit rating	Particulars	March 31, 2021	March 31, 2020
A: Low	Loans	1,367.94	1,469.84
	Other financial assets	663.85	905.00
	Cash and cash equivalents	515.19	367.74
	Other bank balances	920.99	117.52
	Trade receivables	12,931.14	24,713.24
B: Medium	Trade receivables	94.81	699.93
C: High	Trade receivables	-	-

*Cash and cash equivalents and other bank balances*

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

*Trade receivables*

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

*Other financial assets measured at amortised cost*

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

### b) Expected credit losses

*Expected credit losses for financial assets other than trade receivables*

The Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

Particulars	As at March 31, 2021			As at March 31, 2020		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	515.19	0.00%	515.19	367.74	0.00%	367.74
Other bank balances	920.99	0.00%	920.99	117.52	0.00%	117.52
Loans	1,367.94	0.00%	1,367.94	1,469.84	0.00%	1,469.84
Other financial assets	663.85	0.00%	663.85	905.00	0.00%	905.00

*Expected credit loss for trade receivables under simplified approach*

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. The Company believes that amount receivable from related parties is collectible in full, based on historical payment behaviour and hence no loss allowance has been recognized on the same. The Company based upon past trends determines an impairment allowance for loss on receivables from others.

Particulars	0-1 Year	1-3 Year
<b>As at 31 March 2021</b>		
Trade receivables	12,931.14	94.81
Default rate	-	100.00%
Expected credit loss	-	94.81
<b>As at 31 March 2020</b>		
Trade receivables	24,713.24	699.93
Default rate	-	100.00%
Expected credit loss	-	699.93

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on April 01, 2019</b>	33.92
Add (Less): Bad debts written off	(7.92)
Add (Less): Changes in loss allowances	673.93
<b>Loss allowance on March 31, 2020</b>	<b>699.93</b>
Add (Less): Bad debts written off	(640.73)
Add (Less): Changes in loss allowances	35.61
<b>Loss allowance on March 31, 2021</b>	<b>94.81</b>

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the Company operates.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### a) Financing arrangements

The Company had access to the following undrawn 'fund based' borrowing facilities at the end of the reporting period:

Description	March 31, 2021	March 31, 2020
- Expiring within one year (cash credit and other facilities)	35,304.55	9,845.08
- Expiring beyond one year (term loans)	-	-
	<b>35,304.55</b>	<b>9,845.08</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

### b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of the Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2021	Less than 1 year	1-3 Year	More than 3 years	Total
Borrowings	37,950.91	118.22	-	38,069.13
Security deposit received	-	6.50	-	6.50
Lease liabilities	136.08	-	-	136.08
Trade payable	17,754.32	-	-	17,754.32
Other financial liabilities	1,727.10	-	-	1,727.10
<b>Total</b>	<b>57,568.41</b>	<b>124.72</b>	<b>-</b>	<b>57,693.13</b>

March 31, 2020	Less than 1 year	1-3 Year	More than 3 years	Total
Borrowings	56,507.88	72.54	-	56,580.42
Security deposit received	-	7.00	-	7.00
Lease liabilities	110.84	116.15	-	226.99
Trade payable	11,288.32	-	-	11,288.32
Other financial liabilities	2,318.00	-	-	2,318.00
<b>Total</b>	<b>70,225.04</b>	<b>195.69</b>	<b>-</b>	<b>70,420.73</b>

### c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### 1) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions. The Company's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Company's policy is to hedge the risk of changes in foreign currency. The Company uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Company designate both change in spot and forward element of forward contracts and change in spot of PCFCs to hedge exposure in foreign currency risk on highly probable forecast sales.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

#### (i) Exposure to currency risk:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency		In ₹	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Financial assets</b>				
<b>Trade receivables</b>				
EURO	10.92	1.97	940.40	163.77
USD	143.51	140.82	10,548.76	10,654.26
GBP	5.67	1.23	572.79	114.76
<b>Foreign exchange forward contracts (Sell foreign currency)</b>				
EURO	(40.00)	(154.92)	(3,443.96)	(12,871.16)
USD	(189.82)	(313.63)	(13,952.63)	(23,728.87)
GBP	(10.08)	(5.00)	(1,017.59)	(467.75)
<b>Trade payables</b>				
EURO	0.68	0.36	58.40	30.16
USD	0.01	-	0.43	-
<b>Foreign exchange forward contracts (Buy foreign currency)</b>				
USD	110.49	-	8,121.53	-
<b>Preshipment credit</b>				
USD	326.79	303.16	24,020.51	22,937.14
<b>Demand Loan</b>				
USD	120.18	-	8,833.77	-
<b>Bill discounted</b>				
USD	-	14.36	-	1,086.31
<b>Net exposure:</b>				
EURO	(29.76)	(153.31)	(2,561.96)	(12,737.55)
USD	(382.80)	(490.33)	(28,137.05)	(37,098.06)
GBP	(4.41)	(3.77)	(444.80)	(352.99)

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	March 31, 2021	March 31, 2020
EURO	86.10	83.09
USD	73.50	75.66
GBP	100.95	93.55



Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

(a) Disclosure of effects of Cash flow hedge on financial position (Hedge Accounting)

As at March 31, 2021

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign currency risk									
(i) Foreign exchange forward contracts	18,928.66	-	324.76	-	12 April 2021 - 31 March 2022	1:1	USD: ₹74.97 EUR: ₹91.92 GBP: ₹101.27	324.76	(324.76)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	24,025.38	6.53	-	12 April 2021 - 13 September 2021	1:1	USD: ₹73.52	6.53	(6.53)

As at March 31, 2020

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign currency risk									
(i) Foreign exchange forward contracts	37,067.78	-	-	1,123.08	30 April 2020- 23 March 2021	1:1	USD: ₹74.22 EUR: ₹84.13 GBP: ₹93.55	(1,123.08)	1,123.08
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	22,937.14	-	1,221.00	21 April 2020 - 06 December 2020	1:1	USD: ₹71.59	1,221.00	(1,221.00)

(b) Disclosure of effects of Fair value hedge on financial position

As at March 31, 2021

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument
	Assets	Liabilities	Assets	Liabilities				
(i) Foreign exchange forward contracts	-	8,233.89	-	59.40	23 April 2021 - 09 September 2021	1:1	USD: ₹74.52	(59.40)

As at March 31, 2020: Nil

(c) Disclosure of effects of Cash flow hedge on financial performance

For the year ended March 31, 2021

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	1,449.35	-	452.79	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	1,227.52	-	714.79	Revenue and other income

Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	(2,457.92)	-	(1,102.07)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	(1,723.45)	14.08	254.39	Revenue and other income

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness testing (Retrospective and Prospective) have been carried out using Dollar Offset Method by a management expert, engaged by the Company.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

(d) Movements in cash flow hedging reserve

Particulars	Amount
As at April 01, 2019	1,195.27
Add: Changes in fair value of forward contracts	(3,559.99)
Add: Changes in fair value of PCFCs	(1,454.98)
Less: Amount reclassified to profit or loss	847.67
Less: Tax relating to above (net)	1,231.70
Less: ineffectiveness reclassify to profit or loss	(14.08)
Net Change during the year ended March 31, 2020	(2,949.67)
As at March 31, 2020	(1,754.40)
Add: Changes in fair value of forward contracts	1,902.13
Add: Changes in fair value of PCFCs	1,942.31
Less: Amount reclassified to profit or loss	(1,167.57)
Less: Tax relating to above (net)	(673.71)
Net Change during the year ended March 31, 2021	2,003.16
As at March 31, 2021	248.76

Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at March 31, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

Particulars	Currency	Strengthen		Strengthen		Weaken		Weaken	
		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sensitivity of change in exchange rate by 1%*	EURO	6.60	1.00	(25.77)	(96.32)	(6.60)	(1.00)	25.77	96.32
Sensitivity of change in exchange rate by 1%*	USD	73.61	79.73	(284.16)	(5.92)	(73.61)	(79.73)	284.16	5.92
Sensitivity of change in exchange rate by 1%*	GBP	4.29	0.86	(7.61)	(3.50)	(4.29)	(0.86)	7.61	3.50

\* Holding all other variables constant

### 2) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2021, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Description	March 31, 2021	March 31, 2020
Variable rate borrowing	37,909.44	56,485.92
Fixed rate borrowing	159.69	94.50
<b>Total borrowings</b>	<b>38,069.13</b>	<b>56,580.42</b>

#### Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	March 31, 2021	March 31, 2020
<b>Total borrowings</b>		
- Impact due to increase of 50 basis points*	(141.84)	(211.34)
- Impact due to decrease of 50 basis points*	141.84	211.34

\*Holding all other variable constant

#### ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### 3) Price risk exposure

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### 50 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio as at year end were as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Total borrowings	38,069.13	56,580.42
Less: cash and cash equivalents	515.19	367.74
<b>Net debt</b>	<b>37,553.94</b>	<b>56,212.68</b>
Total equity	96,585.64	87,140.50
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.39</b>	<b>0.65</b>

#### a) Dividends

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Equity shares</b>		
<b>(i) Final Dividend</b>		
For the year ended March 31, 2019 of ₹0.15 per share (excluding tax)	-	479.77
<b>(ii) Interim Dividend</b>		
For the year ended March 31, 2021 of ₹0.50 per share (excluding tax)	1,599.23	-
For the year ended March 31, 2021 of ₹0.50 per share (excluding tax)	1,599.23	-
For the year ended March 31, 2020 of ₹0.50 per share (excluding tax)	-	1,599.22

#### b) Loan covenants

Under the terms of major borrowing facilities, the Company is required to comply with the following covenants:

- the current ratio must be more than 1.33 times;
- the debt to equity must remain lower than 1 times;
- the promoter's holding must not be less than 51%;
- the total outside liability to tangible net worth ratio must not exceed 1 times;
- the total outside liability to adjusted tangible net worth must not exceed 1.1 times;
- the Net Debts to EBITDA must not exceed 5 times;
- the Net Working Capital to be maintained at minimum level of 30% of current assets;



Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

- the investment in subsidiary Company, associates and JVs must not exceed ₹12,484 lakhs;

The Company has complied with these covenants throughout the reporting period.

51 Related party disclosures

The Company’s related party transactions and outstanding balances are with its subsidiaries, step down subsidiaries, associates and joint venture, key management and others as described below.

A. Relationships

a) Subsidiaries

- Daawat Foods Limited
- SDC Foods India Limited (Strike off filed dated July 10, 2020)
- Nature Bio Foods Limited
- LT International Limited (till October 30, 2020)
- LT Overseas North America, Inc.
- Sona Global Limited
- LT Foods International Limited (till September 20, 2019)
- Deva Singh Sham Singh Exports Private Limited
- Raghunath Agro Industries Private Limited

b) Step down subsidiaries

- LT Foods America Inc.
- LT Foods USA LLC
- LT Foods Middle East DMCC
- Universal Traders Inc. (Dissolved w.e.f. August 28, 2020)
- Ecolife LLC
- Fresco Fruit N Nuts Private Limited (Strike off filed dated March 03, 2021)
- Nature Bio Foods B.V.
- LT Agri Services Private Limited
- LT Foods Europe B.V.
- Ecopure Specialities limited
- Nature Bio Foods Inc.
- LT Foods International Limited (w.e.f September 20, 2019)

c) Joint venture

- Daawat Kameda India Private Limited
- Genoa Rice Mills Private Limited (till Sep 27, 2019)

d) Associate enterprises

- Raghuvesh Agri Foods Private Limited
- Raghuvesh Warehousing Private Limited
- Raghuvesh Infrastructure Private Limited

e) Key management personnel and Directors

- Key management personnel

Name	Designation
Mr. Vijay Kumar Arora	Managing Director
Mr. Surinder Kumar Arora	Managing Director

Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

Mr. Ashwani Kumar Arora	Managing Director and Chief Financial Officer
Mr. Ashok Kumar Arora	President - Punjab operations
Mr. Gokul Patnaik	Director
Mr. Suparas Bhandari	Director
Ms. Neeru Singh	Director (w.e.f March 17, 2020)
Ms. Ambika Sharma	Director (w.e.f March 10, 2021)
Mr. Pramod Bhagat	Director (upto February 6, 2020)
Ms. Radha Singh	Director (upto February 6, 2020)
Mr. Rajesh Kumar Srivastava	Nominee Director

- Relatives of Key Management Personnel (with whom transactions have taken place during the year)

Name	Relationship
Ritesh Arora	Son of Mr. Ashwani Kumar Arora
Anmol Arora	Son of Mr. Surinder Kumar Arora
Aditya Arora	Son of Mr. Ashok Kumar Arora
Gursajan Arora	Son of Mr. Ashok Kumar Arora
Abhinav Arora	Son of Mr. Vijay Kumar Arora
Parvesh Rani	Mother of Mr. Vijay Kumar Arora
Ranju Arora	Wife of Mr. Vijay Kumar Arora
Sakshi Arora	Wife of Mr. Surinder Kumar Arora
Anita Arora	Wife of Mr. Ashok Kumar Arora
Vandana Arora	Wife of Mr. Ashwani Kumar Arora

Entities in which Key Management Personnel and their relatives have significant influence with whom transactions have taken place during the current year and/or previous year:

- Super Texfab Private Limited
- UIPL Innovations Private Limited
- Raghuvesh Holdings Private Limted

Transactions with Subsidiary Companies, Step down Subsidiary Companies, Joint venture, Associate Companies and entities where key management personnel has significant influence

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Sales</b>		
LT Foods America Inc.	28,912.90	27,657.17
Raghunath Agro Industries Private Limited	3,881.20	1,863.72
LT Foods Middle East DMCC	11,295.11	11,611.94
Daawat Foods Limited	10,610.99	12,062.88
Deva Singh Sham Singh Exports Private Limited	1,452.29	807.86
LT Foods Europe B.V.	20,169.42	14,944.54
Daawat Kameda India Private Limited	67.38	23.15
<b>Purchases</b>		
Raghunath Agro Industries Private Limited	10,890.84	5,527.01
Daawat Foods Limited	28,987.23	35,021.73
Super Texfab Private Limited	601.03	582.14
Deva Singh Sham Singh Exports Private Limited	-	-
LT Foods Europe B.V.	37.05	-
Daawat Kameda India Private Limited	312.65	63.26
UIPL Innovations Private Limited	317.60	136.57
<b>Rental income</b>		
Daawat Foods Limited	3.00	2.25
Daawat Kameda India Private Limited	183.40	188.94
Nature Bio Foods Limited	-	15.12

## Notes to the Standalone Financial Statements

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Fumigation income</b>		
Nature Bio Foods Limited	171.24	0.64
<b>Reimbursement of expenses received</b>		
Daawat Kameda India Private Limited	120.62	370.72
UIPL Innovations Private Limited	16.60	6.43
Nature Bio Foods Limited	15.90	12.87
Raghuvesh Infrastructure Private Limited	9.94	11.57
Daawat Foods Limited	193.99	113.07
Raghunath Agro Industries Private Limited	11.46	5.08
Ecopure Specialities Limited	11.78	-
Deva Singh Sham Singh Exports Private Limited	60.37	-
<b>Processing charges income</b>		
Nature Bio Foods Limited	118.54	160.82
<b>Processing charges</b>		
Deva Singh Sham Singh Exports Private Limited	122.91	92.85
<b>Freight Expense</b>		
Daawat Foods Limited	20.99	-
<b>Rental Expense</b>		
Deva Singh Sham Singh Exports Private Limited	8.93	-
<b>Transport income</b>		
Nature Bio Foods Limited	3.50	20.01
<b>Interest income</b>		
Daawat Foods Limited	169.82	478.00
Raghuvesh Agri Foods Private Limited	29.15	-
Raghuvesh Warehousing Private Limited	19.92	-
<b>Dividend income</b>		
Daawat Foods Limited	200.00	-
Raghuvesh Infrastructure Private Limited	24.00	-
<b>Fumigation expense</b>		
Raghunath Agro Industries Private Limited	2.45	-
<b>Business Support Services income</b>		
Daawat Foods Limited	220.23	226.98
<b>Corporate guarantee charges income</b>		
LT Foods Europe BV	-	68.23
Daawat Foods Limited	294.83	246.16
Nature Bio Foods Limited	93.11	65.16
Raghunath Agro Industries Private Limited	45.94	38.61
Ecopure Specialities Limited	4.29	-
<b>Sale of investment in subsidiary</b>		
LT Overseas North America, Inc.	-	58.50
<b>Commission paid</b>		
LT Foods Middle East DMCC	124.25	-
<b>Loan granted</b>		
Raghuvesh Agri Foods Private Limited	50.00	328.49
Raghuvesh Warehousing Private Limited	55.00	245.09
<b>Payment received against Loan</b>		
Raghuvesh Agri Foods Private Limited	120.00	-
Raghuvesh Warehousing Private Limited	180.00	-

## Notes to the Standalone Financial Statements

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Net payment received against Loan</b>		
Raghuvesh Agri Foods Private Limited	70.00	-
Raghuvesh Warehousing Private Limited	125.00	-
<b>Sale of Property, plant &amp; Equipment</b>		
Daawat Foods Limited	3.50	49.41
<b>Purchase of Property, plant &amp; Equipment</b>		
Raghunath Agro Industries Private Limited	-	15.02
Daawat Foods Limited	133.32	-
<b>Transactions with key management personnel</b>		
<b>Director Remuneration (excluding long term employee benefit)</b>		
Mr. Vijay Kumar Arora	215.40	213.81
Mr. Ashwani Kumar Arora	211.21	211.22
<b>Total (A)</b>	<b>426.61</b>	<b>425.03</b>
<b>Defined benefit obligation for KMP</b>		
<b>Gratuity</b>		
Mr. Vijay Kumar Arora	-	20.00
Mr. Ashwani Kumar Arora	14.36	15.19
<b>Total (B)</b>	<b>14.36</b>	<b>35.19</b>
<b>Compensated absences</b>		
Mr. Vijay Kumar Arora	10.31	10.31
Mr. Ashwani Kumar Arora	6.75	4.81
<b>Total (C)</b>	<b>17.06</b>	<b>15.12</b>
<b>Employee benefits to the key management personnel</b>		
Long term employee benefits ((B) + (C))	31.42	50.31
Short term employee benefits (Total (A))	426.61	425.03
<b>Dividend paid to the key management personnel</b>	850.52	587.46
<b>Transactions with relatives of key management personnel</b>		
<b>Remuneration</b>		
Mr. Ritesh Arora	52.57	40.94
Dividend paid to relatives of key management personnel and entities in which key management personnel have significant influence. (net of statutory taxes)		
Details of parties to whom dividend paid is more than 10%		
Raghuvesh Holdings Private Limited	308.81	204.36
Others	311.29	370.75
<b>Director sitting fees</b>		
Mr. Gokul Patnaik	5.80	6.55
Mr. Suparas Bhandari	5.40	4.60
Mr. Pramod Bhagat	-	6.55
Ms. Radha Singh	-	6.95
Ms. Neeru Singh	2.80	-

Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora, and Mr. Surinder Kumar Arora, the Directors have given personal guarantees against the short term borrowings (except vehicles loans) availed by the Company as disclosed under:

Particulars	As at March 31, 2021	As at March 31, 2020
Long-term borrowings	-	-
Short-term borrowings	37,909.45	56,485.92



## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### Balances at the year-end {net receivable/(net payable)}

Particulars	As at March 31, 2021	As at March 31, 2020
LT Foods Middle East DMCC	1,496.92	98.09
LT Foods America Inc.	2,961.22	3,584.30
Daawat Foods Limited	1,132.27	6,136.42
Ecopure Specialities Limited	5.69	-
Nature Bio Foods Limited	199.75	116.00
Raghunath Agro Industries Private Limited	(339.97)	2,392.10
LT Foods International Limited	19.77	19.17
LT Foods Europe B.V.	1,560.39	184.53
Deva Singh Sham Singh Exports Private Limited	411.71	238.03
VK Foods	-	(4.92)
Raghuvesh Infrastructure Private Limited	-	(117.29)
Raghuvesh Agri Foods Private Limited	285.45	328.49
Raghuvesh Warehousing Private Limited	138.52	245.09
Daawat Kameda India Private Limited	(55.69)	26.49
Super Texfab Private Limited	(129.78)	(205.60)
UIPL Innovations Private Limited	(64.54)	(11.15)
Mr. Vijay Kumar Arora	(8.28)	(0.14)
Mr. Ashwani Kumar Arora	(8.07)	(0.09)
<b>Corporate guarantees given (outstanding) on behalf of</b>		
Daawat Foods Limited	21,821.31	22,392.02
Nature Bio Foods Limited	8,285.50	7,601.19
Raghunath Agro Industries Private Limited	4,344.46	3,799.07
LT Foods Europe BV	-	6,899.25
Ecopure Specialities limited	1,850.39	-

### Terms and conditions of transactions with related parties

The transactions with related parties have been entered into by Company in the ordinary course of business, on arm's length basis on terms prevailing in the open market at that time.

## 52 Details of loan, investment made and guarantee given covered under section 186(4) of Companies Act, 2013

### (i) Loans granted

Name of the Loanee	Rate of interest	Maximum balance outstanding during the year	As at March 31, 2021	As at March 31, 2020
Raghuvesh Agri Foods Private Limited	10.00% p.a.	328.49	285.45	328.49
Raghuvesh Warehousing Private Limited	10.00% p.a.	245.09	138.52	245.09
<b>Total</b>			<b>423.97</b>	<b>573.58</b>

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### (ii) Investments made

Name of the Investee	As at March 31, 2021	As at March 31, 2020
<b>Investments in equity shares and preference shares</b>		
LT International Limited	-	179.96
Nature Bio Foods Limited	200.00	200.00
Sona Global Limited	907.73	907.73
Daawat Foods Limited	3,350.00	3,350.00
SDC Foods India Limited	80.00	80.00
Less: Impairment in value of investment	(80.00)	(80.00)
LT Overseas North America Inc.	2,822.31	2,822.31
Raghunath Agro Industries Private Limited	2,296.03	2,296.03
Deva Singh Shyam Singh Exports Private Limited	1.00	1.00
Raghuvesh Warehousing Private Limited	160.00	160.00
Raghuvesh Agri Foods Private Limited	160.00	160.00
Raghuvesh Infrastructure Private Limited	1.50	1.50
Daawat Kameda India Private Limited	2,405.64	2,405.64
<b>Total</b>	<b>12,304.21</b>	<b>12,484.17</b>

The above investments are made for business purposes only.

### (iii) Guarantee provided

Name of Bank/ Financial Institutions	Guarantees outstanding, given behalf of	Purpose	As at March 31, 2021		As at March 31, 2020	
			Sanction amount	Outstanding amount	Sanction amount	Outstanding amount
SBICAP Security Trustee Company Limited	Daawat Foods Limited	Working capital loan	27,854.00	21,821.31	30,469.00	22,392.02
Punjab National Bank	Daawat Foods Limited	Working capital loan	500.00	-	-	-
Union Bank of India	Daawat Foods Limited	Working capital loan	5,000.00	-	-	-
DGFT, Ministry of Commerce and Industry	Daawat Foods Limited	For export obligation under EPCG scheme	14.68	14.68	14.68	14.68
Oriental Bank of Commerce, Amritsar	Raghunath Agro Industries Private Limited	Working capital loan	7,520.00	4,344.46	7,600.00	3,799.07
IDFC First Bank Limited	Nature Bio Foods Limited	Working capital loan	2,500.00	-	-	-
Yes Bank Limited	Nature Bio Foods Limited	Working capital loan	-	8,285.50	3,580.00	7,601.19
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	Working capital loan	3,200.00	-	2,200.00	-
Indusind Bank Limited	Nature Bio Foods Limited	Working capital loan	5,200.00	-	4,800.00	-
Cooperative Rabo Bank U.A. (Euro 7.30 million)	L T Foods Europe BV, Netherland	Against plant and machinery	-	-	6,065.21	4,822.12
Cooperative Rabo Bank U.A. (Euro 2.50 million)	L T Foods Europe BV, Netherland	Working capital loan	-	-	2,077.13	2,077.13
Indusind Bank Limited	Ecopure Specialities Limited	Working capital loan	3,040.00	1,850.39	-	-
<b>Total</b>			<b>54,828.68</b>	<b>36,316.34</b>	<b>56,806.02</b>	<b>40,706.21</b>

The above guarantees were made for business purposes only.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

### 53 Interest in joint venture

The Company's interest and share in joint venture in jointly controlled entity is as follows:

Name of joint venture	Country of incorporation	Ownership interest as at	
		March 31, 2021	March 31, 2020
Daawat Kameda India Private Limited	India	51%	51%

#### (a) Interest in jointly controlled entity of the Company

Company's share of	As at March 31, 2021	As at March 31, 2020
<b>(i) Daawat Kameda India Private Limited</b>		
<b>Assets</b>		
Non current	819.23	906.13
Current	959.23	1,310.79
<b>Liabilities</b>		
Non current	2.95	1.43
Current	116.12	98.31
Income	137.68	120.93
Expenditure	595.27	379.36

### 54 Revenue from Contracts with Customers

Indian Accounting Standard 115, 'Revenue from Contracts with Customers' ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

#### Significant changes in contract assets and liabilities

There has been no significant changes in the nature of contract assets/contract liabilities during the year.

#### Revenue recognised in relation to contract liabilities

Advance from Customers:

Description	Year ended March 31, 2021	Year ended March 31, 2020
Amounts included in contract liabilities at the beginning of the year	657.68	1,655.73
Amount of advance refunded back	-	(1,126.71)
Performance obligations satisfied in current year	(619.26)	(529.02)
Amount received in the current year having outstanding performance obligations	1,140.52	657.68
Amounts included in contract liabilities at the end of the year	<b>1,178.94</b>	<b>657.68</b>

Remaining performance obligations as at the reporting date are expected to be recognised over the next year by the Company.

## Notes to the Standalone Financial Statements for the year ended March 31, 2021

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

The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the original expected duration is more than one year.

Revenue by time	Year ended March 31, 2021	Year ended March 31, 2020
Revenue recognised over time	709.42	759.57
Revenue recognised at point in time	2,29,706.07	2,34,247.12
	<b>2,30,415.49</b>	<b>2,35,006.69</b>

#### Assets and liabilities related to contracts with customers

Description	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of goods and services</b>				
Trade receivables	-	12,931.14	-	24,713.24
<b>Contract assets related to sale of goods and services</b>				
Advance from customers	-	1,178.94	-	657.68

#### Reconciliation of revenue recognised with contract price

Description	March 31, 2021	March 31, 2020
Contract price	2,35,592.92	2,40,067.01
Adjustment for:		
Incentives and discounts	(5,177.43)	(5,060.32)
Revenue from Operations	<b>2,30,415.49</b>	<b>2,35,006.69</b>

**55** The Company is engaged into the business of manufacturing and selling rice and therefore, its business falls under the category to provide 'essential services'. Due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, the State Government has granted permission to the Company to run its operations and based on management's assessment upto the date of approval of these financial statements, the Company is very well equipped with a robust supply chain network and has no shortage with respect to raw material, including stock of paddy and rice, to fulfil the demand from both India and international markets. The Company has implemented risk mitigation strategies for the health and wellness of its employees/ workers and plant has been operating with all and necessary adherence to the guidelines issued by the respective authorities. Based on management's assessment of the impact on Company's operations, financial performance and position as at and for the year ended March 31, 2021, it has been concluded that there is no impact which is required to be recognized in these financial statements. Accordingly, no adjustments have been made to these financial statements.

**56** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued.

The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



Notes to the Standalone Financial Statements for the year ended March 31, 2021  
(All amounts are in ₹ in lakhs unless otherwise stated)

57 Standards issued but not yet applicable

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which would have been appicable from April 1, 2021.

58 Previous year figures

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

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration Number:- 105047W

**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place: Gurugram  
Date: May 26, 2021

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN: 01574773

**Gokul Patnaik**  
Independent Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN: 01574728

**Monika Chawla Jaggia**  
Company Secretary  
Membership No.: F5150

Independent Auditor’s Report

To the Members of **LT Foods Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of LT Foods Limited (hereinafter referred to as the “Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), its associates and a joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements/other financial information of subsidiaries and associates, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended (“the Ind AS”) and other accounting principles generally accepted in India, of their Consolidated state of affairs of the Group, its associates and a joint venture as at March 31, 2021, its Consolidated total comprehensive income (comprising of its Consolidated profit and Consolidated other comprehensive income), Consolidated changes in equity and its Consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and a joint venture in accordance with the ethical requirements that are relevant to our audit of the Consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India (“ICAI”), and the relevant provisions of the Act and the

rules made there under and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

Emphasis of Matter

We draw attention to Note 9 of the Consolidated financial statements in reference to a subsidiary, Daawat Foods Limited, which has been audited by us, which describes the uncertainties related to the legal outcome of ongoing litigation related to the recoverability of Insurance claim (asset) amounting to ₹ 13,410.53 Lakhs as at March 31, 2021. The Insurance Agency repudiated the insurance claim vide its order dated February 4, 2016 against which the Company had filed a civil suit with District Court of Raisen, Bhopal, the outcome of which is pending.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements for the year ended March 31, 2021. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the Consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated financial statements. The results of audit procedures performed by us and by other auditors of entities/components not audited by us, as reported by them to us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated financial statements.

Independent Auditor's Report

S. No.	Key audit matters	Our audit procedures to address the key audit matter
1	<p>Revenue recognition – Sale of goods</p> <p>Refer Summary of significant accounting policies.</p> <p>The Group, its associates and a joint venture recognised revenues amounting to ₹ 4,64,434.54 lakhs for the year ended March 31, 2021, as disclosed in Note 35 and Note 58 to the Consolidated financial statements.</p> <p>Revenue comprises of sale of manufactured goods (rice), by products and others – which is recognized when control of such goods is transferred to the customers and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates, trade discounts etc.</p> <p>Also, there is presumed risk of fraud in revenue recognition as per Standard on Auditing. Accordingly, occurrence of revenue is a key focus area on account of the multiplicity of Company's products, multiple channels for sales and the volume of the sales made to them.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>Our audit work included, but not limited to, the following procedures -</p> <ul style="list-style-type: none"><li>• Understood and evaluated the business process of revenue and receivables process for evaluating the design effectiveness of internal financial controls;</li><li>• Assessed the appropriateness of the accounting policies relating to revenue recognition by ensuring their compliance with Ind AS 115 ("Revenue from Contracts with Customers");</li><li>• Performed substantive analytical procedures on revenue which includes margins analysis (corroboration between revenues and costs for current year and its comparison with last year), analysis for key customers etc.;</li><li>• Evaluated the terms and conditions of the Key contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards;</li><li>• Performed substantive testing on test check basis for revenue transactions recognised during the year by testing their underlying documents which include purchase orders from customers, proof of deliveries (bill of lading for export sales and lorry receipts etc for domestic sales), invoices and collection of money from the customers (as applicable). Considering different categories of customers, the nature of documents supporting accuracy and occurrence of transactions varies. Our testing methodology was designed and implemented considering these facts and circumstances;</li><li>• Reviewed reconciliation of revenues between books and revenues disclosed in statutory returns, to the extent applicable;</li><li>• Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors; and</li><li>• Evaluated disclosures made in the financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.</li></ul>

Independent Auditor's Report

S. No.	Key audit matters	Our audit procedures to address the key audit matter
2	<p><b>Inventory – existence and valuation</b></p> <p>Refer Summary of significant accounting policies.</p> <p>The Group, its associates and a joint venture are primarily engaged in the business of manufacturing and selling rice and the Company's inventory primarily comprises of raw material i.e., paddy, soya, semifinished rice, finished rice, stores and spares and packing material. Such inventory is stored in plant, rented warehouses, silos and storage bags.</p> <p>Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy and natural ageing process followed by the Company for getting desired level of quality. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.</p> <p>The valuation of raw material, semi-finished and finished rice is a comprehensive exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"><li>• Allocable overheads and their absorption rates;</li><li>• Determination of net realisable value of by-products;</li><li>• Capitalisation of borrowing costs to paddy, semi-finished and finished rice, given significant holding period between acquisition and production. Period and rate of finance costs to be capitalised.</li><li>• Due to outbreak of the COVID-19, several restrictions were imposed by the local and foreign government on international travel considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory lying outside India, relating to overseas entities audited by us, conducted by the management. This necessitated using alternate audit techniques as further described in our audit procedures.</li></ul>	<p>Our audit work included, but not limited to, the following procedures -</p> <ul style="list-style-type: none"><li>• Assessed the appropriateness of the accounting policies relating to valuation of Inventory by ensuring their compliance with Ind AS 2 ("Inventories") and Ind AS 23 ("Borrowing Costs");</li><li>• Obtained inventory records and results of management conducted count and reviewed reconciliation of differences, if any, between management physical count and inventory records. Tested the necessary adjustments, if any, made in the inventory records by the management;</li><li>• Reviewed reconciliation of inventory quantitative details in general ledger/ valuation workings with reports obtained from the management, as retrieved from SAP i.e., the integrated ERP used by the Management. Understood and tested the reconciling items, if any;</li><li>• Obtained independent confirmations, on sample basis, for inventory lying with third parties as at year-end;</li><li>• Observed physical verification done by the management as at year-end and also, independently verified few items physically on sample basis for locations scoped-in, basis materiality of stock lying at such locations to overall inventory balance as at year-end;</li><li>• Corroborated the results of our physical verification procedures, on sample basis, with valuation workings obtained from the management;</li><li>• Appointed independent firms of Practitioner for providing direct assistance in carrying out physical verification of the inventory lying outside India for components/entities, audited by us, on a sample basis prior to or as at the balance sheet date and supervised and reviewed the work performed by them;</li><li>• Reviewed the inventory roll forward reconciliation statement prepared by the management, wherever applicable, and performed tests on sample basis by reviewing the supporting documents and records to substantiate the existence of inventory as at the reporting date; and</li><li>• Presented our approach and results of physical verification, including but not limited to scoped-in locations, methodology followed for verification of inventory stored in bags and silos and confirmation procedures, to the those charged with governance.</li></ul>



Independent Auditor's Report

S. Key audit matters No.

Accordingly, existence and valuation of the year-end inventory balance, which is significant with respect to the total assets, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.

Our audit procedures to address the key audit matter

Valuation:

- Obtained an understanding of management process of inventory valuation;
- Understood and evaluated the business process and controls for inventory valuation process;
- Tested inputs into the valuation process from source documents/ general ledger accounts;
- Tested quantitative reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate the rice yield during the year and to identify any abnormal production loss. Compared the yield between current year and prior year to identify abnormalities, if any;
- Compared basis of key estimates, including those involved in computation of allocable overheads and borrowing costs, to prior year and enquired reasons for any significant variations;
- Tested net realisable value of by-products from supporting documents;
- Tested arithmetical accuracy of valuation calculations; and
- Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

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

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

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'.

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

The Holding Company's Board of Directors is responsible for matters stated in section 134(5) of the Act with respect to the preparation and presentation of these Consolidated financial statements in term of the requirements of the Act that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated changes in equity and Consolidated cash flows of the Group and of its associates and a joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards (IND AS) specified under section 133 of the Act. The respective Board of Directors of the entities included in the Group and of its associates and a joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and a joint venture respectively and for preventing and detecting

Independent Auditor's Report

frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated financial statements, the respective Board of Directors of the entities included in the Group and of its associates and a joint venture are responsible for assessing the ability of the Group and of its associates and a joint venture respectively to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the entities included in the Group and of its associates and a joint venture respectively or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the entities included in the Group and of its associates and a joint venture are responsible for overseeing the financial reporting process of each such entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing ("SAs") will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

Other Matters

- (a). The Consolidated Financial Statements include the audited financial statements of six subsidiaries, incorporated in India and outside India, whose financial statements reflect total assets of ₹ 68,116.85 Lakhs as at March 31, 2021, total revenue of ₹ 116,986.33 Lakhs and total net profit after tax of ₹ 1,582.11 Lakhs and net cash inflows of ₹ 268.22 Lakhs for the year ended on that date, as considered in the Consolidated

Financial Statements, which have been audited by other auditors. The Consolidated Financial Statements also include the Group's share of net profit after tax of ₹ 108.47 Lakhs for the year ended March 31, 2021, as considered in the Consolidated financial statements, in respect of three associates, incorporated in India, whose financial statements have also been audited by other auditors. The other auditors' reports on financial statements of these entities 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 entities, is based solely on the reports of such auditors as stated in paragraph above.

Further, the Consolidated Financial Statements also include the audited financial statements of two subsidiaries, incorporated outside India, whose financial statements reflect total assets of ₹ 7,742.76 Lakhs as at March 31, 2021, total revenue of ₹ 16,255.19 Lakhs and total net profit after tax of ₹ 656.13 Lakhs and net cash outflows of ₹ 15.82 Lakhs for the year ended on that date, as considered in the Consolidated Financial Statements, which have been audited by other auditors. The financial statements of these subsidiaries have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under the standards of auditing applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the audit report of such other auditors as furnished to us by the management and the conversion adjustments prepared by the management of the Holding Company which have been audited by us.

- (b). The Consolidated financial statements of the Group, its associates and a joint venture for the year ended March 31, 2020, were audited by another firm of chartered accountants whose report dated May 28, 2020 expressed an unmodified opinion on those Consolidated financial statements.

Our opinion is not modified in respect of the matters mentioned above.

Report on Other Legal and Regulatory Requirements

- 1. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of the subsidiary

Independent Auditor's Report

companies and associate companies referred to in the other matters section above, as were audited by other auditors, 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 purposes 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 Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 (IND AS) specified under Section 133 of the Act.
- e. On the basis of the written representations received from the Directors of the Holding Company, its subsidiaries and a joint venture, incorporated in India and audited by us, as on March 31, 2021 taken on record by the respective Board of Directors of the such companies and the reports of the other auditors of subsidiary companies and associate companies, incorporated in India and audited by other auditors (as mentioned in 'other matters' paragraph above), none of the Directors of the Holding Company, its subsidiaries, its associate companies and a joint venture, incorporated in India, are disqualified as on March 31, 2021 from being appointed as a Director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls with reference to Consolidated financial statements of the Holding Company, its subsidiaries, its associates and a joint venture, incorporated in India, and

the operating effectiveness of such controls, refer to our separate report in "Annexure B".

- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Consolidated financial statements has disclosed the impact of pending litigations on the Consolidated financial position of the Group, its associates and a joint venture– Refer Note 47 to the Consolidated financial statements;
  - ii. The Group, its associates and a joint venture did not have any material foreseeable losses on long term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, associate companies and a joint venture, incorporated in India, during the year ended March 31, 2021.
- 2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company, its subsidiaries, its associate companies and a joint venture, incorporated in India, to its Directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAABA5982

**Place:** Gurugram  
**Date:** May 26, 2021

Independent Auditor's Report

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LT FOODS LIMITED

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on internal financial controls with reference to Consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and a joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associates and a joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and a joint venture to express an opinion on the Consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated financial statements of which we are the independent auditors. For the other entities included in the Consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAABA5982

**Place:** Gurugram  
**Date:** May 26, 2021



Independent Auditor's Report

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LT FOODS LIMITED

[Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of LT Foods Limited on the Consolidated Financial Statements]

Report on the Internal Financial Controls with reference to the aforesaid Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the Consolidated financial statements of LT Foods Limited (the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of Holding Company, its subsidiary companies, its associate companies, including companies audited by other auditors (refer 'other matters' para below), and a joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and a joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and a joint venture, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and a joint venture, which are companies incorporated in India.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A Company's internal financial control with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of

Independent Auditor's Report

financial reporting and the preparation of Consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to Consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Consolidated financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies, its associate companies and a joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three subsidiary companies and three associate companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 21505676AAAABA5982

**Place:** Gurugram  
**Date:** May 26, 2021

Consolidated Balance Sheet as at March 31, 2021  
(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	54,241.41	54,156.09
Capital work-in-progress	3	3,268.00	1,724.96
Right of use assets	4	25,143.07	26,942.30
Goodwill	5	2,154.12	2,544.03
Other Intangible assets	5	6,446.34	6,953.91
Investments accounted for using the equity method	6	2,416.90	2,848.09
<b>Financial assets</b>			
Investments	7	455.30	487.55
Loans	8	1,495.04	1,011.23
Other financial assets	9	13,631.58	14,167.06
Deferred tax assets (net)	10	2,361.91	3,376.01
Other non-current assets	11	852.97	659.39
Non-current tax assets	12	4,135.19	3,919.89
<b>Total non-current assets</b>		<b>1,16,601.83</b>	<b>1,18,790.51</b>
<b>Current assets</b>			
Inventories	13	2,22,281.41	1,75,022.66
<b>Financial assets</b>			
Trade receivables	14	48,672.53	61,963.31
Cash and cash equivalents	15	1,684.71	1,913.61
Bank balances other than cash and cash equivalent	16	1,312.33	578.20
Loans	17	621.94	884.40
Other financial assets	18	2,960.40	1,116.72
Other current assets	19	17,506.72	21,764.22
<b>Total current assets</b>		<b>2,95,040.04</b>	<b>2,63,243.12</b>
<b>Total assets</b>		<b>4,11,641.87</b>	<b>3,82,033.63</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	3,198.45	3,198.45
Other equity	21	1,72,350.21	1,44,934.92
<b>Total equity</b>		<b>1,75,548.66</b>	<b>1,48,133.37</b>
<b>Non-controlling interest</b>	22	<b>13,476.59</b>	<b>11,784.90</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	23	22,965.17	23,012.23
Other financial liabilities	24	6.50	7.00
Lease liabilities	25	24,278.61	24,920.13
Long-term provisions	26	1,056.63	636.07
Deferred tax liabilities (net)	10	410.28	188.38
Other non-current liabilities	27	214.44	696.63
<b>Total non-current liabilities</b>		<b>48,931.63</b>	<b>49,460.44</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	28	1,02,368.31	1,22,786.96
Trade payables	29	50,355.50	26,082.85
Due to micro and small enterprises		861.07	589.11
Due to others		49,494.43	25,493.74
Other financial liabilities	30	6,643.86	9,690.76
Lease liabilities	31	3,740.94	2,887.62
Other current liabilities	32	8,129.50	8,447.89
Short term provisions	33	386.91	335.95
Current tax liabilities	34	2,059.97	2,422.89
<b>Total current liabilities</b>		<b>1,73,684.99</b>	<b>1,72,654.92</b>
<b>Total liabilities</b>		<b>2,22,616.62</b>	<b>2,22,115.36</b>
<b>Total equity and liabilities</b>		<b>4,11,641.87</b>	<b>3,82,033.63</b>

Statement of significant accounting policies

1

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

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Gokul Patnaik**

Independent Director

DIN 00027915

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No.: F5150

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

Place: Gurugram

Date: May 26, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021  
(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Note	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	35	4,64,434.54	4,13,509.37
Other income	36	4,182.00	3,788.19
<b>Total income</b>		<b>4,68,616.54</b>	<b>4,17,297.56</b>
<b>Expenses</b>			
Cost of material consumed	37	3,62,130.31	2,81,871.98
Purchases of stock-in-trade	38	5,283.20	5,471.10
Changes in inventories of finished goods, semi finished goods, work in progress and stock in trade	39	(44,665.34)	9,737.01
Employee benefits expense	40	25,779.33	19,858.57
Finance costs	41	8,739.22	13,227.04
Depreciation and amortisation expense	42	10,848.54	9,137.22
Other expenses	43	60,270.37	49,503.24
<b>Total expenses</b>		<b>4,28,385.63</b>	<b>3,88,806.16</b>
<b>Profit before share of profit /(loss) of investments accounted for using equity method and tax</b>		<b>40,230.91</b>	<b>28,491.40</b>
Share of net loss of associates and joint ventures accounted for using the equity method		(431.19)	(375.34)
Profit before exceptional items and tax		39,799.72	28,116.06
Exceptional items	44	-	(421.37)
<b>Profit before tax</b>		<b>39,799.72</b>	<b>27,694.69</b>
<b>Tax expense</b>	46		
Current tax		10,339.19	8,823.44
Deferred tax expense/ (credit)		552.72	(1,059.24)
<b>Total tax expense</b>		<b>10,891.91</b>	<b>7,764.20</b>
<b>Profit for the year</b>		<b>28,907.81</b>	<b>19,930.49</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to Statement of Profit or Loss			
Re-measurement of net defined benefit plans		49.37	(146.02)
Tax on above		(12.42)	45.85
Items that will be reclassified to Statement of Profit or Loss			
Exchange differences on translation of foreign operations		(120.99)	3,771.13
(Loss)/ Gain on cash flow hedge reserve		4,652.53	(5,826.66)
Tax on above		(1,170.94)	1,683.34
<b>Other comprehensive income/ (loss) for the year</b>		<b>3,397.55</b>	<b>(472.36)</b>
<b>Total comprehensive income for the year</b>		<b>32,305.36</b>	<b>19,458.13</b>
<b>Profit attributable to</b>			
Owners of LT Foods Limited		27,404.90	18,450.42
Non-controlling interests		1,502.91	1,480.07
		<b>28,907.81</b>	<b>19,930.49</b>
<b>Other comprehensive income attributable to</b>			
Owners of LT Foods Limited		3,208.77	(235.01)
Non-controlling interests		188.78	(237.35)
		<b>3,397.55</b>	<b>(472.36)</b>
<b>Total comprehensive income attributable to</b>			
Owners of LT Foods Limited		30,613.67	18,215.41
Non-controlling interests		1,691.69	1,242.72
		<b>32,305.36</b>	<b>19,458.13</b>
<b>Earning per equity share</b>			
Basic (₹)	45	8.57	5.77
Diluted (₹)	45	8.57	5.77

Statement of significant accounting policies

1

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

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Gokul Patnaik**

Independent Director

DIN 00027915

Place: Gurugram

Date: May 26, 2021

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

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No.: F5150



Consolidated Cash Flow Statement for the year ended March 31, 2021  
(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Net profit before tax	39,799.72	27,694.69
Adjustments for:-		
Depreciation and amortisation expense	10,848.54	9,137.22
Unrealised foreign exchange loss/(gain)	889.05	1,081.44
Loss/ (Profit) on sale of property, plant and equipment	(31.75)	11.82
Interest income	(134.04)	(245.69)
Finance charges	8,739.22	13,227.04
Dividend income	(24.00)	-
Gain on fair value of investments	(18.83)	(9.20)
Loss/ (Profit) on sale of Subsidiary	(26.08)	-
Impairment of investments	135.00	-
Amounts written back	(203.38)	(43.60)
Trade receivables and other amounts written off	69.46	344.96
Provision for doubtful debts	677.52	691.93
Share of loss in associates and joint venture	431.19	375.34
Operating profit before working capital changes	61,151.62	52,265.95
Adjustments for (increase) /decrease in operating assets:		
Trade Receivables	12,648.15	(10,579.25)
Inventories	(47,258.75)	14,101.84
Loan and advances given (current and non current)	(221.35)	(13.40)
Other financial assets (current and non current)	1,087.94	2,006.14
Other Assets (current and non current)	4,210.53	(2,602.54)
Adjustments for increase /(decrease) in operating liabilities:		
Trade payables	24,256.51	(2,315.20)
Other Liabilities (Current and non-current)	2,931.91	8,622.71
Other financial liabilities (current and non current)	(3,498.71)	(5,758.91)
Provisions	471.52	(123.77)
Cash generated from operations	55,779.38	55,603.57
Income tax paid (net of refunds)	(11,314.11)	(7,886.03)
Net cash generated from operating activities	44,465.28	47,717.54
Cash flows from investing activities		
Payment for Purchase of property, plant and equipment (including CWIP and capital advances)	(11,377.98)	(8,874.62)
Proceeds from sale of property, plant and equipment	1,482.93	425.02
Interest received	134.04	245.69
Dividend on non current investments	24.00	-
Purchase of non-current investments	(83.87)	(95.63)
(Investment)/Withdrawal in fixed deposits	(198.65)	209.15
Proceeds from sale/maturity of Subsidiary	26.08	-
Net cash used in investing activities	(9,993.45)	(8,090.39)

Consolidated Cash Flow Statement for the year ended March 31, 2021  
(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flows from financing activities		
Proceeds from long-term borrowings	3,583.16	3,642.46
Repayment of the long-term borrowings	(2,818.52)	(4,788.11)
Proceeds from/(repayment) of short term borrowings (net)	(19,759.06)	(21,631.09)
Finance charges paid	(8,887.82)	(13,092.89)
Payment of lease liabilities	(3,529.07)	(2,003.10)
Payment of dividend (including dividend tax)	(3,198.45)	(2,506.33)
Net cash used in financing activities	(34,609.76)	(40,379.05)
Net (decrease)/ increase in cash and cash equivalents	(137.93)	(751.91)
Loss on re-statement of foreign currency cash and cash equivalents	(90.97)	(254.01)
Cash and cash equivalents at the beginning of the year	1,913.61	2,919.52
Cash and cash equivalents at the end of the year	1,684.71	1,913.61

Components of cash and cash equivalents	As at March 31, 2021	As at March 31, 2020
Cash on hand	85.07	158.61
With banks - on current account	1,599.64	1,755.00
Total cash and cash equivalents	1,684.71	1,913.61

Statement of significant accounting policies 1

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

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

For <b>MSKA &amp; Associates</b> Chartered Accountants Firm Registration Number:- 105047W	For and on behalf of Board of Directors of LT Foods Limited
<b>Rahul Aggarwal</b> Partner Membership Number: 505676	<b>Ashwani Kumar Arora</b> Managing Director and Chief Financial Officer DIN: 01574773
Place: Gurugram Date: May 26, 2021	<b>Gokul Patnaik</b> Independent Director DIN 00027915
	<b>Surinder Kumar Arora</b> Managing Director DIN: 01574728
	<b>Monika Chawla Jaggia</b> Company Secretary Membership No.: F5150

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

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

A. Equity Share Capital (Refer note 20)

Particulars	Amount	
Balance as at April 01, 2019	3,198.45	
Issued during the year	-	
Balance as at March 31, 2020	3,198.45	
Issued during the year	-	
Balance as at March 31, 2021	3,198.45	

B. Other Equity

Particulars	Reserves and Surplus			Other Components of Equity			Non-controlling interest	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Cash flow hedging reserve	Foreign currency translation reserve	Attributable to owners of the parent		
Balance as at April 01, 2019	80,341.26	1,816.80	44,456.10	1,445.18	1,654.38	1,29,713.73	10,542.28	1,40,256.00
Profit for the year	18,450.42	-	-	-	-	18,450.42	1,480.07	19,930.49
Items of OCI for the year :-								
Exchange difference arising on translation of foreign operations	-	-	-	-	3,771.13	3,771.13	-	3,771.13
Loss on cash flow hedge reserve (net of tax)	-	-	-	(3,899.61)	-	(3,899.61)	(243.71)	(4,143.32)
Remeasurement of defined benefit obligations (net of tax)	(106.53)	-	-	-	-	(106.53)	6.36	(100.17)
Total Comprehensive Income for the year	18,343.89	-	-	(3,899.61)	3,771.13	18,215.41	1,242.72	19,458.14
Impact on account of adoption of Ind AS 116 (refer note 4)	(487.88)	-	-	-	-	(487.88)	-	(487.88)
Final dividend	(479.77)	-	-	-	-	(479.77)	-	(479.77)
Interim dividend	(1,599.22)	-	-	-	-	(1,599.22)	-	(1,599.22)
Tax on dividend	(427.34)	-	-	-	-	(427.34)	-	(427.34)
Balance as at March 31, 2020	95,690.94	1,816.80	44,456.10	(2,454.43)	5,425.51	1,44,934.92	11,784.90	1,56,719.82
Balance as at April 01, 2020	95,690.94	1,816.80	44,456.10	(2,454.43)	5,425.51	1,44,934.92	11,784.90	1,56,719.82

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

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

B. Other equity (Contd..)

Particulars	Reserves and Surplus			Other Components of Equity			Non-controlling interest	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Cash flow hedging reserve	Foreign currency translation reserve	Attributable to owners of the parent		
Profit for the year	27,404.90	-	-	-	-	27,404.90	1,502.91	28,907.81
Items of OCI for the year :-								
Exchange difference arising on translation of foreign operations	-	-	-	-	(120.99)	(120.99)	-	(120.99)
Gain on cash flow hedge reserve (net of tax)	-	-	-	3,285.76	-	3,285.76	195.83	3,481.59
Remeasurement of defined benefit obligations (net of tax)	44.00	-	-	-	-	44.00	(7.05)	36.95
Total Comprehensive Income for the year	27,448.90	-	-	3,285.76	(120.99)	30,613.67	1,691.69	32,305.36
Interim dividend	(3,198.38)	-	-	-	-	(3,198.38)	-	(3,198.38)
Balance as at March 31, 2021	1,19,941.46	1,816.80	44,456.10	831.33	5,304.52	1,72,350.21	13,476.59	1,85,826.80

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

This is the Statement of Changes in Equity referred to in our report of even date.

For MSKA & Associates For and on behalf of Board of Directors of

Chartered Accountants  
Firm Registration Number:- 105047W

Rahul Aggarwal  
Partner  
Membership Number: 505676

Ashwani Kumar Arora  
Managing Director and  
Chief Financial Officer  
DIN: 01574773

Gokul Patnaik  
Independent Director  
DIN 00027915

Place: Gurugram  
Date: May 26, 2021

LT Foods Limited

Surinder Kumar Arora  
Managing Director  
DIN: 01574728

Monika Chawla Jaggia  
Company Secretary  
Membership No.: F5150



Summary of significant accounting policies and other explanatory information  
for the year ended March 31, 2021

1. (A) Corporate Information

The Consolidated financial statements of LT Foods Limited ('the Holding Group' or 'the Company'), together with its subsidiaries (collectively referred to as the 'Group'), associates and a joint venture, having its registered office at Unit No 134, 1st Floor , Rectangle -1,Saket District Centre, New Delhi -110017, is primarily engaged in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. LT Foods Limited operations include procurement, storage, processing, packaging and distribution. The Group is also engaged in research and development to add value to rice and rice food products. The Group's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavored rice in the ready to cook segment.

(B) Summary of significant accounting policies

i) Overall consideration

The Consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

ii) Basis of Preparation

The Consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the Consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

iii) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

iv) Basis of consolidation

Subsidiaries

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

Summary of significant accounting policies and other explanatory information  
for the year ended March 31, 2021

Non-controlling interests ('NCI')

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's Statement of Profit and Loss and net assets that is not held by the Group. Statement of Profit and Loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Holding Group and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and a joint venture.

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

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

Transactions eliminated on consolidation

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

v) Significant accounting policies

a) Use of estimates

The preparation of the Consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates,

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

b) Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packing materials

Lower of cost or net realisable value. Cost is determined on 'First in First Out' basis, except few entities in the Group where weighted average cost method is used, and includes interest on raw materials as a carrying cost of materials where such materials are stored for a substantial period of time. For entities under weighted average cost method, the impact of difference between First in First Out and weighted average cost method is expected to be immaterial due to the timing of purchase and nature of inventory.

Raw material comprising Bardana is valued at net realisable value. Stores and spares having useful life of more than twelve months are capitalised as tangible assets under "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

Work in progress

Raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion and also includes interest allocated as carrying cost.

Finished goods

Lower of cost or net realisable value. Cost includes cost of raw materials, direct and

Summary of significant accounting policies and other explanatory information  
for the year ended March 31, 2021

indirect overheads which are incurred to bring the inventories to their present location and condition and also includes interest as a carrying cost of goods where such goods are stored for a substantial period of time.

c) Property, plant and equipment

Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit or Loss as incurred.

Subsequent measurement (depreciation and useful lives)

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

Based on internal assessment and independent technical evaluation carried out by external valuer, the management has re-estimated the useful life of Silos included in Plant and Machinery from 15 years to 40 years with effect from April 01, 2016. The management believes that the useful life represents the period over which the assets are expected to be used. The useful life of this asset is different from the useful life as prescribed under part C of Schedule II of the Companies Act, 2013.

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

Depreciation on the following property, plant and equipment of certain subsidiaries is charged on straight line basis, at the rates based on the useful life of the assets as estimated by the management

Assets description	Useful lives
Buildings	3 to 39 and 1/2 years
Plant and machinery	5 to 30 years
Furniture and fixtures	4 to 10 years
Office equipment	3 to 6
Vehicles	4 to 10 years

De-recognition

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

d) Intangible assets

Recognition and initial measurement

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

Intangible assets with finite lives are amortised over the useful economic life and impairment assessment is done annually. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information  
for the year ended March 31, 2021

Amortisation

Amortisation of intangible assets is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 or the management estimate of the useful life of the asset, disclosed separately below.

Amortisation of intangible assets of certain subsidiaries is provided on straight line basis, at the rates based on the useful life of the assets as estimated by the management.

Intangible assets	Useful life in years
Brands	20
Computer software	3
Goodwill	20
Intellectual property rights	7
Non-compete agreement	7
Customer relationships	7

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and borrowing costs (where applicable). Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

f) Impairment of non-financial assets

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

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

Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

After impairment, depreciation /amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable



Summary of significant accounting policies and other explanatory information  
for the year ended March 31, 2021

amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

g) Functional and presentation currency

Functional and presentation currency

The Consolidated financial statements are presented in Indian Rupee (‘₹’) which is also the functional and presentation currency of the Holding Group.

Transactions and balances

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

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

Conversion

Functional and reporting currencies of foreign operations are different from the reporting currency of the Holding Group. For all the foreign operations of the Group, all assets and liabilities (excluding share capital and opening reserves and surplus) are translated into ₹ using the exchange rate prevailing at the reporting date. Share capital, reserves and surplus are carried at historical cost.

Revenues, costs and expenses are translated using the weighted average exchange rate during the reporting period. The resultant currency translation difference is recognised as foreign currency translation reserve under the head ‘other equity’.

Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into ₹, the reporting currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into ₹ at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

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

h) Fair value measurement

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

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

Summary of significant accounting policies and other explanatory information  
for the year ended March 31, 2021

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

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

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

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

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

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

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

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

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

For the purpose of fair value disclosures, group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or

liability and the level of the fair value hierarchy as explained above.

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

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

i) Revenue Recognition

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

Sale of goods:

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

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

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

Satisfaction of performance obligations

The Group revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the products and the fulfillment of the Group's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognised when the Group transfers control at the point in time the customer takes undisputed delivery of the goods.

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

Payment terms

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

Rental income

Leases in which the Group does not transfer substantially all the risks and benefits

of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless the escalation rate does not matches up in line with the increase in the inflation rate.

Dividend income

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

Interest income

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

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

Service concession arrangements

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

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

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

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contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

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

Recognition and initial measurement

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

Subsequent measurement  
(Amortisation and useful lives)

All finite – lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the liability of the industry, and known technological advances), and the level of maintenance expenditure required to obtain the expected future cash flows from the asset.

De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

Income from services:

The Group derives its other operating revenue primarily from service charges and processing charges and the revenue from these services are recognised as revenue when the related services are rendered i.e. on accrual basis in accordance with the terms of the contract entered into in respect thereof.

j) Borrowing costs

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

k) Financial instruments

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

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

Financial assets

Classification and subsequent measurement

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

i. Financial assets at amortised cost – A financial instrument is measured at amortised cost if both the following conditions are met:

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



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

ii. Financial assets at fair value

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

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

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

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

De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Financial liabilities

Subsequent measurement

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

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

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

De-recognition of financial liabilities

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

Offsetting of financial instruments

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

Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated

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with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

l) Hedge

Initial and subsequent measurement

The Group uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

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

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management

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

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

m) Retirement and other employee benefits

Defined Contribution plan

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

Defined benefit plans

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

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

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Remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods.

Other employee benefits

Compensated absences

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

Other short term benefits

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

n) Provisions

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

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

liability. The increase in the provision due to the passage of time is recognised as interest expense.

o) Earnings per share

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

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

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

p) Leases

The Group has adopted Ind AS 116-Leases effective from April 1, 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application ( April 1, 2019). Accordingly, previous period information has not been restated.

The Group's lease asset classes primarily consist of leases for plant and machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset;

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- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease;

- (iii) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

- (iv) The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

- (v) A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

q) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business



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combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

r) Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable

profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

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

Minimum alternate tax

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

s) Government grants and subsidies

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

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

t) Share based payments

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

For transactions between group entities, where the options are granted to employees of any of the group companies, the group shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent.

u) Segment reporting

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

Identification of segments:

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs:

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

Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

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

v) Cash and cash equivalents

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

w) Cash dividend distribution to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution

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is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

Recognition of deferred tax liability on undistributed profits

The extent to which the Holding Group can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such

as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expense.

Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

Inventory

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

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

2 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
Gross carrying value								
As at April 01, 2019	5,793.64	615.67	22,051.08	57,038.20	1,626.86	2,649.98	3,084.49	92,859.94
Additions	2.08	-	2,492.39	5,872.93	124.92	193.32	340.26	9,025.90
Transfer to ROU (refer note 4)	-	(271.27)	-	-	-	-	-	(271.27)
Disposals	-	-	-	(1,427.81)	(0.33)	(47.76)	(88.39)	(1,564.30)
Translation adjustment	99.59	-	510.15	1,176.57	51.41	76.83	5.04	1,919.58
As at March 31, 2020	5,895.31	344.40	25,053.62	62,659.89	1,802.86	2,872.37	3,341.40	1,01,969.85
Additions	-	-	2,935.85	4,859.04	17.03	243.39	289.43	8,344.74
Disposals	-	-	(340.53)	(1,777.27)	(28.61)	(170.82)	(198.47)	(2,515.70)
Translation adjustment	(33.08)	-	(111.85)	303.46	(17.44)	26.54	(1.80)	165.83
As at March 31, 2021	5,862.23	344.40	27,537.09	66,045.12	1,773.84	2,971.48	3,430.56	1,07,964.72
Accumulated depreciation								
As at April 01, 2019	-	16.61	6,974.65	29,904.85	1,216.24	1,583.75	2,289.63	41,985.73
Charge for the year	-	7.96	1,237.00	4,627.08	98.00	323.76	239.26	6,533.06
Transfer to RoU (Refer Note 4)	-	(1.38)	-	-	-	-	-	(1.38)
Disposals	-	-	-	(1,094.44)	(0.29)	(39.27)	(70.86)	(1,204.86)
Translation adjustment	-	-	100.61	328.01	40.95	28.22	3.42	501.21
As at March 31, 2020	-	23.19	8,312.26	33,765.50	1,354.90	1,896.46	2,461.45	47,813.76
Charge for the year	-	7.96	1,705.19	4,670.99	122.31	271.65	289.69	7,067.79
Disposals	-	-	(21.72)	(691.83)	(26.74)	(158.77)	(165.45)	(1,064.51)
Translation adjustment	-	-	(14.33)	(68.11)	(14.43)	4.53	(1.39)	(93.73)
As at March 31, 2021	-	31.15	9,981.40	37,676.55	1,436.04	2,013.87	2,584.30	53,723.31
Net block as at March 31, 2020	5,895.31	321.21	16,741.36	28,894.39	447.96	975.91	879.95	54,156.09
Net block as at March 31, 2021	5,862.23	313.25	17,555.69	28,368.57	337.80	957.61	846.26	54,241.41

A Contractual obligations

Refer note 47(B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

B Property, plant and equipment pledged as security

Refer note 56 for information on property, plant and equipment pledged as security by the Group.



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 2 Property, plant and equipment (Contd..)

#### C Leased assets

Leasehold land includes the following amount where Group is a lessee under a finance lease.

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Leasehold land</b>		
Cost	-	269.89
Accumulated depreciation	-	-
Transfer to RoU (Refer Note 4)	-	269.89
<b>Net carrying amount</b>	<b>-</b>	<b>-</b>

### 3 Capital work-in-progress

Particulars	As at March 31, 2021	As at March 31, 2020
Capital work-in-progress	3,268.00	1,724.96
	<b>3,268.00</b>	<b>1,724.96</b>

#### Movement in capital work in progress:

Particulars	Amount
<b>Capital work-in-progress as at April 01, 2019</b>	4,218.05
Add: Additions during the year	1,125.06
Less: Capitalisation during the year	(3,618.15)
<b>Capital work-in-progress as at March 31, 2020</b>	<b>1,724.96</b>
<b>Capital work-in-progress as at April 01, 2020</b>	1,724.96
Add: Additions during the year	3,092.00
Less: Capitalisation during the year	(1,548.96)
<b>Capital work-in-progress as at March 31, 2021</b>	<b>3,268.00</b>

#### Capitalised borrowing cost

The borrowing costs capitalised during the year ended March 31, 2021 was Nil (March 31, 2020: ₹ 73.64).

### 4 Right of use assets

#### Adoption of Ind AS 116 “Leases”

The Group has taken various premises on operating lease for its warehouses and office spaces. With effect from April 1, 2019, the Group has adopted Ind AS 116, ‘Leases’ retrospectively with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (April 1, 2019). Accordingly, the Group is not required to restate the comparative information for the year ended March 31, 2019.

“As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, on April 01, 2019, the Group has recognised, a lease liability amounting to ₹ 17,024.34 measured at the present value of the remaining lease payments. Correspondingly the Group has also recognised right-of-Use (RoU) asset amounting to ₹ 16,589.08 at its carrying amount as if the standard had been applied since the lease commencement date but discounted using the lessee’s incremental borrowing rate as at April 1, 2019, adjusted for the prepaid or accrued lease payment amounting to ₹ 52.61 that existed at the date of transition. This has resulted in an adjustment to the opening balance of retained earnings amounting to ₹ 487.88. As at March 31, 2020 ₹ 26,942.30 of Right-of-use assets and ₹ 27,807.75 of lease liabilities is recognised. Also, in relation to those leases under Ind AS 116, the Group has recognised depreciation and finance cost, instead of operating lease expense. During the year ended March 31, 2020, the Group recognised ₹ 1,982.32 of depreciation charges and ₹ 824.00 of

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 4 Right of use assets (Contd..)

#### Adoption of Ind AS 116 “Leases” (Contd..)

finance costs from these leases.

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Following are the changes in the carrying value of right of use assets

Particulars	Plant and machinery	Vehicle	Building	Land	Total
<b>Balance as at March 31, 2019</b>	-	-	-	-	-
Recognition of right of use asset as on transition date	328.38	-	16,260.70	-	16,589.08
Reclassification on account of adoption of Ind AS 116 (Refer note 2)	-	-	-	269.89	269.89
Additions	-	-	11,884.76	180.90	12,065.66
Depreciation	52.58	-	1,920.66	9.09	1,982.33
<b>Net Carrying value as at March 31, 2020</b>	<b>275.80</b>	<b>-</b>	<b>26,224.80</b>	<b>441.70</b>	<b>26,942.30</b>
Additions	1,298.94	238.61	-	86.47	1,624.01
Depreciation	158.12	4.49	2,841.27	23.20	3,027.06
Translation reserve	(0.71)	(0.04)	(395.42)	-	(396.17)
<b>Net Carrying value as at March 31, 2021</b>	<b>1,415.91</b>	<b>234.08</b>	<b>22,988.11</b>	<b>504.97</b>	<b>25,143.07</b>

#### (i) The following is the break-up of current and non-current lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current lease liabilities	3,740.94	2,887.62
Non- current lease liabilities	24,278.61	24,920.13
<b>Total</b>	<b>28,019.55</b>	<b>27,807.75</b>

The Group has leases for plant and machinery, Vehicle, Building and land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group has considered automatic extension option available for building leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease period.

#### (ii) Nature of the Group leasing activities by type of right-of-use asset recognised on balance sheet:

Right to use	Plant and machinery	Vehicle	Building	Land
Range of remaining lease term	0.67-6 years (1-2 years)	4 years (Nil)	5-8.5 years (9-16 years)	5-95 years (7 years)
Number of lease with extention options	5 (3)	1 (Nil)	4 (4)	3 (2)
Number of lease with termination option	- (-)	- (-)	- (-)	- (-)

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 4 Right of use assets (Contd..)

#### Adoption of Ind AS 116 “Leases” (Contd..)

(iii) The following are amounts recognised in profit or loss:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation expense of right-of-use assets	3,027.06	1,982.32
Interest expense on lease liabilities	1,069.40	824.00

iv) Total cash outflow for leases for the year ended March 31, 2021 was ₹ 3,529.07 (March 31, 2020 was ₹ 2,003.10).

### 5 Intangible assets

Description	Goodwill	Brand / Trademarks	Customer relationships	Non compete agreement	Intellectual property	Computer software	Total
<b>Gross carrying value</b>							
As at April 01, 2019	5,711.82	5,352.45	381.00	920.17	1,350.09	1,105.46	14,820.99
Additions	-	-	-	-	-	11.89	11.89
Translation adjustment	873.74	-	150.81	49.59	169.80	-	1,243.94
<b>As at March 31, 2020</b>	<b>6,585.56</b>	<b>5,352.45</b>	<b>531.81</b>	<b>969.76</b>	<b>1,519.89</b>	<b>1,117.35</b>	<b>16,076.82</b>
Additions	-	-	-	-	-	98.83	98.83
Translation adjustment	(326.43)	(143.93)	40.41	10.24	36.35	-	(383.35)
<b>As at March 31, 2021</b>	<b>6,259.13</b>	<b>5,208.52</b>	<b>572.22</b>	<b>980.00</b>	<b>1,556.24</b>	<b>1,216.18</b>	<b>15,792.31</b>
<b>Accumulated amortisation</b>							
As at April 01, 2019	3,295.38	266.98	101.83	267.26	626.54	1,016.52	5,574.51
Amortisation for the year	326.91	6.87	40.15	133.07	80.05	34.79	621.84
Translation adjustment	419.24	-	(0.46)	(13.89)	(22.37)	-	382.53
<b>As at March 31, 2020</b>	<b>4,041.53</b>	<b>273.85</b>	<b>141.51</b>	<b>386.45</b>	<b>684.22</b>	<b>1,051.31</b>	<b>6,578.88</b>
Amortisation for the year	212.97	212.30	42.05	62.92	209.97	13.48	753.69
Disposals	-	-	-	-	-	-	-
Translation adjustment	(149.49)	2.94	0.58	0.36	4.89	-	(140.72)
<b>As at March 31, 2021</b>	<b>4,105.01</b>	<b>489.09</b>	<b>184.14</b>	<b>449.73</b>	<b>899.08</b>	<b>1,064.79</b>	<b>7,191.85</b>
<b>Net block as at March 31, 2020</b>	<b>2,544.03</b>	<b>5,078.60</b>	<b>390.30</b>	<b>583.31</b>	<b>835.67</b>	<b>66.03</b>	<b>9,497.94</b>
<b>Net block as at March 31, 2021</b>	<b>2,154.12</b>	<b>4,719.43</b>	<b>388.08</b>	<b>530.27</b>	<b>657.16</b>	<b>151.40</b>	<b>8,600.46</b>

The goodwill is related to subsidiary Company, LT Overseas North America, Inc., which is identified as Cash generating unit (CGU) for the purpose of impairment testing. The goodwill has been evaluated based on the cashflow forecasts of the related cash generating unit (CGU) and the recoverable amounts of these CGU exceeded their carrying amounts. The estimated value in use of cash generating units (CGU) is based on the future cash flows using annual growth rate of up to 5% for future period of 5 years and weighted average cost of capital is 1.95%, the terminal growth rate is considered as up to 1%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable probable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. The discount rate was estimated based on past experience and average weighted average cost of capital of the CGU/Market to which assessment is done. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external factors.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 6 Investments accounted for using the equity method

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments carried at cost (unquoted)</b>		
<b>Investments in associates and joint venture</b>		
<b>(a) In associate companies</b>		
- Raghuvesh Warehousing Private Limited 1,600,000 (March 31, 2020: 1,600,000) equity shares of ₹10 each	450.81	457.85
- Raghuvesh Agri Foods Private Limited 1,600,000 (March 31, 2020: 1,600,000) equity shares of ₹10 each	372.68	389.36
- Raghuvesh Infrastructure Private Limited 15,000 (March 31, 2020: 15,000) equity shares of ₹ 10 each	50.33	-
	<b>873.82</b>	<b>847.21</b>
<b>b) In joint venture</b>		
- Daawat Kameda India Private Limited 24,056,359 (March 31, 2020: 24,056,359) equity shares of ₹10 each	1,543.08	2,000.88
	<b>1,543.08</b>	<b>2,000.88</b>
<b>Investments carried at cost*</b>	<b>2,416.90</b>	<b>2,848.09</b>

\* Refer reconciliation to carrying values of investment in associates and joint venture in note 57

### 7 Non-current investments

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Investments at fair value through Profit and Loss</b>		
Key man insurance policies	455.04	352.29
Equity instruments - Quoted	0.21	0.21
Equity instruments - Unquoted	0.05	135.05
	<b>455.30</b>	<b>487.55</b>
<b>Details of investment is as follows:</b>		
<b>Investments at fair value through Profit and Loss</b>		
<b>Keyman insurance policies</b>	455.04	352.29
<b>Equity instruments - Quoted</b>		
Fully paid-up equity shares (quoted)		
2,300 (March 31, 2020: 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.21	0.21
<b>Equity instruments - Unquoted</b>		
<b>Fully paid-up equity shares (unquoted)</b>		
Nil (March 31, 2020: 1,350,000) equity shares of Express Warehousing Limited of ₹ 10 each	-	135.00
500 (March 31, 2020: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
	<b>0.05</b>	<b>135.05</b>
	<b>455.30</b>	<b>487.55</b>
<b>Aggregate amount of :</b>		
Quoted investments	0.21	0.21
Market value of quoted investments	0.21	0.21
Unquoted investments	455.09	487.34
	<b>455.30</b>	<b>487.55</b>



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

8 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	1,260.63	916.72
Loans and advances to related parties	198.97	-
Loan to employees	35.44	94.51
	1,495.04	1,011.23

Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good-Secured	-	-
Loans considered good-Unsecured	1,495.04	1,011.23
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	1,495.04	1,011.23

\*Includes receivables from related parties (refer note 52)

Raghuvesh Agri Foods Private Limited	185.45	-
Raghuvesh Warehousing Private Limited	13.52	-

9 Other non-current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative component of compound financial instrument	0.99	0.99
Receivable from insurance Company**	13,410.53	13,410.53
Bank deposits with maturity of more than 12 months*	220.06	755.55
	13,631.58	14,167.06

\* ₹ 147.71 (March 31, 2020: ₹ 755.55) represents deposits with maturity more than 12 months, held by the Group and are not available for use by the Group, as these are pledged.

\*\* The Group has Insurance claim recoverable (classified into non-current assets) amounting to ₹ 13,410.53 as at March 31, 2021. The claim is attributable to the loss of raw material, incurred by the Group, due to major fire which had occurred in the works premises of the Subsidiary Company in India in FY 2014-15. The Group had recognized the insurance claim recoverable (asset) amounting to ₹ 17,810.88 in FY 2014-15, based on management's assessment of loss amount and positive outcome in the surveyors' reports then appointed by the Insurance Agency. Later on, the Insurance Agency repudiated the insurance claim vide its order dated February 4, 2016, against which the Subsidiary Company had filed a civil suit with District Court of Raipur, Bhopal, the outcome of which is pending. On the basis of developments in the case including the surveyor's report (subsequent to reports submitted by surveyors appointed by the Insurance Agency during the initial phase and which were the basis for the Group to recognize such asset), the Group had written off claim amounting to ₹ 4,400 in FY 2015-16. The Group, based on management's assessment of facts of the case and opinion obtained from the external legal counsels, has concluded that it holds merits and good probability to win the case, as the claim has irregularly been repudiated.

Refer note 49 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 50 - Financial risk management for assessment of expected credit losses.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

10 Deferred tax asset/liability (net)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>On temporary difference between the book base and tax base</b>		
<b>Deferred tax assets arising on account of</b>		
Property, plant and equipment, investment property and intangible assets	358.72	363.27
Provision for employee benefits	35.89	119.46
Impairment of trade receivables	165.30	390.38
Ind AS 116 impact	-	59.56
Loss on sale of investment	-	31.33
Impairment in value of investment	72.14	92.56
Unrealised foreign exchange loss on forward contracts	-	496.35
Deferred rent	170.78	118.92
Unrealised profit on inventory	671.81	547.50
Unabsorbed losses	634.32	1,012.24
Others	494.09	230.22
	2,603.05	3,461.79
<b>Deferred tax liabilities arising on account of</b>		
Keyman insurance policy	34.31	85.78
Unrealised foreign exchange gain on forward contracts	206.83	-
	241.14	85.78
	2,361.91	3,376.01
<b>Deferred tax assets (net)</b>		
<b>Deferred tax liabilities (net)</b>		
On temporary difference between the book base and tax base		
Deferred tax liability arising on account of:		
Property, plant and equipment and intangible assets	419.16	188.38
Key man insurance policy	77.94	-
Unrealised foreign exchange gain on forward contracts	104.46	-
	601.56	188.38
<b>Deferred tax asset arising on account of:</b>		
Provision for employee benefits	79.90	-
Impairment of trade receivables	23.86	-
Ind AS 116 impact	34.25	-
Deferred government grant	53.27	-
	191.28	-
	410.28	188.38

Movement in deferred tax assets (net)

Particulars	April 01, 2019	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2020
<b>Deferred tax assets arising on account of</b>					
Property, plant and equipment, investment property and intangible assets	34.49	-	-	140.40	174.89
Provision for employee benefits	216.66	-	45.85	(143.05)	119.46
Provision for doubtful debts	116.74	-	-	273.63	390.38
Ind AS 116 impact	-	-	-	59.56	59.56
Loss on sale of investment	-	-	-	31.33	31.33
Impairment in value of investment	115.64	-	-	(23.08)	92.56

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 10 Deferred tax asset/liability (net) (Contd..)

#### Movement in deferred tax assets (net) (Contd..)

Particulars	April 01, 2019	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2020
Unrealised foreign exchange loss on forward contracts	-	-	970.29	(473.94)	496.35
Minimum alternate tax	3.54	-	-	(3.54)	-
Deferred rent	14.64	-	-	104.27	118.92
Unrealised profit on inventory	426.88	-	-	120.63	547.50
Unabsorbed losses	-	-	-	1,012.24	1,012.24
Others	701.95	250.40	-	(722.13)	230.22
	<b>1,630.55</b>	<b>250.40</b>	<b>1,016.14</b>	<b>376.32</b>	<b>3,273.41</b>
<b>Deferred tax liabilities arising on account of</b>					
Keyman insurance policy	83.15	-	-	2.63	85.78
Unrealised foreign exchange gain on forward contracts	685.55	-	-	(685.55)	-
	<b>768.70</b>	<b>-</b>	<b>-</b>	<b>(682.92)</b>	<b>85.78</b>
<b>Net Deferred tax assets</b>	<b>861.85</b>	<b>250.40</b>	<b>1,016.14</b>	<b>1,059.24</b>	<b>3,187.63</b>

Particulars	April 01, 2020	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2021
<b>Deferred tax assets arising on account of</b>					
Property, plant and equipment, investment property and intangible assets	174.89	(5.37)	-	(229.96)	(60.44)
Provision for employee benefits	119.46	-	(12.42)	8.75	115.79
Provision for doubtful debts	390.38	5.84	-	(207.06)	189.16
Ind AS 116 impact	59.56	-	-	(25.31)	34.25
Loss on sale of investment	31.33	-	-	(31.33)	-
Impairment in value of investment	92.56	2.12	-	(22.54)	72.14
Unrealised foreign exchange loss on forward contracts	496.35	-	(452.92)	(43.43)	-
Deferred government grant	-	-	-	53.27	53.27
Deferred rent	118.92	-	-	51.86	170.78
Unrealised profit on inventory	547.50	-	-	124.31	671.81
Unabsorbed losses	1,012.24	26.13	-	(404.05)	634.32
Others	230.22	64.63	-	199.24	494.09
	<b>3,273.41</b>	<b>93.35</b>	<b>(465.34)</b>	<b>(526.25)</b>	<b>2,375.17</b>
<b>Deferred tax liabilities arising on account of</b>					
Keyman insurance policy	85.78	-	-	26.47	112.25
Unrealised foreign exchange gain on forward contracts	-	-	311.29	-	311.29
	<b>85.78</b>	<b>-</b>	<b>311.29</b>	<b>26.47</b>	<b>423.54</b>
<b>Net Deferred tax assets</b>	<b>3,187.63</b>	<b>93.35</b>	<b>(776.63)</b>	<b>(552.72)</b>	<b>1,951.63</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 11 Other non-current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	27.77	20.16
Capital advances (considered good -Unsecured)	785.84	639.23
Interest accrued and due on advance for property	39.36	-
	<b>852.97</b>	<b>659.39</b>

### 12 Non-current tax assets

Particulars	As at March 31, 2021	As at March 31, 2020
Income tax assets (Net of provisions)	4,135.19	3,919.89
	<b>4,135.19</b>	<b>3,919.89</b>

### 13 Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material* (Refer Note (a) below)	52,623.00	51,304.49
Semi-finished goods* (Refer Note (a) below)	87,960.68	62,892.41
Work-in-progress*	182.63	164.96
Finished goods* (including goods in transit of ₹ 8,072.64 (March 31, 2020: ₹ 9,268.58))	68,820.15	46,723.75
Traded goods	5,841.81	6,510.70
Stores and spares	806.75	968.44
Packing material	3,018.52	2,845.94
Bardana	2,879.36	3,408.98
Others	148.51	202.99
	<b>2,22,281.41</b>	<b>1,75,022.66</b>

\* The interest capitalised as at March 31, 2021 is ₹ 3,125.58 (March 31, 2020 ₹ 3,384.78).

Note (a):- Includes Inventory lying with third parties ("Suppliers") on behalf of the Company and its subsidiary Company amounting to ₹ 18,710.63 (March 31, 2020: ₹ Nil) under agency relationship against which Company and its subsidiary Company had paid advance amounting to ₹ 3,779.18 and remaining amount of ₹ 14,931.45 is classified under trade payables as at March 31, 2021.

### 14 Trade receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables*	49,419.69	62,691.68
Less: Allowance for expected credit loss	(747.16)	(728.37)
	<b>48,672.53</b>	<b>61,963.31</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 14 Trade receivables (Contd..)

#### Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	48,672.53	61,963.31
Trade receivables - credit impaired	747.16	728.37
<b>Total</b>	<b>49,419.69</b>	<b>62,691.68</b>
Loss allowance	(747.16)	(728.37)
<b>Total trade receivables</b>	<b>48,672.53</b>	<b>61,963.31</b>

\* Includes receivables from related parties (refer note 52)

Oswal Woollen Mills Limited	13.38	11.11
Raghuvesh Warehousing Private Limited	-	0.41
Global Foods Trading Gmbh	3,074.89	2,837.24
Sidhu Food B.V.	109.35	75.91
Daawat Kameda India Private Limited	38.21	26.81
L T F Food Trading LLC	-	21.83

#### Transferred receivables

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

The relevant carrying amounts are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Total transferred receivables	-	1,086.31
Associated secured borrowing	-	1,086.31

(i) No trade receivables are due from Director or other officers of the Group either severally or jointly with any other persons.

### 15 Cash and cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks in current accounts	1,599.64	1,755.00
Cash on hand	85.07	158.61
	<b>1,684.71</b>	<b>1,913.61</b>

Note: There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative year.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 16 Bank balances other than cash and cash equivalent

Particulars	As at March 31, 2021	As at March 31, 2020
Unpaid dividend accounts (earmarked)	33.51	38.88
Deposits with original maturity more than 3 months and less than 12 months	1,278.82	539.32
	<b>1,312.33</b>	<b>578.20</b>

(i) ₹ 1,155.19 (March 31, 2020: ₹ 539.32) represents deposits with original maturity more than 3 months and remaining maturity less than 12 months, held by the Group and are not available for use by the Group, as these are pledged.

(ii) Refer note 49 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 50 - Financial risk management for assessment of expected credit losses.

### 17 Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits	251.64	159.37
Loans and advances to others*	225.00	573.58
Loan to employees	145.30	151.45
	<b>621.94</b>	<b>884.40</b>

\*Includes inter corporate deposits recoverable from related parties (refer note 52)

Raghuvesh Agri Foods Private Limited	100.00	328.49
Raghuvesh Warehousing Private Limited	125.00	245.09

#### Break-up of security details

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good-Secured	-	-
Loans considered good-Unsecured	621.94	884.40
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>621.94</b>	<b>884.40</b>

### 18 Other current financial assets

Particulars	As at March 31, 2021	As at March 31, 2020
Derivative assets	1,234.28	-
Advances recoverable in cash	-	10.73
Interest accrued but not due on fixed deposits	7.04	1.01
Subvention on interest expense receivable	-	1.28
Export incentive recoverable	323.89	170.01
Margin money recoverable	1,214.71	573.44
Insurance claim recoverable	80.62	-
Others	99.86	360.25
	<b>2,960.40</b>	<b>1,116.72</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 19 Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid expenses	3,175.15	3,241.18
Staff advances	372.19	975.78
Balances with government authorities	1,689.44	1,236.90
Advances recoverable in kind	273.91	345.91
Advance to suppliers	11,996.03	15,964.45
	<b>17,506.72</b>	<b>21,764.22</b>

\* Includes receivables from related parties (refer note 52)

Gursajan Arora	139.18	104.56
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### 20 Share capital

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised</b>		
360,000,000 Equity shares of ₹ 1 each (March 31, 2020 : 360,000,000 equity shares of ₹ 1 each)	3,600.00	3,600.00
<b>Issued, subscribed and paid up</b>		
319,844,780 equity shares of ₹ 1 each (March 31, 2020 : 319,844,780 equity shares of ₹ 1 each)	3,198.45	3,198.45
	<b>3,198.45</b>	<b>3,198.45</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,198.45	3,198.45	3,198.45	3,198.45
Changes during the year	-	-	-	-
<b>Equity shares at the end of the year</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>

#### (b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having the par value of ₹ 1 per share (March 31, 2020: ₹1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2021 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1 per share (March 31, 2020: ₹ 0.65 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.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 20 Share capital (Contd..)

#### (c) Details of shareholders holding more than 5% shares in the group (Contd..)

Particulars	As at March 31, 2021		As at March 31, 2020	
	No of shares	% holding	No of shares	% holding
Mr. Ashwani Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Surinder Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Gurucharan Dass Arora	2,12,86,920	6.66%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Raghuvesh Holdings Private Limited	3,33,84,472	10.44%	3,33,49,472	10.43%
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
DSP Investment Managers Private Limited	1,10,83,075	3.47%	1,61,73,684	5.06%
	<b>15,77,02,147</b>	<b>49.33%</b>	<b>16,27,57,756</b>	<b>50.91%</b>

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

### 21 Other equity

Particulars	As at March 31, 2021	As at March 31, 2020
<b>(i) Retained earnings</b>		
Opening balance	95,690.94	80,341.26
Add: Net profit for the current year	27,404.90	18,450.42
- Remeasurements of post-employment benefits obligation (net of taxes)	44.00	(106.53)
Impact on account of adoption of Ind AS 116	-	(487.88)
Less : Equity dividend *	(3,198.38)	(2,078.99)
Less : Corporate dividend tax	-	(427.34)
	<b>1,19,941.46</b>	<b>95,690.94</b>

\*During the year, the Board of Directors of the Company have declared and approved interim dividend amounting to ₹ 319,844,780, which have been duly paid. The amount is disclosed in ₹ Lakhs and rounded off appropriately in Consolidated statement of changes in equity..

<b>(ii) General reserve</b>		
Opening balance	1,816.80	1,816.80
Change during the year	-	-
<b>Closing balance</b>	<b>1,816.80</b>	<b>1,816.80</b>
<b>(iii) Securities premium reserve</b>		
Opening balance	44,456.10	44,456.10
Change during the year	-	-
<b>Closing balance</b>	<b>44,456.10</b>	<b>44,456.10</b>
<b>iv) Cash flow hedge reserve</b>		
Opening balance	(2,454.43)	1,445.18
Change during the year	3,285.76	(3,899.61)
<b>Closing balance</b>	<b>831.33</b>	<b>(2,454.43)</b>
<b>v) Foreign currency translation reserve</b>		
Opening balance	5,425.51	1,654.38
Change during the year	(120.99)	3,771.13
<b>Closing balance</b>	<b>5,304.52</b>	<b>5,425.51</b>
<b>Total other equity</b>	<b>1,72,350.21</b>	<b>1,44,934.92</b>



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

21 Other equity (Contd..)

Nature and purpose of other reserves

General reserve:

The Group has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Statement of Profit and Loss when the net investment is disposed-off.

Cash flow hedging reserve

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

22 Non-controlling interests

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	11,784.90	10,542.28
Share of profit for the year	1,502.91	1,480.07
Share of other comprehensive income for the year	188.78	(237.35)
Closing balance	13,476.59	11,784.90

23 Long term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured:		
Term loans		
From banks	19,133.75	20,499.78
Vehicle loans		
From banks	144.59	160.01
From others	-	13.38
Unsecured:		
Term loans		
From banks	977.40	-
Liability component of compound financial instrument - net of transaction costs*	2,709.43	2,339.06
	22,965.17	23,012.23
Current maturities of long-term borrowings (Refer note 30)		
Term loans	3,580.14	2,728.38
Vehicle loans	50.08	90.14
	3,630.22	2,818.52
	26,595.39	25,830.75

\* In one of the subsidiary Company, Nature Bio Foods Limited, during the previous year ended 2018-2019, the subsidiary Company had issued 2,398,000 number of 0.01% cumulative compulsory convertible preference shares (CCCPS) having face value of ₹ 10 at a premium of ₹ 240 through private placement of shares. Out of the total, 2,374,020 CCCPS were subscribed by India Agri Business Fund II and 23,980 CCCPS were subscribed by Real Trust II, CCCPS carries cumulative dividend of 0.01% p.a. CCCPS shall be converted into equity shares and in any event at the expiry of 8 year from the Tranche I completion date. As at March 31, 2021, ₹ 3,952.90 (March 31, 2020 : ₹ 3,952.90) considered as equity component , ₹ 2,695.23 (March 31, 2020 : ₹ 2,339.06) considered as liability component and ₹ 0.99 (March 31, 2020 : ₹ 0.99) considered as derivative component. The remaining amount of ₹ 14.20 (March 31, 2020: Nil) pertains to other subsidiary Company in the Group.

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

23 Long term borrowings (Contd..)

Name of the bank	No of instalments	Total amount of instalment	As at March 31, 2021	As at March 31, 2020
a) Term loans				
Indusind Bank (refer point A part (i) for interest rate and refer point C part (i) for security)	60 equal monthly	240.00	900.00	-
Rabobank (refer point A part (ii) for interest rate and refer point C part (ii) for security)	47 equal quarterly	389.09	15,741.74	17,902.67
Mashreq Bank (refer point A part (ii) for interest rate and refer point C part (iii) for security)	180 equal monthly	6.58	264.36	290.34
Punjab National Bank (refer point A part (i) for interest rate and refer point C part (iv) for security)	18 equal monthly EMI	23.33	140.00	-
State Bank of India (refer point A part (i) for interest rate and refer point C part (v) for security)	18 equal monthly EMI	67.00	1,065.55	-
STCI Finance Limited (refer point A part (i) for interest rate and refer point C part (vi) for security)	Bullet payment on February 14, 2021	-	-	216.21
Rabobank (refer point A part (ii) for interest rate and refer point C part (vii) for security)	96 monthly	0.21 Euro monthly till July 01, 2018 and thereafter 0.91 Euro	4,202.24	4,818.94
Punjab National Bank (refer point A part (i) for interest rate and refer point C part (viii) for security)	18 equal monthly EMI	23.63	400.00	-
			22,713.89	23,228.16
b) Vehicle loans (refer point A part (iii) for interest rate and point C part (ix) for security)"				
HDFC Bank	36 - 60 equal monthly	1.41	39.21	49.37
HDFC Bank	36 - 48 equal monthly	2.12	8.62	33.95
ICICI Bank	60 equal monthly	1.99	87.14	-
Yes Bank	60 equal monthly	1.04	33.32	42.30
Toyota Financial Services India Limited	36 equal monthly	0.63	-	6.59
Oriental Bank of Commerce	60 equal monthly	1.67	-	13.20
Daimler Financial Services India Private Limited	36 - 48 equal monthly	4.05	-	45.73
HDFC Bank	37 equal monthly	1.50	15.72	47.29
Yes Bank	37 equal monthly	0.60	2.13	10.21
Bank of Baroda	48 equal monthly	0.49	8.53	14.90
			194.67	263.54

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 23 Long term borrowings (Contd..)

Name of the bank	No of instalments	Total amount of instalment	As at March 31, 2021	As at March 31, 2020
<b>c) Unsecured term loan</b>				
Mechanics Bank (refer point A part (iv) for interest rate)	18 equal monthly EMI	55.01	977.40	-
			<b>23,885.96</b>	<b>23,491.70</b>

#### A. Details of interest rate for each type of borrowings

- The interest on above Rupee term loans from banks are linked to the respective banks base rates/MCLR which are floating in nature. As of March 31, 2021 the interest rates ranges from 6.50% to 10.75% per annum (March 31, 2020: 10.50% to 13.15% per annum).
- The interest on above foreign currency term loans from banks are linked to the LIBOR/EIBOR which are floating in nature. As of March 31, 2021 the interest rates ranges from LIBOR plus 1.5% to 1.75% per annum (March 31, 2020: LIBOR plus 1.5% to 2.5% per annum) and EIBOR plus 4.99% per annum (March 31, 2020: EIBOR plus 4.99% per annum)
- The interest on above vehicle loans from banks and financial institutions are linked to the respective base rates/MCLR which are fixed in nature. As of March 31, 2021 the interest rates ranges from 7.95% to 9.71% per annum (March 31, 2020: 7.95% to 11.35% per annum).
- The interest on above unsecured term loan from bank is 1% on simple interest basis.

#### B. Details of guarantee for each type of borrowings

Guaranteed by few of the Directors	As at March 31, 2021	As at March 31, 2020
Term loans		
From banks	2,505.56	216.21
From others	-	-
	<b>2,505.56</b>	<b>216.21</b>

#### C. Details of security for each type of borrowing :

- Rupee term loan from Indusind Bank amounting to ₹ 900.00 (previous year: Nil) availed by the Ecopure Specialities Limited (Subsidiary Company) is secured against charge on movable and immovable fixed asset (both current and future) of the Subsidiary Company, Corporate Guarantee and personal guarantee of few of the Directors of the Company and few of their relatives.
- USD Term loan amounting to USD 214.16 (previous year: USD 227.46) equivalent ₹ 15,741.74 (previous year: ₹ 17,902.67) from Rabobank as availed by LT Foods America Inc. (Subsidiary Company) is secured by mortgage against Plant and machinery, real estate located in US, trade receivables including inter Company receivables, inventory and cash and bank and Corporate Guarantee of LT Overseas North America, Inc.
- AED Term loan from Mashreq Bank amounting AED 13.68 (previous year: AED 14.86) equivalent ₹ 264.36 (previous year: ₹ 290.34) availed by LT Foods Middle East DMCC (Subsidiary Company) is secured by office property and undated cheques of the subsidiary Company.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 23 Long term borrowings (Contd..)

#### C. Details of security for each type of borrowing : (Contd..)

- Rupee term loan from Punjab National Bank amounting to ₹ 140.00 (previous year: Nil) availed by the Raghunath Agro Industries Private Limited (Subsidiary Company) is secured against land, building, inventory, trade receivables of the subsidiary Company and Corporate Guarantee and personal guarantee of few of the Directors of the Company and few of their relatives.
- Rupee term loan from State Bank of India amounting to ₹ 1065.55 (previous year: Nil) availed by the Daawat Foods Limited (Subsidiary Company) is secured against first pari passu charge with other banks on reciprocal basis on the entire current assets of the Subsidiary Company existing as well as future and second pari passu charge on reciprocal basis on the entire fixed assets (present as well as future) of the Subsidiary Company, Corporate Guarantee and personal guarantee of few of the Directors of the Company and few of their relatives.
- Rupee term loan from STCI Finance Limited amounting to Nil (previous year: ₹ 216.21) availed by the Daawat Foods Limited (Subsidiary Company) was secured against pledge of shares held by and corporate guarantee of Raghuvesh Holdings Private Limited in which Directors are interested. It is further secured by personal guarantee of few of the Directors of the Company and few of their relatives.
- Euro Term loan amounting to Euro 57.17 (previous year: Euro 63.69) equivalent ₹ 4,202.24 (previous year: ₹ 4,818.94) from Rabobank as availed by LT Foods Europe B.V. (Subsidiary Company) is secured by mortgage against real estate, trade receivables including inter Company receivables, inventory and cash and bank and Corporate Guarantee of LT Overseas North America, Inc.
- Rupee term loan from Punjab National Bank amounting to ₹ 400 (previous year : Nil) availed by the Daawat Foods Limited (Subsidiary Company) is secured against first pari passu charge with other banks on reciprocal basis on the entire current assets of the Subsidiary Company existing as well as future and second pari passu charge on reciprocal basis on the entire fixed assets (present as well as future) of the Subsidiary Company, Corporate Guarantee and personal guarantee of few of the Directors of the Company and few of their relatives.

- Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed

Refer note 56 for assets pledged as security

#### D. Reconciliation of liabilities arising from financing activities:

The changes in the Group's liabilities arising from financing activities can be classified as follows:

Particulars	Liabilities from financing activities			
	Lease Liability	Long term borrowings*	Short term borrowings*	Total
<b>Net debt as at April 01, 2019</b>	-	26,976.40	1,42,464.12	1,69,440.52
Cash movement:				
- Proceeds	-	3,642.46	2,45,774.88	2,49,417.34
- Repayment	(2,003.10)	(4,788.11)	(2,65,810.53)	(2,72,601.74)
- Interest paid	-	(627.66)	(12,465.23)	(13,092.89)
<b>Non cash movement</b>				
<b>Addition during the year</b>	28,986.85	-	-	28,986.85
- Impact of currency restatement	-	-	1,222.03	1,222.03
- Interest expense	824.00	627.66	11,775.38	13,227.04
- Interest capitalised	-	-	73.64	73.64
<b>Net debt as at March 31, 2020</b>	<b>27,807.75</b>	<b>25,830.75</b>	<b>1,23,034.29</b>	<b>1,76,672.79</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 23 Long term borrowings (Contd..)

#### D. Reconciliation of liabilities arising from financing activities: (Contd..)

Particulars	Liabilities from financing activities			
	Lease Liability	Long term borrowings*	Short term borrowings*	Total
<b>Net debt as at April 01, 2020</b>	27,807.75	25,830.75	1,23,034.29	1,76,672.79
Cash movement:				
- Proceeds	-	3,583.16	2,58,435.75	2,62,018.91
- Repayment	(2,459.67)	(2,818.52)	(2,78,194.81)	(2,83,473.00)
- Interest paid	(1,069.40)	(660.10)	(7,158.32)	(8,887.82)
<b>Non cash movement</b>				
<b>Addition during the year</b>	1,624.01	-	-	1,624.01
- Other adjustments	1,047.46	-	-	1,047.46
- Impact of currency restatement	-	-	(659.59)	(659.59)
- Interest expense	1,069.40	660.10	7,009.72	8,739.22
<b>Net debt as at March 31, 2021</b>	<b>28,019.55</b>	<b>26,595.39</b>	<b>1,02,467.04</b>	<b>1,57,081.98</b>

\* Including Interest accrued but not due on borrowings

### 24 Other non-current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Security deposits from distributors	6.50	7.00
	<b>6.50</b>	<b>7.00</b>

### 25 Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 4)	24,278.61	24,920.13
	<b>24,278.61</b>	<b>24,920.13</b>

### 26 Long-term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Provisions for employee benefits</b>		
Provision for gratuity	743.78	436.61
Provision for compensated absences	264.01	159.13
Employee's end of service benefits	48.84	40.33
	<b>1,056.63</b>	<b>636.07</b>

For disclosures related to provision for employee benefits, refer note 48- Employee benefit obligations

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 27 Other non-current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Deferred government grant	214.44	286.37
Deferred rent	-	410.26
	<b>214.44</b>	<b>696.63</b>

### 28 Short-term borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Secured</b>		
<b>From banks</b>		
Working capital loans	51,333.06	87,077.22
Packing credit in foreign currency	41,387.51	34,623.43
Foreign currency loans	9,647.74	-
Bills discounted	-	1,086.31
	<b>1,02,368.31</b>	<b>1,22,786.96</b>

i) Particulars	As at March 31, 2021	As at March 31, 2020
<b>a) working capital loans</b>		
The working capital loans are secured by hypothecation of current assets including inventories and trade receivables, charge over the office property, land and building, moveable fixed assets except vehicle financed of the Company and few subsidiary companies who has availed the said facility. These are also secured by personal guarantee of few of the Directors of the Company and few of their relatives. In addition, the loans availed by few subsidiary companies are secured by corporate guarantee of the Company.	51,333.06	87,077.22
The working capital loans are repayable on demand and the interest on the above loans from banks are linked to the respective bank base rates MCLR/Libor which are floating in nature. The interest ranges from 3.51% to 12.55% per annum (March 31, 2020: 8.80% to 13.00%) on rupee working capital loan and Libor + 150 basis points to Libor + 175 basis points (March 31, 2020: Libor/Euribor + 150 basis points to Libor/Euribor + 175 basis) on working capital loans obtained by foreign subsidiaries."		
<b>b) Packing credit in foreign currency</b>		
"The packing credit in foreign currency loans are secured by hypothecation of current assets including inventories and trade receivables, charge over the office property, land and building, moveable fixed assets except vehicle financed of the Company and few subsidiary companies who has availed the said facility. These are also secured by personal guarantee of few of the Directors of the Company and few of their relatives. In addition, the loans availed by few subsidiary companies are secured by corporate guarantee of the Company.	41,387.51	34,623.43
The interest rate ranges from Libor + 190 basis points to Libor + 350 basis points (March 31, 2020: Libor + 200 basis points to Libor + 350 basis).		
<b>c) Foreign currency loans</b>		

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 28 Short-term borrowings (Contd..)

i) Particulars	As at March 31, 2021	As at March 31, 2020
The foreign currency loans are secured by hypothecation of current assets including inventories and trade receivables, charge over the office property, land and building, moveable fixed assets except vehicle financed of the Company and few subsidiary companies who has availed the said facility. These are also secured by personal guarantee of few of the Directors of the Company and few of their relatives. In addition, the loans availed by few subsidiary companies are secured by corporate guarantee of the Company.	9,647.74	-
The interest rate on the above loans from banks are linked to the respective Libor/MCLR which are floating in nature. The interest rate ranges from 2.75% to 4.81% (March 31, 2020: Nil) in case of foreign currency loans.		
d) Bills discounted		
Factored receivables is secured by first charge on trade receivables subject to factoring arrangements.	-	1,086.31

Refer note 56 for assets pledged as security

### 29 Trade payables

Particulars	As at March 31, 2021	As at March 31, 2020
Dues to		
Micro and small enterprises	861.07	589.11
Others	49,494.43	25,493.74
	<b>50,355.50</b>	<b>26,082.85</b>

\* Includes payable to related parties (refer note 52)

Daawat Kameda India Private Limited	55.69	-
Super Texfab Private Limited	492.20	633.30
R S Rice & General Mills	5.63	27.64
Raghuvesh Infrastructure Private Limited	-	117.29
Raghuvesh Agri Foods Private Limited	-	8.54
UIPL Innovations Private Limited	64.54	11.15

#### a) Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:

Particulars	As at March 31, 2021	As at March 31, 2020
i) "the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year"		
Principal amount remaining unpaid	859.10	585.36
Interest accrued and remaining unpaid as at year end	1.77	3.75
ii) Amount of interest paid by the group to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	60.99	-

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 29 Trade payables (Contd..)

#### a) Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below: (Contd..)

Particulars	As at March 31, 2021	As at March 31, 2020
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	0.57	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	1.97	3.75
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-

### 30 Other current financial liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturity of long-term debts (refer note 23)	3,630.22	2,818.52
Interest accrued but not due on borrowings	98.73	247.33
Security deposit	11.57	11.50
Unclaimed dividend *	51.65	38.88
Derivative liabilities	-	1,973.23
Other liabilities	2,851.69	4,601.30
	<b>6,643.86</b>	<b>9,690.76</b>

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

### 31 Lease liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities (refer note 4)	3,740.94	2,887.62
	<b>3,740.94</b>	<b>2,887.62</b>

### 32 Other current liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances from customers	5,587.19	5,810.25
Statutory liabilities	681.82	577.99
Deferred government grant	37.59	44.19
Other liabilities*	1,822.90	2,015.46
	<b>8,129.50</b>	<b>8,447.89</b>

\*Includes payable to related parties (refer note 52)

Vijay Kumar Arora	8.28	0.14
Ashwani Kumar Arora	8.07	0.09



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 33 Short term provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits		
Provision for gratuity	136.32	236.52
Provision for compensated absences	59.41	99.43
Others	191.18	-
	<b>386.91</b>	<b>335.95</b>

For disclosures related to provision for employee benefits, refer note 48- Employee benefit obligations

### 34 Current tax liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for income- tax (net of advance tax)	2,059.97	2,422.89
	<b>2,059.97</b>	<b>2,422.89</b>

### 35 Revenue from operations

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Sale of products</b>		
Rice	4,19,535.08	3,81,065.52
Others	43,144.93	30,777.63
<b>Other operating revenue</b>		
Service charges	606.68	656.83
Processing charges	1,045.11	906.65
Rental income (refer note A)	102.74	102.74
	<b>4,64,434.54</b>	<b>4,13,509.37</b>

A The Company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2021 and March 31, 2020 was ₹ 102.74 and ₹ 102.74 respectively. The Company has not executed any non-cancellable operating leases.

### 36 Other income

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Dividend from investments in associates	24.00	-
Profit on sale of property, plant and equipment	36.61	23.37
Interest on fixed deposits with banks	96.60	117.17
Interest others	37.44	128.52
Net gain on foreign currency transactions and translations	-	1,924.85
Profit on sale of investments	26.08	-
Gain on investments carried at fair value through profit and loss	18.83	-
Government grant income (refer note 54)	661.53	482.24
Export incentives	367.50	183.26
Amounts written back	203.38	43.60
Rental income	194.90	217.83
Income from fleet lease	78.19	108.71

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 36 Other income (Contd..)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Gain on Commodity Future Contracts	1,732.27	-
Miscellaneous receipts	704.67	558.64
	<b>4,182.00</b>	<b>3,788.19</b>

The Company has entered into rent agreements as a lessor for area of premises owned by the Company, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2021 and March 31, 2020 was ₹ 194.90 and ₹ 217.83 respectively. The Company has not executed any non-cancellable operating leases.

### 37 Cost of material consumed

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening stock</b>		
Raw Material	51,304.49	63,709.86
Bardana	3,408.98	3,998.14
Packing material	2,845.94	3,408.50
Other	202.99	-
	<b>57,762.40</b>	<b>71,116.51</b>
<b>Add: purchases</b>		
Raw Material	1,39,325.03	1,37,469.64
Bardana	326.59	231.83
Packing material	12,506.13	8,994.47
Other	17,602.33	3,499.48
Rice	1,76,981.62	1,18,322.45
	<b>3,46,741.70</b>	<b>2,68,517.87</b>
<b>Less: closing stock</b>		
Raw Material	36,327.40	51,304.49
Bardana	2,879.36	3,408.98
Packing material	3,018.52	2,845.94
Other	148.51	202.99
	<b>42,373.79</b>	<b>57,762.40</b>
	<b>3,62,130.31</b>	<b>2,81,871.98</b>
<b>Consumption details</b>		
Raw Material	1,54,302.12	1,49,875.01
Bardana	856.21	820.99
Packing material	12,333.55	9,557.03
Other	17,656.81	3,296.49
Rice	1,76,981.62	1,18,322.45
	<b>3,62,130.31</b>	<b>2,81,871.98</b>

### 38 Purchases of stock-in-trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Rice	108.97	-
Others	5,174.23	5,471.10
	<b>5,283.20</b>	<b>5,471.10</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 39 Changes in inventories of finished goods, semi finished goods, work in progress and stock in trade

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Opening Stock</b>		
Semi-finished goods	62,892.41	55,515.60
Finished goods	46,723.75	56,572.77
Work-in-progress	164.96	201.55
Traded goods	6,510.70	4,634.30
<b>Closing stock</b>		
Semi-finished goods	85,545.66	62,892.41
Finished goods	68,820.16	46,723.75
Work-in-progress	182.63	164.96
Traded goods	5,841.81	6,510.70
	<b>(44,098.44)</b>	<b>632.40</b>
Translation reserve	(566.90)	9,104.61
	<b>(44,665.34)</b>	<b>9,737.01</b>

### 40 Employee benefit expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	23,510.76	18,123.17
Contribution to provident and other fund (refer note 48 for employee benefit obligations)	1,312.71	809.96
Staff welfare expenses	955.86	925.43
	<b>25,779.33</b>	<b>19,858.57</b>

### 41 Finance costs

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Interest on working capital loans	5,603.71	10,481.73
Interest on term loans	660.10	627.66
Interest on delay in payment of statutory liabilities	8.92	-
	<b>6,272.73</b>	<b>11,109.39</b>
Less: Interest capitalised	-	(73.64)
Other borrowing cost	2,466.49	2,191.29
	<b>8,739.22</b>	<b>13,227.04</b>

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case 7.54% p.a. (March 31, 2020 - 9.10% p.a.) Also, refer note 2 and 13

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 42 Depreciation and amortisation expense

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Depreciation on</b>		
Property, plant and equipment	7,067.79	6,533.06
Depreciation of right-of-use-assets	3,027.06	1,982.32
Amortisation on Intangible assets	753.69	621.84
	<b>10,848.54</b>	<b>9,137.22</b>

### 43 Other expenses

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Warehouse rent (refer note 4)	4,223.12	3,414.01
Wages and other manufacturing expenses	3,819.55	3,514.96
Equipment expense	1,074.07	777.84
Factory insurance	447.99	200.64
Power and fuel	4,445.55	3,914.68
Security services	422.98	370.34
Repairs		
- Building	177.15	74.85
- Machinery	770.46	744.11
- Others	1,074.08	556.56
Stores and spares consumed	3,763.80	2,950.81
Packing expenses	1,046.41	800.28
Advertisement	3,917.78	3,959.87
Insurance	1,322.45	997.46
Legal and professional charges	4,094.56	2,871.28
Rates and taxes	1,228.93	1,282.11
Donation and charity (refer point B for corporate social responsibility expenditure)	570.85	187.00
Auditors' remuneration (refer point A)	188.46	193.13
Vehicle running and maintenance	236.63	461.32
Commission to selling agents	1,682.35	1,469.72
Clearing and forwarding charges	14,312.94	10,760.82
Freight outward	529.37	4.53
Travelling and conveyance	1,254.93	2,429.58
Loss on sale of fixed assets (net)	4.86	35.19
Trade receivables and other amounts written off	204.46	344.96
Provision for Loss on account of fire	111.42	-
Business promotion expenses	480.28	528.13
Directors' sitting fees	19.80	31.45
Net loss on foreign currency transactions and translations	473.76	-
Provision for doubtful debts	677.52	691.93
Other administrative expenses	3,222.64	3,038.57
Other selling expenses	3,702.27	2,472.58
Loss on commodity future contracts	-	259.43
Miscellaneous expenses	768.95	165.09
	<b>60,270.37</b>	<b>49,503.24</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 43 Other expenses (Contd..)

#### A Auditors' remuneration

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Statutory audit (including fees for limited reviews)	183.88	166.19
Other matters	-	22.56
Out of pocket expenses	4.58	3.13
Goods and services tax / Service tax	-	1.25
	<b>188.46</b>	<b>193.13</b>

#### B Corporate social responsibility expenditure\*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013	347.19	290.61
ii) Amount spent (in cash) during the year on:		
- Construction/acquisition of an asset	-	69.77
- on purpose other than above	357.50	30.45

\*The above figures pertain to the Company and its subsidiaries Company wherever applicable.

### 44 Exceptional items

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Litigation claim	-	421.37
	<b>-</b>	<b>421.37</b>

### 45 Earning per share

Particulars	As at March 31, 2021	As at March 31, 2020
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	27,404.90	18,450.42
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS	3,198.45	3,198.45
Nominal value of each equity share (₹)	1.00	1.00
Earnings per equity share		
Earning per share (basic and diluted) (₹)	8.57	5.77

### 46 Income tax

Particulars	As at March 31, 2021	As at March 31, 2020
<b>The income tax expense consists of the following :</b>		
Current tax	10,339.19	8,823.44
Deferred tax expense /(credit)	552.72	(1,059.24)
<b>Total income tax</b>	<b>10,891.91</b>	<b>7,764.20</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 46 Income tax (Contd..)

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% and the reported tax expense in the Statement of Profit or Loss are as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Accounting profit for the period before Share of profit in Associate and Joint venture</b>	40,230.91	28,491.40
Applicable Indian statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	10,125.32	7,170.72
Expenses disallowable under the income tax act	92.56	82.78
Tax impact of exempted income	-	(12.83)
Difference in overseas tax rate and other foreign entities adjustments	198.91	582.04
Donation and charity	81.83	-
Long term capital loss not carried forward	50.54	(154.96)
Impact of change in tax rates	-	49.94
Interest on CCCPS	89.64	77.77
Prior period unabsorbed losses utilised	(30.06)	-
Others	283.17	(31.25)
<b>Total income tax expense</b>	<b>10,891.91</b>	<b>7,764.20</b>

#### Unrecognised deferred tax assets

For the year ended March 31, 2021	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	-	1.19	-	-	1.19
Unabsorbed depreciation	-	-	-	0.31	0.31
Capital losses	-	114.09	141.53	-	255.62
Unused tax Credit	-	-	-	-	-

For the year ended March 31, 2020	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	0.61	576.99	3.24	-	580.84
Unabsorbed depreciation	-	-	-	71.85	71.85
Capital losses	-	77.74	69.83	-	147.58
Unused tax Credit	4.86	26.05	33.28	-	64.19

No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised by the respective entities.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

47 Contingencies and commitments

Table with 3 columns: Particulars, As at March 31, 2021, and As at March 31, 2020. Row (A) Contingent liabilities includes Income-tax demands, Guarantees given by group, FCI Demand for differential price/freight/ taxes, Customer claims against the group, and Duty saved under EPCG licenses.

- 1 Notes
a) In case of Daawat Foods Limited, the subsidiary Company had filed appeals in previous years against the order of Assessing Officer (AO) before Commissioner of Income tax (CIT (Appeals)) for the Assessment Year 2009-10.
b) In case of LT Foods Limited (Parent Company) has pending appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2008-09 to AY 2010-11 and AY 2012-13 to AY 2014-15 and for AY 2016-17 on the matters over which no relief was provided by CIT (Appeals) amounting to ₹ 1,318.31 (March 31, 2020: ₹ 1,318.31).
The Parent Company's appeal at Income Tax Appellate Tribunal (ITAT) for the AY 2003-04 and AY 2007-08 have been concluded for amounting to ₹ 62.38 (March 31, 2020: ₹ 62.38).
The parent Company's appeal for AY 1999-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹ 213.69 (March 31, 2020: ₹ 213.69) are pending at various level of appeals.
During the financial year 2019-20, the parent Company has received demands during the FY 2019-20, under section 147 for the Assessment Year 2015-16 for ₹ 466.81 (March 31, 2020: ₹ 466.81).
The parent Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).
The parent Company has paid ₹ 1,651.26 (March 31, 2020: ₹ 1,651.26) as per the directions of the Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/ refunded, once the appeals are final.
c) In case of Nature Bio Foods Limited (the subsidiary Company), during the assessment year 2010-11 the Income tax department (Department) has added back ₹ 24.43 on account of various reasons to the total income of the subsidiary Company.
During the assessment year 2013-14, the department has issued notice of Penalty u/s 271 (1) (c) of the Income Tax Act, 1961 demanding ₹ 1.00.
During the assessment year 2014-15, the department has issued notice of Penalty u/s 271 (1) (c) of the Income Tax Act, 1961 demanding ₹ 0.08.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

47 Contingencies and commitments

- (A) Contingent liabilities (Contd..)
During the assessment year 2018-19, the department has issued assessment order u/s 143 (3) of the Income Tax Act, 1961 added back amount of ₹ 1,320,720 and has demanded amount of ₹ 4.49.
d) The management is confident that its position is likely to be upheld in the appeals pending before the various appellate authorities and no liability could arise on the Group on account of these proceedings.
(B) Commitments
Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 1,498.06 (March 31, 2020: ₹ 1,015.10).

48 Employee benefit obligations

Table with 5 columns: Particulars, March 31, 2021 (Current, Non-current), and March 31, 2020 (Current, Non-current). Rows include Gratuity, Compensated absences, and Total.

- A Gratuity
The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972.
Disclosure of gratuity
(i) Amount recognised in the Statement of Profit and Loss is as under:

Table with 3 columns: Description, March 31, 2021, and March 31, 2020. Rows include Current service cost, Interest cost, and Amount recognised in the statement of profit and loss.



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 48 Employee benefit obligations (Contd..)

#### A Gratuity (Contd..)

##### (ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Description	March 31, 2021	March 31, 2020
Actuarial (gain)/loss on arising from change in demographic assumption	(127.02)	34.83
Actuarial (gain)/loss on arising from change in financial assumption	52.56	108.77
Actuarial (gain)/loss on arising from experience adjustment	25.62	3.73
<b>Remeasurement on plan assets</b>		
Return on plan assets (excluding interest)	(0.53)	(1.31)
<b>Total actuarial (gain)/loss recognised in OCI</b>	<b>(49.37)</b>	<b>146.02</b>

##### (iii) Movement in the defined benefit obligation during the year is as under:

Description	March 31, 2021	March 31, 2020
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>1,206.69</b>	<b>889.28</b>
Current service cost	151.42	135.81
Interest cost	69.58	69.17
Actuarial loss/(gain) recognised during the year	(48.84)	155.24
Other adjustments	93.01	-
Benefits paid	(69.72)	(42.82)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,402.14</b>	<b>1,206.69</b>

##### (iv) Change in fair value of assets:

Description	March 31, 2021	March 31, 2020
<b>Fair value of plan assets at the beginning of the year</b>	<b>533.56</b>	<b>366.40</b>
Interest income plan assets	31.42	29.19
Actual contributions	26.25	179.47
Actuarial Gains/(Losses)	0.53	1.32
Benefits paid	(69.72)	(42.82)
<b>Fair value of plan assets at the end of the year</b>	<b>522.04</b>	<b>533.56</b>

##### (v) Actuarial assumptions

Description	March 31, 2021	March 31, 2020
Discount rate	up to 7.09%	up to 7.51%
Retirement age	58 years	58 years
Employee turnover:	up to 17.05%	up to 23.00%
Rate of increase in compensation	up to 10.00%	up to 9.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 48 Employee benefit obligations (Contd..)

#### A Gratuity (Contd..)

##### (vi) Movement in net liability recognised in balance sheet

Description	March 31, 2021	March 31, 2020
Defined benefit obligation	1,402.14	1,206.69
Fair value of plan assets	(522.04)	(533.56)
<b>Liability recognised in the balance sheet</b>	<b>880.10</b>	<b>673.13</b>

##### (vii) Sensitivity analysis for gratuity liability

Description	March 31, 2021	March 31, 2020
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	1,402.14	1,206.69
- Impact due to increase of 1 %	(83.05)	(46.39)
- Impact due to decrease of 1 %	90.95	52.53
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	1,402.14	1,206.69
- Impact due to increase of 1 %	81.53	48.54
- Impact due to decrease of 1 %	(74.69)	(45.43)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

##### (viii) Maturity profile of defined benefit obligation (undiscounted)

Description	March 31, 2021	March 31, 2020
Within next 12 months	141.02	242.65
Between 2-5 years	644.69	445.54
Between 6-10 years	633.68	434.21

##### (ix) Composition of plan assets

Description	March 31, 2021	March 31, 2020
The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and Canara HSBC Oreintal Bank of Commerce Life Insurance Company Limited. The management of the fund is undertaken by the LIC.	522.04	533.56

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 48 Employee benefit obligations (Contd..)

#### B Compensated absences

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

##### (i) Actuarial assumptions

Description	March 31, 2021	March 31, 2020
Discount rate	up to 7.07%	up to 6.78%
Future basic salary increase	up to 10.00%	up to 9.00%
Employee turnover/ Withdrawal rate	up to 17.05%	up to 23.00%
Leave availment ratio	2.00%	2.00%
Retirement age	58 years	58 years

Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.
- The Group has defined benefit obligation pertaining to Indian entities only.

#### C Provident fund, ESI fund and other fund

Contribution made by the Group towards Provident fund during the year is ₹ 320.23 (March 31, 2020: ₹ 311.01) relating to Indian entities.

Contribution made by the Group towards ESI fund during the year is ₹ 39.30 (March 31, 2020: ₹ 39.67) relating to Indian entities.

Contribution made by the Group towards Dutch pension scheme during the year is ₹ 274.33 (March 31, 2020: ₹ 178.97) relating to its subsidiary Company in Europe.

Contribution made by the Group towards 401 (k) Plan during the year is ₹ 150.51 (March 31, 2020: ₹ 110.58) relating to its subsidiary Company in US.

### 49 Fair value disclosures

#### i) Financial instruments by category

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*	455.30	-	-	487.55	-	-
Security deposits	-	-	1,512.27	-	-	1,076.09
Trade receivables	-	-	48,672.53	-	-	61,963.31
Cash and cash equivalents	-	-	1,684.71	-	-	1,913.61
Margin money recoverable	-	-	-	573.44	-	-
Other bank balances	-	-	1,312.33	-	-	578.20
Derivative asset	1,235.27	-	-	0.99	-	-
Other financial assets	-	-	15,961.42	-	-	15,528.90
<b>Total</b>	<b>1,690.57</b>	<b>-</b>	<b>69,143.26</b>	<b>1,061.98</b>	<b>-</b>	<b>81,060.11</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 49 Fair value disclosures (Contd..)

#### i) Financial instruments by category (Contd..)

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings	-	-	1,26,254.27	-	-	1,46,278.65
Liability component of compound financial instrument - net of transaction costs	-	-	2,709.43	-	-	2,339.06
Trade payable	-	-	50,355.50	-	-	26,082.85
Lease liability	-	-	28,019.55	-	-	27,807.75
Derivative liabilities	-	-	-	1,973.23	-	-
Other financial liabilities	-	-	3,020.14	-	-	4,906.00
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2,10,358.89</b>	<b>1,973.23</b>	<b>-</b>	<b>2,07,414.31</b>

\*Investment in equity instrument of Joint venture and associates have been accounted using equity method of accounting and hence, not presented here.

#### ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at FVTPL</b>				
Keyman insurance policies	-	455.04	-	455.04
Equity instruments - Quoted	0.21	-	-	0.21
Equity instruments - Unquoted	-	0.05	-	0.05
Derivative asset	-	1,235.27	-	1,235.27
<b>Total financial assets</b>	<b>0.21</b>	<b>1,690.36</b>	<b>-</b>	<b>1,690.57</b>
<b>Financial liabilities</b>				
Derivative liabilities	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

49 Fair value disclosures (Contd..)

ii) Fair values hierarchy (Contd..)

March 31, 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investments at FVTPL				
Keyman insurance policies	-	352.29	-	352.29
Equity instruments - Quoted	0.21	-	-	0.21
Equity instruments - Unquoted	-	0.05	135.00	135.05
Margin money recoverable	-	573.44	-	573.44
Derivative asset	-	0.99	-	0.99
Total financial assets	0.21	926.77	135.00	1,061.98
Financial liabilities				
Derivative liabilities	-	1,973.23	-	1,973.23
Total financial liabilities	-	1,973.23	-	1,973.23

Valuation process and technique used to determine fair value

- (i) The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.
- (iii) In order to arrive at the fair value of unquoted investments, the group obtains independent valuations. The techniques used by the valuer are as follows:
  - a) Asset approach - Net assets value method
  - b) Income approach - Discounted cash flows ("DCF") method
  - c) Market approach - Enterprise value/Sales multiple method
- (iv) Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India, Max New York Life Insurance Company Limited, SBI Life Insurance Company Limited, Star Union Dai-ichi Life Insurance and Canara HSBC OBC Life Insurance which represents surrender value for the investors.

Derivative financial assets:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

(iii) Fair value of instruments measured at amortised cost

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

49 Fair value disclosures (Contd..)

Particulars	Level	March 31, 2021		March 31, 2020	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Security deposit	Level 3	1,512.27	1,512.27	1,076.09	1,076.09
Loan to others	Level 3	423.97	423.97	573.58	573.58
Loan to employees	Level 3	180.74	180.74	245.96	245.96
Other financial assets	Level 3	67,026.28	67,026.28	79,164.48	79,164.48
Total financial assets		69,143.26	69,143.26	81,060.11	81,060.11
Financial liabilities					
Borrowings	Level 3	1,26,254.27	1,26,254.27	1,46,278.65	1,46,278.65
Liability component of compound financial instrument - net of transaction costs	Level 3	2,709.43	2,709.43	2,339.06	2,339.06
Trade payables	Level 3	50,355.50	50,355.50	26,082.85	26,082.85
Lease Liabilities	Level 3	28,019.55	28,019.55	27,807.75	27,807.75
Other financial liabilities	Level 3	3,020.14	3,020.14	4,906.01	4,906.01
Total financial liabilities		2,10,358.89	2,10,358.89	2,07,414.32	2,07,414.32

The management assessed that security deposits, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

50 Financial risk management

i) Risk management framework

The group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in functional currency of respective entity	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Group presently does not make any significant investments in equity shares.

The group's risk management is carried out by a central treasury department (of the group) under policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High
- Assets under credit risk –

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

50 Financial risk management (Contd..)

i) Risk management framework (Contd..)

A) Credit risk (Contd..)

a) Credit risk management (Contd..)

Credit rating	Particulars	March 31, 2021	March 31, 2020
A: Low	Loans	2,116.98	1,895.63
	Investments	455.30	487.56
	Cash and cash equivalents	1,684.71	1,913.61
	Bank balances other than cash and cash equivalent	1,312.33	578.20
	Other financial assets	16,591.98	15,283.78
	Trade receivables	48,672.53	61,963.31
C: High	Trade receivables	747.16	728.37

Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	March 31, 2021			March 31, 2020		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	1,684.71	0.00%	1,684.71	1,913.61	0.00%	1,913.61
Bank balances other than cash and cash equivalent	1,312.33	0.00%	1,312.33	578.20	0.00%	578.20
Loans	2,116.98	0.00%	2,116.98	1,895.64	0.00%	1,895.64
Other financial assets	16,591.98	0.00%	16,591.98	15,283.78	0.00%	15,283.78



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd..)

#### i) Risk management framework (Contd..)

##### A) Credit risk (Contd..)

##### b) Expected credit losses for financial assets other than trade receivables (Contd..)

##### *Expected credit loss for trade receivables under simplified approach*

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). Trade receivables are subject to credit limits, controls and approvals processes. Based on the historical experience, the risk of default in case of trade receivables is low.

Particulars	0-1 Year	More than 1 Year
<b>As at March 31, 2021</b>		
Trade receivables	48,721.65	698.04
Default rate	0.35%	82.95%
Expected credit loss	168.10	579.06
<b>As at March 31, 2020</b>		
Trade receivables	61,963.31	728.37
Default rate	-	100.00%
Expected credit loss	-	728.37

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on April 01, 2019</b>	44.36
Add (Less): Bad debts written off	(7.92)
Add (Less): Changes in loss allowances	691.93
<b>Loss allowance on March 31, 2020</b>	<b>728.37</b>
Add (Less): Bad debts written off	(658.73)
Add (Less): Changes in loss allowances	677.52
<b>Loss allowance on March 31, 2021</b>	<b>747.16</b>

##### B) Liquidity risk

"Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The group takes into account the liquidity of the market in which the entity operates.

##### Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity of group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd..)

#### i) Risk management framework (Contd..)

##### B) Liquidity risk (Contd..)

March 31, 2021	Less than 1 year	1-3 Year	More than 3 years	Total
Borrowings	1,03,303.30	10,304.24	12,646.73	1,26,254.27
Liability component of compound financial instrument - net of transaction costs	-		2,709.43	2,709.43
Security deposit received	11.57	6.50	-	18.07
Lease liabilities*	3,740.94	8,169.86	16,108.75	28,019.55
Trade payable	50,355.50	-	-	50,355.50
Other financial liabilities	3,002.07	-	-	3,002.07
<b>Total</b>	<b>1,60,413.38</b>	<b>18,480.60</b>	<b>31,464.91</b>	<b>2,10,358.89</b>

March 31, 2020	Less than 1 year	1-3 Year	More than 3 years	Total
Borrowings	1,23,266.41	7,473.21	15,539.02	1,46,278.65
Liability component of compound financial instrument - net of transaction costs	-		2,339.06	2,339.06
Security deposit received	11.50	7.00	-	18.50
Lease liabilities*	2,887.62	5,387.00	19,533.13	27,807.75
Trade payable	25,870.48	212.37	-	26,082.85
Other financial liabilities	4,720.50	167.01	-	4,887.51
<b>Total</b>	<b>1,56,756.51</b>	<b>13,246.59</b>	<b>37,411.22</b>	<b>2,07,414.32</b>

\* Impact of discounting is not material

##### C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

##### a) Foreign currency risk

The group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar and Euro. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the group entities.

##### (i) Exposure to currency risk:

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

50 Financial risk management (Contd..)

i) Risk management framework (Contd..)

C) Market risk (Contd..)

a) Foreign currency risk (Contd..)

The groups exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

Particulars	In foreign currency		In ₹	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>Financial assets</b>				
<b>Trade receivables*</b>				
EURO	29.62	56.77	2,550.59	4,716.70
USD	181.22	272.80	13,320.68	20,639.82
GBP	6.10	2.37	615.30	221.46
<b>Foreign exchange derivative contracts (Sell foreign currency)</b>				
EURO	183.44	305.44	15,794.17	25,377.57
EURO - USD	25.00	-	2,152.48	-
USD	395.68	510.99	29,084.70	38,661.70
GBP	10.08	7.00	1,017.59	654.84
GBP - USD	2.00	-	201.90	-
<b>Financial liabilities</b>				
<b>Trade payables</b>				
EURO	4.12	5.04	354.47	418.81
USD	10.48	2.72	770.52	205.84
SGD	0.13	0.51	7.20	25.71
<b>Foreign exchange forward contracts (Buy foreign currency)</b>				
USD	121.38	-	8,921.97	-
<b>Preshipment credit</b>				
USD	563.09	457.62	41,389.89	34,623.42
<b>Demand Loan</b>				
USD	130.98	-	9,627.62	-
<b>Bill discounted</b>				
EURO	-	-	-	-
USD	-	14.86	-	1,124.06
GBP	-	-	-	-

\* Trade receivables includes intra group receivables amounting to ₹ 8,923.83 (USD: 79.38, EURO: 27.69, GBP: 5.86) as on March 31, 2021, and ₹ 17,399.27 (USD: 179.43, EURO: 44.64, GBP: 1.23) as on March 31, 2020 which are eliminated in Consolidated financial statements.

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	March 31, 2021	March 31, 2020
EURO	86.10	83.09
USD	73.50	75.66
GBP	100.95	93.55
SGD	54.33	50.55

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

50 Financial risk management (Contd..)

(a) Disclosure of effects of hedge accounting on financial position

As at March 31, 2021

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	48,250.84	-	1,239.87	5.59	8 April 2021 - 31 March 2022	1:1	USD: ₹ 75.91 EURO: ₹ 92.05 GBP: ₹ 102.41	1,234.27	(1,234.27)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	36,266.81	6.53	107.33	12 April 2021 - 18 September 2021	1:1	USD: ₹ 73.52	(100.80)	100.80

As at March 31, 2020

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	64,694.12	-	1.90	1,975.13	30 April 2020 - 23 March 2021	1:1	USD: ₹ 74.05 EURO: ₹ 83.40 GBP: ₹ 95.16	(1,973.22)	671.22
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	34,623.42	-	23,473.62	21 April 2020 - 26 February 2021	1:1	USD: ₹ 71.89	684.51	(704.34)

(b) Disclosure of effects of Fair value hedge on financial position

As at March 31, 2021

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument
	Assets	Liabilities	Assets	Liabilities				
(i) Foreign exchange forward contracts	-	9,055.13	-	79.52	5 April 2021 - 09 September 2021	1:1	USD: ₹74.97	(79.52)

As at March 31, 2020: Nil



Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

50 Financial risk management (Contd..)

(c) Disclosure of effects of hedge accounting on financial performance

For the year ended March 31, 2021				
Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	3,015.67	-	(59.38)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	1,636.85	-	785.86	Revenue and other income
For the year ended March 31, 2020				
Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Foreign exchange forward contracts	(30.66)	(8.39)	(899.19)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	1,799.48	(5.75)	(481.13)	Revenue and other income

The Group hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

(d) Movements in cash flow hedging reserve

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

50 Financial risk management (Contd..)

Particulars	Amount
As at April 01, 2019	1,445.18
Add: Changes in fair value of forward contracts	(4,358.41)
Add: Changes in fair value of PCFCs	(2,276.30)
Less: Gain/(Loss) on cash flow hedge reserve attributable to non controlling interest	243.69
Less: Amount reclassified to profit or loss	871.54
Less: Tax relating to above (net)	1,683.34
Less: ineffectiveness charged to profit and loss	(63.49)
Change during the year ended March 31, 2020	(3,899.63)
As at March 31, 2020	(2,454.45)
As at April 01, 2020	(2,454.45)
Add: Changes in fair value of forward contracts	2,956.32
Add: Changes in fair value of PCFCs	2,422.71
Less: Gain/(Loss) on cash flow hedge reserve attributable to non controlling interest	(195.83)
Less: Amount reclassified to profit or loss	(726.48)
Less: Tax relating to above (net)	(1,170.94)
Change during the year ended March 31, 2021	3,285.78
As at March 31, 2021	831.33

Sensitivity

‘A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at March 31, 2021 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthen		Strengthen		Weaken		Weaken	
		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sensitivity of change in exchange rate by 1%*	EURO	16.43	32.16	118.19	189.91	(16.43)	(32.16)	(118.19)	(189.91)
Sensitivity of change in exchange rate by 1%*	USD	93.92	152.91	217.65	289.31	(93.92)	(152.91)	(217.65)	(289.31)
Sensitivity of change in exchange rate by 1%*	GBP	4.60	1.66	7.61	4.90	(4.60)	(1.66)	(7.61)	(4.90)
Sensitivity of change in exchange rate by 1%*	SGD	(0.05)	(0.19)	-	22.47	0.05	0.19	-	(22.47)

\* Holding all other variables constant

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd..)

#### b) Interest rate risk

##### i) Liabilities

The group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At March 31, 2021, the group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The group's investments in fixed deposits all pay fixed interest rates.

##### Interest rate risk exposure

Below is the overall exposure of the group to interest rate risk:

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowing*	1,23,305.36	1,21,914.25
Fixed rate borrowing	2,948.91	24,364.40
<b>Total borrowings</b>	<b>1,26,254.27</b>	<b>1,46,278.65</b>

\* Variable rate borrowing includes borrowing where interest rate is linked with Libor/Euribor/Eibor ₹ 49,544.12 (March 31, 2020: ₹ 23,026.84)

##### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	March 31, 2021	March 31, 2020
<b>Total borrowings</b>		
- Impact due to increase of 50 basis points*	(456.39)	(456.79)
- Impact due to decrease of 50 basis points*	456.39	456.79

\*Holding all other variables constant

##### ii) Assets

The group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### c) Price risk Exposure

The group's exposure price risk arises from investments held and classified in the balance sheet as fair value through profit or loss. The exposure is preliminary arising from keyman insurance policy, which are held with reputed institutions and therefore, risk is appropriately addressed.

##### Sensitivity

The table below summarises the impact of increases/decreases of the index on the group's equity and profit for the period :

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd..)

#### c) Price risk Exposure (Contd..)

##### Impact on profit after tax

Particulars	March 31, 2021	March 31, 2020
<b>Key man Insurance</b>	455.04	352.29
Net assets value – increase by 100 basis points (March 31, 2020: 100 basis points)	3.41	2.64
Net assets value – decrease by 100 basis points (March 31, 2020: 100 basis points)	(3.41)	(2.64)
<b>Quoted equity instruments</b>	0.21	0.21
Market price – increase by 100 basis points (March 31, 2020: 100 basis points)	0.00	0.00
Market price – decrease by 100 basis points (March 31, 2020: 100 basis points)	(0.00)	(0.00)

### 51 Capital management

The group's capital management objectives are

- to ensure the group's ability to continue as a going concern
- to provide an adequate return to shareholders

The group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The group's adjusted net debt to equity ratio is as follows:

Particulars	March 31, 2021	March 31, 2020
Total borrowings	1,26,254.27	1,46,278.65
Less : cash and cash equivalents	1,684.71	1,913.61
<b>Net debt</b>	<b>1,24,569.56</b>	<b>1,44,365.04</b>
Total equity	1,75,548.66	1,48,133.37
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.71</b>	<b>0.97</b>



Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

51 Capital management (Contd..)

a) Dividends

Table with 3 columns: Particulars, March 31, 2021, March 31, 2020. Rows include Equity shares, (i) Final Dividend, and (ii) Interim Dividend with specific amounts for each year.

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

b) Loan covenants

- i) Under the terms of major borrowing facilities, LT Foods Limited, the Company is required to comply with the following covenants:
- the current ratio must be more than 1.33 times;
- the debt to equity must remain lower than 1 times;
- the promoter's holding must not be less than 51%;
- the total outside liability to tangible net worth ratio must not exceed 1 times;
- the total outside liability to adjusted tangible net worth must not exceed 1.1 times;
- the Net Debts to EBITDA must not exceed 5 times;
- the Net Working Capital to be maintained at minimum level of 30% of current assets;
- the investment in subsidiary Company, associates and JVs must not exceed ₹ 12,484;
- ii) Under the terms of major borrowing facilities, Daawat Foods Limited, the Subsidiary Company is required to comply with the following covenants:
- the current ratio must be 1.33 times;
- iii) Under the terms of the Indusind bank's borrowing facilities, Ecopure Specialities Limited, the Subsidiary Company is required to comply with the following financial covenants:
- Debt/EBITDA not more than 5 times
- Annual DSCR not less than 1.25 times
- Debt/Adj. Total Net Worth ( TNW) not more than 2.75
- Interest cover not less than 1.5

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

51 Capital management (Contd..)

b) Loan covenants (Contd..)

- iv) Under the terms of the Coöperatieve Rabobank U.A., borrowing facilities, Nature Bio Foods BV, Nature bio Foods Inc., the Subsidiary Companies was required to comply with the following financial covenants:
- Obligor to maintain the Tangible solvency Ratio not less than 20% at the last day of quarter.
  - v) Under the terms of the Rabobank borrowing facilities, LT Foods America Inc., LT Food Europe BV, the Subsidiary Companies was required to comply with the following financial covenants:
- Obligor to maintain the Tangible solvency Ratio not less than 20% at the last day of quarter.
- Obligor shall not permit the aggregate amount of capital expenditures to exceed \$3,000,000 for any Fiscal Year.
- The Group has complied with these covenants throughout the reporting period.

52 Related party disclosures

The group's related party transactions and outstanding balances are with its subsidiaries, associates and a joint venture, key management and others as described below.

A. Names of related parties and description of relationship

a) Associates

- Raghuvesh Agri Foods Private Limited
- Raghuvesh Warehousing Private Limited
- Raghuvesh Infrastructure Private Limited

b) Joint Venture

- Daawat Kameda India Private Limited

B. Key Management Personnel and their relatives

-Key Management Personnel

Table with 2 columns: Name, Designation. Rows list key management personnel including Mr. Vijay Kumar Arora (Managing Director), Mr. Surinder Kumar Arora (Managing Director), Mr. Ashwani Kumar Arora (Managing Director and Chief Financial Officer), Mr. Ashok Kumar Arora (President-Punjab Operations), Mr. Gokul Patnaik (Director), Mr. Suparas Bhandari (Director), Ms. Neeru Singh (Director), Ms. Ambika Sharma (Nominee Director), Mr. Pramod Bhagat (Director), Ms. Radha Singh (Director), and Mr. Rajesh Kumar Srivastava (Nominee Director).

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

52 Related party disclosures (Contd..)

B. Key Management Personnel and their relatives (Contd..)

-Relatives of Key Management Personnel (with whom transactions have taken place during the year or previous year)

Name	Designation
Mr. Abhinav Arora	Relative of Managing Director
Mr. Aditya Arora	Relative of Key management personnel
Mr. Gursajan Arora	Relative of Key management personnel
Mr. Ritesh Arora	Relative of Managing Director
Mr. Anmol Arora	Relative of Managing Director
Ms. Divya Arora	Relative of Key management personnel
Ms. Ranju Arora	Relative of Managing Director

Entities in which Key Management Personnel have significant influence and with whom transactions have taken place during the year or previous year

R. S Rice & General Mills

Super Texfab Private Limited

Raghuvesh Holdings Private Limited

UIPL Innovations Private Limited (from May 01, 2019)

Oswal Woollen Mills Limited

Global Foods Trading Gmbh

L T F Food Trading LLC

Sidhu Food B.V.

Buddha Gourmet Foods Gmbh

Transactions with key management persons and their relatives and joint venture

Particulars	March 31, 2021	March 31, 2020
<b>Sales</b>		
Daawat Kameda India Private Limited	69.55	23.47
Oswal Woollen Mills Limited	148.48	302.75
Global Foods Trading Gmbh	9,209.92	6,043.12
L T F Food Trading LLC	12.75	16.87
Sidhu Food B.V.	266.51	287.81
Buddha Gourmet Foods Gmbh	53.35	-
<b>Purchases</b>		
Super Texfab Private Limited	2,724.70	1,914.39
UIPL Innovations Private Limited	317.60	136.57
L T F Food Trading LLC	12.75	-
Daawat Kameda India Private Limited	312.65	63.26
<b>Service charges received</b>		
UIPL Innovations Private Limited	16.60	-
Daawat Kameda India Private Limited	120.62	-

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

52 Related party disclosures (Contd..)

Transactions with key management persons and their relatives and joint ventures (Contd..)

Particulars	March 31, 2021	March 31, 2020
<b>Transactions with key management personnel</b>		
<b>Directors remuneration ( excluding long term employee benefit)</b>		
Mr. Vijay Kumar Arora	326.74	273.22
Mr. Ashwani Kumar Arora	211.21	211.21
Mr. Surinder Kumar Arora	211.21	211.21
Mr. Ashok Kumar Arora	215.00	207.80
<b>Total (A)</b>	<b>964.16</b>	<b>903.44</b>
<b>Defined benefit obligation for KMP (Gratuity )</b>		
Mr. Vijay Kumar Arora	-	20.00
Mr. Ashwani Kumar Arora	14.36	15.19
Mr. Surinder Kumar Arora	-	0.08
<b>Total (B)</b>	<b>14.36</b>	<b>35.27</b>
<b>Compensated absences</b>		
Mr. Vijay Kumar Arora	10.31	10.31
Mr. Ashwani Kumar Arora	6.75	4.81
Mr. Surinder Kumar Arora	6.19	6.36
Mr. Ashok Kumar Arora	6.19	6.19
<b>Total(C)</b>	<b>29.44</b>	<b>27.67</b>
<b>Relatives of Key Management Personnel</b>		
<b>Remuneration</b>		
Abhinav Arora	445.83	425.26
Aditya Arora	110.71	99.99
Anmol Arora	49.07	49.03
Gursajan Arora	145.61	139.01
Ritesh Arora	60.37	48.74
Divya Arora	61.10	38.01
<b>Dividend paid to key management personnel</b>	850.52	587.46
<b>Dividend paid to relatives of key management personnel and entities in which key management personnel have significant influence. (net of statutory taxes)</b>		
Details of parties to whom dividend paid is more than 10%		
Raghuvesh Holdings Private Limited	308.81	204.36
Others	311.29	370.75
<b>Salary advance to Director's relative</b>	37.62	-
<b>Reimbursement of expenses received</b>		
Daawat Kameda India Private Limited	120.62	370.72
Raghuvesh Infrastructure Private Limited	9.94	11.57
UIPL Innovations Private Limited	16.60	6.43
<b>Rent expense</b>		
Raghuvesh Agri Foods Private Limited	-	18.00
R S Rice & General Mills	20.00	20.00
<b>Rental income</b>		
Daawat Kameda India Private Limited	183.40	188.94
<b>Interest income</b>		
Raghuvesh Agri Foods Private Limited	29.15	-
Raghuvesh Warehousing Private Limited	19.92	-
<b>Loan granted</b>		
Raghuvesh Agri Foods Private Limited	50.00	328.49



## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 52 Related party disclosures (Contd..)

#### Transactions with key management persons and their relatives and joint ventures (Contd..)

Particulars	March 31, 2021	March 31, 2020
Raghuvesh Warehousing Private Limited	55.00	245.09
<b>Payment received against Loan</b>		
Raghuvesh Agri Foods Private Limited	120.00	-
Raghuvesh Warehousing Private Limited	180.00	-
<b>Net payment received against Loan</b>		
Raghuvesh Agri Foods Private Limited	70.00	-
Raghuvesh Warehousing Private Limited	125.00	-
<b>Amount Written off</b>		
L T F Food Trading LLC	29.43	-
<b>Dividend received</b>		
Raghuvesh Infrastructure Private Limited	24.00	-
<b>Sitting fees</b>		
Ranju Arora	0.20	-
<b>Director sitting fees</b>		
Mr. Gokul Patnaik	5.80	6.55
Mr. Suparas Bhandari	5.40	4.60
Mr. Pramod Bhagat	-	8.95
Ms. Radha Singh	-	6.95
Ms. Neeru Singh	2.80	-

Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora, Mr. Surinder Kumar Arora and Mr. Ashok Kumar Arora, the Directors in the Company and in the few of its subsidiary companies have given personal guarantees against the long and short term borrowings (except vehicles loans) availed by the Company and few of its subsidiaries.

Particulars	March 31, 2021	March 31, 2020
<b>Net balances at the year-end {(payable)/ receivable}</b>		
Super Texfab Private Limited	(492.20)	(633.30)
Raghuvesh Infrastructure Private Limited	-	(117.29)
Raghuvesh Agri Foods Private Limited	285.45	319.95
Raghuvesh Warehousing Private Limited	138.52	245.50
Daawat Kameda India Private Limited	(17.49)	26.81
UIPL Innovations Private Limited	(64.54)	(11.15)
Oswal Woollen Mills Limited	13.38	11.11
Global Foods Trading Gmbh	3,074.89	2,837.24
Sidhu Food B.V.	109.35	75.91
R S Rice & General Mills	(5.63)	(27.64)
L T F Food Trading LLC	-	21.83
Vijay Kumar Arora	(8.28)	(0.14)
Ashwani Kumar Arora	(8.07)	(0.09)
Gursajan Arora	139.18	104.56

#### Terms and conditions of transactions with related parties

The transactions with related parties have been entered into by Group in the ordinary course of business, on arm's length basis on terms prevailing in the open market at that time.

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 53 Segment reporting

The business activity of the Group predominantly fall within a single reportable business segment viz. manufacture and storage of rice. There are no separate reportable business segments. As part of reporting for geographical segments, the Group operates in three principal geographical areas of the world, i.e., India, America, Europe and other countries (Rest of the world). The aforesaid is in line with review of operating results by the chief operating decision maker.

#### Information about products and services

Particulars	Year ended 31 March 2021	Year ended March 31, 2020
<b>Revenue from external customers</b>		
Rice	4,19,535.08	3,81,065.52
Others	43,144.93	30,777.63
Other operating revenue	1,754.53	1,666.22
<b>Total</b>	<b>4,64,434.54</b>	<b>4,13,509.37</b>

#### Information about geographical areas

Particulars	Year ended 31 March 2021	Year ended March 31, 2020
<b>Revenues from external customers</b>		
In India	1,36,854.40	1,42,499.00
In America	1,73,758.73	1,53,131.93
In Europe	91,767.10	58,238.03
Others	62,053.91	59,640.41

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Non current assets located</b>		
In India	46,830.41	44,992.42
In America	25,548.41	35,364.08
In Europe	25,189.07	17,892.89
Others	1,090.10	1,499.26

### 54 Deferred government grants

Particulars	March 31, 2021	March 31, 2020
<b>At the beginning of the year</b>	<b>330.56</b>	<b>401.78</b>
Received during the year	583.00	411.02
Released to the Statement of Profit and Loss	661.53	482.24
<b>At the end of the year</b>	<b>252.03</b>	<b>330.56</b>

Particulars	March 31, 2021		March 31, 2020	
	Current	Non-current	Current	Non-current
Government grants	37.59	214.44	44.19	286.37

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

55 There are numerous interpretation issues relating to the judgement passed by the Hon'ble Supreme Court dated February 28, 2019 in the matter of Surya Roshni Ltd and others v/s State of M.P on Provident fund. The order does not specifically mention the date of applicability of this Judgement, whether it is will be retrospectively or prospectively. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the Company for the previous periods, if any, cannot be ascertained. However, the Company has adopted the above changes prospectively.

56 Assets pledged as security

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current asset*		
First charge		
Property, plant and equipments	48,909.70	39,292.90
Capital work in progress	574.26	-
Other financial assets	564.30	600.67
Total non-current asset pledged as security	50,048.26	39,893.57
Current assets*		
First charge		
Pari-passu		
Inventories	2,18,093.10	1,59,463.19
Trade receivables	54,372.88	84,209.35
Cash and cash equivalents	1,475.45	1,113.89
Other bank balances	1,125.55	117.52
Loans	513.59	709.87
Other financial assets	3,581.93	1,016.18
Other current assets	29,721.52	13,149.58
Total current asset pledged as security	3,08,884.02	2,59,779.58
Total assets pledged as security	3,58,932.28	2,99,673.15

\* Above figures includes following intra group balances which has been eliminated in Consolidated accounts:

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	11,640.39	25,998.04
Other financial assets	192.81	-
Other current assets	1,132.27	6,136.42

Notes forming part of the Consolidated Financial Statements
for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

57 Interests in associates and joint venture

Set out below are the associates and joint ventures of the Group as at March 31, 2021 which, in the opinion of the Directors, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					As at March 31, 2021	As at March 31, 2020
Raghuvesh Warehousing Private Limited	India	40.00%	Associate	Equity method	450.81	457.85
Raghuvesh Agri Foods Private Limited	India	40.00%	Associate	Equity method	372.68	389.36
Raghuvesh Infrastructure Private Limited	India	30.00%	Associate	Equity method	50.33	-
Daawat Kameda India Private Limited	India	51.00%	Joint venture	Equity method	1,543.08	2,000.88
Total equity accounted investments					2,416.90	2,848.09

Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not LT Foods Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Non-current Assets						
Property, Plant and Equipment	0.53	-	0.78	0.46	-	-
Other Intangible Assets	58.65	84.62	148.81	216.33	1,320.82	1,320.82
Financial Assets						
Other financial assets	1,058.75	1,311.98	1,058.75	1,311.98	143.20	-
Deferred tax assets	119.93	112.92	253.14	236.66	0.02	0.02
Income tax assets	99.27	108.22	86.88	112.97	159.74	87.54
Total Non-current Assets	1,337.13	1,617.74	1,548.36	1,878.40	1,623.78	1,408.38
Current Assets						
Financial Assets						
Trade receivables	81.82	135.87	75.75	120.01	225.59	40.56
Cash and Cash equivalents	5.92	15.49	4.59	9.09	83.11	81.50
Loans	1.96	3.36	1.95	2.08	6.57	6.57
Other financial assets	253.23	213.39	253.23	213.24	0.27	0.37
Other assets	36.08	72.58	7.66	1.18	13.46	13.06
Total Current Assets	379.01	440.69	343.18	345.60	329.00	142.06



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

57 Interests in associates and joint venture (Contd..)

Summarised financial information for associates and joint ventures (Contd..)

Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Non-current Liabilities</b>						
Financial Liabilities						
Borrowings	182.08	394.52	580.71	613.69	-	-
Other Liabilities	-	-	-	-	-	293.00
<b>Total Non-current Liabilities</b>	<b>182.08</b>	<b>394.52</b>	<b>580.71</b>	<b>613.69</b>	<b>-</b>	<b>293.00</b>
<b>Current liabilities</b>						
Financial Liabilities						
Borrowings	60.00	60.00	50.00	50.00	-	-
Trade payables	3.68	0.47	3.66	1.53	-	-
Other financial liabilities	320.17	191.58	278.70	175.96	480.97	371.51
Other liabilities	23.16	267.23	46.83	409.47	1,440.95	942.84
<b>Total Current liabilities</b>	<b>407.01</b>	<b>519.28</b>	<b>379.19</b>	<b>636.96</b>	<b>1,921.92</b>	<b>1,314.35</b>
<b>Net Assets</b>	<b>1,127.05</b>	<b>1,144.63</b>	<b>931.64</b>	<b>973.35</b>	<b>30.86</b>	<b>(56.90)</b>

Balance Sheet	Joint Venture	
	Effect on profit after tax	
	As at March 31, 2021	As at March 31, 2020
<b>Non-current Assets</b>		
Property, plant and equipment	1,411.50	1,711.05
Capital work-in-progress	181.88	-
Financial Assets		
Loans	4.56	4.24
Other Assets	2.20	30.10
Non current tax assets	6.14	31.35
<b>Total Non-current Assets</b>	<b>1,606.28</b>	<b>1,776.74</b>
<b>Current Assets</b>		
Inventories	106.32	54.71
Financial Assets		
Trade Receivables	21.04	0.31
Cash and Cash equivalents	258.68	419.70
Other bank balances	1,009.56	1,641.17
Other assets	485.26	454.29
<b>Total Current Assets</b>	<b>1,880.86</b>	<b>2,570.18</b>
<b>Non-current Liabilities</b>		
Provisions	5.79	2.80
<b>Total Non-current Liabilities</b>	<b>5.79</b>	<b>2.80</b>
<b>Current liabilities</b>		
Financial Liabilities		
Trade payables	22.64	16.53
Other financial liabilities	105.44	87.38

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

57 Interests in associates and joint venture (Contd..)

Summarised financial information for associates and joint ventures (Contd..)

Balance Sheet	Joint Venture	
	Effect on profit after tax	
	As at March 31, 2021	As at March 31, 2020
Other current liabilities	99.36	88.72
Provisions	0.23	0.15
<b>Total Current liabilities</b>	<b>227.67</b>	<b>192.78</b>
<b>Net Assets</b>	<b>3,253.68</b>	<b>4,151.34</b>

Reconciliation to carrying amounts

Summarised Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening net assets	1,144.63	1,234.11	973.35	1,177.22	(56.90)	(139.53)
Profit/(loss) for the year	(17.58)	(89.48)	(41.71)	(203.87)	167.76	82.63
Other comprehensive income	-	-	-	-	-	-
Dividends paid	-	-	-	-	80.00	-
<b>Closing net assets</b>	<b>1,127.05</b>	<b>1,144.63</b>	<b>931.64</b>	<b>973.35</b>	<b>30.86</b>	<b>(56.90)</b>
Group's share in %	40%	40%	40%	40%	30%	30%
Group's share in ₹	450.81	457.85	372.68	389.36	9.26	(17.07)
Other adjustments	-	-	-	-	41.07	-
Group's share of loss for the year adjusted through investment	-	-	-	-	-	17.07
<b>Carrying amount</b>	<b>450.81</b>	<b>457.85</b>	<b>372.68</b>	<b>389.36</b>	<b>50.33</b>	<b>-</b>

Summarised Balance Sheet	Joint Venture	
	Effect on profit after tax	
	As at March 31, 2021	As at March 31, 2020
<b>Opening net assets</b>	<b>4,151.34</b>	<b>4,657.24</b>
Increase in equity share capital	-	-
Profit for the year	(897.24)	(505.90)
Other comprehensive income	(0.42)	-
Dividends paid	-	-
<b>Closing net assets</b>	<b>3,253.68</b>	<b>4,151.34</b>
Group's share in %	51%	51%
Group's share in ₹	1,659.38	2,117.18
Other adjustments	(116.30)	(116.30)
Goodwill	-	-
<b>Carrying amount</b>	<b>1,543.08</b>	<b>2,000.88</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint venture (Contd..)

#### Summarised financial information for associates and joint ventures (Contd..)

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
<b>Income</b>						
Revenue from operations	195.55	246.86	213.82	244.42	-	-
Other income	6.28	0.80	2.39	0.60	700.87	520.70
<b>Total income</b>	<b>201.83</b>	<b>247.66</b>	<b>216.21</b>	<b>245.02</b>	<b>700.87</b>	<b>520.70</b>
<b>Expenses</b>						
Costs of services rendered	-	-	-	-	-	-
Purchase of stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, semi finished goods, work in progress and stock in trade	-	-	-	-	-	-
Employee benefit expense	11.47	11.44	16.02	14.47	95.41	85.25
Depreciation and amortisation expense	26.74	107.23	68.49	268.80	-	-
Finance costs	62.46	59.94	91.02	77.51	58.74	83.67
Other expenses	125.76	124.96	98.87	95.90	291.90	221.03
<b>Total expenses</b>	<b>226.43</b>	<b>303.57</b>	<b>274.40</b>	<b>456.68</b>	<b>446.05</b>	<b>389.95</b>
<b>Profit before tax</b>	<b>(24.60)</b>	<b>(55.91)</b>	<b>(58.19)</b>	<b>(211.66)</b>	<b>254.82</b>	<b>130.75</b>
Current tax expense	-	-	-	-	87.06	48.12
Deferred tax expense	(7.01)	33.57	(16.48)	(7.79)	-	-
<b>Profit/(loss) for the year</b>	<b>(17.58)</b>	<b>(89.48)</b>	<b>(41.71)</b>	<b>(203.87)</b>	<b>167.76</b>	<b>82.63</b>
Other comprehensive income	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(17.58)</b>	<b>(89.48)</b>	<b>(41.71)</b>	<b>(203.87)</b>	<b>167.76</b>	<b>82.63</b>

**Note:** Loss for Raghuvesh Infrastructure Private Limited for the year ended March 31, 2020 has been recognised Nil. However, ₹ 82.63 has not been recognised, since the Group share of losses exceeds its interest in the associate. Group share of loss for the previous year adjusted through investment.

Summarised Statement of Profit and Loss	Joint Venture Daawat Kameda India Private Limited	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Revenue</b>		
Revenue from operations	189.92	50.07
Other income	80.03	187.87
<b>Total income</b>	<b>269.95</b>	<b>237.94</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint venture (Contd..)

#### Summarised financial information for associates and joint ventures (Contd..)

Summarised Statement of Profit and Loss	Joint Venture Daawat Kameda India Private Limited	
	Year ended March 31, 2021	Year ended March 31, 2020
<b>Expenses</b>		
Cost of materials consumed	152.74	77.99
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(8.99)	8.99
Employee benefit expense	174.86	135.13
Depreciation and amortisation expense	299.98	8.30
Other expenses	548.60	513.43
<b>Total expenses</b>	<b>1,167.19</b>	<b>743.84</b>
<b>Profit before tax</b>	<b>(897.24)</b>	<b>(505.90)</b>
Current tax expense	-	-
Deferred tax expense	-	-
<b>Profit/(loss) for the year</b>	<b>(897.24)</b>	<b>(505.90)</b>
Other comprehensive income	(0.42)	-
<b>Total comprehensive income/(loss)</b>	<b>(897.66)</b>	<b>(505.90)</b>

Total share of profits on account of equity accounting of the joint venture under Ind AS:

Particulars	Year ended 31 March 2021	Year ended March 31, 2020
Share of profits from associates	26.61	(117.34)
Share of profits from joint ventures	(457.81)	(258.00)
<b>Total share of losses from associates and joint ventures</b>	<b>(431.20)</b>	<b>(375.34)</b>

### 58 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

#### Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

#### Revenue recognised in relation to contract liabilities

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

58 Revenue from Contracts with Customers (Contd..)

Advance from Customers:

Description	Year ended March 31, 2021	Year ended March 31, 2020
Amounts included in contract liabilities at the beginning of the year	5,810.25	1,117.32
Performance obligations satisfied in current year	(5,758.95)	(1,117.32)
Amount received in the current year having outstanding performance obligations	5,535.89	5,810.25
Amounts included in contract liabilities at the end of the year	5,587.19	5,810.25

Remaining performance obligations as at the reporting date are expected to be recognised over the next year by the Group.

The Group has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Group does not have any open contract for which the expected duration is more than one year as at the reporting period.

Revenue by time	Year ended March 31, 2021	Year ended March 31, 2020
Revenue recognised over time	709.42	759.57
Revenue recognised at point in time	4,63,725.12	4,12,749.80
	4,64,434.54	4,13,509.37

Assets and liabilities related to contracts with customers

Description	As at March 31, 2021		As at March 31, 2020	
	Non-current	Current	Non-current	Current
Contract assets related to sale of goods and services				
Trade receivables	-	48,672.53	-	61,963.31
Contract assets related to sale of goods and services				
Advance from customers	-	5,587.19	-	5,810.25

Reconciliation of revenue recognised with contract price

Description	March 31, 2021	March 31, 2020
Contract price	4,76,736.13	4,24,382.16
Adjustment for:		
Incentives and discounts	(12,301.59)	(10,872.79)
	4,64,434.54	4,13,509.37

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

59 Additional information required by Schedule III

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in other Comprehensive income	
	As % of Consolidated net assets	₹ in lakhs	As % of Consolidated profit and loss	₹ in lakhs	As % of Consolidated other Comprehensive income	₹ in lakhs	As % of Consolidated total Comprehensive income	₹ in lakhs
Parent								
1 LT Foods Limited								
March 31 2021	51.10%	96,585.64	36.83%	10,648.10	58.73%	1,995.51	39.14%	12,643.61
March 31 2020	54.49%	87,140.50	42.73%	8,516.26	640.88%	(3,027.28)	28.21%	5,488.98
Subsidiaries (group's share)								
2 Daawat Foods Limited								
March 31 2021	17.11%	32,347.07	17.54%	5,071.27	18.82%	639.41	17.68%	5,710.68
March 31 2020	16.66%	26,636.39	25.57%	5,097.01	170.20%	(803.94)	22.06%	4,293.07
3 Nature Bio Foods Limited								
March 31 2021	8.47%	16,018.06	3.83%	1,107.80	24.02%	815.98	5.96%	1,923.79
March 31 2020	8.81%	14,094.30	9.70%	1,933.39	87.91%	(415.23)	7.80%	1,518.16
4 SDC Foods India Limited								
March 31 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31 2020	0.00%	0.00	1.11%	221.86	0.00%	-	1.14%	221.86
5 LT International Limited								
March 31 2021	0.02%	28.99	-0.47%	(135.50)	0.00%	-	-0.42%	(135.50)
March 31 2020	0.10%	164.48	-0.04%	(8.75)	0.00%	-	-0.04%	(8.75)
6 Raghuvesh Food and Infrastructure Limited								
March 31 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
7 Deva Singh Sham Singh Exports Private Limited								
March 31 2021	0.00%	(1.45)	0.00%	1.39	0.00%	-	0.00%	1.39
March 31 2020	0.00%	(2.84)	0.16%	31.58	0.00%	-	0.16%	31.58
8 Raghunath Agro Industries Private Limited								
March 31 2021	1.43%	2,696.14	0.87%	251.75	0.06%	1.99	0.79%	253.73
March 31 2020	1.53%	2,442.41	0.79%	156.46	-0.63%	2.96	0.82%	159.41
9 LT Agri Services Private Limited								
March 31 2021	0.00%	0.00	0.01%	1.60	0.00%	-	0.00%	1.60
March 31 2020	0.00%	(1.60)	0.00%	(0.20)	0.00%	-	0.00%	(0.20)
10 Expo Services Private Limited								
March 31 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-



Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

59 Additional information required by Schedule III (Contd..)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in other Comprehensive income	
	As % of Consolidated net assets	₹ in lakhs	As % of Consolidated profit and loss	₹ in lakhs	As % of Consolidated other Comprehensive income	₹ in lakhs	As % of Consolidated total Comprehensive income	₹ in lakhs
<b>11 Fresco Fruit N Nuts Private Limited</b>								
March 31 2021	0.00%	0.00	0.37%	108.23	0.00%	-	0.34%	108.23
March 31 2020	-0.07%	(108.22)	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
<b>12 Eco Pure Specialities Limited</b>								
March 31 2021	1.17%	2,202.72	3.54%	1,022.91	1.93%	65.63	3.37%	1,088.54
March 31 2020	-0.24%	(385.82)	-1.96%	(390.19)	0.00%	-	-2.01%	(390.19)
Foreign Subsidiaries								
<b>13 Sona Global Limited</b>								
March 31 2021	0.73%	1,387.85	-0.01%	(2.82)	-1.05%	(35.82)	-0.12%	(38.64)
March 31 2020	0.89%	1,426.48	-0.12%	(23.85)	-21.32%	100.69	0.39%	76.85
<b>14 LT Food Middle East DMCC</b>								
March 31 2021	0.38%	725.77	2.28%	658.95	-0.47%	(15.90)	1.99%	643.05
March 31 2020	0.05%	82.72	-3.80%	(757.32)	-4.87%	22.99	-3.77%	(734.32)
<b>15 LT Overseas North America, Inc.</b>								
March 31 2021	24.41%	46,148.53	34.44%	9,955.53	-1.23%	(41.73)	30.69%	9,913.80
March 31 2020	22.66%	36,234.73	26.87%	5,356.17	-764.56%	3,611.47	46.09%	8,967.64
<b>16 LT Foods International Limited (UK)</b>								
March 31 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31 2020	0.00%	-	-0.44%	(86.78)	0.00%	-	-0.45%	(86.78)
<b>17 LT Foods Europe BV</b>								
March 31 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31 2020	0.00%	-	-1.13%	(225.05)	0.00%	-	-1.16%	(225.05)
<b>18 Nature Bio Foods BV</b>								
March 31 2021	0.88%	1,657.35	2.42%	698.50	1.10%	37.49	2.28%	735.98
March 31 2020	0.57%	906.24	2.92%	582.77	-10.98%	51.88	3.26%	634.64
<b>19 Nature Bio Foods Inc</b>								
March 31 2021	0.09%	168.54	0.33%	96.07	-0.05%	(1.81)	0.29%	94.25
March 31 2020	0.01%	15.13	0.00%	-	0.00%	-	0.00%	-
<b>Associates</b>								
<b>20 Raghuvesh Warehousing Private Limited</b>								
March 31 2021	0.24%	450.81	-0.02%	(7.03)	0.00%	-	-0.02%	(7.03)
March 31 2020	0.29%	457.85	-0.18%	(35.79)	0.00%	-	-0.18%	(35.79)
<b>21 Raghuvesh Agri Foods Private Limited</b>								

Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

59 Additional information required by Schedule III (Contd..)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in other Comprehensive income	
	As % of Consolidated net assets	₹ in lakhs	As % of Consolidated profit and loss	₹ in lakhs	As % of Consolidated other Comprehensive income	₹ in lakhs	As % of Consolidated total Comprehensive income	₹ in lakhs
March 31 2021	0.20%	372.68	-0.06%	(16.68)	0.00%	-	-0.05%	(16.68)
March 31 2020	0.24%	389.36	-0.41%	(81.55)	0.00%	-	-0.42%	(81.55)
<b>22 Raghuvesh Infrastructure Private Limited</b>								
March 31 2021	0.03%	50.33	0.17%	50.33	0.00%	-	0.16%	50.33
March 31 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Joint ventures								
<b>23 Genoa Rice Mills Private Limited</b>								
March 31 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31 2020	0.00%	-	0.00%	-	-0.12%	0.58	0.00%	0.58
<b>24 Daawat Kameda India Private Limited</b>								
March 31 2021	0.82%	1,543.08	-1.58%	(457.59)	-0.01%	(0.21)	-1.42%	(457.81)
March 31 2020	1.25%	2,000.88	-1.29%	(258.01)	0.00%	-	-1.33%	(258.01)
<b>25 Intragroup eliminations</b>								
March 31 2021	-7.07%	(13,356.84)	-0.50%	(144.93)	-1.85%	(62.98)	-0.64%	(207.91)
March 31 2020	-7.24%	(11,574.75)	-0.49%	(97.38)	3.49%	(16.47)	-0.59%	(113.86)
<b>Total</b>								
<b>March 31 2021</b>	<b>100.00%</b>	<b>1,89,025.25</b>	<b>100.00%</b>	<b>28,907.86</b>	<b>100.00%</b>	<b>3,397.55</b>	<b>100.00%</b>	<b>32,305.41</b>
<b>March 31 2020</b>	<b>100.00%</b>	<b>1,59,918.24</b>	<b>100.00%</b>	<b>19,930.50</b>	<b>100.00%</b>	<b>(472.35)</b>	<b>100.00%</b>	<b>19,458.14</b>

\* On September 20, 2019, LT Overseas North America, Inc. entered into share purchase agreement with its holding Company to acquire all shares of LT Foods International Limited, UK Company, wholly owned subsidiary of the Holding Company. LT Foods International Limited has LT Foods Europe BV (Netherlands), as its wholly owned subsidiary. Therefore, Profit/loss till September 20 are disclosed here and profit/loss along with balance sheet items are clubbed in LT Overseas North America, Inc.

**60** The Group is engaged into the business of manufacturing and selling rice and therefore, its business falls under the category to provide ‘essential services’. Due to the lock-downs and other restrictions and conditions related to the COVID-19 pandemic situation, the State Government has granted permission to the Group to run its operations and based on management’s assessment upto the date of approval of this Statement, the Group is very well equipped with a robust supply chain network and has no shortage with respect to raw material, including stock of paddy and rice, to fulfil the demand from both India and international markets. The Group has implemented risk mitigation strategies for the health and wellness of its employees/ workers and plant has been operating with all and necessary adherence to the guidelines issued by the respective authorities. Based on management’s assessment of the impact on Group’s operations, financial performance and position as at and for the year ended March 31, 2021, it has been concluded that there is no impact which is required to be recognized in these financial statements. Accordingly, no adjustments have been made to these financial statements.

**61** The Code on Social Security 2020 (‘the Code’) relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. This is applicable to the Company and its Subsidiaries incorporated in India.

The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

# Notes forming part of the Consolidated Financial Statements

for the year ended March 31, 2021 (All amounts are in ₹ lakhs unless otherwise stated)

## 62 Standards issued but not yet applicable

The Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards. There is no such notification which is applicable for the Group from April 1, 2021.

## 63 Previous year figures

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

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration Number:- 105047W

**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place: Gurugram  
Date: May 26, 2021

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN: 01574773

**Gokul Patnaik**  
Independent Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN: 01574728

**Monika Chawla Jaggia**  
Company Secretary  
Membership No.: F5150

# NOTES

NOTES





**LT FOODS**  
NURTURING GOODNESS

**CORPORATE OFFICE**

**LT Foods Limited**

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[www.ltgroup.in](http://www.ltgroup.in)

**REGISTERED OFFICE**

**LT Foods Limited**

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