



**Lakshmi**  
**Energy and Foods Limited**  
Formerly Lakshmi Overseas Industries Limited

**Corporate / Admin Office & Works :**  
Chandigarh-Ludhiana National Highway, Khamanon-141801, Punjab, India  
Tel : 01628-661800 Cell : 97809-10117, 118 Fax : +91-1628-661805  
E-mail : corporate@lakshmigroup.in  
CIN No.: L00000CH1990PLC010573

September 26, 2017

To

<b>Listing Department</b> <b>National Stock Exchange of India Ltd</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051  <b>NSE Symbol: LAKSHMIEFL</b>	<b>Department of Corporate Services</b> <b>BSE Ltd.</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001  <b>BSE Code: 519570</b>
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**Sub: Annual Report for the financial year 2016-17**

Dear Sir,

In compliance with the provisions of Regulation 34 and other applicable provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015, we submit herewith Annual Report of the company for the financial year 2016-17 containing inter alia Directors' Report, Auditors' Report, Audited Financial Statements (Standalone & Consolidated) as approved and adopted by the members as per the provisions of the Companies Act, 2013.

Hope you will find the same in order.

Thanking You,

Yours truly,  
For **LAKSHMI ENERGY AND FOODS LIMITED**  
(formerly Lakshmi Overseas Industries Limited)

  
**(Ajay K. Ratra)**  
**Company Secretary**

Encl: as above

# HARVESTING GLOBAL BENEFITS POWERED BY GREEN ENERGY



**ANNUAL REPORT 2016-17**



*A distinct aroma of finest taste!*



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**BOARD OF DIRECTORS**

Mr. Balbir Singh Uppal	Chairman & Managing Director
Mr. Janak Raj Singh	Joint Managing Director
Mrs. Vijay Laxmi Sood	Director
Mr. Amarjit Singh	Director
Mr. Nirdosh Bali	Director
Mr. V.K. Mishra	Director

**BANKERS**

Punjab National Bank  
Syndicate Bank  
Axis Bank  
ICICI Bank

**STATUTORY AUDITORS**

M/s SMPS & Co., Chartered Accountants  
B-143, 3rd Floor, DDA Sheds, Industrial Area,  
Phase-I, Okhla, New Delhi-110020

**INTERNAL AUDITOR**

M/s Pankaj Amrit Lal & Co.,  
Chartered Accountants, Patiala

**CHIEF FINANCIAL OFFICER**

Mr. P. C. Jain

**COMPANY SECRETARY**

Mr. Ajay K. Ratra

**REGISTERED OFFICE:**

S.C.O. 18-19, 1st Floor, Sector 9D,  
Madhya Marg, Chandigarh – 160017, India  
Tel.: +91-172-2740352, Fax: +91-172-2743057  
E-mail: corporate@lakshmgroupp.in  
Website: www.lakshmgroupp.in  
CIN : L00000CHI990PLC010573

**CORPORATE OFFICE & WORKS:**

Ludhiana – Chandigarh National Highway,  
Khamanon 141801, Dist. Fatehgarh Sahib, Punjab, India.  
Tel.: +91-1628-661800, Fax: +91-1628-661805

**REGISTRAR & SHARE TRANSFER AGENT**

M/s Beetal Financial & Computer Services (P) Ltd.  
Beetal House, 3rd Floor,  
99, Madangir, New Delhi - 110062

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## FROM THE CHAIRMAN'S DESK

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Dear Shareholders,

I am pleased to share with you that your Company is enjoying leadership position in the market in the matter of providing hygienic and healthy food including the best aromatic rice to the domestic and international consumers for the last more than 25 years. Company's plants are equipped with the latest automatic machinery imported from Japan, Germany, Denmark and USA, which set the highest standards for the most modern food grain processing plants in India and state of art biomass based power plant producing 'green energy'.

Despite the recessionary conditions prevailing world wide, your Company has registered a sales of Rs. 10214.39 million for the financial year 2016-17. YOY growth comes to 11.67%. There are wide fluctuations in the prices of rice in general and basmati rice in particular. This has affected bottom line of the industry and your company is not an exception, yet we have been able to reduce the losses significantly. During FY 2016-17 EBIDTA was positive by Rs.1284.55 million as against negative EBIDTA of Rs.489.64 million last year. The management has taken various steps for increasing profitability of the company and thus able to reduce the losses after taxes significantly to Rs. 11.12 million for the year ended 31st March 2017 as against losses of Rs.931.61 million during last year. The Management is taking effective steps to curtail the expenses and increasing the efficiency on all fronts.

Despite our best efforts, certain external factors continued to give challenges to the industry but we are balancing the factors of agri-business with our power generating business. It has been observed that basmati rice is losing its sheen due to less demand both in domestic and international market and keeping this in view the management is simultaneously shifting its focus on non-basmati segment which has very good demand and also generates good price realisation as well as by-products.

The restructuring scheme approved by the bankers of the Company could not be taken forward on account of various reasons beyond the control of company. Despite repeated requests by the Company, bankers did not release WC as per approved restructuring scheme due to which the Company could not make the desired procurement which has greatly affected the production and profitability of the Company during the year. Realising this, banker's i.e. joint lender's forum (JLF) have agreed to consider the accounts of Company under S4A scheme of Reserve Bank of India.

In view of the decision of Joint Lenders Forum (JLF), the company is in the process of implementation of S4A (Scheme for Sustainable Structuring of Stressed Assets) as per RBI guidelines with reference date 21 June 2017



and this scheme is likely to be completed in December 2017. Decision of lenders to consider the accounts of the company under S4A scheme of RBI is a positive move towards sustained long term growth for the company as it will result in the reduction of substantial cost of debt servicing which will have positive impact on all the stakeholders such as shareholders, farmers, commission agents, Government, bankers etc.

Presently, we are putting more focus on the production side of the business and we would be able to recoup the situation. Your company has recorded sale of Rs.1278.96 million during first quarter of FY 2017-18. Biomass based Power Plant of the company is adding to the bottom line.

The overall atmosphere is positive and I am confident that this will be so in future also. I place on record my sincere thanks to our board of directors for their outstanding support. I would also like to thank the stakeholders and shareholders as well as employees of the company who are working tirelessly to achieve the objectives of the company. I would also like to express my gratitude towards our customers, dealers, suppliers, bankers and other associates for their continued support.

Best regards,

Balbir Singh Uppal  
Chairman and Managing Director

# DIRECTORS' REPORT

Dear Members,

The Board of your Company is immensely delighted in presenting its 26<sup>th</sup> Report. The Report is being presented along with the Audited Financial Statements for the Financial Year ended March 31, 2017.

## Financial Results

(Rs. In Millions)

Sl. No.	Particulars	Standalone		Consolidated	
		Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2017	Year ended 31.03.2016
1.	Revenue from operations	10214.39	9147.21	10220.36	10512.83
2.	Other Income	1.91	8.27	1.94	8.65
3.	<b>Total Revenue</b>	<b>10216.30</b>	<b>9155.48</b>	<b>10222.30</b>	<b>10521.47</b>
4.	Expenditure				
	a. Cost of Raw Material Consumed	2101.49	123.34	2089.17	123.34
	b. Purchase of Stock in trade	8180.13	7609.44	8190.54	8600.58
	c. (-) Inc. / (+) Dec. In stock	(1467.35)	651.08	(1460.38)	1005.89
	d. Employees benefit expenses	49.17	76.53	51.81	80.81
	e. Finance Cost	249.86	334.51	249.86	334.51
	f. Depreciation	136.64	318.86	138.53	321.09
	g. Other Expenditure	68.30	205.45	73.37	216.96
	<b>Total Expenses</b>	<b>9318.25</b>	<b>9319.21</b>	<b>9332.90</b>	<b>10683.18</b>
5.	<b>Profit/(Loss) from ordinary activities, PBT before exceptional Items</b>	<b>898.05</b>	<b>(163.73)</b>	<b>889.39</b>	<b>(161.71)</b>
6.	Exceptional items (Interest transferred to FITL/WCTL, payable in the next eight years as approved by IEC under RBI guidelines)	(924.53)	(844.82)	(924.53)	(844.82)
7.	Profit/(Loss) from ordinary activities before tax PBT	<b>(26.48)</b>	<b>(1008.55)</b>	<b>(35.14)</b>	<b>(1006.52)</b>
8.	Tax Expenses				
	-Current Tax	-	-	-	0.10
	-Deferred Tax	(15.35)	(76.94)	(44.27)	(102.98)
	-MAT credit entitlement				(0.10)
9.	Profit after Tax (PAT)	<b>(11.12)</b>	<b>(931.61)</b>	9.13	(903.55)
10.	Earnings per share				
	Basic (Rs.)	(0.16)	(14.01)	0.13	(13.59)
	Diluted (Rs.)	(0.15)	(14.01)	0.13	(13.59)

### Financial & Performance Review

The company is in the business of agri based products such as rice processing, food processing and green power generation based on agri-waste mainly rice husk which is one of the Company's by-products. The Company is primarily engaged in the handling, storage, and transportation of food grains. In the process, the prime motive is to preserve and store the food grains. Warehousing infrastructure, transportation and packing plays key role in process efficiency and profitability as it also earns tax benefits under the tax laws.

Your Company's USP is excellent quality, strategic procurement, marketing and brand. Your Company's presence is all pervasive starting from grass root level of farmers, mandi yards through representatives, procurement, transportation, warehousing, paddy processing, generating other by-products like rice bran oil, de-oiled cakes and using husk for power plant.

During the year ended 31st March, 2017, your Company recorded Sales of Rs.10214.39 million as compared to Rs.9147.21 million during the year ended 31-03-2016, registering a yoy growth of 11.67% over the last year.

EBIDTA was positive by Rs.1284.55 million as against negative EBIDTA of Rs.489.64 million last year. Loss after Tax was Rs.11.12 millions as at 31<sup>st</sup> March 2017 (Rs.931.61 million last year). The company is effectively taking steps to curtail the expenses and increasing the efficiency on all fronts.

Loan accounts of the company were restructured by Joint Lenders Forum (JLF) with mutual consent of the company in March 2015 in terms of RBI guidelines after conducting TEV study by M/s Dun & Bradstreet with cut-off date 01-10-2014 and approved by Independent Evaluation Committee (IEC) on 11-05-2015. The company complied with all the conditions of restructuring scheme including payment of interest till 30-09-2016. But, the bankers did not fulfil the conditions of approved scheme as WC limits were not released by Banks as per TEV report/approved restructuring scheme despite numerous requests/proposals by the company to the banks. Consequently, the restructuring scheme could not be taken forward after 01-10-2016 and the company could not achieve its projections as per TEV report which has affected the profitability of the company. JLF meetings were held on 22-12-2016 and 22-04-2017 wherein it was discussed that the company is eligible for S4A (Scheme for Sustainable Structuring of Stressed Assets) scheme of RBI.

As decided in the Joint Lenders Forum (JLF) meeting, the company is in the process of implementation of S4A scheme under the RBI guidelines with reference date 21 June 2017. Decision of Joint Lender's Forum to consider the account of Company under S4A scheme of RBI speaks about the confidence of the lender's in the ability of management to run the company profitably. Management of Company extend thanks to the lenders for reposing the confidence in the Management of Company. Under S4A scheme of RBI, the debt of the company will be bifurcated into two parts – sustainable debt, which cannot be less than 50% of existing debt and will have to be serviced. The other unsustainable part of the loan can either be converted into long term (15-20 years) Optionally Convertible Debentures/Redeemable Optionally Convertible Preference Shares/Equity, with clearly spelt out terms. Lenders get 180 days from 'Reference Date' to formulate the resolution plan and implement the same, along with necessary internal approvals. Decision of lenders to consider the accounts of the company under S4A scheme of RBI is a positive move towards sustained long term growth for the company as it will result in the reduction of substantial cost of debt servicing which will have positive impact on all the stakeholders such as shareholders, farmers, commission agents, Government, bankers etc.

A detailed discussion on the business performance and future outlook has been given in 'Management Discussion and Analysis' (MDA).

### **Consolidated financial statements**

Further pursuant to Accounting Standard-21 (AS-21) issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements presented in this Annual Report include financial information of the subsidiary companies i.e Punjab Greenfield Resources Limited, M/s Lakshmi Green Power Limited and M/s Green Energy and Foods Pte. Ltd, Singapore.

### **Change in nature of Business**

During the year under review, there was no change in the nature of Business.

### **Expansion & Modernization**

During the period under review, certain balancing equipments were added in the Plants to improve the quality and efficiency. The Company has set up state of art modern Corporate Office at Khamanon to meet the current and future need of the administration office.

### **Performance of Subsidiaries**

The following may be read in conjunction with the Consolidated Financial Statements prepared in accordance with Accounting Standard 21. Shareholders desirous of obtaining the report and accounts of your Company's subsidiaries may obtain the same upon request. Further, the report and accounts of the subsidiary companies will also be available on Company's website, [www.lakshmienergy.com](http://www.lakshmienergy.com), in a downloadable format.

**Punjab Greenfield Resources Limited**, a wholly owned subsidiary Company presently acts as a sales and marketing arm of LEAF and has been engaged in buying the finished rice varieties from LEAF, warehousing them and distributing them in various parts of the country using its network of brokers, dealers and distributors.

**M/s Lakshmi Green Power Limited** is wholly owned subsidiary of your company. On being operational, this company shall significantly contribute to generate power.

**M/s Green Energy and Foods Pte. Ltd, Singapore** is subsidiary company and it is yet to start its operations.

There is no associate Company and joint venture of the Company.

**Material Subsidiaries** - The Board of Directors of the Company in its meeting approved the policy for determining Material Subsidiaries. At present the Company does not have any Material Subsidiary. The Policy on Material Subsidiary has been posted on the website of the Company at the following link: <http://www.lakshmienergy.com/downloads/Policyonmaterialsubsidiaries.pdf>

The statement containing the salient feature of the financial statement of a Company's subsidiaries as per first proviso to sub-section (3) of section 129 in Form AOC-I is attached as Annexure-I and forms part of Annual Report.

### **Transfer to Reserves**

The Company has not transferred any amount to the General Reserves during the period year under review.



### **Dividend**

Taking into account loss incurred by the Company, Board of directors of the Company do not recommend any dividend for the year ended 31st March, 2017.

### **Directors and KMP**

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Janak Raj Singh will retire by rotation at the AGM and being eligible, offers himself for re-appointment. Your Board has recommended his re-appointment.

Mr. Balbir Singh Uppal is being re-appointed as Managing Director of the company subject to the approval of the shareholders in the ensuing Annual General Meeting for a period of three years w.e.f. 1<sup>st</sup> September, 2017.

Brief resume/details of the Directors, who are to be re-appointed as mentioned above have been furnished alongwith the Explanatory Statement to the Notice of the ensuing Annual General Meeting.

During the year, due to critical illness, Mr. Sukhdeep Singh resigned from the post of Chief Financial Officer w.e.f. 14.02.2017 and Mr. P. C. Jain was appointed as new Chief Financial Officer of the company w.e.f. 14.02.2017.

The detailed section on 'Board of Directors' is given in the separate section titled 'Corporate Governance Report' forming part of this Annual Report.

### **Declaration of Independence**

The Board has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and regulation 16(b) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of the Board they fulfil the conditions specified in the Act and the Rules made thereunder and are Independent of the management.

### **Number of Board Meetings**

During the year ended 31<sup>st</sup> March, 2017, eleven meetings of the Board were held on April 27, 2016, May 09, 2016, May 17, 2016, July 20, 2016, August 11, 2016, September 14, 2016, October 03, 2016, November 14, 2016, November 21, 2016, December 14, 2016 and February 14, 2017.

### **Mechanism for evaluation of board, committees and individual directors**

Pursuant to the provisions of the Companies Act, 2013 and regulation 17(10) of SEBI (LODR) regulations, 2015, a structured procedure was adopted after taking into consideration the various aspects of the Board's functioning, composition of the Board and its various Committees, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed in time. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expresses its satisfaction with the evaluation process.

The Nomination and Remuneration ("NR") Committee has laid down proper criteria and procedure to evaluate and scrutinize performance of the Chairperson, each (including Executive, Non-Executive and Independent directors), of the Board as a whole and its Committee.

The criteria include different aspects covered under Administrative, Strategic, Operational and Compliance headings. As per laid down procedure, the Independent Directors held a separate meeting to review the performance of the Chairperson of the Company after taking into account the views of Executive and Non Executive Directors. The substantial, and continuing, contribution of the Chairperson in the growth of the Company has been highly commended. The Independent Directors also reviewed performance of every Executive and Non Executive Director of the Board. The performance evaluation of each Independent Director was done by the entire Board (except the Independent Directors being evaluated).

The performance of each committee has been evaluated by its members and found to be highly satisfactory.

On the basis of this exercise, the NR Committee and the Board, after recognising the important contribution being made by each Independent Directors have decided that all Independent Directors should continue to be on the Board.

### **Familiarisation programme for Independent Directors**

During FY 2016-17, the Board including all Independent Directors were explained about their roles, rights, and responsibilities in the Company through detailed presentations as per the Companies Act, 2013 and SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

The Board including all Independent Directors was provided with relevant documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices from time to time besides regular briefing by the members of the Senior Leadership Team.

The Familiarisation programme for Independent Directors is posted on the website [www.lakshmienergyandfoods.com](http://www.lakshmienergyandfoods.com) and can be viewed at the following link- [http://www.lakshmienergyandfoods.com/downloads/Familiarisation\\_program\\_for\\_Independent\\_Directors.pdf](http://www.lakshmienergyandfoods.com/downloads/Familiarisation_program_for_Independent_Directors.pdf)

### **Remuneration Policy**

Your Company has set up a Nomination and Remuneration ('NR') Committee pursuant to Section 178 of the Act which has formulated a policy for Directors' Appointment and remuneration for Directors, KMP and other employees. They have also developed the criteria for determining qualifications, positive attributes and independence of a Director including making payments to Non-Executive Directors.

NR Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages. Further the compensation package for Directors, Key Managerial Personnel, Senior Management and other employees are designed based on the following set of principles:

- Aligning key executive and Board remuneration with the long term interests of the Company and its shareholders;
- Minimise complexity and ensure transparency;
- Link to long term strategy as well as annual business performance of the Company;
- Promotes a culture of meritocracy and is linked to key performance and business drivers; and
- Reflective of line expertise, market competitiveness so as to attract the best talent.

Your directors affirm that the remuneration paid to employees, KMP and Directors is as per the Remuneration Policy of the Company. The Remuneration Policy of the Company is posted on the website [www.lakshmienergyandfoods.com](http://www.lakshmienergyandfoods.com) and can be viewed at the following Link <http://www.lakshmienergyandfoods.com/Investor.html>

### Directors' Responsibility Statement

Your Directors make the following statement in terms of Section 134(3)(c) & (5) of the Act, which is to the best of their knowledge and belief and according to the information and explanations obtained by them:

1. that in the preparation of the annual accounts for the Financial Year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the State of Affairs as at March 31, 2017 and of the Profit/Loss of your Company for the Financial Year ended March 31, 2017;
3. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
4. that the annual accounts for the Financial Year ended March 31, 2017 have been prepared on a going concern basis;
5. that the Directors have laid down Internal Financial Controls which were followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
6. that 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.

### Management Discussions and Analysis Report

Management Discussions and Analysis Report as required, pursuant to Schedule V of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 is annexed and forms part of this Report.

### Corporate Governance

The Company has complied with the Corporate Governance requirements, as stipulated in Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015. A separate section on Corporate Governance along with a certificate from the Auditors of the Company confirming the compliance is annexed and forms part of this Report.

The Board has also evolved and adopted a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the website of the Company [www.lakshmienergyandfoods.com](http://www.lakshmienergyandfoods.com).

### Transfer to Investor Education & Protection Fund

During the year under review, there was no amount of unpaid / unclaimed dividend due to be transferred to "Investor Education and Protection Fund" (IEPF) established by the Central Government.

However, unpaid/unclaimed dividend of Rs.4,38,775/- in respect of 2008-09 (Final Dividend) was transferred to "Investor Education and Protection Fund" (IEPF) established by the Central Government in May 2017.

Hereunder are the details of Dividends paid by the Company and their respective due dates of transfer of unpaid or unclaimed dividends to IEPF:

Dividend for the year	Date of Declaration of Dividend	Due date for transfer to IEPF
2009-10 (Final Dividend)	26/03/2011	01/05/2018
2010-11 (Final Dividend)	28/03/2012	03/05/2019
2011-12 (Final Dividend)	28/03/2013	03/05/2020
2012-14 (Final Dividend)	03/05/2013	08/06/2020

### Material Changes and commitments

Save as mentioned elsewhere in this Report, no material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company – 31st March, 2017 and the date of this Report.

### Changes in Capital Structure

#### Issuance/allotment of convertible warrants

The company has allotted 71,40,000 convertible warrants (34,80,000 warrants of series-I and 36,60,000 warrants of Series-2) on 17/05/2016, on preferential basis, to M/s Ganeshay Overseas Industries Limited, Promoters' Group entity, at an exercise price of Rs.17.50 per underlying equity share of the face value of Rs.2 each, in terms of the in-principle approvals given by BSE and NSE. As per SEBI (ICDR) Regulations, 25% upfront amount was received by the company from the allottee before allotment of warrants.

The company has allotted 34,80,000 equity shares of Rs.2/- on 20-07-2016 on conversion of 34,80,000 warrants of Series-I to M/s Ganeshay Overseas Industries Limited (Promoters' Group entity).

Except the above matter, there has not been any change in capital structure. Authorised Capital of the Company is Rs.20,00,00,000 and paid up capital was Rs.13,99,40,000/- as on 31-03-2017 and as on date of this report.

### Particulars of loans, guarantees and investments u/s 186

The details of the investments made by the Company are in Note No.14 of the audited financial statements. The Company has not made any loans to any persons within the meaning of Section 186 and has also not given any guarantees within the meaning of that section.

### Related Party Transactions

During FY 2016-17, all contracts/arrangements/transactions entered into by your Company with related parties under Section 188(1) of the Act were in the ordinary course of business and on an arm's length basis. During FY 2016-17, your Company has entered into certain transactions with related parties which could be considered 'material' as per Regulation 23 of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and these transactions are reported in form AOC-2 as Annexure-6.

Further, during FY 2016-17, there were no materially significant related party transactions made by your Company with the Promoters, Directors, Key Managerial Personnel or other designated persons, which might have potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee for its approval. There was no matter requiring approval of the Board. During FY under review, the Audit Committee has approved transactions through the Omnibus

mode in accordance with the provisions of the Act and Listing Regulations. Related party transactions were disclosed to the Board on regular basis as per IND AS 24. Details of related party transactions as per IND AS 24 may be referred to in Note 14 of the Standalone Financial Statements.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at [www.lakshmienergy.com](http://www.lakshmienergy.com) and can be viewed at the following link: <http://www.lakshmienergy.com/downloads/Relatedpartytransactionpolicy.pdf>

None of the Directors has any pecuniary relationships or transactions vis-à-vis the Company except the remuneration received by respective directors.

### **Risk Management System**

Your Company follows a comprehensive system of Risk Management and has adopted a procedure for risk assessment and its minimisation. It ensures that all the risks are timely defined and mitigated in accordance with the Risk Management Process, including identification of elements of risk which might threaten the existence of the Company. Your Company constituted a Risk Management Committee which intensely monitors the Risk Management Process in the Company and the same is periodically reviewed by the Board.

### **Vigil Mechanism/ Whistle Blower Policy**

Your Company has in place a well formulated Vigil Mechanism/ Whistle Blower Policy to deal with instance of fraud and mismanagement, if any. The policy enables the employees, Directors and other stakeholders to raise their concern. There was no incident when the access to the Audit Committee was denied to any employees with respect to vigil mechanism. The policy is posted on the website of the Company at [www.lakshmienergy.com](http://www.lakshmienergy.com) at the following link: [http://www.lakshmienergy.com/downloads/VIGIL\\_MECHANISM.pdf](http://www.lakshmienergy.com/downloads/VIGIL_MECHANISM.pdf)

### **Corporate Social Responsibility (CSR)**

In accordance with the requirements of Section 135 of Companies Act, 2013, your Company has a Corporate Social Responsibility (CSR) Committee, which comprises following directors as on 31st March, 2017:

- |    |  |            |
|----|--|------------|
| 1. | Mr. Balbir Singh Uppal, CMD            | – Chairman |
| 2. | Mr. Nirdosh Bali, Independent director | – Member   |
| 3. | Mr.V.K. Mishra, Independent director   | – Member   |

Your Company has also formulated a Corporate Social Responsibility Policy (CSR Policy) which is available on the website of the Company at [www.lakshmienergy.com](http://www.lakshmienergy.com) under the section Investor Information.

The Committee manages and overviews the CSR projects of your Company. The CSR initiatives of the Company are identified in consultation with the management, social experts, community and other stakeholders. The implementation strategy is planned in a way so as to give sustainable and scalable solutions. The identified focus areas for the Company are: i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water; ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects; iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups; iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water; v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts; vi) Measures for the benefit of armed forces veterans, war widows and their dependents; vii) Training to promote rural sports, nationally recognised

sports, paralympic sports and Olympic sports; viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government; x) Rural development projects; xi) Such other activities as may be recognized by the Committee/ Board or as may be required/ permissible under prevailing law(s).

The Company has actively supported various initiatives in the areas of providing housing and promoting education to children from needy and poor families over the years. The Annual Report on Corporate Social Responsibility Activities is annexed herewith as Annexure-2 and forms an integral part of this report.

### **Audit Committee**

The Audit Committee of the Company comprises of the following Non-Executive and Independent Directors:

1. Mr. Nirdosh Bali - Chairperson
2. Mr.V.K.Mishra - Member
3. Mr.Amarjit Singh - Member

The details about Audit Committee and its terms of reference etc. have been given in Corporate Governance Report.

During the Year under review there was no such recommendation of the Audit Committee which was not accepted by the Board.

### **Auditors and Auditors' Report**

#### **i. Statutory Auditors and Auditors' Report**

M/s. SMPS & Co., Chartered Accountants, New Delhi, Statutory Auditors of the Company were appointed for 4 (four) consecutive years from the date of the 23<sup>rd</sup> Annual General Meeting (AGM) for a term up to the conclusion of 27<sup>th</sup> AGM of the Company (subject to ratification of the appointment by the members at every AGM held after this AGM). At the ensuing AGM, their appointment is proposed to be ratified for the balance term upto the conclusion of 27<sup>th</sup> AGM. The Company has received an eligibility letter from the auditors to the effect that the ratification of their appointment, would be in accordance with Sections 139 and 141 of the Act. The Board recommends the ratification of their appointment.

The observations of Auditors in their Report, read with the relevant notes to accounts are self explanatory and therefore do not require further explanation except the following:

Point no.8 in the Annexure-B to the Independent Auditors' Report

With reference to observations of Auditors in above point, Management comments are as follows:

The Company is availing fund based and non-fund based credit facilities from a consortium of 4 banks viz., Punjab National Bank, Syndicate Bank, Axis Bank and ICICI Bank. After conducting TEV study by M/s Dun & Bradstreet, the loan accounts of company were restructured by Joint Lenders Forum (JLF) led by PNB in March 2015 with mutual consent of the company, in terms of RBI guidelines, with cut-off date as at 01.10.2014 and later, approved by Independent Evaluation Committee (IEC) on 11-05-2015. The company complied with all the conditions of restructuring scheme including payment of interest till 30-09-2016, but the bankers did not fulfil the conditions of approved restructuring scheme as WC limits were not released by Banks as per TEV Report/approved restructuring scheme despite numerous requests by the company to the banks. Consequently, the restructuring scheme could

not be taken forward after 01-10-2016 and the company could not achieve its projections as per TEV report. Amounts payable to Banks became overdue and loan accounts of company were classified as Non-Performing Assets by the lending banks, for which the company has contested and the matter has also been referred to RBI. JLF meetings were held on 22-12-2016 and 22-04-2017 at PNB, head office at Delhi wherein it was discussed that the company is eligible for S4A (Scheme for Sustainable Structuring of Stressed Assets) scheme of RBI.

As decided in the JLF meeting held on 21-06-2017, the company is in the process of implementation of S4A scheme under the RBI guidelines with reference date of 21 June 2017 and this scheme is likely to be completed in December 2017. Under S4A scheme of RBI, the debt of the company will be bifurcated into two parts –sustainable debt and unsustainable debt. Unsustainable debt shall not be more than 50% of total outstanding and part of the such portion of debt can either be converted into long term Optionally Convertible Debentures/Redeemable Optionally Convertible Preference Shares/Equity, with clearly spelt out terms. Decision of lenders to consider the accounts of the company under S4A scheme of RBI is a positive move towards sustained long term growth of the company as it will result in reduction of substantial cost of debt servicing which will have positive impact on all the stakeholders such as shareholders, farmers, commission agents, Government, bankers etc.

### ii. **Cost Auditors**

M/s Anil Sharma & Co., Cost Accountants, Chandigarh were appointed as the Cost Auditors of the Company for FY 2016-17 to audit the cost accounts of the Company. They have been re-appointed as Cost Auditors for FY 2017-18.

### iii. **Secretarial Auditors**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and rules made thereof, your Company has appointed M/s. A. Arora & Co., Company Secretaries, Chandigarh, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the Financial Year ended March 31, 2017 is annexed herewith as Annexure-3. The Report does not contain any qualification, reservation or adverse remark.

### **Internal Financial Controls and their Adequacy**

The Company has a proper and adequate system of internal controls. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorised, recorded and reported correctly. An extensive programme of internal audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

### **Insider Trading Code**

In compliance with the SEBI regulation on prevention of insider trading, the Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code laid down guidelines, which advised them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioned them on consequences of non-compliances.

Further, the Company has put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. The aforesaid Codes are in lines with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

### Deposits from Public

The Company has not accepted any deposits from public during the year and as such no amount on account of principal or interest on public deposits was outstanding.

### Cash Flow Statement

In conformity with the provisions of Clause 34(2) of SEBI (LODR) Regulations, 2015, the Cash Flow Statement for the year ended on 31<sup>st</sup> March, 2017 forms an integral part of the Financial Statements.

### Stock Exchange Listing

The shares of the Company are presently listed on the following Stock Exchanges:

1. National Stock Exchange of India Limited;
2. BSE Limited;

### Personnel

As on March 31, 2017, the total numbers of employees on the records of the Company were 202. Directors place on record their appreciation for the significant contribution made by all employees, who through their competence, dedication, hard work, co-operation and support have enabled the Company to cross new milestones on a continual basis.

### Particulars of remuneration of Directors and KMP's

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure-4 forming part of this Report.

### Extract of Annual Return

The details forming part of the extract of the Annual Return pursuant to Sections 92(2) and 134(3)(a) of the Act and rules made thereof in form MGT 9 is annexed herewith as Annexure-5.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo.

Information required under Section 134(3)(m) of the Act, read with rules made thereof is given hereunder.

#### (A) Conservation of Energy:

- (i) The steps taken or impact on conservation of energy

In pursuit of continuous improvement towards energy conservation and compliance with environmental regulations, many initiatives have been underway such as:

- a. The maintenance of the Boiler and Turbine generator is carried out regularly with optimum care with the help of the technical professionals and modern equipments.
- b. Most of the traditional lights are being converted into CFL/EFL.
- c. Installation of variable frequency drives on high pressure boiler feed water pumps, ID fans, FD fans and fuel feeders.
- d. Installation of soft starter at grading point.
- e. AC drive on cooling fans.



- f. Capacitator panel for enhancing power factor.
- g. Interlocking of motor operation to reduce the idle running hours of the motor in terms of power saving and safety.
- h. Schedule cleaning of condenser in power plant and heat exchanger of various units like alternator & oil coolers is being carried out to increase the heat transfer.
- i. An O<sub>2</sub> analyzer is used for monitoring and controlling flue gas of the boiler.
- j. Use of ETP treated water for horticulture.
- k. Use of condensate steam/water in boiler for power generation.
- l. Air compressor with latest technology is installed to reduce power consumption at low load mode.
- m. Additional air dryers provided in compressor air system to avoid zero moisture to Sortex machines. Compressor air pipe lines are changed with Aluminum pipes to maintain the quality of air entering Sortex machines.
- n. Captive husk based co-generation of power, reducing consumption from main grid utilization.
- o. Usage of other biomass fuel like rice/paddy straw, wheat straw in optimum ratio based on availability so that utilizing all the available fuels to run the plant and getting max plant load factor (PLF).
- p. Development of greenery all over the plant.

The above energy conservation measures would result in reduction in energy consumption and effectively saving in drawal of power from the State Grid upto 5 to 10%.

- (ii) The steps taken by the Company for utilizing alternate sources of energy :-  
The Company is contemplating to install solar power plant.
- (iii) The capital investment on energy conservation equipments:-  
Further energy conservation is planned through replacement of and modification of inefficient equipments and by providing automatic controls to reduce idle running of equipments.

### **(B) Technology Absorption:**

- (i) the efforts made towards technology absorption and;
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution;  
The Company is taking caring of latest developments and advancements in technology and all steps are being taken to adopt the same. The Process equipments installed in the plant are of from world class manufacturers with latest technology like Satake -Japan, Schmidt Seager – Germany, Shin Nippon Machinery Co. Ltd, Japan, Toyo Denki Power systems , Thermax, Sullair – US, ABB, Schneider, AREVA, Forbes Marshal etc. The Company's technical team is in process of exploring the opportunities & updating new technology for sophisticated equipments with latest technology.
- (iii) Technology imported (imported during the last three years reckoned from the beginning of the financial year)- None
  - (a) the details of technology imported; N.A
  - (b) the year of import; N.A
  - (c) whether the technology been fully absorbed: Yes
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; N.A
- (iv) the expenditure incurred on Research and Development: The Company is yet to carry out R & D on product genes cultivation which could be predominantly back end process.

**(C) Foreign Exchange Earnings and Outgo:**

(i) Export Activities/Initiatives to Increase Exports/Development of New Export Markets / Export Plans

**Export During 2016-17**

During the year under review, there was no export of rice (previous year- Rs.4.43 million). However, deemed export was of Rs.34.87 million during the year.

**Export Plan For 2017-18**

- Focus on existing international market for business growth
- Explore the possibility of export to other international markets.

During the year under review, the earning on account of foreign exchange was Nil (Previous year Rs.4.43 million), and the outgo in foreign exchange was Rs.3.79 million (Previous year - Rs.233.56 million).

**Statutory Disclosures**

1. The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Act and rules made thereof.
2. There is no issue of equity shares with differential rights as to dividend, voting or otherwise.
3. There is no issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Managing Director(s) of the Company did not receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. The Company has in place a Prevention of Sexual Harassment policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013. An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year 2016-2017, no complaints were received by the Company related to sexual harassment.

**Acknowledgement**

Directors wish to convey their sincere appreciation for the co-operation and excellent assistance the Company has received from central/state government(s) and various ministries, departments of the central/state government(s), dealers and valued business associates without which it would not have been possible to achieve all round progress and growth of the Company. The Board also places on record its appreciation to shareholders for their continued trust and support. The Board also places on record its appreciation for the continuous patronage of the customers of the Company.

**For and on Behalf of the Board**

**Place: Khamanon**

**Date: 12-08-2017**

Sd/-

**Balbir Singh Uppal**

**Chairman and Managing Director**

**DIN: 00064718**

**Form AOC-I**

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

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Rs. In Millions)

Name of Subsidiary	Punjab Greenfield Resources Limited	Lakshmi Green Power Limited	Green Energy and Foods Pte. Limited
Reporting period	31.03.2017	31.03.2017	31.03.2017
Reporting currency	INR	INR	Singapore \$
Exchange rate as on the last date of the Financial year			1 SGD=Rs.46.388
Share capital	108.00	10.00	0.00*
Reserves & surplus	292.40	(0.22)	(11.30)
Total assets	812.32	10.10	11.35
Total Liabilities	812.32	10.10	11.35
Investments	19.49	-	-
Turnover	39.02	-	-
Profit before taxation	(7.88)	(0.03)	(0.65)
Provision for taxation	-	-	-
Profit after taxation	21.02	(0.03)	(0.65)
Proposed Dividend	-	-	-
% of shareholding	100%	100%	100%

\* 1 SGD

**Notes:**

I. Lakshmi Green Power Limited and Green Energy and Foods Pte Ltd, Singapore, are yet to start operations.

**Part “B”: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

**Not Applicable (as the company has no associate company or joint venture)**

Name of associates/Joint Ventures	-	-	-
Latest audited Balance Sheet Date	-	-	-
Shares of Associate/Joint Ventures held by the Company on the year end	-	-	-
No.	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding%	-	-	-
Description of how there is significant influence	-	-	-
Reason why the associate/joint venture is not consolidated	-	-	-
Net worth attributable to shareholding as per latest audited Balance Sheet	-	-	-
Profit/Loss for the year	-	-	-
Considered in Consolidation	-	-	-
Not Considered in Consolidation	-	-	-

**(BALBIR SINGH UPPAL)**  
Chairman & Managing Director  
DIN:00064718

**(V.K.MISHRA)**  
Director  
DIN:00174380

**(AJAY K. RATRA)**  
Company Secretary

**(P.C.JAIN)**  
Chief Financial Officer

### Annual Report on CSR activities

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

Lakshmi Energy and Foods Limited (LEAF) believes in corporate excellence and social welfare. This corporate philosophy is the force for integrating Corporate Social Responsibility (CSR) into Company's values, culture, operation and business decisions at all levels of the organization. Being a responsible corporate citizen, LEAF has a value system of giving back to society and improving life of the people and the surrounding environment. The Company's CSR initiatives are inspired by the opportunity to contribute to a more secure and sustainable future. LEAF believes that the corporate strategy which embraces social developments as an integral part of the business activities ensure long term sustainability of business enterprises. With this belief, the Company is committed to make substantial improvements in the social framework of the nearby community. Looking at the social problems which the country faces today, the contribution by any corporate may look tiny. However, we believe that every such contribution shall bring a big change in our society.

LEAF will implement CSR programmes through Company personnel, or through external implementing agencies, and ensure proper governance, monitoring and reporting thereof.

The policy is available on the Company's website: [www.lakshmienergyandfoods.com](http://www.lakshmienergyandfoods.com) at [http://www.lakshmienergyandfoods.com/downloads/Corporate Social Responsibility Policy.pdf](http://www.lakshmienergyandfoods.com/downloads/Corporate%20Social%20Responsibility%20Policy.pdf)

2. **The Composition of the CSR Committee.**

As on 31st March, 2017, Corporate Social Responsibility Committee consisted of the following directors:

- |    |  |           |
|----|--|-----------|
| 1. | Mr. Balbir Singh Uppal, CMD            | -Chairman |
| 2. | Mr. Nirdosh Bali, Independent director | - Member  |
| 3. | Mr.V.K.Mishra, Independent director    | - Member  |

3. **Average Net Profit of the Company for last three Financial Years**

FY 2015-16	- Loss	Rs.931.61 millions
FY 2014-15	- Loss	Rs.3428.08 millions
FY 2012-14 (18 months)	- Loss	Rs.196.76 millions

Average for last three Financial Years - Loss Rs. 1518.82 millions

4. **Prescribed CSR Expenditure (two percent of the amount as in item 3 above) - Nil**

Since average of three financial years is loss i.e negative figure; So, 2% of the same is also a negative figure. Thus, prescribed CSR expenditure as per rules is NIL.

**5. Details of CSR spent during the financial year.**

- a) Total amount to be spent for the financial year: NIL
- b) Amount unspent, if any: N.A
- c) Manner in which the amount spent during the financial year is detailed below.

As such the company is not required to spend any amount on CSR activities yet the Company has spent an amount of Rs.2.64 million on charities which includes helping the needy students for education and supply of food items to various charitable institutions.

**6. In case the Company has failed to spend the two per cent of the average net profit of the last three Financial Years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

In view of point no.4 above, this point is not applicable.

However, the Company has created a robust plan and monitoring mechanism, which will ensure that its CSR initiatives are sustainable and truly beneficial to the society in the long run. As such, the work is proposed to be initiated on few programmes and pre-work activities have also been detailed out for most of the initiatives. During the next financial year the Company intends to spend on CSR.

**7. This is to confirm that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company.**

Sd/-

**Balbir Singh Uppal**  
**Chairman & Managing Director**  
**(Chairman - CSR Committee)**  
**DIN: 00064718**

Sd/-

**V.K.Mishra**  
**Director**  
**DIN: 00174380**

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
Lakshmi Energy and Foods Limited  
S.C.O. 18-19, 1<sup>st</sup> Floor,  
Sector 9-D, Chandigarh

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by LAKSHMI ENERGY AND 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 LAKSHMI ENERGY AND FOODS LIMITED'S 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 March 31, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by LAKSHMI ENERGY AND FOODS LIMITED ("the Company") for the financial year ended on March 31, 2017 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 and The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Amendment) Regulations, 2013.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the amendments thereof: Not Applicable as none of the securities of the company was delisted during the audit period.
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the extent of VII regarding preferential issue of securities.

- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014- Not Applicable as the company has not provided any share based benefits to the employees during the year.
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Chapter V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Not applicable as the company has not issued any listed debt securities during the financial year under review.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not applicable as the company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review.
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable as the company has not bought back any of its securities during the financial year under review.
- (vi) The major provisions and requirements have also been complied with as prescribed under all applicable Labour laws viz. The Factories Act, 1948, The Payment of Wages Act, 1936, The Minimum Wages Act, 1948, The Payment of Bonus Act, 1965, Industrial Dispute Act, 1947, The Employee's Provident Fund and Miscellaneous Provisions Act, 1952, The Payment of Gratuity Act, 1972, The Industrial Employment (Standing Order) Act, 1946.
- (vii) Environment Protection Act, 1986 and other environmental laws.
- (viii) Hazardous Waste (Management and Handling) Rules, 1989 and the Amendments Rules, 2003.
- (ix) The Air (Prevention and Control of Pollution) Act, 1981
- (x) The Water (Prevention and Control of Pollution) Act, 1974

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India as notified by Government of India.
- b) The SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, being listed on National Stock Exchange of India Limited and BSE Limited and;

During the period under review the Company has complied with the provisions of the act, rules, regulations, guidelines, standards, etc. mentioned above.

Based on our examination and the information received and records maintained, I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the financial year.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent well 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.
3. All decisions are carried out through majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.
4. The company has proper board processes.

Based on the compliance mechanism established by the company and on the basis of the compliance certificate(s) issued by the Company Secretary/ Officers, I am of an opinion that:

1. 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.



## Directors' Report

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2. On examination of the relevant documents and records, on test check basis, the company has complied with the following laws specifically applicable to the company:
  - a. The Indian Electricity Act, 2003 and Indian Electricity Rules, 2005.
  - b. The Boilers Act, 1923
  - c. The Petroleum Act, 1934

I further report that during the audit period:

1. Pursuant to the approval of shareholders through a special resolution, the company issued of 71,40,000 Convertible warrants at an exercise price of Rs. 17.50 per underlying equity share of face value of Rs. 2.00 each, on preferential basis, to person belonging to promoter group. Subsequently, these warrants were converted into equity shares and 34,80,000 equity shares were allotted thereof.
2. The company passed a special resolution through postal ballot under Section 180(1)(a) read with Section 188 of the Companies Act, 2013 authorising the company for slump sale of Power Division of the company to Lakshmi Green Power Limited.

Apart from the business stated above, there were no instances of:

- (i) Redemption / buy-back of securities.
- (ii) Merger / amalgamation / reconstruction etc.
- (iii) Foreign technical collaborations.

**For A.ARORA & COMPANY**

Sd/-

**AJAY K.ARORA**  
**(Proprietor)**  
**FCS No. 2191**  
**C P No.: 993**

**Place: Chandigarh**  
**Date : 12.08.2017**

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

To,  
The Members,  
Lakshmi Energy and Foods Limited  
S.C.O. 18-19, 1<sup>st</sup> Floor,  
Sector 9-D, Chandigarh

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records, based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that the correct facts are reflected in secretarial records. I believe that the processes and practices, I followed, provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I 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 the management. My examination was limited to the extent of verification of procedures on 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.

**For A. ARORA & COMPANY**

Sd/-

**AJAY K. ARORA**  
(Proprietor)  
FCS No. 2191  
C P No.: 993

**Place: Chandigarh**  
**Date : 12.08.2017**

**A. Detail pertaining to remuneration as required under Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rule, 2014:**

Sr.No.	Requirements of Rule 5(1)	Details	
1.	The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr.Balbir Singh Uppal, CMD	Taking into account financial condition of the company, he voluntarily did not draw any remuneration during the year.
		Mr.Janak Raj Singh, JMD	Taking into account financial condition of the company, he voluntarily did not draw any remuneration during the year.
		Except the above stated two executive directors, others are non-executive directors and they are not drawing remuneration.	
2.	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr.Balbir Singh Uppal, CMD	NIL
		Mr.Janak Raj Singh, JMD	NIL
		Mr.Ajay K. Ratra, CS	10%
		Mr. P. C. Jain, CFO	10%
3.	The percentage increase in the median remuneration of employees in the financial year;	23.81%	
4.	The number of permanent employees on the rolls of Company;	202	
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salaries of employees other than managerial personnel in 2016-17 was 10%.  There was no increase in the managerial remuneration for the year. Instead, working directors did not draw any remuneration during the year taking into account financial condition of the company.	
6.	Affirmation that the remuneration is as per the remuneration policy of the Company.	Remuneration paid during the year is as per the Remuneration Policy of the Company.	

For and on Behalf of the Board

Sd/-

Place: Khamanon

Date: 12-08-2017

**Balbir Singh Uppal**  
Chairman and Managing Director  
DIN: 00064718

**B. Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

- The detail of top ten employees of the company in terms of remuneration as on 31.03.2017

Name	Designation	Remuneration Received (Rs.in lacs)	Nature of employment (whether contractual or otherwise)	Qualification	Experience (Years)	Date of commencement of Employment	Age	Last Employment before joining the company	Whether any such employee is a relative of any director, if so name of such director
Balbir Singh Uppal	Chairman & Managing Director	120*	Regular employee	Privately educated	45	20.07.1990	63	NIL	Yes, Mr. Janak Raj Singh, Joint Managing Director is Son of Mr. Balbir Singh Uppal
Janak Raj Singh	Joint Managing Director	60*	Regular employee	Graduate	24	30.04.1992	45	NIL	Yes, Mr. Balbir Singh Uppal, Chairman & Managing Director is Father of Mr. Janak Raj Singh
Ajay K. Ratra	Company Secretary	19.45	Regular employee	B.Com, CS, MCP, NCFM	23	01.04.2006	47	Hero Cycles Limited	NO
P. C. Jain	CFO	13.80	Regular employee	B.Com, CA,	14	08.04.2009	35	Supreme Spintex Ltd.	NO
T V S. Naidu	GM (Power Plant)	13.80	Regular employee	B.SC	43	01.10.2015	61	Cauvery Iron and steel (India) Limited	NO
Subarao Kuraganti	DGM (Power Plant)	9.87	Regular employee	B. Tec Mechanical	19	01.09.2011	42	Triveni Engineering	NO
Rakesh Pathania	DGM- Accounts	9.58	Regular employee	CA Inter	18	01.01.2008	42	Ganeshay Overseas Industries Limited	NO
Mohd Imran	Production Manager	8.58	Regular employee	12 <sup>th</sup>	17	01.08.2012	34	K. S. Agro Exporter	NO
Surinder Singh Kohli	GM (Power Plant)	6.60	Regular employee	B. Tec Mechanical	40	25.06.2010	65	Punjab State Electricity Board	NO
Mastan vali	Foreman-Mechanical	5.28	Regular employee	10 <sup>th</sup>	16	02.11.2015	34	Sri Ramdas Paper Boards Private Ltd. Rajahmundry	NO

**\* Mr. Balbir Singh Uppal, CMD and Mr. Janak Raj Singh, JMD, voluntarily did not draw any remuneration during the year ended 31 March 2017.**

## Directors' Report

- **Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies**

Sr. no.	Name	Designation	Gross remuneration (Rs.in lacs)	Nature of employment (whether contractual or otherwise)	Qualification	Experience (Years)	Date of commencement of Employment	Age	Last Employment before joining the company	Share-holding	Whether any such employee is a relative of any director, if so name of such director
1	Balbir Singh Uppal	Chairman & Managing Director (Overall management of the affairs of the Company)	120*	Regular employee	Privately educated	45	20.07.1990	63	NIL	23.12%	Yes, Mr. Janak Raj Singh, Joint Managing Director is Son of Mr. Balbir Singh Uppal

**\* Mr. Balbir Singh Uppal, CMD voluntarily did not draw any remuneration during the year ended 31 March 2017.**

### Notes:

1. Information has been furnished on the basis of employees employed throughout the financial year, who were in receipt of remuneration for that year which, in the aggregate, was not less than Rs. 1,02,00,000 per annum and those employed for the part of the financial year, were in receipt of remuneration for any part of that year at a rate which, in the aggregate, was not less than Rs. 8,50,000 per month. There was no person employed either throughout the financial year or part thereof, who was holding either by himself or alongwith the spouse and dependent children 2% or more of the shares of the Company and drawing remuneration in excess of the remuneration drawn by the Managing director.
2. All are permanent employees, and are governed by letter of employment.
3. Remuneration includes salary, commission, other allowances, payments and expenditures incurred on perquisites and Company's contribution to Provident/Superannuation/Gratuity Funds, if any.
4. Mr. Balbir Singh Uppal, Chairman and Managing Director is father of Mr. Janak Raj Singh, Joint Managing Director. None of the other employees is a relative of any director of the Company.

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2017

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

<b>I. REGISTRATION &amp; OTHER DETAILS:</b>		
1	CIN	LOOOOCHI990PLC010573
2	Registration Date	20-07-1990
3	Name of the Company	Lakshmi Energy and Foods Limited
4	Category/Sub-category of the Company	Public Company(Limited by Shares)
5	Address of the Registered office & contact details	S.C.O. 18-19, 1st Floor, Sector 9-D, Madhya Marg, CHANDIGARH-160017, INDIA. Tel : +91 172 2740352 Fax : +91 172 2743057 E-mail: corporate@lakshmigroup.in
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Beetal Financial & Computer Services (P) Ltd Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110 062 Phone:011-2996 1281 Fax: 011-2996 1284 Email: beetalrta@gmail.com website:www.betalfinancial.com

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
<b>S. No.</b>	<b>Name and Description of main products / services</b>	<b>NIC Code of the Product/service</b>	<b>% to total turnover of the company</b>
1	Rice	10612	93.49

<b>III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES</b>					
<b>S. No.</b>	<b>Name and address of the Company</b>	<b>CIN/GLN</b>	<b>Holding/ Subsidiary/ Associate</b>	<b>% of shares held</b>	<b>Applicable Section</b>
1	Punjab Greenfield Resources Limited	U15141CH2007PLC030685	Subsidiary	100%	2(87)(ii)
2	Lakshmi Green Power Limited	U40101CH2010PLC031959	Subsidiary	100%	2(87)(ii)
3	Green Energy and Foods Pte. Ltd, Singapore	201009752W (Singapore Regn. No.)	Subsidiary	100%	2(87)(ii)

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category of Shareholders	No. of Shares held as at the beginning of the year [As on 1-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF *	21,140,730	0.00	21,140,730	31.80%	21,140,730	0.00	21,140,730	30.21%	FALSE
b) Central Govt	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
c) State Govt(s)	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
d) Bodies Corp.	13,725,000	0.00	13,725,000	20.64%	17,205,000	-	17,205,000	24.58%	3.94%
e) Banks / FI	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
f) Any other	0.00	0.00	0.00	0.00%	0.00	0.00	0.00	0.00	0.00
<b>Sub Total (A) (1)</b>	<b>34,865,730</b>	<b>0.00</b>	<b>34,865,730</b>	<b>52.44%</b>	<b>38,345,730</b>	<b>0.00</b>	<b>38,345,730</b>	<b>54.80%</b>	<b>2.36%</b>
* <b>Note:</b> There is no purchase/sale/transfer of shares by Promoter-individuals and percentage change (decrease) in the Promoters-individuals is due to preferential allotment during the year vide which total paid up capital increased.									
<b>(2) Foreign</b>									
a) NRI Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Other Individuals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
c) Bodies Corp.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) Any other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total (A) (2)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>TOTAL (A)</b>	<b>34,865,730</b>	<b>0.00</b>	<b>34,865,730</b>	<b>52.44%</b>	<b>38,345,730</b>	<b>0.00</b>	<b>38,345,730</b>	<b>54.80%</b>	<b>2.36%</b>
<b>B. Public Shareholding</b>									
<b>I. Institutions</b>									
a) Mutual Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
b) Banks /Financial Institutions	8000	-	8000	0.01%	417719	-	417719	0.60%	0.59%
c) Central Govt	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
d) State Govt(s)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
e) Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
f) Insurance Companies	270983	0.00	270983	0.41%	270983		270983	0.39%	-0.02%
g) FIs	4212839	0.00	4212839	6.34%	2984339		2984339	4.27%	-2.07%
h) Foreign Venture Capital Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-total (B)(I):-</b>	<b>4,491,822</b>	<b>0.00</b>	<b>4,491,822</b>	<b>6.76%</b>	<b>3,673,041</b>	<b>0.00</b>	<b>3,673,041</b>	<b>5.25%</b>	<b>-1.51%</b>
<b>2. Non-Institutions</b>									
<b>a) Bodies Corp.</b>									
i) Indian	5569113	33,500	5,602,613	8.43%	10489142	33,500	10522642	15.03%	6.60%
ii) Overseas	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	12,747,288	1,741,496	14,488,784	21.79%	9,664,228	1,725,461	11,389,689	16.28%	-5.51%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	4,681,911	0.00	4,681,911	7.04%	3,776,191	0.00	3,776,191	5.40%	-1.64%
<b>c) Others (specify)</b>									
Non Resident Indians	1,507,692	0.00	1,507,692	2.27%	534,638	0.00	534,638	0.76%	-1.51%
Overseas Corporate Bodies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Nationals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Clearing Members	245,897	0.00	245,897	0.36%	914340	0.00	914340	1.31%	0.95%
Trusts	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Foreign Bodies - D R	0.00	0.00	0.00	0.00	0.00	0.00	0.00q	0.00	0.00
Individual HUF	603,551	2,000	605,551	0.91%	812729	1,000	813729	1.16%	0.25%
<b>Sub-total (B)(2):-</b>	<b>25,355,452</b>	<b>1,776,996</b>	<b>27,132,448</b>	<b>40.80%</b>	<b>26,191,268</b>	<b>1759961.00</b>	<b>27,951,229</b>	<b>39.95%</b>	<b>-0.85%</b>
<b>Total Public (B)</b>	<b>29,847,274</b>	<b>1,776,996</b>	<b>31,624,270</b>	<b>47.56%</b>	<b>29,864,309</b>	<b>1,759,961</b>	<b>31,624,270</b>	<b>45.20%</b>	<b>-2.36%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>64,713,004</b>	<b>1,776,996</b>	<b>66,490,000</b>	<b>100.00%</b>	<b>68,210,039</b>	<b>1,759,961</b>	<b>69,970,000</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) Shareholding of Promoter**

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	MR.BALBIR SINGH UPPAL	16,175,985	24.33%	0.00	16175985	23.12%	0.00	* -1.21%
2	MR.JANAK RAJ SINGH	2,993,645	4.50%	0.00	2993645	4.28%	0.00	* -0.22%
3	MRS.VIJAY LAXMI SOOD	1,971,100	2.96%	0.00	1971100	2.82%	0.00	* -0.14%
4	LOIL OVERSEAS FOODS LTD	988,000	1.49%	0.00	988000	1.41%	0.00	* -0.08%
5	LOIL CONTINENTAL FOODS LIMITED	2,500,000	3.76%	0.00	2500000	3.57%	0.00	* -0.19%
6	GANESHAY OVERSEAS INDUSTRIES LIMITED	4,632,000	6.97%	0.00	8112000	11.59%	0.00	4.62%
7	LOIL HEALTH FOODS LTD	5,605,000	8.43%	0.00	5605000	8.01%	0.00	* -0.42%
	<b>Total</b>	<b>34,865,730</b>	<b>52.44%</b>	<b>0.00</b>	<b>38,345,730</b>	<b>54.80%</b>	<b>0.00</b>	<b>2.36%</b>

\* Percentage change in shareholding is due to increase in paid up capital during the year.



## Directors' Report

### (iii) Change in Promoters' Shareholding (please specify, if there is no change)

S. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>Ganeshay Overseas Industrieis Ltd.</b>						
	At the beginning of the year			4,632,000	6.97%	4,632,000	6.97%
	Changes during the year	20.07.2016	Preferential allotment. Warrants converted into equity shares	3,480,000	4.97%	3,480,000	4.62%
	At the end of the year					<b>8,112,000</b>	<b>11.59%</b>

### (iv) Shareholding Pattern of top ten Shareholders

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

S. No.	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	<b>BANK MUSCAT S A O G A/C BANKMUSCAT INDIA FUND</b>						
	At the beginning of the year	-	-	2,984,339	4.49%	2,984,339	4.27%
	Changes during the year	-	-				
	At the end of the year	-	-			<b>2,984,339</b>	<b>4.27%</b>
2	<b>GLOBE CAPITAL MARKET LTD</b>						
	At the beginning of the year	22-Apr-16	-	20,760	0.0312	20,760	0.0312
	Changes during the year	15-Apr-16	Purchase	100	0.0002	20860	0.0314
		22-Apr-16	Purchase	250	0.0000	21110	0.0317
		06-May-16	Sale	(1,000)	0.0000	20110	0.0302
		13-May-16	Purchase	3600	0.0054	23710	0.0357
		20-May-16	Sell	-469	-0.0007	23241	0.035
		27-May-16	Sell	-1950	-0.0029	21291	0.032
		03-Jun-16	Sell	-575	-0.0009	20716	0.0312
		10-Jun-16	Sell	-131	-0.0002	20585	0.031
		17-Jun-16	Sell	-2050	-0.0031	18535	0.0279
		24-Jun-16	Purchase	925	0.0014	19460	0.0293
		30-Jun-16	Sell	-3274	-0.0049	16186	0.0243
		08-Jul-16	Purchase	122	0.0002	16308	0.0245
		15-Jul-16	Purchase	1000	0.0015	17308	0.026
		22-Jul-16	Sell	-1849	-0.0026	15459	0.0221
		29-Jul-16	Purchase	5055	0.0072	20514	0.0293
		05-Aug-16	Sell	-3076	-0.0044	17438	0.0249
		12-Aug-16	Purchase	22560	0.0322	39998	0.0572
		19-Aug-16	Sell	-4400	-0.0063	35598	0.0509
		26-Aug-16	Purchase	7312	0.0105	42910	0.0613
		02-Sep-16	Sell	-4020	-0.0057	38890	0.0556
		09-Sep-16	Purchase	1469667	2.1004	1508557	2.156
		16-Sep-16	Purchase	16491	0.0236	1525048	2.1796

		23-Sep-16	Sell	-7878	-0.0113	1517170	2.1683
		30-Sep-16	Sell	-926697	-1.3244	590473	0.8439
		07-Oct-16	Sell	-7632	-0.0109	582841	0.833
		14-Oct-16	Sell	-28577	-0.0408	554264	0.7921
		21-Oct-16	Purchase	117573	0.1680	671837	0.9602
		28-Oct-16	Sell	-263596	-0.3767	408241	0.5835
		04-Nov-16	Purchase	400747	0.5727	808988	1.1562
		11-Nov-16	Sell	-284966	-0.4073	524022	0.7489
		18-Nov-16	Purchase	77677	0.1110	601699	0.8599
		25-Nov-16	Purchase	46706	0.0668	648405	0.9267
		02-Dec-16	Sell	-96350	-0.1377	552055	0.789
		09-Dec-16	Purchase	188290	0.2691	740345	1.0581
		16-Dec-16	Purchase	206933	0.2957	947278	1.3538
		23-Dec-16	Purchase	99525	0.1422	1046803	1.4961
		31-Dec-16	Sell	-27050	-0.0387	1019753	1.4574
		06-Jan-17	Purchase	65330	0.0934	1085083	1.5508
		13-Jan-17	Purchase	207107	0.2960	1292190	1.8468
		20-Jan-17	Purchase	206066	0.2945	1498256	2.1413
		27-Jan-17	Purchase	49420	0.0706	1547676	2.2119
		03-Feb-17	Sell	-17325	-0.0248	1530351	2.1872
		10-Feb-17	Sell	-35191	-0.0503	1495160	2.1369
		17-Feb-17	Purchase	472782	0.6757	1967942	2.8126
		24-Feb-17	Purchase	21250	0.0304	1989192	2.8429
		03-Mar-17	Sell	-37950	-0.0542	1951242	2.7887
		10-Mar-17	Purchase	81931	0.1171	2033173	2.9058
		17-Mar-17	Purchase	259480	0.3708	2292653	3.2766
		24-Mar-17	Purchase	393274	0.5621	2685927	3.8387
		31-Mar-17	Sell	-42802	-0.0612	2643125	3.7775
	At the end of the year					<b>2643125</b>	<b>3.7775</b>
<b>3</b>	<b>DEWAN HOLDINGS PRIVATE LIMITED</b>						
	At the beginning of the year	-	-	2100000	3.1584	2100000	3.1584
	Changes during the year	07-Oct-16	Sell	-125000	0.1786%	1975000	2.8226
		14-Oct-16	Sell	-375000	0.5359%	1600000	2.2867
	At the end of the year	-	-			<b>1600000</b>	<b>2.2867</b>
<b>4</b>	<b>RAKSHIT BUILDCON PVT LTD</b>						
	At the beginning of the year			825000	1.1791	825000	1.1791
	Changes during the year					825000	1.1791
	At the end of the year					<b>825000</b>	<b>1.1791</b>
<b>5</b>	<b>CHIRAG DILIPKUMAR LAKHI</b>						
	At the beginning of the year			903985	1.3596	903985	1.3596
	Changes during the year	12-Aug-16	Sell	-50000	0.0714%	853985	1.2205
		09-Sep-16	Sell	-52850	0.0755%	801135	1.145
		30-Sep-16	Sell	-65743	0.0939%	735392	1.051
		28-Oct-16	Sell	-30000	0.0428%	705392	1.0081
		10-Feb-17	Sell	-34031	0.0490%	671361	0.9595
		17-Mar-17	Sell	-60000	0.0857%	611361	0.8737
						<b>611361</b>	<b>0.8737</b>

## Directors' Report

6	GLOBE FINCAP LIMITED						
	At the beginning of the year			2167	0.0033	2167	2167
	Changes during the year	02-Sep-16	Purchase	2500	0.0035%	4667	0.0067
		09-Sep-16	Sell	-2130	0.0030%	2537	0.0036
		23-Sep-16	Sell	-500	0.0007%	2037	0.0029
		30-Sep-16	Purchase	1195519	1.7086%	1197556	1.7115
		21-Oct-16	Sell	-7600	0.0108%	1189956	1.7007
		28-Oct-16	Sell	-11117	0.0158%	1178839	1.6848
		11-Nov-16	Sell	-302317	0.4320%	876522	1.2527
		18-Nov-16	Sell	-100654	0.1438%	775868	1.1089
		25-Nov-16	Sell	-200	-0.0286%	775668	1.1086
		16-Dec-16	Sell	-200	-0.0286%	775468	1.1083
		23-Dec-16	Purchase	1800	0.2573%	777268	1.1109
		31-Dec-16	Sell	-100345	-0.1434%	676923	0.9674
		06-Jan-17	Sell	-165500	-0.2365%	511423	0.7309
		13-Jan-17	Sell	-75	-0.0001%	511348	0.7308
		20-Jan-17	Purchase	960	0.0014%	512308	0.7322
		27-Jan-17	Sell	-500	-0.0007%	511808	0.7315
		03-Feb-17	Sell	-11244	-0.0161%	500564	0.7154
		10-Feb-17	Sell	-1000	-0.0014%	499564	0.714
		17-Feb-17	Sell	-100	-0.0001%	499464	0.7138
		10-Mar-17	Sell	-300	-0.0003%	499164	0.7134
	At the end of the year	31-Mar-17				<b>499164</b>	<b>0.7134</b>
7	HARISH KUMAR SINGHANIA						
	At the beginning of the year			400000	0.5717	400000	0.5717
	Changes during the year	31-Mar-17	Purchase	35800	0.0512	435800	0.6228
	At the end of the year					<b>435800</b>	<b>0.6228</b>
8	SMC GLOBAL SECURITIES LTD.						
	At the beginning of the year			20822	0.0313	20822	0.0313
	Changes during the year	08-Apr-16	Sell	-150	-0.0002	20672	0.0311
		15-Apr-16	Purchase	56	0.0001	20728	0.0312
		22-Apr-16	Sell	-3056	-0.0044	17672	0.0266
		29-Apr-16	Purchase	371	0.0005	18043	0.0271
		06-May-16	Sell	-1271	-0.0018	16772	0.0252
		13-May-16	Purchase	1970	0.0028	18742	0.0282
		20-May-16	Sell	-1770	-0.0025	16972	0.0255
		27-May-16	Purchase	2031	0.0029	19003	0.0286
		03-Jun-16	Sell	-1831	-0.0026	17172	0.0258
		10-Jun-16	Sell	-900	-0.0013	16272	0.0245
		17-Jun-16	Purchase	592	0.0008	16864	0.0254
		24-Jun-16	Sell	-792	-0.0011	16072	0.0242
		30-Jun-16	Purchase	790	0.0011	16862	0.0254
		08-Jul-16	Sell	-790	-0.0011	16072	0.0242
		15-Jul-16	Purchase	4800	0.0069	20872	0.0314
		22-Jul-16	Purchase	12184	0.0174	33056	0.0472
		29-Jul-16	Purchase	3450	0.0049	36506	0.0522
		05-Aug-16	Sell	-4592	-0.0066	31914	0.0456

		12-Aug-16	Sell	-2701	-0.0039	29213	0.0418
		19-Aug-16	Purchase	4250	0.0061	33463	0.0478
		26-Aug-16	Purchase	4676	0.0067	38139	0.0545
		02-Sep-16	Sell	-8645	-0.0124	29494	0.0422
		09-Sep-16	Purchase	3951	0.0056	33445	0.0478
		16-Sep-16	Sell	-8451	-0.0121	24994	0.0357
		23-Sep-16	Purchase	683	0.0010	25677	0.0367
		30-Sep-16	Purchase	83793	0.1198	109470	0.1565
		07-Oct-16	Purchase	10390	0.0148	119860	0.1713
		14-Oct-16	Purchase	3395	0.0049	123255	0.1762
		21-Oct-16	Purchase	4098	0.0059	127353	0.182
		28-Oct-16	Sell	-2289	-0.0033	125064	0.1787
		04-Nov-16	Sell	-1461	-0.0021	123603	0.1767
		11-Nov-16	Purchase	60622	0.0866	184225	0.2633
		18-Nov-16	Sell	-9348	-0.0134	174877	0.2499
		25-Nov-16	Purchase	20681	0.0296	195558	0.2795
		02-Dec-16	Sell	-11895	-0.0170	183663	0.2625
		09-Dec-16	Sell	-4910	-0.0070	178753	0.2555
		16-Dec-16	Sell	-19637	-0.0281	159116	0.2274
		23-Dec-16	Purchase	2365	0.0034	161481	0.2308
		31-Dec-16	Purchase	3634	0.0052	165115	0.236
		06-Jan-17	Purchase	15078	0.0215	180193	0.2575
		13-Jan-17	Purchase	1348	0.0019	181541	0.2595
		20-Jan-17	Purchase	7540	0.0108	189081	0.2702
		27-Jan-17	Sell	-19325	-0.0276	169756	0.2426
		03-Feb-17	Sell	-17102	-0.0244	152654	0.2182
		10-Feb-17	Purchase	278682	0.3983	431336	0.6165
		17-Feb-17	Sell	-1719	-0.0025	429617	0.614
		24-Feb-17	Sell	-20350	-0.0291	409267	0.5849
		03-Mar-17	Purchase	13	0.0000	409280	0.5849
		10-Mar-17	Sell	-15741	-0.0225	393539	0.5624
		17-Mar-17	Sell	-8500	-0.0121	385039	0.5503
		24-Mar-17	Purchase	150700	0.2154	535739	0.7657
		31-Mar-17	Sell	-115815	-0.1655	419924	0.6001
	At the end of the year	31-Mar-17				<b>419924</b>	<b>0.6001</b>
9	<b>GOLDMINE STOCKS PVT LTD</b>						
	At the beginning of the year			9686	0.0146	9686	0.0146
	Changes during the year	08-Apr-16	Purchase	500	0.0007	10186	0.0153
		15-Apr-16	Purchase	1414	0.0020	11600	0.0174
		22-Apr-16	Sell	-1200	-0.0017	10400	0.0156
		29-Apr-16	Sell	-4401	-0.0063	5999	0.009
		06-May-16	Purchase	2071	0.0030	8070	0.0121
		13-May-16	Purchase	301	0.0004	8371	0.0126
		27-May-16	Purchase	1500	0.0021	9871	0.0148
		03-Jun-16	Purchase	425	0.0006	10296	0.0155
		10-Jun-16	Purchase	850	0.0012	11146	0.0168

## Directors' Report

		17-Jun-16	Sell	-900	-0.0013	10246	0.0154
		30-Jun-16	Purchase	1550	0.0022	11796	0.0177
		08-Jul-16	Sell	-3850	-0.0055	7946	0.012
		15-Jul-16	Sell	-1000	-0.0014	6946	0.0104
		22-Jul-16	Sell	-5846	-0.0084	1100	0.0016
		29-Jul-16	Purchase	2400	0.0034	3500	0.005
		05-Aug-16	Sell	-1400	-0.0020	2100	0.003
		12-Aug-16	Purchase	4100	0.0059	6200	0.0089
		26-Aug-16	Purchase	350	0.0005	6550	0.0094
		02-Sep-16	Purchase	650	0.0009	7200	0.0103
		09-Sep-16	Sell	-5550	-0.0079	1650	0.0024
		16-Sep-16	Purchase	1375	0.0020	3025	0.0043
		23-Sep-16	Purchase	1350	0.0019	4375	0.0063
		30-Sep-16	Purchase	7315	0.0105	11690	0.0167
		07-Oct-16	Purchase	5450	0.0078	17140	0.0245
		14-Oct-16	Sell	-7100	-0.0101	10040	0.0143
		21-Oct-16	Sell	-5090	-0.0073	4950	0.0071
		28-Oct-16	Sell	-4600	-0.0066	350	0.0005
		04-Nov-16	Purchase	200	0.0003	550	0.0008
		11-Nov-16	Purchase	100	0.0001	650	0.0009
		02-Dec-16	Sell	-550	-0.0008	100	0.0001
		16-Dec-16	Purchase	84900	0.1213	85000	0.1215
		23-Dec-16	Purchase	2000	0.0029	87000	0.1243
		31-Dec-16	Purchase	3000	0.0043	90000	0.1286
		06-Jan-17	Sell	-4900	-0.0070	85100	0.1216
		13-Jan-17	Sell	-6336	-0.0091	78764	0.1126
		20-Jan-17	Sell	-4150	-0.0059	74614	0.1066
		27-Jan-17	Purchase	100000	0.1429	174614	0.2496
		03-Feb-17	Purchase	75450	0.1078	250064	0.3574
		10-Feb-17	Purchase	130700	0.1868	380764	0.5442
		17-Feb-17	Purchase	3000	0.0043	383764	0.5485
		24-Feb-17	Sell	-860	-0.0012	382904	0.5472
		03-Mar-17	Sell	-2840	-0.0041	380064	0.5432
		17-Mar-17	Purchase	500	0.0007	380564	0.5439
		24-Mar-17	Sell	-500	-0.0007	380064	0.5432
		31-Mar-17	Sell	-9000	-0.0129	371064	0.5303
	At the end of the year	31-Mar-17				<b>371064</b>	<b>0.5303</b>
10	<b>GIRDHARILAL V LAKHI</b>						
	At the beginning of the year			557843	0.839	557843	0.839
	Changes during the year	22-Jul-16	Sell	-200000	-0.2858	357843	0.5114
	At the end of the year					<b>357843</b>	<b>0.5114</b>

**(v) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	MR.BALBIR SINGH UPPAL (DIRECTOR)						
	At the beginning of the year			16,175,985	24.33%	16,175,985	23.12%
	Changes during the year						
	At the end of the year					<b>16,175,985</b>	<b>23.12%</b>
2	MR. JANAK RAJ SINGH (DIRECTOR)						
	At the beginning of the year			2,993,645	4.50%	2,993,645	4.28%
	Changes during the year						
	At the end of the year					<b>2,993,645</b>	<b>4.28%</b>
3	MRS.VIJAY LAXMI SOOD (DIRECTOR)						
	At the beginning of the year			1,971,100	2.96%	1,971,100	2.82%
	Changes during the year						
	At the end of the year					<b>1,971,100</b>	<b>2.82%</b>
4	MR. NIRDOSH BALI (DIRECTOR)						
	At the beginning of the year			0.00%	0.00%	0.00%	0.00%
	Changes during the year			0.00%	0.00%	0.00%	0.00%
	At the end of the year			0.00%	0.00%	0.00%	0.00%
5	MR.VIJAYKANT MISHRA (DIRECTOR)						
	At the beginning of the year			0.00%	0.00%	0.00%	0.00%
	Changes during the year			0.00%	0.00%	0.00%	0.00%
	At the end of the year			0.00%	0.00%	0.00%	0.00%
6	MR. AMARJIT SINGH (DIRECTOR)						
	At the beginning of the year			0.00%	0.00%	0.00%	0.00%
	Changes during the year			0.00%	0.00%	0.00%	0.00%
	At the end of the year			0.00%	0.00%	0.00%	0.00%
7	MR. AJAY K. RATRA (Company Secretary)						
	At the beginning of the year			0.00%	0.00%	0.00%	0.00%
	Changes during the year			0.00%	0.00%	0.00%	0.00%
	At the end of the year			0.00%	0.00%	0.00%	0.00%
8	MR. P.C. JAIN (CFO)						
	At the beginning of the year			0.00%	0.00%	0.00%	0.00%
	Changes during the year			0.00%	0.00%	0.00%	0.00%
	At the end of the year			0.00%	0.00%	0.00%	0.00%

**Note:** There is no purchase/sale/transfer of shares by Directors and percentage change (decrease) in the Directors is due to preferential allotment during the year vide which total paid up capital increased.

## Directors' Report

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Amt. Rs./Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	112388.75	2051.00	-	114439.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	913.21	-	-	913.21
<b>Total (i+ii+iii)</b>	<b>113301.96</b>	<b>2051.00</b>	<b>-</b>	<b>115352.96</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	6980.42	0	-	6980.42
* Reduction	-	-815.17	-	-815.17
<b>Net Change</b>	<b>6980.42</b>	<b>-815.17</b>	<b>-</b>	<b>6165.25</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	117283.28	1235.83	-	118519.11
ii) Interest due but not paid	2457.36	-	-	2457.36
iii) Interest accrued but not due	541.74	-	-	541.74
<b>Total (i+ii+iii)</b>	<b>120282.38</b>	<b>1235.83</b>	<b>-</b>	<b>121518.21</b>

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs/Lac)

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mr. Balbir Singh Uppal	Mr. Janak Raj Singh	
	Name	CMD	JMD	
	Designation			
1	Gross salary	NIL*	NIL*	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
		-	-	-
		-	-	-
5	Others, please specify	-	-	-
	<b>Total (A)</b>			
	Ceiling as per the Act	As per Schedule-V, Part-II, Section-II of the Act		

\*NOTE: Mr. Balbir Singh Uppal, CMD and Mr. Janak Raj Singh, JMD, voluntarily did not draw any remuneration during the year ended 31 March 2017.

**B. Remuneration to other Directors**

(Rs/Lac)

SN.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr.Amarjit Singh	Mr.V.K Mishra	Mr. Nirdosh Bali	
1	Independent Directors	Mr.Amarjit Singh	Mr.V.K Mishra	Mr. Nirdosh Bali	
	Fee for attending board committee meetings	-	2.81	2.81	5.62
	Commission	-			-
	Others, please specify	-			-
	Total (1)	NIL	2.81	2.81	5.62
2	Other Non-Executive Directors	Mrs.Vijay Laxmi Sood			-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	2.81	2.81	5.62
	Total Managerial Remuneration	NIL	-	-	5.62
	Overall Ceiling as per the Act	As per Act	As per Act	As per Act	As per Act

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

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
			Mr. P. C. Jain (CFO)	Mr. Ajay K. Ratra (CS)	
1	Gross salary	-			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	13.80	19.45	33.25
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-			-
2	Stock Option	-			-
3	Sweat Equity	-			-
4	Commission	-			-
	- as % of profit	-			-
	- others, specify	-			-
5	Others	-			-
	<b>Total</b>	-	<b>13.80</b>	<b>19.45</b>	<b>33.25</b>



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

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment			Not Applicable		
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment			Not Applicable		
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment			Not Applicable		
Compounding					

**FORM NO.AOC-2****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 transactions under third proviso thereto**

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

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2017, which were not at arm's length basis.

**2. Details of material contracts or arrangement or transactions at arm's length basis during the year:**

Sl. No	Name of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Amount (Rs.in millions)	Duration of the contracts/ arrangements/trans- actions	Salient Terms of contracts/ arrangements/ transactions including the value, if any	Date of approval by the Board	Amount paid as advance, if Any
1.	LOIL Continental Foods Ltd.	Sale	3784.33	Transaction in normal course of business during 2016-17	Business transactions	N.A	NIL
		Purchase	3785.48				
2.	LOIL Health Foods Ltd.	Sale	3016.50	Transaction in normal course of business during 2016-17	Business transactions	N.A	NIL
		Purchase	3016.89				
3.	LOIL Overseas Foods Ltd.	Sale	2314.29	Transaction in normal course of business during 2016-17	Business transactions	N.A	NIL
		Purchase	2314.80				
4.	Punjab Greenfield Resources Ltd.	Sale	26.42	Transaction in normal course of business during 2016-17	Business transactions	N.A	NIL
		Purchase	6.25				

**For and on Behalf of the Board****Sd/-****Balbir Singh Uppal****Chairman and Managing Director**

DIN: 00064718

Place: Khamanon

Date: 12-08-2017

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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## ECONOMIC OVERVIEW

### Global Economy

After years of sluggish growth, the global economy seems poised for a turnaround. Global growth and trade have evolved at a sluggish pace, as expected. Looking ahead, their pace is expected to accelerate modestly in 2017 onwards, benefitting from the expected fiscal stimulus in the US and the strengthening recovery from recent macroeconomic strains in major emerging market and developing economies (EMDEs). With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1 percent in 2016 to 3.5 percent in 2017 and 3.6 percent in 2018 as per IMF.

### Indian Economy

Domestically macroeconomic conditions remained stable and the expectations of accelerated reforms and political stability further reinforced the overall positive business sentiment. While the retail inflation witnessed significant decline during the recent quarters, the real gross value added (GVA) growth declined to 6.6 per cent in 2016-17 as compared with 7.9 per cent in 2015-16 as per RBI. Going forward, reforms in foreign direct investment, implementation of goods and services tax (GST), and revival in external demand are likely to contribute to a better growth outlook. The capital market indices moved to a higher territory reflecting these positive sentiments.

Underneath current benign inflation conditions, there are broad-based inflation pressures, which make the inflation outlook for 2017-18 challenging. Growth in real gross value added is expected to accelerate in 2017-18, underpinned by strong consumption demand even as investment activity remains muted and external demand uncertain. Headline inflation declined to significantly low levels during November 2016-February 2017, much lower than projected in the October 2016 MPR. With the effects of demonetisation turning out to be short-lived, the outlook for growth for 2017-18 has been brightened considerably by a number of factors.

## INDUSTRY STRUCTURE, DEVELOPMENTS & OUTLOOK

### Food Grain/Paddy/Rice

By now, countries located along and south of the Equator have already collected their 2017 main crops, with a few countries now engaged in offseason cropping activities. The 2017 season is less advanced in the northern hemisphere, where producers have just put their main crops in the ground or are still busy doing so. As per FAO, World paddy production to surpass the 2016 bumper and latest forecast of global paddy production in 2017 is at 758.8 million tonnes (503.6 million tonnes, milled basis). Adverse weather conditions called for downward adjustments to production prospects for Bangladesh, China (Mainland), Sri Lanka, the United States and Viet Nam, although most of these changes were offset by improvements for Brazil, Cambodia, Egypt, India, and Myanmar. At 758.8 million tonnes (503.6 million tonnes, milled basis), world paddy production in 2017 would stand 0.8 percent, or 5.8 million tonnes, above a revised estimate for 2016.

International rice trade in calendar 2017 is now forecast to exceed the 2016 level by 7 percent to 44.2 million tonnes.

The forecast growth is expected to be demand-driven and concentrate in Asia, where important buyers have turned to imports to rebuild inventories and/or quell upward pressure on domestic prices. Global rice utilization is forecast to grow by 1.1 percent in 2017/18 to 505.8 million tonnes (milled basis). FAO's forecast of world rice inventories at the close of 2017/18 marketing seasons now points to global reserves staging a modest 0.5 percent annual recovery to 170.8 million tonnes.

In the case of India, rice inventories are seen slightly over year-earlier levels at 18.7 million tonnes, mirroring prospects of another bountiful harvest and expectations that efforts to ensure the implementation of the minimum support price policy will keep publicly owned reserves at abundant levels.

According to the Government's Third Advanced Estimates, paddy production in India gathered a record of 163.7 million tonnes (109.2 million tonnes, milled basis) in 2016. The forecast stands some 430 000 tonnes above previous official indications and 5 percent over the 2015 depressed outcome. As to prospects for the ongoing season, FAO now sees India producing 165.5 million tonnes (110.4 million tonnes, milled basis) in 2017, 1 percent more than the 2016 alltime high. The forecast growth is anticipated to stem from area expansions, encouraged by Government support in the form of steady increases in minimum support prices and large state acquisitions, further to debt relief measures recently taken by local authorities in important rice-growing states. An improved water supply situation could also permit Rabi plantings to expand for the first time in four years.

Although less markedly, the export outlook of rice has also improved for India, which is now seen advancing 2017 shipments by 10 percent to 11.0 million tonnes. In India, rice inventories are seen slightly over year-earlier levels at 18.7 million tonnes, mirroring prospects of another bountiful harvest and expectations that efforts to ensure the implementation of the minimum support price policy will keep publicly owned reserves at abundant levels.

### COMPANY OVERVIEW & ROLE

Lakshmi Energy and Foods Limited, one of the largest producers of rice, is in the business of agri based products such as rice processing, food processing and green power generation based on agri-waste mainly rice husk which is one of the Company's by-products. Having come a long way since its inception in 1981, company's presence is all pervasive starting from grass root level of farmers, Mandi yards through representatives, procurement, transportation, warehousing, paddy processing, generating other by-products like rice bran oil, de-oiled cakes and using husk for power plant.

Company is direct motivation for group of farmers to grow quality paddy. As the company has not only been traditionally procuring paddy from them but also playing important role in cultivation and guiding on seed through expert groups and associations. Company's representatives are present at all procurement stages, even in market to effectively liaison with concerned agencies. Hence, the process of right from seeds to "consumer plate" is efficiently managed. Even we arrange our transport & logistics services for warehousing. About 3 lac Farmers, 3700 commission agents, 10,000 Transporters, 2000 direct and indirect employed persons and their families are associated with the company.

In last decade, the company has entered into branded and specially packaged rice in various varieties to target the all class of society including middle and lower middle class. The brand 'Lakshmi foods' become synonym of quality and affordability. The company's major objective becomes food security with quality even to lowest class of society. Organised marketing channels, C&Fs, distributors, agents and shopkeepers are showing confidence into the company and resulting into growth of sales.

The company's plant, one of the largest and most modern paddy processing units in the world, is spread across 125 acres (approx) and situated along the Chandigarh-Ludhiana National Highway, at Khamanon, Punjab, India. The plant has state-of-the-art machinery, custom-picked from all across the globe, including Japan, Germany, USA and Denmark. All stages of operation of the plant are fully automatic and controlled by PLC. Our Industry is integrated with exclusive and specialized

Plants for production of Raw Rice, White Sella Rice, Golden Sella Rice and Steamed Rice. The grains are not subject to even a slight human touch throughout the process. Company has about 1.20 Million MT per annum paddy processing

## Management Discussion and Analysis Report

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capacity complemented by over 500000 MT covered storage capacity in addition to 500000 MT of open storage. The company also has its own logistics and handling set up.

Company's packaging is through fully automatic plant using the latest technology in tamper-proof bags, meeting the strictest of international standards in packaging, ensuring unmatched long lasting quality, purity, aroma and taste. Company's products are also widely acclaimed and preferred for their unmatched, inherent and intrinsic nutritional values, health traits.

The Company offers related products in value chain of Rice supply chain from paddy to rice, rice to rice bran edible oil, de oiled cake, and eco-friendly 'Green Power' generated from rice husk. The rice bran edible oil, which is an excellent medium for cooking, is one of the best one can find, especially because of its fat-reducing qualities. The 'Green Power' generated from rice husk, a waste by-product, is also one of the cleanest varieties of power.

### **Biomass power**

Biomass, bagasse, forestry and agro residue & agricultural wastes are used as fuel to produce electricity. Biomass power plants in India are based mostly on agricultural wastes. Gasifier-based power plants are providing a great solution for off-grid decentralized power and are lighting homes in several Indian states. While for providing grid-based power, small to medium size thermal biomass power plants are suitable for Indian conditions.

Some of the Indian states leading the pack in establishing biomass-based power supply are Karnataka, Andhra Pradesh, and Maharashtra. Ironically, states having agricultural-based economy have not properly been able to utilize the opportunity and figure low on biomass energy utilization. Only Uttar Pradesh has utilized large part of the biomass potential in north Indian States and that is mainly due to the sugarcane industry and the co-generation power plants. Interestingly Punjab and Haryana don't have much installed capacity in comparison to potential even though tariff rates are more than Rs. 5 per unit, which are better than most of the states.

Energy from biomass is reliable as it is free of fluctuation unlike wind power and does not need storage to be used in times of non-availability as is the case with solar. Still it is not the preferred renewable energy source till recently due to seasonal component of raw material availability. In developing economies like India, the pollution control is a serious issue for the government. In most of the agri-cultivating area, agro waste is commonly burnt in the field itself resulting into serious environment hazard. The control burning of bio-waste in the hi-tech boilers and generating green power is real gift to the society. Lakshmi has taken this as a serious business and developed logistic chain for collecting raw material from fields, farmers, small mills and other available sources in Punjab. This has resulted in continuous operations of our Power Plant from limited season to round the year power generation business. This has also generated employment for several man months.

The company is producing "green energy" from husk / biomass by setting up biomass based power plant of 30 MW capacity. The company had entered into a Power Purchase Agreement in March, 2013 with Punjab State Power Corporation Limited (PSPCL) for a period of 20 years to supply electricity/power and is selling power to PSPCL at a lucrative price.

## OPPORTUNITIES & THREATS

### Opportunities

Rice is the most important staple food for a large part of the world's human population. There is growing demand for rice from both the international and domestic market. As consumers, both in India as well as globally, become more perceptive and conscious about food quality, the use of Basmati Rice is growing at a much higher rate than non-basmati rice. With the change in life style, mindset and preferences of the people, the demand for packaged rice and rice bran oil is also growing. The proliferation of modern retailing has helped fuel the consumption of a higher quantum of branded products, as Indian consumers are fast embracing the mall culture and organized retail. This offers an attractive channel for the Company to augment its branded sales of basmati rice in the domestic market. There is an immense opportunity unfolding for our company as more and more consumers are migrating from unbranded to branded rice and from economy brands to premium brands. The Company also stands to benefit immensely due to huge popularity and demand for Pusa 1121 basmati.

In most of the agri-cultivating area, agro waste is commonly burnt in the field itself resulting into serious environment hazard. The control burning of bio-waste in the hi-tech boilers and generating green power is real solution to the problem.

### Threats

Downturn in the global economy adversely impacting export plans, growing competition from other companies operating in similar segment, the Government policies in relation to procurement of paddy/rice and their pricing for the Public Distribution System would likely to have impact on the company in as much as the rice industry in general. However, the large production capacity of the company including by-product processing, Large storage and warehousing, Company's growing distribution networks both in the Export Markets and Branded Packaged Basmati Rice in Domestic Markets will mitigate potential risks to the Company.

### Expansion & Modernization by LEAF

During the period under review, certain balancing equipments were added in the Plants to improve the quality and efficiency. The Company has set up state of art modern Corporate Office at Khamanon to meet the current and future need of the administration office.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE SEGMENT-WISE/PRODUCT-WISE PERFORMANCE

During the year ended 31st March, 2017, segments wise revenue of two business segments viz; Agri-based and Energy are as follows:

Agri-based business:	Rs.9954.36 millions
Energy Division:	Rs.699.28 millions
Inter-segment revenue	Rs.439.25 millions
Net Revenue	Rs.10214.39 millions

## Management Discussion and Analysis Report

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### Secondary Segment (Geographical)

(Rs.in millions)

	<b>Agri-based</b>	<b>Energy</b>
India	9533.36	646.16
Deemed Export	34.87	-
Rest of World	-	-

The company is selling electricity/power to Punjab State Power Corporation Limited (PSPCL) as per PPA entered into for 20 years.

Rice continues to be the dominant product of our Company followed by electricity generation and other by-products like Rice Bran Oil and De-Oiled Cake.

### Break-up of Revenue from Operations

<b>Revenue From Operations</b>	<b>Rs.in millions</b>
- Food Grains	434.57
- Traded Goods	9115.11
- Power	646.16
- Rice Bran & Oil	16.83
- Others Revenue	1.72
<b>TOTAL</b>	<b>10214.39</b>

### OUTLOOK

In last decade, the company has entered into branded and specially packaged rice in various varieties to target the all class of society including middle and lower middle class. The brand 'Lakshmi foods' has become synonym of quality and affordability. The company's major objective becomes food security with quality even to lowest class of society. Organised marketing channels, C&Fs, distributors, agents and shopkeepers are showing confidence into the company and resulting into growth of sales.

To strengthen its performance, positioning and profitability in the competitive Basmati and rice industry, the Company intends to scale up capacity utilization, enhance margins by deriving higher realizations from by products; optimizing power consumption through its captive husk-based power plant, explore and add new emerging and fast growing markets in the international space to derive exports revenues.

### RISKS & CONCERNS

Supply of food grains is affected by many external factors such as climatic conditions and the current harvesting or peak season. Bumper crops pull down prices while poor production reflects in high prices. Besides this, economic slowdown and government policies/regulations play a significant role in determining prices and demand for the food grains. A substantial portion of our revenues come from exports to the overseas markets. Any change in the socio-economic environment in those markets may impact our business. Rice being a primary staple in the country, any change in government policies to export and any adverse fluctuation in the exchange rate may also impact our business and profitability.

## **RISK MITIGATION**

The Company maintains a healthy stock to ensure continuous paddy production and supply. Moreover, in a short supply situation the yield goes up with rising prices and sets off the impact of fall in stocks to some extent. Our strategy of evenly balancing the revenue mix between exports and domestic sales is also aimed at mitigating the export risk in adverse times. We also regularly undertake several initiatives to penetrate in new geographies. We have countered the risk of increasing competition in the domestic market, by increasing operations in the premium branded rice segment to middle level requirements. In order to understand the fast changing and evolving expectations of consumers from our brand, we will continue to make significant investments towards tracking consumer's behavior and respond with their expectations from the brand. The Company's business is also exposed to other operating risks, which are mitigated through regular monitoring and corrective actions.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has a proper and adequate system of internal controls. This ensures that all assets are safeguarded and protected against loss from unauthorized use or disposition and those transactions are authorized, recorded and reported correctly. An extensive programme of internal audits and management reviews supplements the process of internal control. Properly documented policies, guidelines and procedures are laid down for this purpose. The internal control system has been designed to ensure that the financial and other records are reliable for preparing financial and other statements and for maintaining accountability of assets. The company is successfully running SAP ERP system. The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

## **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.**

The Company's Human Resource philosophy is to identify the attitude, aptitude of each employee, provide motivation to them and place them in a position where they can contribute to the growth and performance of the Company to the best of their ability. The Company provides to the staff healthy environment and maintains cordial relations with the employees. The company treats the people as the most valuable asset and has a system of performance appraisal and career development. Steps have also been undertaken towards manpower rationalization through multi task training and job rotation.

The Company has ensured recognition of meritorious performance and achievements through timely rewards. Recognition is also in the form of increased responsibility and job enrichment. As on 31st March, 2017, there are 202 employees are on the roll of the Company.

## **POLLUTION AND ENVIRONMENT CONTROL**

The Company continues to be compliant with applicable environment laws and regulations. The Company is generating power from biomass waste and is keeping the environment clean through control of pollutants.

Safety and health of people working in and around the premises of the Company continues to receive the highest importance from the management. Employees are continuously trained and coached in safety and are provided appropriate safety equipments.



## Management Discussion and Analysis Report

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### CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates/ would operate, changes in the Government regulations, tax laws and other statutes and other incidental factors.

**For and on Behalf of the Board**

**Place: Khamanon**  
**Date: 12-08-2017**

Sd/-  
**Balbir Singh Uppal**  
**Chairman and Managing Director**  
**DIN: 00064718**

# CORPORATE GOVERNANCE REPORT

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## I. Company's Philosophy on Corporate Governance

Corporate Governance practices enable a company to attract talent, maximize long-term shareholders' value and preserve the interests of multiple stakeholders, including society at large. The company always embarked on good Corporate Governance echoing philosophy of high level of transparency and accountability in the functioning and conduct of business, ensuring regulatory compliance meeting its obligation towards customers, employees and shareholders and society.

Being a value-driven organization, the company has always worked towards building trust with shareholders, employees, customers, suppliers and other stakeholders based on principles of good corporate governance viz. integrity, equity, transparency, fairness, disclosure, accountability and commitment to values.

The company fosters the culture in which high standards of ethical behaviour, individual accountability and transparent disclosure are ingrained in all its business dealings and shared by its board of directors, management and employees. The company has established systems and procedures to ensure that its board of directors is well-informed and well-equipped to fulfill its overall responsibilities and to provide the management with a strategic direction needed to create long term shareholder value.

The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. This section, along with the section on 'Management Discussion & Analysis', constitute the Company's compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 2. Board of Directors

### Size and Composition of the Board

As on 31<sup>st</sup> March, 2017, the board of directors of the company consisted of 6 members. Two directors including Chairman are Executive; one is Non-Executive Woman Director and three are Non-Executive Independent Directors. The composition of the Board is in conformity with regulation 17 of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All the Independent Directors satisfy the criteria of independence as defined under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

### Board Meetings:

During the Financial year ended on 31<sup>st</sup> March, 2017, 11 (Eleven) Board Meetings were held and the gap between two meetings did not exceed four months. The dates on which the Board Meetings were held are as follows:

Date of Meetings
April 27, 2016
May 09, 2016
May 17, 2016
July 20, 2016
August 11, 2016
September 14, 2016

## Corporate Governance Report

October 03, 2016
November 14, 2016
November 21, 2016
December 14, 2016
February 14, 2017

The following table gives the composition and category of the Directors, their attendance at the Board meetings held during the year and at the last Annual General meeting, number of other boards or board committees in which he/she is a member or chairperson:-

Name of director/ Designation	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM Held on 28.09.2016	No. of Directorships in other companies	No. of committee Positions held in other companies	Number of share/ Convertible instruments held by non-executive directors
Mr. Balbir Singh Uppal (Chairman & Managing Director)	Promoter-Executive	11	Yes	*10	2	NIL
Mr. Janak Raj Singh (Joint Managing Director)	Promoter-Executive	11	Yes	*8	NIL	NIL
Mrs. Vijay Laxmi (Director)	Promoter-Non-Executive	1	No	0	NIL	NIL
Mr. Amarjit Singh (Director)	Independent Non-Executive	11	Yes	0	NIL	NIL
Mr. Nirdosh Bali (Director)	Independent Non-Executive	11	Yes	2	NIL	NIL
Mr. V. K. Mishra (Director)	Independent Non-Executive	11	Yes	#3	NIL	NIL

\*Includes 2 companies incorporated outside India.

#Includes a company registered U/s 8.

### Notes:

- Mr. Balbir Singh Uppal is the father of Mr. Janak Raj Singh. Apart from these Directors none of the other Director is related to each other.

### Decision and Direction

The Board critically evaluates the Company's strategic direction, management policies and their effectiveness. The agenda for the Board includes strategic review from each of the Board committee, a detailed analysis and review of annual strategic and operating plans and capital allocation and budgets.

The Board has also established Committees to discharge its responsibilities in an effective manner. Mr. Balbir Singh Uppal provides overall direction and guidance to the Company. In the operations and functioning of the Company, CMD and JMD are assisted by Senior Leadership Team. Additionally, the Board reviews possible risks and risk mitigation measures, financial reports, Compliance Reports and business reports. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

### **Independent Directors**

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration ('NR') Committee, for appointment as Independent Directors on the Board. The NR Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in various committees of other companies by such persons in accordance with the criteria set for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation and takes appropriate decision.

No Non-Executive and Independent Director of the Company served as an Independent Director in more than 7 (seven) Listed Companies. Further, none of the Non-Executive and Independent Director of the Company who is a Whole-Time Director in any Listed Company served as an Independent Director in more than 3 (three) listed companies.

None of the Directors on the Board is a Director in more than 10 (ten) Public Companies nor are they members in Committees of the Board in more than 10 (ten) Committees or Chairperson of more than 5 (five) Committees. Further, there are no pecuniary relationships or transactions between the Independent Directors and the Company other than the sitting fees drawn for attending the meetings of Directors.

### **Meeting of Independent Directors**

The Independent Directors of the Company meet at least once in a year without the presence of the Executive Directors and other officials of the Company. During the FY 2016-17, one meeting of the Independent Directors of the Company was held on October 03, 2016. The meeting was attended by all the Independent Directors. The agenda of the meeting inter-alia includes:

- Review the performance of Non- Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the Company taking into account the views of Executive Directors and Non-Executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties; and
- Discuss matters pertaining to the Company's affairs.

### **Familiarisation programme for Independent Directors**

Pursuant to the Code of Conduct for Independent Directors specified under the Companies Act, 2013 and requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has framed a familiarization programme for all its Independent Directors to familiarize them on their roles, rights and responsibilities in the Company.

The Familiarisation programme for Independent Directors is posted on the website [www.lakshmienergy.com](http://www.lakshmienergy.com) and can be viewed at the following link - <http://lakshmienergy.com/downloads/FAMILIARIZATIONPROGRAMFORINDEPENDENTDIRECTORS.pdf>

During FY 2016-17, the Board including all Independent Directors were explained about their roles, rights, responsibilities in the Company through detailed presentations. The Board including all Independent Directors was provided with relevant documents, reports and internal policies to enable them to familiarise with the Company's procedures and practices from time to time besides regular briefing by the members of the Senior Leadership Team. Letter of Appointment(s) are issued to Independent Directors setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments.

### **Information Supplied to the Board of Directors of the Company.**

The Board of Directors of the Company were supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meetings of the Board of Directors of the Company held.

### **Codes & Policies**

The Company strives to conduct its business and strengthen its relationships in a manner that is dignified, distinctive and responsible. It adheres to ethical standards to ensure integrity, transparency, independence and accountability in dealing with all stakeholders. Accordingly, the following codes and policies were adopted to carry out duties in an ethical manner.

- Vigil Mechanism and Whistle Blower Policy
- Remuneration Policy
- Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions
- Corporate Social Responsibility Policy
- Policy on Material Subsidiaries
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information
- Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders
- Code of Conduct

Apart from the above, the company has numerous other policies for the Company's effective and efficient functioning. The said policies are either uploaded on the Company's portal or otherwise communicated to all concerned.

### **Code of Conduct**

The Company has laid down a Code of Conduct for all Board Members and senior management of the Company. The Code is available on the website of the Company i.e. [www.lakshmienergyandfoods.com](http://www.lakshmienergyandfoods.com). The Code has been circulated to all the members of the Board and senior management and they have affirmed compliance with the Code as on 31st March, 2017.

A declaration signed by the Chairman & Managing Director (CMD) to this effect is a part of the Annual Report.

### **Audit**

M/s. SMPS & Co., Chartered Accountants, New Delhi, audits the Company's accounts. The Company has an Internal Audit Mechanism that keeps check on internal controls, operating systems and procedures.

A dedicated team ensures that the Company conducts its businesses with high standards of legal, statutory and regulatory compliances. At the heart of our processes is the extensive use of technology. This ensures robustness and integrity of financial reporting and internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of Financial Statements and Management Reports and ensures compliance with statutory laws, regulations and Company policies.

### Meetings & Procedures

#### Frequency of meetings and Information Supplied

The company has a defined system of convening at least 4 pre-scheduled Board meetings annually. However as per the specific requirements additional Board meetings are also convened by giving appropriate notice. When it is not possible to convene a Board Meeting, resolutions are passed by way of circulation to meet the business exigencies or urgency of matters.

The Board is given presentations covering Finance, Sales, Marketing, overview of business operations of subsidiary Companies, global business environment, the Company's business areas, including Business Opportunities and strategy and risk management practices, before taking on record the Company's quarterly/annual Financial Results.

The Chairperson of the Board, CFO and Company Secretary, in consultation with other concerned members of Senior Leader Team, finalise the agenda for Board meetings. In addition to the regular business items, the following items/information, if any, are placed before the Board to the extent applicable:

- Annual operating plans and budgets and any updates;
- Capital budgets and any updates;
- Quarterly results for the Company and its operating divisions or business segments;
- Minutes of meetings of Audit Committee and other Committees of the Board;
- Information on recruitment of senior officers just below the Board level, including appointment or removal of Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any;
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company;
- Any issue, which involves possible public or product liability claims of substantial nature, including any judgment or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property;
- Significant labour problems and their proposed solutions. Any significant development in Human Resources/ Industrial Relations;
- Sale of material nature, of investments, subsidiaries, assets, which is not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders service, such as non-payment of dividend and delay in share transfer, among others, if any.

### Information Material

The agenda and notes on agenda are circulated to Board in a defined format, in advance. Material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting.

### Minutes

The Company Secretary records minutes of proceedings of meeting of Board and Committee thereof. Draft minutes are circulated to Board/ Committee members for their comments. The minutes are entered in the Minutes Book well within the stipulated time, after considering the comments of Board.

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/ Committee meetings are communicated promptly to the concerned departments/officials. Action-taken report ('ATR') on decisions/ minutes of the previous meeting(s) is provided at the respective succeeding meeting of the Board/ Committee.

### 3. Audit Committee

#### Composition

As on 31st March, 2017, Audit Committee of the company comprises of three members, all are Non-Executive Independent Directors. The Chairman of the Committee is Mr. Nirdosh Bali and other members are Mr. Amarjit Singh and Mr. V.K. Mishra.

The members of the Audit Committee have adequate knowledge in the field of finance, accounting, management and law.

#### Terms of Reference in brief

The terms of reference of the Audit Committee are broadly as follows:

1. Oversight of the company's Financial reporting process and the disclosure of its Financial information to ensure that the Financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual Financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the Financial statements arising out of audit Findings.
  - e) Compliance with listing and other legal requirements relating to Financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinion(s) in the draft audit report.

5. Reviewing, with the management, the quarterly Financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the financial statements of subsidiary Companies, in particular, the investments made by subsidiary Companies.
18. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. To review the functioning of the Whistle Blower mechanism;
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the Finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

### **Meetings and Attendance**

During the year ended 31st March, 2017, Seven Audit Committee Meetings were held.



Date of the Meetings
09.05.2016
20.07.2016
11.08.2016
14.09.2016
14.11.2016
14.12.2016
14.02.2017

The attendance of members of the Audit Committee at these Meetings is as follows:

Sl. No.	Director	Category	Designation	No. of Meetings Attended
1.	Mr. Nirdosh Bali	Independent Non-Executive	Chairman	7
2.	Mr. Amarjit Singh	Independent Non-Executive	Member	7
3.	Mr. V.K. Mishra	Independent Non-Executive	Member	7

The Audit Committee invites Finance head to the meetings. The Audit Committee also invites such Executives as it considers appropriate to be present at its meetings. Finance Head/CFO and Company Secretary attended all the meetings.

The Statutory Auditors are invited to the meetings in which Quarterly/Annual Accounts are considered. The Internal Auditors are also invited to the meetings in which Internal Audit Reports are discussed. The Company Secretary acts as the Secretary of the Committee.

#### 4. Nomination and Remuneration Committee

The role of the Nomination and Remuneration committee as set out in Part D of Schedule II of SEBI (LODR) Regulations, 2015.

Brief description of terms of reference include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

## Composition

The Nomination and Remuneration Committee comprises of three directors namely Mr. Nirdosh Bali (non-executive independent director) - as Chairman, Mr.Amarjit Singh (non-executive independent director) and Mrs.Vijay Laxmi (non-executive director) as members.

During the FY ended 31st March, 2017, three meetings were held.

Date of the Meetings
09.05.2016
11.08.2016
14.02.2017

The attendance of members of the Nomination and Remuneration Committee at the Meeting is as follows:

S. No.	Director	Category	Designation	No. of Meetings Attended
1.	Mr. Nirdosh Bali	Independent Non-Executive	Chairman	3
2.	Mr.Amarjit Singh	Independent Non-Executive	Member	3
3.	Mrs.Vijay Laxmi	Non-Executive Director	Member	3

Mr. Balbir Singh Uppal, the Chairman & Managing Director and Mr. Janak Raj Singh, Joint Managing Director were getting remuneration during the FY 2015-16. But, during FY 2016-17, Mr. Balbir Singh Uppal and Mr.Janak Raj Singh voluntarily did not draw any remuneration taking into account financial condition of the company. Company is not paying remuneration to any other director.

No significant material transactions have been made with the Non-Executive Directors vis-à-vis the Company.

## Performance evaluation criteria for Independent Directors

The Nomination and Remuneration Committee has laid down the criteria for performance evaluation of Independent Directors which are as under:

- Frequency of meetings attended.
- Timeliness of circulating Agenda for meetings and descriptiveness.
- Quality, quantity and timeliness of flow of information to the Board.
- Promptness with which Minutes of the meetings are drawn and circulated.
- Opportunity to discuss matters of critical importance, before decisions are made.
- Familiarity with the objects, operations and other functions of the company.
- Importance given to Internal Audit Reports, Management responses and steps towards improvement.
- Avoidance of conflict of interest.
- Exercise of Fiscal oversight and monitoring Financial performance.
- Level of monitoring of Corporate Governance Regulations and compliance.
- Adherence to Code of Conduct and Business ethics by directors individually and collectively.

- Monitoring of Regulatory compliances and risk assessment.
- Review of Internal Control Systems.
- Performance of the Chairperson of the company including leadership qualities.
- Performance of the Whole time Director.
- Overall performance of the Board/ Committees.

The members of the Board jointly discuss, evaluate and identify the areas for improving the performance and effectiveness of the Board.

### 5. Remuneration of Directors

#### Remuneration Policy

Nomination and Remuneration ('NR') Committee has formulated a policy for Directors' Appointment and remuneration for Directors, Key Managerial Personnel (KMP) and other employees. They have also developed the criteria for determining qualifications, positive attributes and independence of a Director including making payments, if any, to Non-Executive Directors.

The objective of this Remuneration Policy is to provide guidelines for fixation of the remuneration of the Directors, KMP and Senior Management Personnel of the Company to attract and retain the best talent for the growth and development of Company.

NR Committee takes into consideration the best remuneration practices being followed in the industry while fixing appropriate remuneration packages and to administer and superintend the long-term incentive plans.

There was no pecuniary relationship or transaction between the Non-Executive Directors and the company during the financial year 2016-17.

#### Remuneration of Non Executive Directors

The remuneration of Non Executive Directors shall be finalised considering the following:

- They will be entitled to receive remuneration by way of sitting fees for attending meetings of the Board or its Committees at rates within the limits prescribed under the Companies Act, 2013 and rules made thereunder.
- Non Executive Directors do not participate in Board discussions which relate to their own remuneration.
- They receive reimbursement of reasonable expenses incurred in attending the Board, Committee and other adhoc meetings.
- Remuneration is paid subject to deduction of Income Tax at source and payment of applicable Service Tax.

During the year under review, the Non Executive Directors of the Company were paid sitting fees as under:

Rs. in Millions	
Name of the Director	Sitting Fee
Mr. Nirdosh Bali	0.28
Mrs. Vijay Laxmi	Nil
Mr. V.K. Mishra	0.28
Mr. Amarjit Singh	Nil

Mr. Amarjit Singh, Independent Director and Mrs. Vijay Laxmi, Non-executive Director, had opted not to receive sitting fee.

**Remuneration of Chairman, Managing Director, Whole Time Director**

- At the time of appointment or re-appointment, the Chairman, Managing Director and Whole Time Director shall be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the respective Director within the overall limits prescribed under the Companies Act, 2013 and rules made thereunder.
- The remuneration shall be subject to the approval of Members of the Company in General Meeting.
- The remuneration of the above said directors may be divided into fixed and variable component.
- The fixed compensation shall comprise salary, allowances, perquisites, amenities and retiral benefits. The variable component, if any, shall comprise of individual and company performance bonus.
- In determining the remuneration, the Nomination & Remuneration Committee shall consider the following:
  - The relationship of remuneration and performance benchmarks is clear;
  - Balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
  - Responsibility required to be shouldered by the above said Directors and the industry benchmarks and the current trends;
  - The Company's performance vis-à-vis the annual budget achievement and individual performance vis-à-vis the KRAs / KPIs.

Executive Directors are not entitled to sitting fees for attending meeting of directors.

The Nomination and Remuneration Committee will consider the performance against measurable parameters and also have subjective assessment of individual while fixation / revisions of remuneration.

**Details of Remuneration paid to Executive Directors during the year ended 31<sup>st</sup> March, 2017**

Name of the Director	Salaries, Allowances & Perquisites (Rs.in million)	Commission, Bonus	Total Amount (Rs.in million)
Mr. Balbir Singh Uppal CMD*	Nil	Nil	Nil
Mr. Janak Raj Singh JMD*	Nil	Nil	Nil

\*During FY 2016-17, Mr. Balbir Singh Uppal and Mr. Janak Raj Singh voluntarily did not draw any salary/remuneration taking into account financial condition of the company.

Salary/remuneration of working directors do not include performance incentive or any variable pay etc. The Company has not granted any Stock Options to its Directors or Employees.

**Remuneration of Key Management Personnel (KMP) /Senior Management Personnel (SMP):**

Key Managerial Personnel include Chief Financial Officer and Company Secretary appointed pursuant to the provisions of section 203 (1) of the Companies Act, 2013 irrespective of the remuneration drawn by them.

Senior Management Personnel include the heads of Business Segments and functions to be specifically decided by the NRC, on the recommendation of the CMD.

## Corporate Governance Report

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In determining the remuneration of the KMP and SMP, the Nomination & Remuneration Committee shall consider the following:

- o The role, changes in job scope, responsibility and complexity and the need to maintain market competitiveness. The committee may make additional payments linked to relocation;
- o The relationship of remuneration and performance benchmark is clear;
- o Balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;
- o The remuneration is divided into two components viz. fixed component of salaries, perquisites, amenities and retirement benefits and variable component of performance based incentive;
- o The remuneration including annual increment and performance incentive is decided based on the criticality of the roles and responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals performance vis-à-vis KRAs / KPIs, industry benchmark and current compensation trends in the market;
- o The payout of salary and variable incentive to KMP / SMP will be governed by the guidelines of the Company applicable to all employees.

CMD/JMD will review and assess the performance and increments as recommended by Business / Functional Heads based on the standard appraisal matrix, score card and other factors mentioned hereinabove before recommending to Nomination and Remuneration Committee for its approval.

The respective functional head or Business head will review the performance of his reportees and recommend his proposal to CMD/JMD. CMD/JMD will review the recommendation of Business / Functional Heads and make necessary moderations before finalizing the same. CMD/JMD will also carry out the individual performance review of all Senior

Management Personnel/Key Managerial Personnel drawing CTC of Rs. 30 Lacs and more based on the standard appraisal matrix and after taking into account the appraisal score card and other factors mentioned here in above, recommends the annual increment and performance incentive to the Nomination & Remuneration Committee for its review and approval.

The Nomination and Remuneration Committee retains the discretion to make appropriate remuneration decisions outside the Standard Policy to meet specific circumstances in both the above cases.

The above said policies are available at the link <http://lakshmienergy.in/Investor.html>

### Notes:

1. No Director is related to any other director on the board of directors of the company except for Mr. Balbir Singh Uppal and Mr. Janak Raj Singh, who are father and son respectively.
2. The company does not have any scheme for grant of stock options to its directors or employees.
3. The appointment of Mr. Balbir Singh Uppal, Chairman and Managing Director is for a period of 3 years w.e.f. 1st September, 2017.
4. The appointment of Mr. Janak Raj Singh, Joint Managing Director is for a period of 3 years w.e.f. 27th March, 2015.
5. No severance fee is payable to any Managing / Executive Director of the company.
6. Mr. Amarjit Singh and Mrs. Vijay Laxmi have opted not to receive sitting fees.

## 5. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is constituted and functions as per the guidelines set out in Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Companies Act, 2013.

This Committee looks into transfer/transmission/ demat/remat of shares, issue of duplicate/split/ consolidation of share certificates, notices and to attend shareholder's complaints on SCORES system of SEBI or otherwise etc. and to take requisite action(s) to redress the same.

The terms of reference of the Stakeholders Relationship Committee inter-alia includes the following:

- consider and resolve the grievances of shareholders and other security holders of the Company;
- the grievances includes complaints related to transfer of shares, non receipt of balance sheet and non-receipt of declared dividends.

### Composition & Terms of Reference

As on 31<sup>st</sup> March, 2017, the composition of Stakeholders' Relationship Committee is as under:

Name	Category	Designation
Mr. Nirdosh Bali	Non Executive Director	Chairman
Mr. Amarjit Singh	Non Executive Director	Member
Mr.V.K. Mishra	Non Executive Director	Member

The Committee also oversees the working of Registrar & Transfer Agents of the Company. Company Secretary acts as the Secretary of the Committee. Mr. Ajay K. Ratra, Company Secretary of the Company, has been designated as the Compliance Officer.

### Meetings held during the year and the Attendance thereat:

During the year, four stakeholders' relationship committee meetings were held on:

Date of the Meetings
09.05.2016
11.08.2016
14.11.2016
14.02.2017

The attendance of members of the stakeholders' relationship committee at these Meetings is as follows:

S. No.	Director	Category	Designation	No. of Meetings Attended
1.	Mr. Nirdosh Bali	Independent Non-Executive	Chairman	4
2.	Mr. Amarjit Singh	Independent Non-Executive	Member	4
3.	Mr.V.K.Mishra	Independent Non-Executive	Member	4

**Shareholders'/Investors' complaints**

Complaints pending as on 1st April, 2016	Nil
During the period from 1st April, 2016 to 31st March, 2017	3
Complaints disposed off during the year ended 31st March, 2017	3
Complaints unresolved to the satisfaction of shareholders as on 31st March, 2017	Nil

The Company had efficient system of dealing with investors' grievances. The Chairperson of the Company takes personal interest in all matters of concern for investors as and when necessary.

**6. Corporate Social Responsibility Committee:**

As on 31<sup>st</sup> March, 2017, Corporate Social Responsibility Committee consisted of the following directors:

1. Mr. Balbir Singh Uppal, CMD - Chairman
2. Mr. Nirdosh Bali, Independent director - Member
3. Mr.V.K.Mishra, Independent director - Member

During the year under review, three meetings of CSR committee were held.

Date of the Meetings
09-05-2016
11-08-2016
14-02-2017

The attendance of members of the CSR committee at these Meetings is as follows:

S. No.	Director	Category	Designation	No. of Meetings Attended
1.	Mr. Balbir Singh Uppal	Promoter and Executive Director	Chairman	3
2.	Mr. Nirdosh Bali	Independent Non-Executive	Member	3
3.	Mr.V.K.Mishra	Independent Non-Executive	Member	3

The CSR policy is available at the link <http://lakshmienergy.in/Investor.html> of the website of the Company.

**Risk Management ('RM') Committee**

The Company has constituted a Risk Management Committee for effective risk assessment and minimisation procedures which are reviewed by the members periodically. The procedures comprise of an in-house exercise on Risk Management carried out periodically by the Company; including the functioning of a structure to identify and mitigate various risks faced by the Company from time to time.

The structure also comprises of risk identification and assessment by the concerned departments, identification of controls /mitigation process in place, updation of Risk registers by various departments, if required. The RM Committee deliberates extensively on the structure and identifies risks to ensure timely actions. These reports are consolidated and presented before the Board of the Company, whenever required.

The terms of reference of the RM Committee inter-alia includes the following:

- Development of a formal Risk Management structure;
- Formation of an Executive Management Team, if deemed necessary and delegation of responsibility to it;
- Creation of a separate Risk Management function or department if deemed necessary;
- Defining of risk across the Organisation;
- Monitoring of material risks to which the Organisation is exposed and ensuring implementation of appropriate mitigation plan;
- Ensuring the sustainability of risk management framework and process through continuous reviewing mechanism; and
- Delegation of any of the aforesaid tasks as the RM Committee may deem fit.

As on March 31, 2017, the Committee had 2 (two) Non - Executive and Independent Directors as its members in accordance with the prescribed guidelines.

Mr. Nirdosh Bali is the Chairperson of the Committee and Mr. Amarjit Singh and Mr. V.K. Mishra are the members of the Committee. Company Secretary acts as the Secretary of the Committee. CFO and Internal Auditor are the permanent invitees of the Committee.

#### Meetings and Attendance

During the year ended 31<sup>st</sup> March, 2017, Three Meetings were held.

Date of the Meetings
09-05-2016
11-08-2016
14-02-2017

The attendance of members of the RM Committee at these Meetings is as follows:

S. No.	Director	Category	No. of Meetings Attended
1.	Mr. Nirdosh Bali	Chairman	3
2.	Mr. Amarjit Singh	Member	3
3.	Mr. V.K. Mishra	Member	3

#### 7. Subsidiary Companies:

The financials of the subsidiary companies i.e. M/s Punjab Greenfield Resources Ltd, Lakshmi Green Power Ltd. and Green Energy and Foods Pte. Ltd have been duly reviewed by the audit committee and the board of the company. The company has also formulated a policy for determining the material subsidiaries and the details of such policies are disseminated in the website of the Company at web link: <http://lakshmi group.in/Investor.html>.

#### 8. General Body Meetings

- a) **Location, date and time of general meetings held during the last three years and the special resolutions passed thereat are as under:**



**Details of Annual General Meetings held**

Year	Date	Venue	Time	Special Resolutions passed
2015-16	28.09.2016	PHD Chamber of Commerce and Industry, PHD House, Sector 31A, Chandigarh	3.00 PM	Nil
2014-15	29.09.2015	PHD Chamber of Commerce and Industry, PHD House, Sector 31A, Chandigarh	3.00 PM	1) To seek approval for the re-appointment of Mr. Janak Raj Singh (DIN 00064804) as Joint Managing Director of the company
2012-14 (18 months period)	24.09.2014	PHD Chamber of Commerce and Industry, PHD House, Sector 31A, Chandigarh	11.00 AM	1) To approve amendment in existing Article 110 of the Articles of Association of the Company 2) To re-appoint Mr. Balbir Singh Uppal as Chairman and Managing Director of the company

**Details of Extraordinary General Meetings held**

Date	Venue	Time	Special Resolutions passed
27.04.2016	Admin Office & Works at Khamanon, Dist- Fatehgarh Sahib, Punjab	11.30 AM	1) Issue of convertible warrants on preferential basis
10.02.2016	Admin Office & Works at Khamanon, Dist- Fatehgarh Sahib, Punjab	11.30 AM	1) Issue of convertible warrants on preferential basis 2) Increase in the Borrowing powers of the Company
01.02.2014	Admin Office & Works at Khamanon, Dist- Fatehgarh Sahib, Punjab	11.00 AM	No special resolution passed.

- b) **Postal ballot:** During the period ended 31<sup>st</sup> March, 2017, Special Resolution was passed through Postal Ballot for slump sale of “Power Division” of the Company to Lakshmi Green Power Limited. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot. Resolution, if any, to be passed through Postal Ballot during the current financial year will be taken up as and when necessary. Mr. Ajay K. Arora (CP No. 993), Practising Company Secretary, Chandigarh was appointed as scrutinizer for carrying out the Postal Ballot process in a fair and transparent manner.

**9. Means of Communication**

<b>Financial Results</b>	Pursuant to Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, the Company has regularly furnished (within the prescribed time) the quarterly un-audited as well as annual audited results to the Stock exchanges where the shares of the company are listed. Quarterly and Annual financial results are also published in English and regional newspapers, i.e. Financial Express and Desh Sewak.
<b>Website</b>	Company's website <a href="http://www.lakshmigroup.in">www.lakshmigroup.in</a> contains all the information (needed by shareholders) including Annual Reports, Shareholding Pattern, Corporate Governance Report, Financial results, official news releases, announcements and presentations, if any, made to Institutional Investors/analysts.

<b>Annual Report</b>	The Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis Report forms part of the Annual Report and is displayed on the Company's website (www.lakshmigroup.in).
<b>NSE Electronic Application processing System (NEAPS) and BSE listing centre.</b>	All periodical compliance filings like shareholding pattern, financial results, corporate governance report, media releases, corporate announcements, among others are filed electronically on the websites developed and as per the advice of National Stock Exchange and Bombay Stock Exchange on the link <a href="https://www.connect2nse.com/LISTING">https://www.connect2nse.com/LISTING</a> and <a href="http://listing.bseindia.com">http://listing.bseindia.com</a> .
<b>E-mail IDs for Investors</b>	The Company has designated the following email-ids exclusively for investor servicing: Email ID of Company Secretary & Compliance Officer: cs@lakshmigroup.in Email ID of Registrar & Transfer Agent (Beetal Financial & Computer Services Pvt. Ltd): beetalrta@gmail.com

## 10. GENERAL SHAREHOLDER INFORMATION

### Annual General Meeting Details

Day & Date	Saturday, 23 <sup>rd</sup> September, 2017
Time	3.00 P.M
Venue	PHD Chamber of Commerce and Industry, PHD House, Sector 31A, Chandigarh-160031

### Financial Year

1<sup>st</sup> April to 31<sup>st</sup> March.

### Financial Calendar (2016-17)

Results for the quarter ending	Results were announced on
June 30, 2016	20 <sup>th</sup> July, 2016
September 30, 2016	14 <sup>th</sup> December, 2016
December 31, 2016	14 <sup>th</sup> February, 2017
March 31, 2017	30 <sup>th</sup> May, 2017

### Financial Calendar (2017-18)

Results for the quarter ending	Tentative and subject to change
June 30, 2017	12 <sup>th</sup> August, 2017 (actual)
September 30, 2017	Second Week of November, 2017
December 31, 2017	Second Week of February, 2018
March 31, 2018	Second Week of May, 2018

### Book Closure

The dates of book closure shall be Monday, 18<sup>th</sup> September, 2017 to Saturday, 23<sup>rd</sup> September, 2017 (both days inclusive).

### Dividend Payment

Board of directors of the company did not recommend any dividend for the year ended 31<sup>st</sup> March, 2017.

### Listing on Stock Exchanges

The equity shares of the company are presently listed on the following Stock Exchanges:

1. National Stock Exchange of India Limited;
2. BSE Limited;

### Listing Fees

Listing fees has been paid to the stock exchanges, wherein the equity shares of the Company are listed (i.e. BSE & NSE).

### Depository Fees

The company has also paid the Annuals Custody/Issuer fee to both the depositories namely, National Securities Depository Limited ('NSDL') and Central Depository Service (India) Limited ('CDSL').

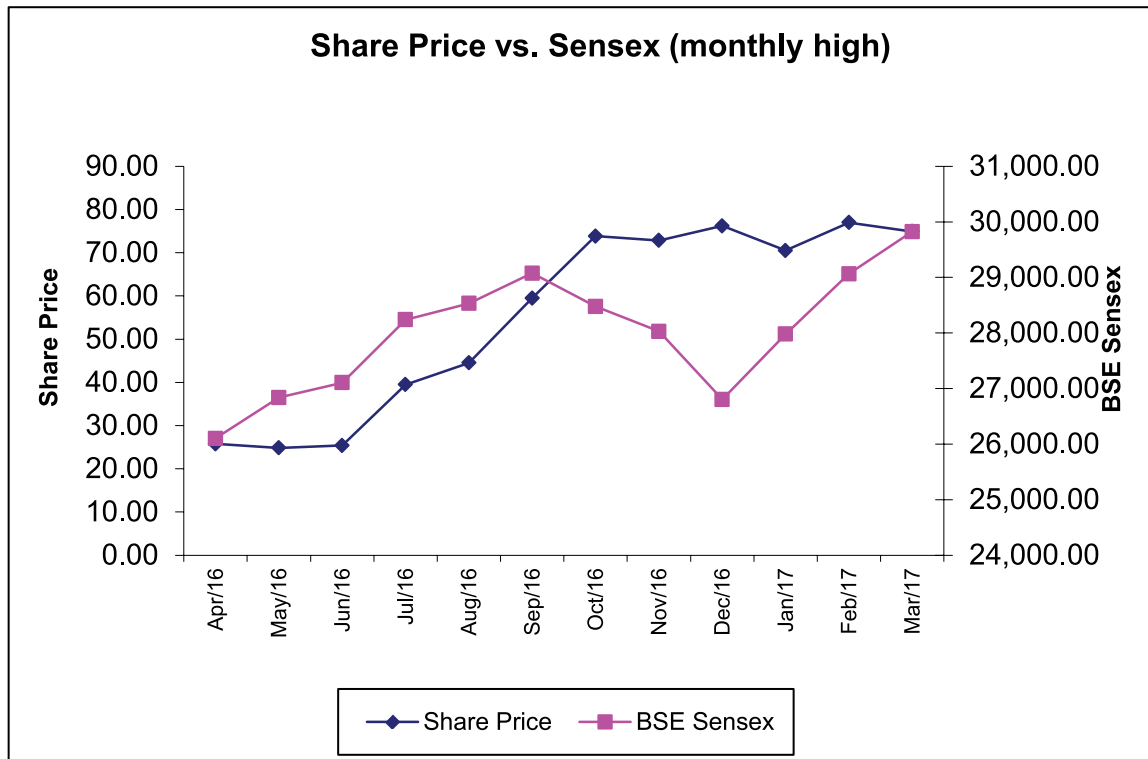
### Stock Codes

ISIN (for equity shares)	INE 992B01026
NSE SYMBOL	LAKSHMIEFL
BSE Stock Code	519570

### Market Price Data and performance in comparison to BSE Sensex

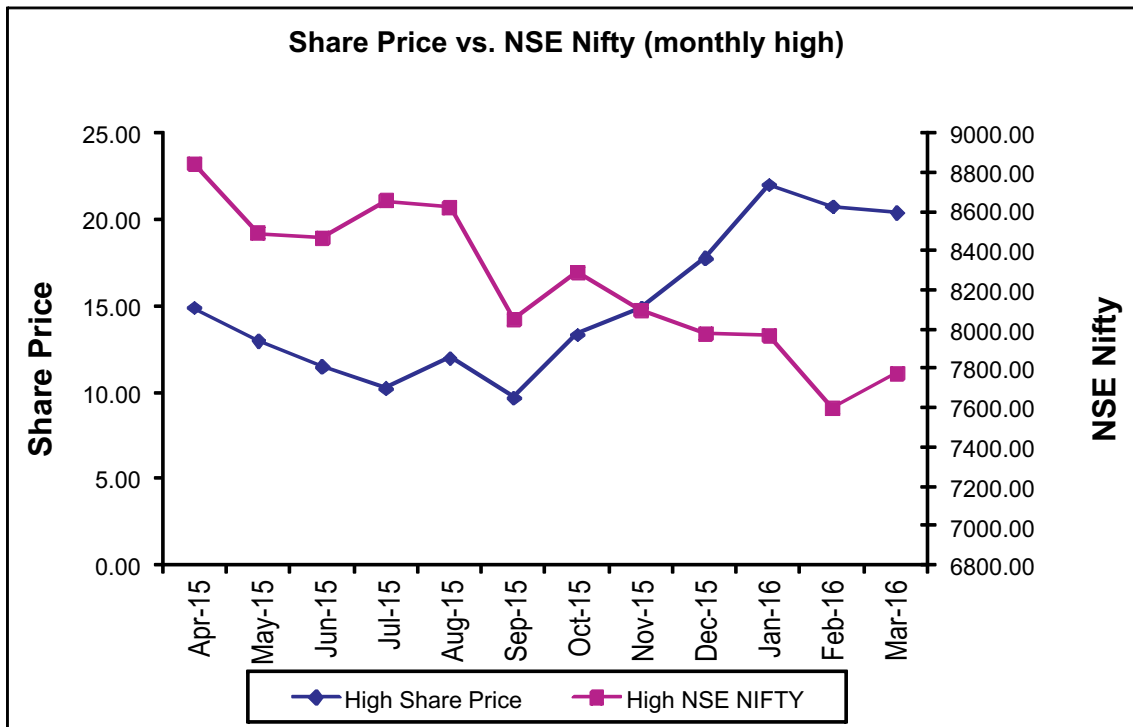
	Share Price at BSE			BSE SENSEX	
	High (Rs)	Low (Rs)	Volume (Nos.)	High	Low
Apr-16	25.75	17.65	15,78,913	26,100.54	24,523.20
May-16	24.85	16.60	15,41,610	26,837.20	25,057.93
Jun-16	25.40	20.40	8,43,663	27,105.41	25,911.33
Jul-16	39.50	22.25	62,59,542	28,240.20	27,034.14
Aug-16	44.50	33.90	43,02,170	28,532.25	27,627.97
Sep-16	59.50	35.90	83,83,741	29,077.28	27,716.78
Oct-16	73.85	51.35	52,99,273	28,477.65	27,488.30
Nov-16	72.85	42.50	44,97,302	28,029.80	25,717.93
Dec-16	76.20	55.00	77,72,640	26,803.76	25,753.74
Jan-17	70.50	59.00	28,66,678	27,980.39	26,447.06
Feb-17	77.00	66.70	16,10,975	29,065.31	27,590.10
Mar-17	74.90	51.45	47,03,086	29,824.62	28,716.21

Company's Share Price Movement vis a vis BSE Sensex



Market Price Data and performance in comparison to NIFTY of NSE

Month	Share Price at NSE			NSE NIFTY	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
Apr-16	25.80	18.35	7097010	7992.00	7516.85
May-16	24.90	16.30	4074271	8209.85	7738.90
Jun-16	25.60	20.15	2465626	8308.15	7927.05
Jul-16	39.40	22.25	21014377	8674.70	8287.55
Aug-16	44.70	33.80	13887576	8819.20	8518.15
Sep-16	59.80	36.00	26126948	8968.70	8555.20
Oct-16	74.35	51.35	22138725	8806.95	8506.15
Nov-16	71.80	42.50	17833984	8669.60	7916.40
Dec-16	76.25	54.65	30968230	8274.95	7893.80
Jan-17	70.70	58.00	16982695	8672.70	8133.80
Feb-17	76.85	66.75	12158626	8982.15	8537.50
Mar-17	74.80	51.05	26701147	9218.40	8860.10



**Registrar & Share Transfer Agents**

The company had appointed M/s. Beetal Financial & Computer Services (P) Ltd. as its Registrar and Share Transfer Agent.

	<b>Beetal Financial &amp; Computer Services (P) Ltd</b>
Address	Beetal House, 3 <sup>rd</sup> Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi   110 062
Telephone No.	011-2996 1281
Fax No.	011-2996 1284
E mail	beetalrta@gmail.com

**Share Transfer System**

M/s Beetal Financial & Computer Services Private Limited is Registrar & Transfer Agent for processing, transfers, sub-division, consolidation, splitting of shares and for rendering depository services such as dematerialization and rematerialisation of the company's Shares.

The share transfers, which are received in physical form, are approved (subject to the documents being valid and complete in all respects) within stipulated time period. Shares under objection are returned within two weeks time. Confirmation in respect of the requests for dematerialization of shares is sent to the respective depositories i.e. NSDL and CDSL expeditiously.

The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 and files a copy of the said certificate with Stock Exchanges.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2017**

Share Holding of Nominal Value of (Rs.)	Number of Shareholders	% to Total	No of Shares	Amount in Rs.	% to Total
Up To 5000	17776	94.75	7045539	14091078.00	10.0694
5001 To 10000	495	2.63	1874784	3749568.00	2.6794
10001 To 20000	236	1.25	1761302	3522604.00	2.5172
20001 To 30000	62	0.33	762157	1524314.00	1.0893
30001 To 40000	36	0.19	648747	1297494.00	0.9272
40001 To 50000	24	0.12	548312	1096624.00	0.7836
50001 To 100000	44	0.23	1601393	3202786.00	2.2887
100001 And above	87	0.46	55727766	111455532.00	79.6452
<b>Total</b>	<b>18760</b>	<b>100.00</b>	<b>69970000</b>	<b>139940000.00</b>	<b>100.0000</b>

**Shareholding Pattern as on 31<sup>st</sup> March, 2017**

Sr. No.	Category	No. of shareholders/ Folios	No. of shares held	No. of shares dematerialised	Percentage (no. of shares held to total shares)
<b>A. Promoters</b>					
1	Indian	7	38345730	38345730	54.80%
2	Foreign	-	-	-	
<b>B. Public Shareholding</b>					
1	Financial Institutions/Banks	4	417719	417719	0.60%
2.	Insurance Companies	1	270983	270983	0.39%
3	Foreign Institutional Investors	1	2984339	2984339	4.27%
4	Bodies Corporate	392	10522642	10489142	15.04%
5	Resident Individuals	17481	15165880	13440419	21.67%
6	Clearing Members	119	914340	914340	1.31%
7	Non Resident Indians	292	534638	534638	0.76%
8	HUF	463	813729	812729	1.16%
	<b>Total</b>	<b>18760</b>	<b>69970000</b>	<b>68210039</b>	<b>100.00%</b>

**Transfer of Unclaimed Shares to Investor Education and Protection Fund**

Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2016 (the 'Rules') notified by the Ministry of Corporate Affairs effective September 7, 2016, as amended, all shares in respect of which dividend has remained unclaimed by the shareholders for seven consecutive years or more are required to be transferred to the Investor Education and Protection Fund (IEPF).

During the year, notices were sent to the concerned shareholders whose shares were liable to be transferred to IEPF/ Suspense Account under the said Rules for taking appropriate action and full details of such shareholders and shares due for transfer to IEPF Authority/Suspense Account have also been uploaded on Company's website at link [http://lakshmienergy.in/downloads/IEPF\\_shares.pdf](http://lakshmienergy.in/downloads/IEPF_shares.pdf)

An option to claim from IEPF Authority, all unpaid/unclaimed dividends or other amounts and the unclaimed shares transferred to IEPF, is available to members. Members may make their claim by following the due procedure for refund as prescribed under the said rules. Details of refund process are also available on website of the Company at <http://iepf.gov.in/IEPFA/refund.html>

### Dematerialization of Shares and liquidity

The company's shares are required to be compulsorily traded in dematerialized form and these shares are available for dematerialization on both the depositories i.e. National Securities Depository Limited ('NSDL') and Central Depository Service (India) Limited ('CDSL').

### Details of Demat Shares as on 31<sup>st</sup> March, 2017

Particulars	Number of Shares	% of shares
NSDL	59002601	84.32%
CDSL	9207438	13.16%
Total Shares held in DEMAT form	68210039	97.48%
Shares held in Physical form	1759961	2.52%
<b>TOTAL (Demat + Physical)</b>	<b>69970000</b>	<b>100.00%</b>

### Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no outstanding GDRs/ADRs as on date.

### Issuance/allotment of convertible warrants

The company has allotted 71,40,000 convertible warrants (34,80,000 warrants of series-I and 36,60,000 warrants of Series-2) on 17/05/2016, on preferential basis, to M/s Ganeshay Overseas Industries Limited, Promoters' Group entity, at an exercise price of Rs.17.50 per underlying equity share of the face value of Rs.2 each, in terms of the in-principle approvals given by BSE and NSE. As per SEBI (ICDR) Regulations, 25% upfront amount was received by the company from the allottee before allotment of warrants.

The company has allotted 34,80,000 equity shares of Rs.2/- on 20-07-2016 on conversion of 34,80,000 warrants of Series-I to M/s Ganeshay Overseas Industries Limited (Promoters' Group entity).

Except the above matter, there has not been any change in capital structure. Authorised Capital of the Company is Rs.20,00,00,000 and paid up capital was Rs.13,99,40,000/- as on 31-03-2017 and as on date of this report.

### Commodity price risk or foreign exchange risk and hedging activities

The Company is exposed to foreign exchange risks. The Company continuously evaluates exchange risks exposures and takes required hedging from time to time to minimize the impact of fluctuations in exchange rate movement.

### Compliance Certificate of the Auditors

Certificate from the Company's Auditors confirming compliance with conditions of Corporate Governance as stipulated under Securities & Exchange Board of India (Listing obligations and disclosure requirement) Regulations, 2015 is attached to this Report.

### Plant Location

Paddy/food grains processing plant and husk based Power plant located at  
VPO Khamanon, Ludhiana-Chandigarh Highway,  
Khamanon, District Fatehgarh Sahib,  
Punjab- 141801, India.  
Tel : 01628-661800 Fax : 01628-661805

**Company's Registered Office**

S.C.O. 18-19, 1<sup>st</sup> Floor, Sector 9-D,  
Madhya Marg, Chandigarh-160017, India  
Tel : 0172-2740352 Fax : 0172-2743057  
Email: corporate@lakshmigroup.in  
Website: www.lakshmigroup.in

**Investors' Correspondence may be addressed to**

Company Secretary and Compliance Officer  
Lakshmi Energy and Foods Limited  
S.C.O. 18-19, 1<sup>st</sup> Floor, Sector 9-D,  
Madhya Marg, Chandigarh-160017, India  
Tel : 0172-2740352 Fax : 0172-2743057  
Email: cs@lakshmigroup.in

or

M/s. Beetal Financial & Computer Services (P) Ltd.( Registrar and Transfer Agent)  
Beetal House, 3rd Floor,  
99, Madangir, Behind Local Shopping Centre,  
Near Dada Harsukhdas Mandir,  
New Delhi 110 062  
Tel: 011-29961281  
Fax: 011-29961284  
Email: beetalrta@gmail.com

**Queries relating to the Financial Statements may be addressed to**

CFO  
S.C.O. 18-19, 1<sup>st</sup> Floor, Sector 9-D,  
Madhya Marg, Chandigarh-160017, India  
Email: corporate@lakshmigroup.in

**Queries/complaints/suggestions relating to products/services/dealers etc. only be addressed to:**

Customer Care Cell  
Lakshmi Energy and Foods Limited  
Chandigarh-Ludhiana National Highway,  
Khamanon-141801, Punjab, India  
Tel: 01628-661800  
Email: customercare@lakshmigroup.in

**II. Disclosures**

- a) All related party transactions pursuant to Section 188(1) of the Act that were entered into during the Financial Year were on an arm's length basis and in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which might have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee only for its approval as they are not required to be placed before the Board. However Related Party Transactions pursuant to Accounting Standard 18 (AS 18) are disclosed to the Board.



## Corporate Governance Report

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The Policy on dealing with Related Party Transactions as approved by the Board is posted on the Company Website at the following web link: <http://lakshmigroup.in/Investor.html>.

- b) The financial statements have been prepared in accordance with Ind-AS notified under the Companies (Indian Accounting Standards) Rules, 2015. The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India in the preparation of financial statements and the Company has not adopted a treatment different from that prescribed in the Accounting Standards or revised relevant schedule of the Companies Act, 2013 read with rules made there under.
- c) There is no non-compliance by the company. No penalties, strictures were imposed on the company by any stock exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years
- d) The company has adopted a Vigil Mechanism/Whistle Blower Policy, the details of which are available on the company's website at the following link: [http://lakshmigroup.in/downloads/VIGIL\\_MECHANISM.pdf](http://lakshmigroup.in/downloads/VIGIL_MECHANISM.pdf).

We also confirm that no personnel has been denied access to the audit committee

- e) The Company is fully compliant with the applicable mandatory requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f) The Company has duly fulfilled the following discretionary requirements as prescribed in Schedule II Part E of the Listing Regulations:
  - The Auditors' Report on statutory Financial Statement of the Company is unmodified.
- g) The company has also formulated a policy for determining the material subsidiaries and the details of such policies are disseminated in the website of the Company at web link: <http://lakshmigroup.in/Investor.html>
- h) The Policy on dealing with Related Party Transactions as approved by the Board is posted on the Company Website at the following web link: <http://lakshmigroup.in/Investor.html>
- i) During the Financial year ended 31st March, 2017 the company did not engage in commodity hedging activities.
- j) There has been no instance of non-compliance of any requirement of Corporate Governance Report.
- k) The company has established a comprehensive and appropriate risk assessment and management policy and minimization procedures and the same is periodically reviewed by the board of directors of the company.
- l) Chairman and Managing Director (CMD) and Chief Financial Officer (CFO) have certified to the Board in accordance with Securities & Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 pertaining to CEO/CFO certification for the financial year ended 31st March, 2017.
- m) There are no disclosures with respect to demat suspense account/ unclaimed suspense account.
- n) In compliance with the SEBI regulation on prevention of insider trading, the Company had instituted a comprehensive Code of Conduct for regulating, monitoring and reporting of trading by Insiders. The said Code lays down guidelines which advise them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioned them on consequences of non-compliances.

Further the Company has put in place a Code of practices and procedures of fair disclosures of unpublished price sensitive information. Both the aforesaid Codes are in lines with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

**Place: Khamanon**  
**Date: 12-08-2017**

**For and on Behalf of the Board**  
**Sd/-**  
**Balbir Singh Uppal**  
**Chairman and Managing Director**  
**DIN: 00064718**

**Declaration by the CMD under SEBI (LODR) Regulations, 2015 regarding adherence to the Code of Conduct**

In accordance with regulation 34(3) of Securities & Exchange Board of India (Listing obligations and disclosure requirement) regulations, 2015, I hereby confirm that, all Directors and the Senior Management personnel of the Company have affirmed compliance to the company's Code of Conduct, for the financial year ended 31st March, 2017.

**Sd/-**  
**Balbir Singh Uppal**  
**Chairman & Managing Director**  
**DIN: 00064718**

# Auditors' Certificate on Corporate Governance under SEBI (LODR) Regulations, 2017

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To  
The Members,  
M/s Lakshmi Energy and Foods Limited  
SCO-18-19, Sector-9D  
Chandigarh-160017

We have examined the compliance of conditions of corporate governance by Lakshmi Energy and Foods Limited ('the Company') for the year ended March 31, 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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

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

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

**For SMPS & Co.**  
**Chartered Accountants**

**Saurabh Mishra**  
**(Partner)**  
**Membership No. 402499**  
**FRN No. 021622N**

Place: Khammano  
Date: 12-08-2017

# INDEPENDENT AUDITOR'S REPORT

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To the Members of

**M/s LAKSHMI ENERGY AND FOODS LIMITED**

## **Report on the Standalone IND AS Financial Statements**

We have audited the accompanying Standalone IND AS financial statements of LAKSHMI ENERGY AND FOODS LIMITED ("the Company") which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Standalone IND AS Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these IND AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these Standalone IND AS Financial Statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone IND AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, total comprehensive income, its cash Flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

- I. As required by section 143 (3) of the Act, based on our Audit, we report to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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 including Other Comprehensive Income, the Cash Flow Statement and Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account;
  - d. In our opinion, the aforesaid standalone IND AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting.
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone IND AS financial statements – Refer Note 32(6) to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. The Company has provided requisite disclosures in the standalone IND AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8<sup>th</sup> November, 2016 of the Ministry of Finance, during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Based on the Audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the company and as produced to us by the management- Refer Note 32(18) of the standalone IND AS financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 (“the order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For SMPS & Co.**  
**Chartered Accountants**

**Saurabh Mishra**  
**(Partner)**  
Membership No. 402499  
FRN 021622N

Place: Khammano  
Date: 30-05-2017

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

## “Annexure A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of our report on even date.)

### 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 over financial reporting of Lakshmi Energy and Foods Limited (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone IND AS 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the “Institute of Chartered Accountants of India”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Companies Act, 2013.

#### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 IND AS 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 system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SMPS & Co.**  
**Chartered Accountants**

**Saurabh Mishra**  
**(Partner)**

Membership No. 402499

FRN 021622N

Place: Khammano

Date: 30-05-2017

## “Annexure B” to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal & Regulatory Requirement' of our report of even date)

- 1) In respect of its Property, plant and equipment:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and Equipment;
  - (b) The Company has a programme of verification of Property, plant and equipment to cover all the items in a phased manner over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, Property, plant and Equipment were physically verified by the Management during the year. According to the information and explanations given to us, discrepancies noticed on such verification were not material and have been properly dealt in the books of account.
  - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed and transfer deed provided to us, we report that, the title deeds of immovable properties are held in the name of the company.
- 2)
  - (a) The management has conducted the physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed there under. Accordingly, paragraph 3(v) of the order is not applicable to the Company.
- 6) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act 2013 in respect of Power generation unit of the Company. We have broadly reviewed the cost records maintained by the company pursuant to the Companies(Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government of India under sub section(1) of section 148 of the Companies Act and are of the opinion that, prima facie, the prescribed records have been maintained. We have however, not made detailed examination of the cost records so as to determine whether they are accurate or complete.
- 7)
  - (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable, *except for the Employee's Provident Fund dues of Rs. 8,94,105.00 which were duly deposited on 04.04.2017.*
  - (b) According to the information and explanation given to us, there are no dues of sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute. Income Tax dues outstanding on account of disputes are as follows:

## Annexure to the Auditor's Report

(Rs. in Million)

Name of the Statutes	Nature of dues	Amount	Period to which amount relates	Forum where dispute is pending
Income Tax Act 1961	Demand Raised	65.50	AY 2008-09	Punjab & Haryana High Court

- 8) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of fund based and non-fund based borrowings to the banks as per details given below (refer note no. 32, point no. 2 to the note to financial statements). Besides these facilities there is no default in the repayment of loans/borrowings to the financial institutions, banks, Government or debenture holders:

Lender	Outstanding as on 31.03.2017 (including term loan & WC Facilities (Rs in millions))		Maximum Period of overdue (In Days)	
<b>Banks:</b>				
Particulars	Principal	Interest	Principal	Interest
1. PNB	6209.29	7.67	90	243
2. SYNDICATE	3062.85	214.53	90	212
3. ICICI BANK	1582.37	38.72	90	121
4. AXIS BANK	800.29	39.00	90	151
	<b>11654.80</b>	<b>299.92</b>		

- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013;
- 12) The Company is not a Nidhi Company. Therefore, the provisions of clause (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has made preferential allotment of convertible warrants (71,40,000 warrants at Rs. 17.50 per warrant) out of which Rs. 7,69,12,500.00 have been received during the year under review. Accordingly, the provisions of section 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Act are not applicable.
- 16) The company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934

**For SMPS & Co.**  
**Chartered Accountants**

**Saurabh Mishra**  
**(Partner)**  
Membership No. 402499  
FRN No. 021622N

Place: Khammano  
Date: 30-05-2017



# BALANCE SHEET as at 31.03.2017

(Rs. In Millions)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment		1,944.75	2,077.54	2,364.05
(b) Capital work-in-progress	5	150.85	139.65	79.67
(c) Intangible Assets		0.00	0.00	0.00
(d) Financial Assets				
-Long term Investments	6	610.96	608.43	608.53
-Others financial non-current assets	7	147.55	139.64	153.08
(e) Other non-current Assets	8	359.06	358.38	383.66
<b>Total of Non-current assets</b>		<b>3,213.16</b>	<b>3,323.63</b>	<b>3,588.99</b>
<b>2 Current assets</b>				
(a) Inventories	9	8,244.64	7,311.76	6,839.26
(b) Financial Assets				
-Current Investments		0.00	0.00	0.00
-Trade receivables	10	3,770.58	4,405.19	4,173.21
-Cash and Cash Equivalents	11	14.73	0.38	7.73
-Bank Balance other than Cash equivalents	11A	2.24	2.24	0.00
-Short term Loans		0.00	0.00	0.00
-Other financial current assets	12	561.67	362.33	303.00
(c) Current tax assets (net)		0.00	0.00	0.00
(d) Other current assets	13	100.45	100.47	96.27
<b>Total of Current assets</b>		<b>12,694.31</b>	<b>12,182.37</b>	<b>11,419.47</b>
<b>TOTAL OF ASSETS</b>		<b>15,907.47</b>	<b>15,506.00</b>	<b>15,008.46</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	14	139.94	132.98	132.98
(b) Other Equity	15	2,897.33	2,838.50	3,770.11
<b>Total of Equity</b>		<b>3,037.27</b>	<b>2,971.48</b>	<b>3,903.09</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
(a) Financial Liabilities				
-Long term borrowings	16	7,282.64	6,473.71	4,320.79
-Other financial non current liabilities		0.00	0.00	0.00
(b) Long Term Provisions	17	8.63	9.59	8.54
(c) Deferred tax liabilities (Net)	18	348.78	364.13	441.06
(d) Other non-current liabilities		0.00	0.00	0.00
<b>Total of Non-current liabilities</b>		<b>7,640.05</b>	<b>6,847.43</b>	<b>4,770.39</b>
<b>2 Current liabilities</b>				
(a) Financial Liabilities				
-Short term borrowings	19	4,452.46	4,919.72	5,191.03
-Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises		0.00	0.00	0.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	20	378.28	534.87	1,066.97
-Other financial current liabilities	21	397.22	225.00	70.63
(b) Other current liabilities	22	2.15	6.59	4.40
(c) Short term provisions	23	0.03	0.92	1.94
(d) Current tax liabilities (net)		0.00	0.00	0.00
<b>Total of Current liabilities</b>		<b>5,230.15</b>	<b>5,687.09</b>	<b>6,334.97</b>
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>15,907.47</b>	<b>15,506.00</b>	<b>15,008.46</b>
See Accompanying Notes Forming Part of the Financial Statements	<b>I to 32</b>			

As per our report of even date attached  
For **SMPS & Co.**  
Chartered Accountants  
Firm Registration No.: 021622N

**Saurabh Mishra**  
Partner  
Membership No.: 402499

**Balbir Singh Uppal**  
Chairman & Managing Director  
DIN: 00064718

**V.K.Mishra**  
Director  
DIN: 00174380

**P C Jain**  
Chief Financial  
Officer

**Ajay K. Ratra**  
Company Secretary

Place: Khamanon  
Date : 30/05/2017

# STATEMENT OF PROFIT AND LOSS for the year ended 31.03.2017

(Rs. In Millions)

Particulars	Note No	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Revenue from operations:</b>			
Revenue from operations	24	10,214.39	9,147.21
Other income	25	1.91	8.27
<b>I. Total Revenue</b>		<b>10,216.30</b>	<b>9,155.48</b>
<b>II. Expenses:</b>			
Cost of materials consumed	26	2,101.49	123.34
Purchases of stock-in-trade	27	8,180.13	7,609.44
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(1,467.35)	651.08
Employee benefits expense	29	49.17	76.53
Finance costs	30	249.86	334.51
Depreciation and amortization	5	136.64	318.86
Other expenses	31	68.30	205.45
<b>Total Expenses</b>		<b>9,318.25</b>	<b>9,319.21</b>
<b>III. Profit before tax</b>		<b>898.05</b>	<b>(163.73)</b>
Exceptional Items		(924.53)	(844.82)
<b>Profit from ordinary activities before tax</b>		<b>(26.48)</b>	<b>(1,008.55)</b>
<b>IV. Tax expense:</b>			
(1) Current tax		0.00	0.00
(2) Deferred tax		(15.35)	(76.94)
Total tax expense		<b>(15.35)</b>	<b>(76.94)</b>
<b>V. Profit (Loss) for the period</b>		<b>(11.12)</b>	<b>(931.61)</b>
<b>VI. Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Actuarial gain / (loss) on defined benefit obligation		-	-
Investments through other comprehensive income		-	-
Income taxes relating to items that will not be reclassified to profit or loss		-	-
Deferred taxes relating to items that will not be reclassified to profit or loss		-	-
<b>B. Items that will be reclassified to profit or loss</b>			
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>VII. Total Comprehensive Income for the period (V+VI)</b>		<b>(11.12)</b>	<b>(931.61)</b>
<b>Earnings per equity share</b>			
Basic - Par value of Rs. 2 per share		(0.16)	(14.01)
Diluted - Par value of Rs. 2 per share		(0.15)	(14.01)
See Accompanying Notes Forming Part of the Financial Statements	I to 32		

As per our report of even date attached  
For **SMPS & Co.**  
Chartered Accountants  
Firm Registration No.: 021622N

**Saurabh Mishra**  
Partner  
Membership No.: 402499

**Balbir Singh Uppal**  
Chairman & Managing Director  
DIN: 00064718

**V.K.Mishra**  
Director  
DIN: 00174380

**P C Jain**  
Chief Financial  
Officer

**Ajay K. Ratra**  
Company Secretary

Place: Khamanon  
Date : 30/05/2017

# CASH FLOW STATEMENT for the year ended 31.03.2017

(Rs. In Millions)

Particulars		Year ended 31 March 2017	Year ended 31 March 2016
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit before Tax		898.05	(163.73)
Adjustments for :			
Depreciation and Amortization	136.64		318.86
Adjustment related to Revaluation of Financial Liabilities	0.00		34.37
Adjustment to investment carried at fair value	(0.03)		0.08
Interest paid	249.86		334.51
Interest received	(0.08)		(1.02)
Provision for Gratuity	0.00		1.05
Dividend on investments	0.00		(0.01)
(Profit)/Loss on sale of assets (net)	0.00		0.68
Provision for Leave Encashment	0.00		0.10
Provision for Bonus	0.00		0.82
Adjustment related to Extra Ordinary Items	(924.53)		(844.82)
Adjustment related to reserves	0.00		
		(538.14)	(155.38)
Operating Profit before Working Capital changes		359.92	(319.10)
Adjustments for :			
Decrease/(Increase) in trade & other receivables	435.29		(295.50)
Decrease/(Increase) in Inventories	(932.88)		(472.50)
(Decrease)/Increase in sundry creditors/current liabilities	10.32	(487.28)	(379.45)
Cash generation from operations		(127.36)	(1,466.56)
Direct Taxes Paid	0.00	0.00	0.00
NET CASH FLOW FROM OPERATING ACTIVITIES		(127.36)	(1,466.56)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of fixed assets	(4.43)		(92.33)
Sale of fixed assets	0.58		0.24
Interest received	0.08		1.02
Increase in Capital WIP	(11.20)		0.00
Dividend received	0.00		0.01
Non Current Investment	(2.50)		
Other Financial Non Current Assets	(7.91)		13.44
Other Non Current Assets	(0.68)		25.28
NET CASH FLOW FROM INVESTING ACTIVITIES		(26.06)	(52.32)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds From Shares Issued	6.96		
Money Recd against Share Warrants	16.01		
Security Premium Recd	53.94		
Proceeds/(Repayment) from Long - term borrowings	808.93		2,118.55
Proceeds/(Repayment) from Short - term borrowings	(467.26)		(271.31)
Long Term Provisions	(0.96)		1.05
Interest paid	(249.86)		(334.51)
NET CASH FLOW FROM FINANCING ACTIVITIES		167.77	1,513.78
NET INCREASE IN CASH AND CASH EQUIVALENTS		14.35	-5.10
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		2.62	7.73
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		16.97	2.62
See accompanying notes forming part of the financial statements	1-32		

As per our report of even date attached

For **SMPS & Co.**

Chartered Accountants

Firm Registration No.: 021622N

**Saurabh Mishra**  
Partner  
Membership No.: 402499

**Balbir Singh Uppal**  
Chairman & Managing Director  
DIN: 00064718

**V.K.Mishra**  
Director  
DIN: 00174380

**P C Jain**  
Chief Financial  
Officer

**Ajay K. Ratra**  
Company Secretary

Place: Khamanon  
Date : 30/05/2017

**NOTE - I**

**COMPANY INFORMATION**

Lakshmi Energy and Foods Limited (LEAF) is a widely held Public Limited Company engaged in processing of Rice of various varieties and grades, Edible oil, whole Wheat Flour and Green Power generation. The Company was incorporated on 20-07-1990.

Its shares are listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange (BSE). The Registered Office of the Company is at Chandigarh and its plant is located in VPO Khamanon on the Chandigarh-Ludhiana National Highway, Distt. Fatehgarh Sahib, Punjab, India.

The financial statements for the year ended March, 31 2017 were approved by the Board of Directors and authorized for issue on 30.05.2017.

**NOTE -2**

**SIGNIFICANT ACCOUNTING POLICIES**

**I. BASIS OF PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS:**

The financial statements have been prepared in accordance with IND AS's notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016 the company prepared its financial statements in accordance with previous GAAP (under Companies (Accounting Standards) Rules, 2006). These are company's first INDAS financial statements. The date of transition is April, 1 2015. First time adoption exemptions availed by the company have been mentioned in details under note number 3.

The financial statements have been prepared on accrual basis under the historical cost convention except for certain financial instruments that are measured at fair value at the end of each reporting period.

The accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**II. 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, (including contingent 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.

**III. REVENUE RECOGNITION**

Revenue is recognized to the extent it can be reliably measured and probable that economic benefits will flow to the company. Revenues considered receivable are accounted for on accrual basis except for the disposal of sundry items & scraps etc., which are accounted for on cash basis.

### i) SALES

Revenue from sales of goods is recognized when the significant risk and reward of ownership of the goods are transferred to the customer and are recognized net of claims.

Sale of energy is accounted for on the basis of energy supplied.

Sales are stated fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

### ii) INTEREST

Interest income is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

### iii) DIVIDEND

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

### iv) OTHER OPERATING INCOME

Other operating revenue is recognized on accrual basis.

## IV. Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

## V. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other 'non-current assets' and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged on a pro rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the schedule II to the Act.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item is determined as the difference between the sale proceeds and its carrying amount and is recognized in profit and loss.

## VI. BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred except for borrowings from Banks where the amount transferred to FITL payable in future

installments has been recognized as Extraordinary Item in Statement of Profit & Loss for the year ended 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

## VII. IMPAIRMENT OF ASSETS

Impairment is ascertained at each balance sheet date in respect of each of the company's tangible and intangible assets. An impairment loss will be recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

## VIII. FINANCIAL INSTRUMENTS

a. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### i. Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except trade receivables which are recognized at transaction price.

### ii. Subsequent measurement

#### a) Non-derivative financial instruments

##### (i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### (iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair valued through profit or loss.

##### (iv) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### b) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward and option

contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IND AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per IND AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

### **c) Equity Share capital**

#### **(i) Equity Shares**

Equity shares issued by the company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

#### **(ii) Derecognition of financial instruments**

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

#### **(iii) Fair value measurement of financial instruments**

The fair value of financial instruments is determined using the 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.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.

In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

### **d) Impairment of assets**

#### **(i) Financial assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime

ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit or loss.

**(ii) Non-financial assets**

**Intangible assets and property, plant and equipment**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

**IX. VALUATION OF INVENTORIES**

The Inventories are recorded as under:

i.	Raw Materials, Components, Stores & Spare parts & Packing Material.	At lower of cost or net realizable value.
ii.	Finished Goods.	At lower of cost or net realizable value.
iii.	Goods in Process.	At Estimated Cost.
iv.	By-Products.	At Estimated Cost.

Cost of inventories is computed on a weighted average/FIFO basis.

Net realizable value represents the estimated selling price for inventories less estimated costs of completion and other costs necessary to make the sale.

**X. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

**XI. FOREIGN CURRENCY TRANSACTIONS**

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are affected. In case of forward contracts, if any, the difference between the forward rates and the exchange rates on the transaction dates is recognized as income or expense over the tenure of the related contracts.

The profit / loss arising out of the cancellation or renewal of forward exchange contracts are recorded as income/ expense for the period.

At the year end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange rate differences arising on realization / payment of foreign exchange are accounted in the year of realisation / payment.



### **XII. EMPLOYEE / RETIREMENT BENEFITS**

- (i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the related services are rendered.
- (ii) Contributions to Defined Contribution Plans (Employees Provident Fund and Employees State Insurance Scheme) are made in accordance with the respective statutes, to the extent applicable, and are recognized as an expense in the period in which the employees have rendered service.
- (iii) Liability for defined benefit plans is recognized based on provisions of relevant applicable statutes and company policies in the year in which the employees have rendered service. Gratuity Provisions has been made in accordance with Actuarial Valuation Report.

### **XIII. ACCOUNTING FOR TAXES ON INCOME**

- (i) Current tax is the amount of Income Tax payable on taxable income determined as per the Provisions of Income Tax Act, 1961.

Minimum Alternate Tax (MAT) credit is accounted for by the company in the case where MAT payable is higher than tax payable under normal provisions of the Income Tax Act, 1961. Such credit availed is adjusted in future years where the tax under normal provisions is higher than MAT payable to the extent of such difference.

- (ii) The difference that results between the profit offered for income tax and the profit as per the financial statements is identified and, thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered.
- (iii) The carrying amount of the deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such written down carrying amount is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

### **XIV. ACCOUNTING FOR PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions are recognized when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.

Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the financial statements.

### **XV. LEASE AGREEMENTS**

The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns etc.) These leasing arrangements which are not non-cancellable range between 6 months and 1 year generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent/ Storage Charges in the Statement of Profit and Loss on a straight line basis over the lease term.

### **XVI. EARNING PER SHARE**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity share holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per

# NOTES forming part of the Financial Statements

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equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances.

## XVII. FINANCIAL AND MANAGEMENT INFORMATION SYSTEMS

The books of accounts and other records have been designed to facilitate compliance with the relevant provisions of the Companies Act and meet the internal requirements of information and systems for planning, review and internal control on the other.

## XVIII. SEGMENT REPORTING

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company. Further,

- (i) Inter segment revenue has been accounted for based on the transactions price agreed to between segments which is primarily market based
- (ii) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

## NOTE -3

### FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31st March 2017, are the first the company has prepared in accordance with IND AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with IND AS applicable for period ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1st April 2015 and the financial statements as at and for the year ended 31st March 2016.

### Exemptions applied

IND AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IND AS. The Company has, accordingly, applied following exemptions:

- a) The Company has elected to consider carrying amount of all items of Property, Plant and Equipments (PPE) as per Indian GAAP, as deemed cost at the date of transition.
- b) The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2015.

## Notes Forming Part of the Financial Statements

c) The estimates at 1st April 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:

- Fair value of investments in unquoted equity instruments.
- Impairment of financial assets based on expected credit loss model
- Discount rates

The estimates used by the Company to present these amounts in accordance with IND AS reflect conditions that existed as at 1st April, 2015 and 31st March, 2016.

### Reconciliations

The accounting policies as stated above in Note 2 have been applied in preparing the financial statements for the year ended 31 March, 2017, the financial statements for the year ending 31 March, 2016 and the preparation of an opening IND AS statement of financial position as at 1 April, 2015. In preparing its opening IND AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2016, the Company has adjusted amounts reported in financial statements prepared in accordance with Previous GAAP. An explanation of how the transition from Previous GAAP to IND AS has affected the Company's financial performance is set out in the following tables.

#### i. Reconciliation of Equity:

Particulars	As At 31.03.2016	As At 1.04.2015
Equity as per previous GAAP	132.98	132.98
<b>Adjustments:</b>	0	0
Dividend and Tax on Dividend	0	0
Difference on account of revenue recognition net of related costs	-	-
Others	0	0
<b>Equity as per IND AS</b>	<b>132.98</b>	<b>132.98</b>

#### ii. Reconciliation of Total Comprehensive Income:

Particulars	Period ended 31-03-16
Profit as per Indian GAAP	(907.77)
<b>Adjustments:</b>	
Impact of measuring investments at fair value through profit and loss	(0.08)
Deferment of Revenue and cost as per IND AS	-
Measurement of Financial Liabilities at amortised cost and Impact of related derivative contracts	(34.37)
Deferred tax impact (Assets)	10.61
<b>Net Profit as per IND AS</b>	<b>(931.61)</b>
Other Comprehensive Income	0
Adjustments	0
Total Comprehensive Income/Expenses under IND AS	(931.61)

### NOTE -4

#### ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

##### i. Investment in Equity instruments of subsidiary:

During the year the company assessed the investments in equity instruments of subsidiary companies carried at cost for impairment testing. Analysis of future projections by the company has been carried out and the company is confident that there is no need of impairment.

**NOTE -5****NON-CURRENT ASSETS****(5) Property, plant and equipment****As at 31 March 2017**

Sr. No.	Particulars	Gross block				Depreciation				NET BLOCK	
		As at 1 April 2016	Additions	Sales/ Adjustments	As at 31 March 2017	As at 1 April 2016	Adjustments	Depreciation for the year	Transferred to Retained earnings	As at 31 March 2017	As at 31 March 2016
	<b>Tangible Assets:</b>										
1	Buildings	754.14	0.00	0.00	754.14	159.76		22.07	0.00	572.30	594.38
2	Plant & Machinery	3,194.92	1.03	0.58	3,195.37	2,992.50		40.70	0.00	162.17	202.42
3	Furniture & Fixtures and Office Equipments	88.92	0.27		89.20	72.32		4.13	0.00	12.75	16.60
4	Vehicles	171.41	0.26	0.00	171.67	134.30		10.31	0.00	27.06	37.11
5	Power Plant	1,539.11			1,539.11	570.76		59.43	0.00	908.93	968.35
6	Land	258.67	2.87		261.54					261.54	258.67
	<b>Intangible Assets:</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>			
	<b>Total</b>	<b>6,007.19</b>	<b>4.43</b>	<b>0.58</b>	<b>6,011.04</b>	<b>3,929.65</b>		<b>136.64</b>	<b>0.00</b>	<b>1,944.75</b>	<b>2,077.54</b>
	Previous Year	5,976.35	33.28	2.44	6,007.19	3,612.30	1.51	318.86	0.00	2,077.54	2,364.05
	Capital Work-in-Progress									150.85	139.65

**As at 31 March 2016**

Sr. No.	Particulars	Gross block				Depreciation				NET BLOCK	
		As at 1 April 2015	Additions	Sales/ Adjustments	As at 31 March 2016	As at 1 April 2015	Adjustments	Depreciation for the year	Transferred to Retained earnings	As at 31 March 2016	As at 1 April 2015
	<b>Tangible Assets:</b>										
1	Buildings	754.03	0.11	0.00	754.14	137.69		22.07	0.00	594.38	616.34
2	Plant & Machinery	3,195.31	2.05	2.44	3,194.92	2,778.49	1.51	215.52	0.00	202.42	416.82
3	Furniture & Fixtures and Office Equipments	87.21	1.71	0.00	88.92	62.53		9.79	0.00	16.60	24.68
4	Vehicles	142.01	29.41	0.00	171.41	122.25		12.05	0.00	37.11	19.76
5	Power Plant	1,539.11	0.00	0.00	1,539.11	511.33		59.43	0.00	968.35	1,027.78
6	Land	258.67	0.00		258.67	0.00		0.00	0.00	258.67	258.67
	<b>Intangible Assets:</b>										
	<b>Total</b>	<b>5,976.35</b>	<b>33.28</b>	<b>2.44</b>	<b>6,007.19</b>	<b>3,612.30</b>	<b>1.51</b>	<b>318.86</b>	<b>0.00</b>	<b>2,077.54</b>	<b>2,364.05</b>
	Capital Work-in-Progress									139.65	79.67

\* Note : Previous year's figures have been regrouped wherever necessary to conform with this year's classification.

## Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 6</b>			
<b>LONG TERM INVESTMENTS</b>			
<b>Un-Quoted Equity Instrument</b>			
<b>Investment in Subsidiaries at Cost</b>			
1,08,00,000 (P.Y 1,08,00,000) of Rs. 10/- each in Punjab Greenfield Resources Ltd	500.00	500.00	500.00
1 Ordinary Share (P.Y 1) @ 1 SGD fully paid in Green Energy and Foods Pte Ltd., Singapore	0.00	0.00	0.00
10,00,000(P.Y 7,50,000) Equity Shares of Rs. 10/- each in Lakshmi Green Power Ltd	10.00	7.50	7.50
<b>In equity Shares Unquoted,</b>			
10,00,000 (P.Y 10,00,000) Equity Shares of Rs. 10/- each in Nav Bharat International Limited, fully paid	100.00	100.00	100.00
<b>Financial assets at Fair value through Profit &amp; Loss A/c (Quoted)</b>			
11,360 Equity Shares of Rs. 10/- each in IDBI, fully paid	0.85	0.82	0.92
<b>Other Investments</b>			
Gold	0.11	0.11	0.11
<b>Total Non Current Investments</b>	<b>610.96</b>	<b>608.43</b>	<b>608.53</b>
<b>Aggregate Value of Unquoted Investment</b>	<b>610.00</b>	<b>607.50</b>	<b>607.50</b>
<b>Book Value of Unquoted Investment</b>	<b>610.00</b>	<b>607.50</b>	<b>607.50</b>
<b>Aggregate Value of Quoted Investment</b>	<b>0.85</b>	<b>0.82</b>	<b>0.92</b>
<b>Book Value of Quoted Investment</b>	<b>0.85</b>	<b>0.82</b>	<b>0.83</b>
<b>Other Investment</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 7</b>			
<b>OTHER FINANCIAL NON-CURRENT ASSETS</b> (Unsecured considered good, unless otherwise stated)			
<b>Financial assets at amortized cost</b>			
-Advances for Capital Goods	35.71	18.41	23.31
-Security Deposits	56.80	56.73	56.72
-Amount Recoverable from parties	55.05	64.50	73.05
	<b>147.55</b>	<b>139.64</b>	<b>153.08</b>

Note :- These financial assets are carried at amortised cost unless otherwise stated.

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 8</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
- In Deposit Accounts			
FD's Against Bank Guarantee	6.92	6.24	5.52
FD to Sales tax Dept	0.10	0.10	0.10
FD's Against L/c margin	3.59	3.59	29.59
- Mat Credit Entitlement	348.45	348.45	348.45
	<b>359.06</b>	<b>358.38</b>	<b>383.66</b>

Note :- These financial assets are carried at amortised cost unless otherwise stated.

## Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 9</b>			
<b>INVENTORIES</b>			
(As taken, valued and certified by management)			
Raw Materials	4,326.21	4,886.28	3,774.05
Semi Finished / Finished Goods	3,589.94	2,122.59	2,773.68
Gunny Bags/Packaging/Other Consumables Stores	328.49	302.89	291.53
	<b>8,244.64</b>	<b>7,311.76</b>	<b>6,839.26</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 10</b>			
<b>TRADE RECEIVABLES</b>			
(unsecured and considered good, unless otherwise stated)			
Debts outstanding for a period exceeding six months	3,770.58	4,181.39	3,958.86
Others	0.00	223.79	214.35
	<b>3,770.58</b>	<b>4,405.19</b>	<b>4,173.21</b>

Note : Trade receivables includes 3490.70 millions from companies in which Directors are interested and have been considered good by the management.

Out of which debtors having outstanding balance of Rs 3262.86 millions are under litigation with commodities trade exchange and other parties.

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 11</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents			
- cash in hand	0.98	0.10	6.57
Balance with banks :			
- On current accounts & CC A/c	13.74	0.28	1.16
	<b>14.73</b>	<b>0.38</b>	<b>7.73</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 11A</b>			
<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
Other Bank Balance			
Bank deposits *	2.24	2.24	0.00
	<b>2.24</b>	<b>2.24</b>	<b>0.00</b>

\* Deposit on account of dividend account

(Rs. in Millions)

## Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 12</b>			
<b>OTHER FINANCIAL CURRENT ASSETS</b> (Unsecured considered good, unless otherwise stated)			
<b>Financial assets at amortized cost</b>			
- Advances recoverable in cash or in kind or for value to be received	561.67	362.33	303.00
	<b>561.67</b>	<b>362.33</b>	<b>303.00</b>

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 13</b>			
<b>OTHER CURRENT ASSETS</b> (Unsecured considered good, unless otherwise stated)			
Financial assets at amortized cost			
Advances to Suppliers			
- For supply of goods and rendering of services			
Prepaid expenses	1.91	2.09	4.57
Balances and Deposits with Government Authorities & Others	0.95	0.85	0.74
Other Current Assets	97.59	97.52	90.97
	<b>100.45</b>	<b>100.47</b>	<b>96.27</b>

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 14</b>			
<b>EQUITY SHARE CAPITAL</b>			
Authorised			
Equity Shares, Rs.2/- par value			
100,000,000 (Previous Year 100,000,000 )	200.00	200.00	200.00
	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
Issued & Subscribed			
Equity Shares, Rs.2/- par value			
7,03,90,000 (Previous Year 6,69,10,000)	140.78	133.82	133.82
Paid up			
Equity Shares, Rs.2/- par value			
69,970,000 (Previous Year 66,490,000) equity shares fully paid up	139.94	132.98	132.98
<b>Total fully paid-up share capital</b>	<b>139.94</b>	<b>132.98</b>	<b>132.98</b>

### Notes :

- 84,000 Equity shares of the face value of Rs.10/- each were already forfeited in the earlier years.
- During the year the company has allotted 71,40,000 convertible warrants (34,80,000 warrants of series-1 and 36,60,000 warrants of Series-2) on 17/05/2016, on preferential basis, to M/s Ganeshay Overseas Industries Limited, Promoters' Group entity, at an exercise price of Rs.17.50 per underlying equity share of the face value of Rs.2 each. The company has allotted 34,80,000 equity shares of Rs.2/- on 20-07-2016.
- During 2014-15, 34,80,000 convertible warrants of series-2 were forfeited due to non-exercise of the conversion option by the allottee and upfront amount received by the company on such warrants was forfeited as per terms.

**(a) Reconciliation of the share outstanding at the beginning and at the end of the reporting period**

Particulars	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
	Number of shares	Rs. in Millions	Number of shares	Rs. in Millions	Number of shares	Rs. in Millions
At the beginning of the period	66,490,000	132.98	66,490,000	132.98	66,490,000	132.98
Add: Warrant Converted into Shares during the reporting period	3,480,000	6.96	-	0.00	-	0.00
Less: Bought back during the period	-	0.00	-	0.00	-	0.00
Outstanding at the end of period	69,970,000	139.94	66,490,000	132.98	66,490,000	132.98

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

The company has only one class of equity shares having par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has issued only one class of ordinary equity shares having a par value of ₹ 2/- per share. Each holder of ordinary shares is entitled to one vote per share. The Company declares and pays dividends 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 31/03/2017, the amount of dividend per share recognised for distribution to ordinary shareholders is NIL.

**(c) Shares held by holding company and/ or their subsidiaries/ associates : NIL**

**(d) Details of shareholders holding more than 5% shares in the company**

Particulars	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Balbir Singh Uppal	16,175,985	23.12%	16,175,985	24.33%	16,175,985	24.33%
Ganeshay Overseas Industries Limited	8,112,000	11.59%	4,632,000	6.97%	4,632,000	6.97%
Loil Health Foods Ltd	5,605,000	8.01%	5,605,000	8.43%	5,605,000	8.43%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(e) Aggregate number of bonus shares issued, Shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil.**



**NOTE: 15  
OTHER EQUITY**

	(Rs. in Millions)											
	Reserves & Surplus					Items of other comprehensive income					Total	
	Equity component of compound financial instruments Share Warrants	Capital Reserve	Securities premium	General Reserve	Retained Earnings	Investments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation on surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	
<b>Balance as at 1 April 2016</b>	0.00	19.14	1,714.87	478.81	625.69	0.00	0.00	0.00	0.00	0.00	0.00	2,838.50
Profit for the Year					(11.20)	0.00					0.00	(11.20)
Other Comprehensive Income for the year											0.00	0.00
Total Comprehensive Income for the year	0.00	0.00	0.00	0.00	(11.20)	0.00	0.00	0.00	0.00	0.00	0.00	(11.20)
Adjustment					0.00							0.00
Addition during the period		0.00	53.94		0.00							69.95
Conversion of warrants in Equity Shares	6.96				0.00							0.00
<b>Balance as at 31 March 2017</b>	<b>139.94</b>	<b>19.14</b>	<b>1,768.81</b>	<b>478.81</b>	<b>638.32</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,897.33</b>

Note : Rs. 19.14 millions forfeited against 3480000 convertible warrants of series 2, which has been transferred to Capital Reserve.

	(Rs. in Millions)											
	Reserves & Surplus					Items of other comprehensive income					Total	
	Equity component of compound financial instruments Share Warrants	Capital Reserve	Securities premium	General Reserve	Retained Earnings	Investments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation on surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	
<b>Balance as at 1 April 2015</b>	0.00	19.14	1,714.87	478.81	1,557.30	0.00	0.00	0.00	0.00	0.00	0.00	3,770.11
Profit for the Year					(931.61)							(931.61)
Other Comprehensive Income for the year											0.00	0.00
Total Comprehensive Income for the year	0.00	0.00	0.00	0.00	(931.61)	0.00	0.00	0.00	0.00	0.00	0.00	(931.61)
Adjustment												
<b>Balance as at 31 March 2016</b>	<b>132.98</b>	<b>19.14</b>	<b>1,714.87</b>	<b>478.81</b>	<b>625.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2,838.50</b>

## Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 16</b>			
<b>FINANCIAL LIABILITIES</b>			
<b>Long Term Borrowings</b>			
Secured, Long Term Loans From Banks			
Bank Term Loan	7,202.34	6,410.48	4,115.69
Less: Current Maturities of Long Term Debts	343.20	176.24	0.00
Measurement of Financial Liabilities at Amortised Cost	0.00	34.37	0.00
	<b>6,859.14</b>	<b>6,268.61</b>	<b>4,115.69</b>
Unsecured, Long Term Loan from Related Parties			
- From Directors	123.58	205.10	205.10
<b>Total Long Term Debts</b>	<b>6,982.72</b>	<b>6,473.71</b>	<b>4,320.79</b>

**Notes:**

- (i) Working capital Term Loans and FITL facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the company by way of hypothecation and second pari passu charge on the fixed assets of the company, present and future except term loan of Rs. 320 million which is secured by first charge by way of equitable mortgage on immovable properties and movable fixed assets and second pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the Company by way of hypothecation. Further, the facilities would have personal guarantees of S. Balbir Singh Uppal and S. Janak Raj Singh Directors of the company. Vehicle Loan are secured by way of hypothecation by lenders.

Details		As at 31.03.2017		As at 31.03.2016	
S. No.	Type of Secured Loan, Name of Bank & Sanctioned Amount	Terms of repayment	Rate of Interest	Terms of repayment	Rate of Interest
1	Term Loans (including WCTL and FITL) from Punjab National Bank (Sanctioned Amount Rs.3836.50 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.
2	Term Loans (including WCTL and FITL) from Syndicate Bank (Sanctioned Amount Rs.1679.50 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.
3	Term Loans (including WCTL and FITL) from ICICI Bank (Sanctioned Amount Rs.915.20 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	I.BASE+ 0.75% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	I.BASE+ 0.75% p.a.
4	Term Loans (including WCTL and FITL) from AXIS Bank (Sanctioned Amount Rs.430.40 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	PNB B.Rate+ 0.50% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	PNB B.Rate + 0.50% p.a.

## Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 17</b>			
<b>LONG-TERM PROVISIONS</b>			
<b>Provision for employee benefits</b>			
- Provision for gratuity (unfunded)	8.63	9.59	8.54
	<b>8.63</b>	<b>9.59</b>	<b>8.54</b>

The provision for employee benefits includes gratuity, supplemental payment on retirement. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year.

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 18</b>			
<b>DEFERRED TAX LIABILITIES (Net)</b>			
Deferred tax liabilities (net)	348.78	364.13	441.06
	<b>348.78</b>	<b>364.13</b>	<b>441.06</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 19</b>			
<b>SHORT-TERM BORROWINGS</b>			
Secured :			
Cash credit from banks (secured)*	4,452.46	4,919.72	5,191.03
	<b>4,452.46</b>	<b>4,919.72</b>	<b>5,191.03</b>

\* Cash credit from banks is secured by hypothecation of entire present and future tangible current assets and second charge on all movable assets.

- (i) Working capital facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the Company by way of hypothecation.
- (ii) The interest on the above term loans from banks are linked to the respective banks base rates which are floating in nature.
- (iii) For defaults in repayment in bank loan, please refer note no 16

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 20</b>			
<b>TRADE PAYABLES</b>			
Trade payables (including acceptances)			
- Dues to Micro, Small and Medium Enterprises	0.00	0.00	0.00
- Others	378.28	534.87	1,066.97
	<b>378.28</b>	<b>534.87</b>	<b>1,066.97</b>

\*There are no Micro, Small and Medium Enterprises, (P.Y. NIL) to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2017. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. Moreover, the Company primarily deals in procurement of agri-products which are sourced from the Farmers and Aartias (Commission Agents) who are not covered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 21</b>			
<b>OTHER FINANCIAL CURRENT LIABILITIES:</b>			
<b>Financial liabilities at amortized cost</b>			
- Unpaid Dividend	2.24	2.24	2.24
- Current Maturities of Long Term Debt	343.20	176.24	0.00
- Interest Accrued and due	299.92	0.00	0.00
- Other Liabilities	43.70	41.41	68.39
- Employee Benefits Payable	6.75	0.00	0.00
- Sundry Creditor for Capital Goods	0.00	5.10	0.00
- Advances from customers	1.33	0.00	0.00
	<b>697.14</b>	<b>225.00</b>	<b>70.63</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 22</b>			
<b>OTHER CURRENT LIABILITIES</b>			
- Withholding and other tax payables	2.15	6.59	4.40
	<b>2.15</b>	<b>6.59</b>	<b>4.40</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 23</b>			
<b>SHORT TERM PROVISIONS</b>			
- Bonus	0.00	0.82	1.76
- Leave Encashment	0.03	0.10	0.18
	<b>0.03</b>	<b>0.92</b>	<b>1.94</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 24</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of products		
Food Grains	434.57	1,217.77
Traded Goods	9,115.11	7,556.68
Power	646.16	333.63
Rice Bran Oil	16.83	37.10
Other Revenue	1.72	2.02
	<b>10,214.39</b>	<b>9,147.21</b>

## Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 25 OTHER INCOME</b>		
Interest income on financial assets carried at amortized cost	0.76	1.02
Other interest income	0.08	
Rebate & Discount	0.50	3.85
Transport Revenue	0.58	0.11
Insurance claims received	0.00	1.73
Foreign Exchange Difference	0.00	0.31
Refund Received	0.00	1.25
Dividend Income	0.00	0.01
	<b>1.91</b>	<b>8.27</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 26 COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	7,008.87	6,547.73
Add : Purchases	9,721.55	8,845.01
	16,730.42	15,392.74
Less: inventory at the end of the year	7,916.15	7,008.87
Less: Changes in Inventory	(1,467.35)	651.08
Less: Purchases	8,180.13	7,609.44
Cost of raw material and components consumed	<b>2,101.49</b>	<b>123.34</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 27 PURCHASES OF STOCK-IN-TRADE</b>		
Food Grains	8,180.13	7,609.44
	<b>8,180.13</b>	<b>7,609.44</b>

Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK IN TRADE</b>		
Inventories at the beginning of the year		
Work-in-Process	2,122.59	2,773.68
Raw Material	0.00	0.00
	<b>2,122.59</b>	<b>2,773.68</b>
Less - Inventories at the end of the year		
Work-in-Process	3,589.94	2,122.59
Raw Material	0.00	0.00
	<b>3,589.94</b>	<b>2,122.59</b>
Changes in the Inventories	<b>(1,467.35)</b>	<b>651.08</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 29 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and other allowances	47.58	55.30
Directors' Remuneration & Prequisites	0.00	18.00
Contribution to Provident and other Funds	0.76	1.25
Staff welfare expense	0.84	1.97
Recruitment expenses	0.00	0.02
	<b>49.17</b>	<b>76.53</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 30 FINANCE COSTS</b>		
<b>Bank Processing Fees</b>	0.00	18.69
Interest on		
- Term Loan	1,003.63	572.83
- Working capital	167.12	482.73
- Other	3.65	105.07
Less: Amount Transfer to Exceptional Items	(924.53)	(844.82)
Add: Measurement of Financial Liabilities at Amortised Cost		
	<b>249.86</b>	<b>334.51</b>

## Notes Forming Part of the Financial Statements

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 31</b>		
<b>OTHER EXPENSES</b>		
Power and fuel	6.59	33.91
Loading Charges Plant	5.61	14.53
Repair and maintenance		
- Machinery Repairs	8.00	20.83
- Building repairs	0.00	0.46
- Other repairs	1.06	2.43
Rent	1.29	6.57
Bank Charges	0.14	1.93
Foreign Exchange Fluctuations :		
- on realisations		7.69
Insurance	7.52	15.15
Payment to auditor		
- Audit Fees	1.40	1.37
- Tax Audit Fees	0.34	0.34
- Reimbursement of Exp.	0.11	0.10
Export Expenses		0.37
Brokerage on Sales	1.64	2.73
Advertisement Exp.	0.60	0.16
Business Promotion Exp.	4.60	5.47
Freight Outward Exp.	0.00	6.29
Postage, Telephone & Internet Exp.	0.57	1.24
Loss on Sale of Fixed Assets	0.00	0.68
Legal & Professional Exp.	6.20	5.40
Charity & Donation	2.64	6.57
Fees & Subscription	2.72	4.33
Watch & Ward Exp.	0.53	0.71
Vehicle Expenses	6.43	6.12
Office Expenditure	0.26	0.68
Travelling & Conveyance	2.94	4.30
Measurement of Financial Liabilities at Amortised Cost	0.00	34.37
Other Expenditure	7.12	20.69
	68.30	205.45

**32. OTHER NOTES TO ACCOUNTS****1. Exceptional Item:**

Out of total finance charges of Rs.1170.74 million (P.Y. Rs.1055.56 million), Rs.246.21 million (P.Y. Rs.210.74 million) have been shown under "Finance Charges" and the remaining amount of Rs.924.53million (P.Y. Rs.844.82 million) which has been converted to term loans(FITL) as per restructuring scheme has been classified as " Extraordinary Item" in Statement of Profit and Loss for current year. Interest charged by banks is subject to reconciliation with banks.

2. Loan accounts of the company were restructured by Joint Lenders Forum (JLF) with mutual consent of the company in March 2015 in terms of RBI guidelines after conducting TEV study by M/s Dun & Bradstreet with cut-off date 01-10-2014 and approved by Independent Evaluation Committee (IEC) on 11-05-2015. The company complied with all the conditions of restructuring scheme including payment of interest till 30-09-2016. But, the bankers did not fulfil the conditions of approved scheme as WC limits were not released by Banks as per TEV report/approved restructuring scheme despite numerous requests/proposals by the company to the banks. Consequently, the restructuring scheme could not be taken forward after 01-10-2016 and the company could not achieve its projections as per TEV report. Amounts payable to Banks became overdue and loan accounts of company have been classified as Non-Performing Assets by the lending banks, for which the company has contested and the matter has also been referred to RBI. JLF meetings were held on 22-12-2016 and 22-04-2017 wherein it was discussed that the company is eligible for S4A scheme of RBI and a final approval is likely to be taken in the month of June 2017. The scheme of S4A, if approved, shall substantially reduce the interest burden, as around 50% of the debt shall be converted into Equity/ Convertible Debentures.

3. In the opinion of the company's management, the current assets, loans and advances are an approximation of the value stated, if realized in the ordinary course of business. The provision for all the known liabilities has been made and is adequate and not in excess of the amount considered reasonably necessary.

4. The balance outstanding as the debit and credit to the parties / persons / agencies are subject to confirmation by the parties / person/agencies concerned.

5. Figures of previous year have been regrouped and rearranged wherever necessary.

**6. Contingent Liabilities:**

- a. Income-tax demand raised for the earlier years is Rs.65.50 millions (Previous year – Rs.65.50 million). Appeals against the demand are pending before ITAT and Punjab & Haryana High Court and the Management is expecting a favorable decision.
- b. Claims amounting to Rs.648.50 million (Previous year – Rs.1395.72 million) by various creditors, suppliers, agents, various state procurement agencies etc. are pending before various Courts and quasi-judicial authorities, which are contested by the company.

**7. Managerial Remuneration:**

	<b>Current Period (Rs. in million)</b>	<b>Previous Year (Rs. in million)</b>
Whole time Directors		
Remuneration	0.00	18.00
Directors' sitting fee	0.56	0.16
<b>Grand Total</b>	<b>0.56</b>	<b>18.16</b>

8. Foreign Currency Forward cover contracts outstanding as at 31st March 2017 are NIL. (Previous Year Nil).

9. Earnings per share are calculated by dividing the profit after provision for income tax by the weighted average number of equity shares outstanding during the period.

10. The calculation of Earnings per share (EPS) as disclosed in the statement of Profit and Loss.



## Other Notes to Accounts

	Current period	Previous year
Profit/(Loss) after Tax (Rs. in Millions)	(11.12)	(931.61)
Weighted Average Number of Equity Shares outstanding during the period(Basic)	68911699	66490000
Basic Earnings per share (in Rs.)	(0.16)	(14.01)
Weighted Average Number of Equity Shares outstanding during the period (Diluted)	72396699	66490000
Diluted Earnings per share (in Rs.)	(0.15)	(14.01)
Nominal Value per Share (in Rs.)	2.00	2.00

11. Deferred Tax Liability mentioned in Note no. 18 is the net of deferred tax asset and deferred tax liability. As per the books of accounts opening balance of DTL Rs.364.130 millions, during the period due to timing difference on account of depreciation and provisions Rs.15.35 millions provided as deferred tax asset. Thus the net DTL at the end of period on 31.03.2017 remains Rs.348.78 millions.
12. The figures of 'Sales' appearing in the statement of profit & loss is the consolidated figure of sales affected through different offices of the company
13. Future minimum lease payments under non-cancelable operating leases are as under:-

(Rs.in Millions)

Lease Agreement Period	Lease Rent	
	Period ending as at 31st March 2017	Period ending as at 31st March 2016
Particulars		
Rent Payable for upto 1 Year	1.79	1.71
Rent Payable for upto 1 to 5 years	1.79	1.79
Rent Payable Above 5 Years	1.79	1.79

### Note:

- Transaction is considered from the effective date of rent agreement.
  - On expiration of the above stated lease agreements, the same can be renewed on the basis of mutual consent of the lessor and lessee.
  - The Company's significant leasing arrangements are in respect of storage of material and the arrangements range between 6 months and 1 year generally and are usually renewable by mutual consent of lessor and lessee.
14. The information given below is in respect of the transactions entered into by the company during the period with the related parties as per the requirement of IND AS 24.

#### A. Names of related parties and description of relationship:

##### i) Particulars of Subsidiaries/Associate Parties:

Name of Related Party	Nature of Relationship
• Ganeshay Overseas Industries Limited	Promoter Group Company
• LOIL Health Foods Limited	Promoter Group Company
• LOIL Overseas Foods Limited	Promoter Group Company
• LOIL Continental Foods Limited	Promoter Group Company
• Punjab Greenfield Resources Limited	Subsidiary Company

- Lakshmi Green Power Ltd Subsidiary Company
- Green Energy and Foods Pte. Ltd. Singapore Subsidiary Company
- BVM Logistics Pvt. Ltd Directors having Significant influence
- Victor Foods India Ltd Directors having Significant influence
- LOIL International Foods Limited Directors having Significant influence

ii) **Key Managerial Personnel:**

Name of Related Party	Nature of Relationship
• Mr. Balbir Singh Uppal	Chairman Cum Managing Director
• Mr. Janak Raj Singh	Joint Managing Director
• Mr. Ajay Ratra	Company Secretary
• Mr. PC Jain	Chief Financial Officer

B. Transactions during the period and balance outstanding at the end in respect of transactions entered during the period with the related parties.

S. No.	Nature of Transactions	Subsidiaries		Promoter Group Companies		Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
i.	Sale	26.42	285.55	9115.12	144.61			9141.54	430.16
ii.	Purchase	6.25	10.29	9117.17	73.2			9123.42	83.49
iii.	Expenses	-	-	-	-	0.78	0.66	0.78	0.66
iv.	Salary	-	-	-	-	3.32	20.99	3.32	20.99
v.	Loans Received	-	-	-	-	1.45	205.1	1.45	205.1
vi.	Loans Repaid	-	-	-	-	86.15	1.77	86.15	1.77
vii.	Loan & Advance	-	0.47	-	-	-	-	-	0.47
viii.	Closing Balance Receivable/ Payable	196.78 Receivable	205.20 Receivable	3272.90 Receivable	3272.90 Receivable	39.40 Receivable	220.47 Payable	3509.08 Receivable	3257.63 Receivable

15. Land measuring 49 Kanal & 5 Marla situated at Village Khamanon, Tehsil & District Fatehgarh Sahib, Punjab has been leased by the company from S. Janak Raj Singh Uppal, the Joint Managing Director of the company for the purpose of Power Plant.

## Other Notes to Accounts

16. The information given below is about the segment reporting as per IndAS-108.

(Rs.In Millions)

PARTICULARS STANDALONE	2016-17			2015-16		
	AGRI	ENERGY	TOTAL	AGRI	ENERGY	TOTAL
<b>A PRIMARY SEGMENT</b>						
<b>I SEGMENT REVENUE</b>						
Sales:	9954.36	699.28	10653.64	9063.02	412.11	9475.13
Less: Inter segment revenue	0	0	(439.25)	0	0	(318.06)
<b>Revenue net of Inter segment</b>	<b>0</b>	<b>0</b>	<b>10214.39</b>	<b>0</b>	<b>0</b>	<b>9,157.07</b>
<b>2 SEGMENT RESULT</b>	<b>1005.72</b>	<b>278.83</b>	<b>1284.55</b>	<b>412.58</b>	<b>111.51</b>	<b>524.08</b>
Less: Other unallocable Expenditure net of unallocable Income	0	0	249.86	0	0	318.86
Interest			136.64			334.50
Loss before Tax			898.05			(163.73)
Exceptional Items			924.53			
Provision for Tax						-
Deferred Tax			(15.35)			(76.94)
Loss / Profit after Tax			(11.12)			(86.79)
Extra Ordinary Items						844.82
Profit After Tax from Operation			(11.12)			(931.61)
Segment Assets	15,231.73	908.93	16,140.66	14,537.51	968.35	15,505.86
Segment Liabilities	12716.85	19.49	12736.34	12135.80	0.00	12135.80
<b>3 SEGMENT CAPITAL EMPLOYED</b>				<b>4,468.07</b>	<b>1,539.11</b>	<b>6,007.18</b>
<b>B SECONDARY SEGMENT (GEOGRAPHICAL)</b>						
India	9533.36	646.16	10179.52	8,473.97	333.63	8,807.60
Deemed Export	34.87	0.00	34.87	345.04	-	345.04
Rest of World	0.00	0.00		4.43	-	4.43

## 17. Information Regarding Foreign Currency Transactions

(Rs.in Millions.)

Sr. No.	Description	2016-17	2015-16
1)	<b>CIF value of Imports made during the period in respect of</b>		
	Raw Material	NIL	NIL
	Components and Spare Parts Purchased	NIL	NIL
	Capital Goods Purchased	-	-
	Crude Palm Oil	-	-
	Components and Spare Parts Purchased	NIL	2.34
2)	<b>Earnings in foreign exchange</b>	-	4.43
3)	<b>F.O.B. value of exports</b>	-	4.31
4)	<b>Expenditure in foreign currency</b>		
	Foreign Travel	0.16	0.80
	Professional Charges	3.63	-
	Buyer Credit	-	232.76

## 18. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rs.)

Particulars	SBNs*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	-	26,829	26,829
(+) Permitted receipts	-	15,55,366	15,55,366
(-) Permitted payments	-	15,39,974	15,39,974
(-) Amount deposited in Bank		-	-
Closing cash in hand as on 30 December 2016	-	42,221	42,221

\*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 8 November 2016.

As per our report of even date attached

For **SMPS & Co.**  
Chartered Accountants  
Firm Registration No.: 021622N

**Saurabh Mishra**  
Partner  
Membership No.: 402499

**Balbir Singh Uppal**  
Chairman & Managing Director  
DIN: 00064718

**V.K.Mishra**  
Director  
DIN: 00174380

**P C Jain**  
Chief Financial  
Officer

**Ajay K. Ratra**  
Company Secretary

Place: Khamanon  
Date : 30/05/2017

# INDEPENDENT AUDITOR'S REPORT

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To the Members of

**M/s LAKSHMI ENERGY AND FOODS LIMITED**

## **Report on the Consolidated IND AS Financial Statements**

We have audited the accompanying Consolidated IND AS financial statements of LAKSHMI ENERGY AND FOODS LIMITED (“hereinafter referred to as the Parent”) and its subsidiaries (the Parent and its subsidiaries together referred to as “the Group”), comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Cash Flow Statement and the Consolidated Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated IND AS financial statements”).

## **Management’s Responsibility for the Consolidated IND AS Financial Statements**

The Parent’s Board of Directors is responsible for the preparation of these Consolidated IND AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as “the Act”) that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated IND AS financial statements by the Directors of the Parent, as aforesaid.

## **AUDITOR’S RESPONSIBILITY**

Our responsibility is to express an opinion on these Consolidated IND AS Financial Statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us (subject to unaudited financial statements of subsidiary referred to in sub-paragraphs (a) of the Other Matters paragraph below), is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated IND AS financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us (subject to unaudited financial statements of subsidiary referred to below in the Other Matters paragraph), the aforesaid Consolidated IND AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at March 31, 2017, and their Consolidated Loss, Consolidated total comprehensive income, Consolidated Cash Flows and the Consolidated changes in equity for the year ended on that date.

## **Other Matter**

- a. We did not audit the financial statements/financial information of the Green Energy & Foods Pte. Limited, Singapore (subsidiary of the Parent), whose financial statements reflect total assets of Rs. 0.06 million as at March 31, 2017, total revenue of Rs. Nil and net cash flows amounting to Rs. 0.65 million for the year ended March 31, 2017 as considered in consolidated IND AS financial statements. These financial statements have been furnished to us by the Management and our opinion on the consolidated IND AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the unaudited financial statements as certified by the Management.
- b. The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of Green Energy & Foods Pte. Limited, Singapore (Subsidiary of the company) included in these consolidated IND AS financial statements prepared in accordance with the IND AS have been certified by the Management and have been relied upon by us.

Our opinion on the consolidated IND AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done.

## **Report on other Legal and Regulatory Requirements.**

- I. As required by section 143 (3) of the Act, based on our Audit and on the consideration of the unaudited financial statements of subsidiaries referred to in other matters paragraph above, we report, to the extent applicable that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated IND AS financial statements;
  - b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated IND AS financial statements have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditor;
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated IND AS financial statements;
  - d. In our opinion, the aforesaid Consolidated IND AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e. On the basis of written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary company, none of the director of Group companies is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;

## Independent Auditors' Report

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- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditor's reports of the Holding company and subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's, subsidiary company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Group has disclosed the impact of pending litigations on its financial position in its Consolidated IND AS financial statements – Refer Note 32(6) to the financial statements;
  - ii. The parent and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies.
  - iv. The Group has provided requisite disclosures in the Consolidated IND AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on the Audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by those entities for the purpose of preparation of the Consolidated IND AS financial statements and as produced to us by the management of the respective Group entities- Refer Note 32(18) of the Consolidated IND AS financial statements.

**For SMPS & Co.**  
**Chartered Accountants**

**Saurabh Mishra**  
**(Partner)**  
Membership No. 402499  
FRN 021622N

Place: Khammano  
Date: 30-05-2017

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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## “ANNEXURE A” TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report on even date.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“theAct”)

We have audited the internal financial controls over financial reporting of Lakshmi Energy and Foods Limited (hereinafter referred to as “the Parent”) and its subsidiary company as of March 31, 2017 in conjunction with our audit of the ConsolidatedIND AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the “Institute of Chartered Accountants of India”.These responsibilities include the design,implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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 Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Parent's and its subsidiaries internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.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 over financial reporting 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 the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 ConsolidatedIND AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditor of subsidiary in terms of its report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.A company's internal financial control over financial reporting 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;



## Annexure to the Auditor's Report

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- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 to the best of our information and according to the explanations given to us and based on the unaudited financial statements certified by management referred to in Other Matters paragraph below, the Parent, its subsidiary companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to its subsidiary company, which is company incorporated outside India, is based solely on the management certification in respect of such company.

Our opinion is not modified in respect of the above matters.

**For SMPS & Co.**  
**Chartered Accountants**

**Saurabh Mishra**  
**(Partner)**  
Membership No. 402499  
FRN 021622N

Place: Khammano  
Date: 30-05-2017

# CONSOLIDATED BALANCE SHEET as at 31.03.2017

(Rs. In Millions)

Particulars	Notes	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
<b>ASSETS</b>				
<b>1 Non-current assets</b>				
(a) Property, Plant and Equipment		1,993.95	2,128.63	2,417.37
(b) Capital work-in-progress	5	150.85	139.65	79.67
(c) Intangible Assets		392.00	392.00	392.00
(d) Financial Assets				
-Long term Investments	6	120.45	120.42	120.52
-Others financial non-current assets	7	152.65	804.88	815.65
(e) Other non-current Assets	8	364.18	363.87	388.79
<b>Total of Non-current assets</b>		<b>3,174.08</b>	<b>3,949.45</b>	<b>4,214.00</b>
<b>2 Current assets</b>				
(a) Inventories	9	8,256.96	7,318.74	7,199.36
(b) Financial Assets				
-Current Investments		0.00	0.00	0.00
-Trade receivables	10	4,257.58	4,644.14	3,696.95
-Cash and Cash Equivalents	11	18.67	13.61	16.44
-Bank Balance other than Cash equivalents	11A	2.24	2.24	2.24
-Short term Loans		0.00	0.00	0.00
-Other financial current assets	12	590.43	561.90	381.66
(c) Current tax assets (net)		0.00	0.00	0.00
(d) Other current assets	13	106.71	143.94	138.54
<b>Total of Current assets</b>		<b>13,232.59</b>	<b>12,684.57</b>	<b>11,435.20</b>
<b>TOTAL OF ASSETS</b>		<b>16,406.67</b>	<b>16,634.02</b>	<b>15,649.20</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	14	139.94	132.98	132.98
(b) Other Equity	15	3,234.16	3,152.06	4,053.08
<b>Total of Equity</b>		<b>3,374.10</b>	<b>3,285.04</b>	<b>4,186.06</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
(a) Financial Liabilities				
-Long term borrowings	16	7,282.64	6,473.71	4,320.79
-Other financial non current liabilities		0.00	0.00	0.00
(b) Long Term Provisions	17	8.63	9.59	8.54
(c) Deferred tax liabilities (Net)	18	275.68	338.55	441.93
(d) Other non-current liabilities		0.00	2.50	2.50
<b>Total of Non-current liabilities</b>		<b>7,566.95</b>	<b>6,824.34</b>	<b>4,773.76</b>
<b>2 Current liabilities</b>				
(a) Financial Liabilities				
-Short term borrowings	19	4,418.09	4,919.72	5,191.03
-Trade payables				
(i) Total outstanding dues of micro enterprises and small enterprises		0.00	0.00	0.00
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises.	20	647.16	1,111.42	1,078.96
-Other financial current liabilities	21	396.62	485.10	412.25
(b) Other current liabilities	22	2.15	7.37	5.21
(c) Short term provisions	23	1.60	1.03	1.94
(d) Current tax liabilities (net)		0.00	0.00	0.00
<b>Total of Current liabilities</b>		<b>5,465.62</b>	<b>6,524.63</b>	<b>6,689.39</b>
<b>TOTAL OF EQUITY AND LIABILITIES</b>		<b>16,406.67</b>	<b>16,634.02</b>	<b>15,649.20</b>
See Accompanying Notes Forming Part of the Financial Statements	<b>I to 32</b>			

As per our report of even date attached  
For **SMPS & Co.**  
Chartered Accountants  
Firm Registration No.: 021622N

**SAURABH MISHRA**  
Partner  
Membership No.: 402499

**Ajay K. Ratra**  
Company Secretary

**P C Jain**  
Chief Financial  
Officer

**Balbir Singh Uppal**  
Managing Director  
DIN: 00064718

**V.K.Mishra**  
Director  
DIN: 00174380

Place: Khamanon  
Date : 30/05/2017

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended 31.03.2017

(Rs. In Millions)

Particulars	Note No	For the year ended 31st March 2017	For the year ended 31st March 2016
<b>Revenue from operations:</b>			
Revenue from operations	24	10,220.36	10,512.83
Other income	25	1.94	8.65
<b>I. Total Revenue</b>		<b>10,222.30</b>	<b>10,521.47</b>
<b>II. Expenses:</b>			
Cost of materials consumed	26	2,089.17	123.34
Purchases of stock-in-trade	27	8,190.54	8,600.58
Changes in inventories of finished goods, work-in-progress and stock-in-trade	28	(1,460.38)	1,005.89
Employee benefits expense	29	51.81	80.81
Finance costs	30	249.86	334.51
Depreciation and amortization	5	138.53	321.09
Other expenses	31	73.37	216.96
<b>Total Expenses</b>		<b>9,332.90</b>	<b>10,683.18</b>
<b>III. Profit before tax</b>		<b>889.39</b>	<b>(161.71)</b>
Exceptional Items		(924.53)	(844.82)
<b>Profit from ordinary activities before tax</b>		<b>(35.14)</b>	<b>(1,006.52)</b>
<b>IV. Tax expense:</b>			
(1) Current tax		0.00	0.10
(2) Deferred tax		(44.27)	(102.98)
MAT credit entitlement		0.00	(0.10)
Total tax expense		(44.27)	(102.98)
<b>V. Profit (Loss) for the period</b>		<b>9.13</b>	<b>(903.55)</b>
<b>VI. Other Comprehensive Income</b>			
<b>A. Items that will not be reclassified to profit or loss</b>			
Actuarial gain / (loss) on defined benefit obligation		-	-
Investments through other comprehensive income		-	-
Income taxes relating to items that will not be reclassified to profit or loss		-	-
Deferred taxes relating to items that will not be reclassified to profit or loss		-	-
<b>B. Items that will be reclassified to profit or loss</b>			
Income tax relating to items that will be reclassified to profit or loss		-	-
<b>VII. Total Comprehensive Income for the period (V+VI)</b>		<b>9.13</b>	<b>(903.55)</b>
<b>Earnings per equity share</b>			
Basic - Par value of Rs. 2 per share		0.13	(13.59)
Diluted - Par value of Rs. 2 per share		0.13	(13.59)
See Accompanying Notes Forming Part of the Financial Statements	I to 32		

As per our report of even date attached

For **SMPS & Co.**

Chartered Accountants

Firm Registration No.: 021622N

**SAURABH MISHRA**

Partner

Membership No.: 402499

**Ajay K. Ratra**

Company Secretary

**P C Jain**

Chief Financial

Officer

**Balbir Singh Uppal**

Managing Director

DIN: 00064718

**V.K.Mishra**

Director

DIN: 00174380

Place: Khamanon

Date : 30/05/2017

# CONSOLIDATED CASH FLOW STATEMENT for the year ended 31.03.2017

(Rs. In Millions)

Particulars	Year ended 31 March 2017		Year ended 31 March 2016	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before Tax		889.39		(161.71)
Adjustments for :				
Depreciation and Amortization	138.53		321.09	
Interest paid	249.86		334.51	
Interest received	(0.08)		(1.14)	
Provision for Gratuity	0.00		1.05	
Dividend on investments	0.00		(0.01)	
(Profit)/Loss on sale of assets (net)	0.00		0.68	
Provision for Leave Encashment	0.00		0.10	
Provision for Bonus	0.00		0.82	
Provision for Tax	0.00		0.10	
Adjustment related to Measurement of Financial Liability	0.00		34.45	
Adjustment related to Extra Ordinary Items	(924.53)		(844.82)	
Adjustment related to reserves	0.00			
		(536.20)		(153.15)
Operating Profit before Working Capital changes		353.20		(314.86)
Adjustments for :				
Decrease/(Increase) in trade & other receivables	395.26		(1,132.83)	
Decrease/(Increase) in Inventories	(938.22)		(119.37)	
(Decrease)/Increase in sundry creditors/current liabilities	557.39	(1100.35)	72.01	(1,180.19)
Cash generation from operations		(747.15)		(1,495.05)
Direct Taxes Paid	0.00	0.00	0.00	0.00
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>(747.15)</b>		<b>(1,495.05)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of fixed assets	(15.63)		(93.01)	
Sale of fixed assets	0.58		0.24	
Interest received	0.08		1.14	
Dividend received	0.00		0.01	
Increase in Capital W/P	(11.20)		0.00	
Minority Intt.	(2.50)			
Other Financial Non Current Assets	647.79		10.77	
Other Non Current Assets	(0.31)		24.92	
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>618.81</b>		<b>(55.93)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds From Shares Issued	6.96			
Tax Paid				
Money Recd against Share Warrants	16.01			
Security Premium Recd	53.94			
Proceeds/(Repayment) from Long - term borrowings	808.93		2,152.92	
Proceeds/(Repayment) from Short - term borrowings	(501.63)		(271.31)	
Long Term Provisions	(0.96)		1.05	
Interest paid	(249.86)		(334.51)	
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>133.40</b>		<b>1,548.15</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>5.06</b>		<b>(2.83)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>15.86</b>		<b>18.68</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>20.91</b>		<b>15.86</b>
See accompanying notes forming part of the financial statements	I-32			

As per our report of even date attached

For **SMPS & Co.**

Chartered Accountants

Firm Registration No.: 021622N

**SAURABH MISHRA**

Partner

Membership No.: 402499

Place: Khamanon

Date : 30/05/2017

**Ajay K. Ratra**

Company Secretary

**P C Jain**

Chief Financial

Officer

**Balbir Singh Uppal**

Managing Director

DIN: 00064718

**V.K.Mishra**

Director

DIN: 00174380

**NOTE - I**

**COMPANY INFORMATION**

The consolidated financial statements comprise of the financial statement of Lakshmi Energy and Foods Limited (“LEAF”) and its subsidiaries Punjab Greenfield Resources Limited (“PGRL”), Lakshmi Green Power Limited (“LGPL”) and Green Energy & Foods Pte Limited, Singapore (“GEFP”).

**NOTE -2**

**SIGNIFICANT ACCOUNTING POLICIES**

**I. Statement of Compliance**

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 (“IND AS”). Up to the year ended 31 March, 2016, the Group prepared its consolidated financial statements in accordance with generally accepted accounting principles in the India, including accounting standards read with section 133 of the Companies Act, 2013 notified under Companies (Accounting Standards) Rules, 2006 (“Previous GAAP”). These are the Group’s first IND AS consolidated financial statements. The date of transition to IND AS is 1 April, 2015. Refer note 3 for the details of first time adoption exemptions availed by the Group.

**II. Basis of Preparation and Presentation of Consolidated Financial Statements:**

- a. Reference in these notes to the “company” shall mean to include LEAF and its subsidiaries viz. PGRL, LGPL and GEFP consolidated in these consolidated financial statements unless otherwise stated.
- b. The consolidated financial statements have been prepared and presented under the historical cost convention on the accrual basis of accounting and on the accounting principles of going concern except as stated hereinafter and except where impairment of assets is made and revaluation of assets is carried out, in accordance with all the applicable accounting principles generally accepted in India and comply with the mandatory applicable accounting standards and other relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines made thereunder.
- c. The consolidated financial statements of LEAF and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions in full as per the IND AS - 108 on consolidated financial statements.
- d. Accounting policies between LEAF and its subsidiaries are consistent. The relevant accounting policies being followed by LEAF have been duly disclosed in consolidated financial statements.
- e. Accounting policies not specifically referred to otherwise have been consistently applied and are in consonance with generally accepted accounting principles recognized in the form of accounting standards.
- f. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the LEAF’s and its subsidiaries’ separate consolidated financial statements.
- g. Accounting policies and Notes to Accounts of LEAF are set out in consolidated financial statements and are not being repeated herein but may be treated as a part and parcel of Accounting policies and Notes to Accounts to the consolidated balance sheet of LEAF and its subsidiaries.

### III. 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 (including contingent liabilities) at the date of the consolidated 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

### IV. Revenue Recognition

Revenue is recognized to the extent it can be reliably measured and probable that economic benefits will flow to the company. Revenues considered receivable are accounted for on accrual basis except for the Disposal of Sundry items & Scraps etc., which are accounted for on cash basis.

#### i) Sales

Revenue from sales of goods is recognized when the significant risk and reward of ownership of the goods are transferred to the customer and are recognized net of claims.

Sale of energy is accounted for on the basis of energy supplied.

Sales are stated fair value of consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

#### ii) Interest

Interest income is recognized using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

#### iii) Dividend

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

#### iv) Other Operating Income

Other operating revenue is recognized on accrual basis.

### V. Operating cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

### VI. Property, plant and equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Cost of acquisition is inclusive of freight, duties, taxes and other incidental expenses. Freehold land is not depreciated.

## Significant Accounting Policies

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Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other 'non-current assets' and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'. Subsequent expenditures relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably.

Depreciation is charged on pro rata basis at the straight line method over estimated economic useful lives of its property, plant and equipment generally in accordance with that provided in the schedule II to the Act.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item is determined as the difference between the sale proceeds and its carrying amount and is recognized in profit and loss.

### VII. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. Other borrowing costs are recognized as an expense in the period in which they are incurred except for borrowings from Banks where the amount transferred to FITL payable in future installments has been recognized as Extraordinary Item in Statement of Profit & Loss for the year ended 31st March 2016. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### VIII. Impairment of Assets

Impairment is ascertained at each balance sheet date in respect of each of the company's tangible and intangible assets. An impairment loss will be recognized whenever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

### IX. Financial Instruments

a. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### i. Initial Recognition and measurement

On initial recognition, all the financial assets and liabilities are recognized at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability except trade receivables which are recognized at transaction price.

#### ii. Subsequent measurement

a) Non-derivative financial instruments

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows

and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently measured at fair value through profit or loss.

(iv) Financial liabilities

The financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**b) Derivative financial instruments**

The Company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under IND AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per IND AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets/ liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the balance sheet date.

**c) Equity Share capital**

i. Equity Shares

Equity shares issued by the company are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

ii. Derecognition of financial instruments

A financial asset is derecognized when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

iii. Fair value measurement of financial instruments

The fair value of financial instruments is determined using the 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.

Based on the three level fair value hierarchy, the methods used to determine the fair value of financial assets and liabilities include quoted market price, discounted cash flow analysis and valuation certified by the external valuer.



## Significant Accounting Policies

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In case of financial instruments where the carrying amount approximates fair value due to the short maturity of those instruments, carrying amount is considered as fair value.

### b. Impairment of assets

#### i. Financial assets

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

#### ii. Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### X. Valuation of Inventories

The Inventories are recorded as under:

i.	Raw Materials, Components, Stores & Spare parts & Packing Material.	At lower of cost or net realizable value.
ii.	Finished Goods.	At lower of cost or net realizable value.
iii.	Goods in Process.	At Estimated Cost.
iv.	By-Products.	At Estimated Cost

Cost of inventories is computed on a weighted average/FIFO basis.

Net realizable value represents the estimated selling price for inventories less estimated costs of completion and other costs necessary to make the sale.

**XI. Cash and Cash Equivalents**

Cash and cash equivalents comprise cash balances on hand, cash balance with bank, and liquid investments with original maturities, at the date of purchase/ investment, of three months or less.

**XII. Foreign Currency Transactions**

Transactions in foreign currency are recorded at the original rates of exchange in force at the time the transactions are affected. In case of forward contracts, if any, the difference between the forward rates and the exchange rates on the transaction dates is recognized as income or expense over the tenure of the related contracts.

The profit / loss arising out of the cancellation or renewal of forward exchange contracts are recorded as income/ expense for the period.

At the year end, monetary items denominated in foreign currency are reported using the closing rates of exchange. Exchange rate differences arising on realization / payment of foreign exchange are accounted in the year of realisation / payment.

**XIII. Employee / Retirement Benefits**

- (i) Short term employee benefits are recognized as an expense at the undiscounted amount in the Statement Of Profit & Loss of the year in which the related services are rendered.
- (ii) Contributions to Defined Contribution Plans (Employees Provident Fund and Employees State Insurance Scheme) are made in accordance with the respective statutes, to the extent applicable, and are recognized as an expense in the period in which the employees have rendered service.
- (iii) Liability for defined benefit plans is recognized based on provisions of relevant applicable statutes and company policies in the year in which the employees have rendered service. Gratuity Provisions has been made in accordance with Actuarial Valuation Report.

**XIV. Accounting for Taxes on Income**

- (i) Current tax is the amount of Income Tax payable on taxable income determined as per the Provisions of Income Tax Act, 1961.

Minimum Alternate Tax (MAT) credit is accounted for by the company in the case where MAT payable is higher than tax payable under normal provisions of the Income Tax Act, 1961. Such credit availed is adjusted in future years where the tax under normal provisions is higher than MAT payable to the extent of such difference.

- (ii) The difference that results between the profit offered for income tax and the profit as per the consolidated financial statements is identified and, thereafter, a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered.
- (iii) The carrying amount of the deferred tax assets are reviewed at each balance sheet date. The company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such written down carrying amount is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**XV. Accounting for Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present legal or statutory obligation as a result of past events, where it is probable that there will be outflow of resources to settle the obligation and a reliable estimate of the amount of the obligation can be made.

# NOTES forming part of the Consolidated Financial Statements

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Contingent liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.

Contingent assets are not recognized in the consolidated financial statements.

## **XVI. Lease Agreements**

The Company's significant leasing arrangements are in respect of operating leases for premises (office, stores, godowns etc.) These leasing arrangements which are not non-cancellable range between 6 months and 1 year generally or longer and are usually renewable by mutual consent on mutually agreeable terms. The aggregate lease rentals payable are charged as Rent/ Storage Charges in the Statement of Profit and Loss on a straight line basis over the lease term.

## **XVII. Earning per Share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity share holders of the company by the weighted average number of equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The weighted average number of ordinary shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted by the number of ordinary shares bought back or issued during the period multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the period; a reasonable approximation of the weighted average is adequate in many circumstances.

## **XVIII. Financial and Management Information Systems**

The books of accounts and other records have been designed to facilitate compliance with the relevant provisions of the Companies Act and meet the internal requirements of information and systems for planning, review and internal control on the other.

## **XIX. Segment Reporting**

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted by the Company. Further,

- a. Inter segment revenue has been accounted for based on the transactions price agreed to between segments which is primarily market based
- b. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

### NOTE -3

#### First Time Adoption of IND AS

These consolidated financial statements, for the year ended 31st March 2017, are the first the company has prepared in accordance with IND AS. For periods up to and including the year ended 31 March 2016, the Company prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared consolidated financial statements which comply with IND AS applicable for period ending on 31st March 2017, together with the comparative period data as at and for the year ended 31st March 2016, as described in the summary of significant accounting policies. In preparing these consolidated financial statements the Company's opening balance sheet was prepared as at 1st April 2015, the Company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements., including the balance sheet as at 1st April 2015 and the CONSOLIDATED FINANCIAL STATEMENTS. as at and for the year ended 31st March 2016.

#### Exemptions applied

IND AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IND AS. The Company has, accordingly, applied following exemptions:

- a) The Company has elected to consider carrying amount of all items of Property, Plant and Equipments (PPE) as per Indian GAAP, as deemed cost at the date of transition.
- b) The Company has availed the exemption of fair value measurement of financial assets or liabilities at initial recognition and accordingly will apply fair value measurement of financial assets or liabilities at initial recognition prospectively to transactions entered into on or after 01st April 2015.
- c) The estimates at 1st April 2015 and at 31st March, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items under Indian GAAP did not require estimation:
  - Fair value of investments in unquoted equity instruments.
  - Impairment of financial assets based on expected credit loss model
  - Discount rates

The estimates used by the Company to present these amounts in accordance with IND AS reflect conditions that existed as at 1st April, 2015 and 31st March, 2016.

#### Reconciliations

The accounting policies as stated above in Note 2 have been applied in preparing the consolidated financial statements for the year ended 31 march, 2017, the consolidated financial statements for the year ending 31 March, 2016 and the preparation of an opening IND AS statement of financial position as at 1 April, 2015. In preparing its opening IND AS Balance Sheet and Statement of Profit and Loss for the year ended 31 March, 2016, the Company has adjusted amounts reported in consolidated financial statements prepared in accordance with Previous GAAP. An explanation of how the transition from Previous GAAP to IND AS has affected the Company's financial performance is set out in the following tables.

## Notes Forming Part of the Consolidated Financial Statements

### i. Reconciliation of Equity:

Particulars	As At 31.03.2016	As At 1.04.2015
Equity as per previous GAAP	132.98	132.98
<b>Adjustments:</b>	0	0
Dividend and Tax on Dividend	0	0
Difference on account of revenue recognition net of related costs	-	-
Others	0	0
<b>Equity as per IND AS</b>	<b>132.98</b>	<b>132.98</b>

### ii. Reconciliation of Total Comprehensive Income:

Particulars	Period ended 31-03-16
Profit as per Indian GAAP	(879.71)
<b>Adjustments:</b>	
Impact of measuring investments at fair value through profit and loss	(0.08)
Deferment of Revenue and cost as per IND AS	-
Measurement of Financial Liabilities at amortised cost and Impact of related derivative contracts	(34.37)
Deferred tax impact (Assets)	10.61
<b>Net Profit as per IND AS</b>	<b>(903.55)</b>
Other Comprehensive Income	3152.06
Adjustments	0
Total Comprehensive Income/Expenses under IND AS	3152.06

## NOTE -4

### ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

#### i. Investment in Equity instruments of subsidiary:

During the year the company assessed the investments in equity instruments of subsidiary companies carried at cost for impairment testing. Analysis of future projections by the company has been carried out and the company is confident that there is no need of impairment.

## NOTE -5

## NON-CURRENT ASSETS

## (5) Property, plant and equipment

As at 31 March 2017

(Rs. In Millions)

Sr. No.	Particulars	Gross block				Depreciation				NET BLOCK	
		As at 1 April 2016	Additions	Sales/ Adjustments	As at 31 March 2017	As at 1 April 2016	Adjustments	Depreciation for the year	Transferred to Retained earnings	As at 31 March 2017	As at 31 March 2016
	<b>Tangible Assets:</b>										
1	Buildings	754.14	0.00	0.00	754.14	159.76	0.00	22.07	0.00	572.30	594.38
2	Plant & Machinery	3,196.84	1.03	0.58	3,197.29	2,994.40	0.00	40.70	0.00	162.19	202.44
3	Furniture & Fixtures and Office Equipments	90.71	0.27	0.00	90.99	73.67	0.00	4.45	0.00	12.87	17.05
4	Vehicles	184.81	0.26	0.00	185.07	138.08	0.00	11.88	0.00	35.11	46.73
5	Power Plant	1,539.11	0.00	0.00	1,539.11	570.76	0.00	59.43	0.00	908.93	968.35
6	Land	299.68	2.87	0.00	302.55	0.00	0.00	0.00	0.00	302.55	299.68
	<b>Intangible Assets:</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>6,065.30</b>	<b>4.43</b>	<b>0.58</b>	<b>6,069.15</b>	<b>3,936.67</b>	<b>0.00</b>	<b>138.53</b>	<b>0.00</b>	<b>1,993.95</b>	<b>2,128.63</b>
	Previous Year	6,034.46	33.28	2.44	6,065.30	3,617.09	0.00	321.09	1.51	2,128.63	2,417.37
	Capital Work-in-Progress									150.85	139.65

As at 31 March 2016

(Rs. In Millions)

Sr. No.	Particulars	Gross block				Depreciation				NET BLOCK	
		As at 1 April 2015	Additions	Sales/ Adjustments	As at 31 March 2016	As at 1 April 2015	Adjustments	Depreciation for the year	Transferred to Retained earnings	As at 31 March 2016	As at 1 April 2015
	<b>Tangible Assets:</b>										
1	Buildings	754.03	0.11	0.00	754.14	137.69	0.00	22.07	0.00	594.38	616.34
2	Plant & Machinery	3,195.31	2.05	2.44	3,194.92	2,778.49	0.00	215.52	1.51	202.42	416.82
3	Furniture & Fixtures and Office Equipments	90.92	1.71	0.00	92.63	65.42	0.00	10.15	0.00	17.06	25.50
4	Vehicles	155.40	29.41	0.00	184.81	124.15	0.00	13.93	0.00	46.73	31.25
5	Power Plant	1,539.11	0.00	0.00	1,539.11	511.33	0.00	59.43	0.00	968.35	1,027.78
6	Land	299.68	0.00	0.00	299.68	0.00	0.00	0.00	0.00	299.68	299.68
	<b>Intangible Assets:</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total</b>	<b>6,034.46</b>	<b>33.28</b>	<b>2.44</b>	<b>6,065.30</b>	<b>3,617.09</b>	<b>0.00</b>	<b>321.09</b>	<b>1.51</b>	<b>2,128.63</b>	<b>2,417.37</b>
	Capital Work-in-Progress									139.65	79.67

\* Note : Previous year's figures have been regrouped wherever necessary to conform with this year's classification.

## Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 6</b>			
<b>NON CURRENT INVESTMENTS</b>			
<b>Un-Quoted Equity Instrument</b>			
<b>Investment in Subsidiaries at Cost</b>			
4849300(P.Y 4849300) of Rs. 10/- each in Victor Foods Ltd	19.49	19.49	19.49
In equity Shares Unquoted,			
10,00,000(P.Y 10,00,000) Equity Shares of Rs. 10/- each in Nav Bharat International Limited, fully paid	100.00	100.00	100.00
<b>Financial assets at Fair value through Profit &amp; Loss A/c</b>			
(Quoted)			
<b>11,360 Equity Shares of Rs. 10/- each in IDBI, fully paid</b>	<b>0.85</b>	<b>0.82</b>	<b>0.92</b>
Other Investments			
Gold	0.11	0.11	0.11
<b>Total Non Current Investments</b>	<b>120.45</b>	<b>120.42</b>	<b>120.52</b>
Aggregate Value of Unquoted Investment	100.00	119.49	119.49
<b>Book Value of Unquoted Investment</b>	<b>100.00</b>	<b>119.49</b>	<b>119.49</b>
<b>Aggregate Value of Quoted Investment</b>	<b>0.85</b>	<b>0.82</b>	<b>0.92</b>
<b>Book Value of Quoted Investment</b>	<b>0.85</b>	<b>0.82</b>	<b>0.83</b>
<b>Other Investment</b>	<b>0.11</b>	<b>0.11</b>	<b>0.11</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 7</b>			
<b>OTHER FINANCIAL NON-CURRENT ASSETS</b>			
(Unsecured considered good, unless otherwise stated)			
<b>Financial assets at amortized cost</b>			
-Advances for Capital Goods	35.71	18.41	23.31
-Security Deposits	57.41	57.33	57.33
-Amount Recoverable from parties	59.53	729.14	735.01
	<b>152.65</b>	<b>804.88</b>	<b>815.65</b>

Note :- These financial assets are carried at amortised cost unless otherwise stated.

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 8</b>			
<b>OTHER NON-CURRENT ASSETS</b>			
- In Deposit Accounts	6.92	6.24	5.52
FD's Against Bank Guarantee	0.10	0.10	0.10
FD to Sales tax Dept	3.59	3.85	29.59
FD's Against L/c margin	5.13	5.13	5.13
- Mat Credit Entitlement	348.45	348.55	348.45
	<b>364.18</b>	<b>363.87</b>	<b>388.79</b>

Note :- These financial assets are carried at amortised cost unless otherwise stated.

## Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 9</b>			
<b>INVENTORIES</b>			
(As taken, valued and certified by management)			
Raw Materials	4,338.52	4,886.28	3,774.05
Semi Finished / Finished Goods	3,589.94	2,129.57	3,133.78
Gunny Bags/Packaging/Other Consumables Stores	328.49	302.89	291.53
	<b>8,256.96</b>	<b>7,318.74</b>	<b>7,199.36</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 10</b>			
<b>TRADE RECEIVABLES</b>			
(unsecured and considered good, unless otherwise stated)			
- Unsecured, considered good unless otherwise stated			
Debts outstanding for a period exceeding six months	4,257.58	4,057.90	3,562.60
Others	0.00	586.24	134.35
- Doubtful	0.00	0.00	0.00
Less: Allowances for doubtful trade receivables			
	<b>4,257.58</b>	<b>4,644.14</b>	<b>3,696.95</b>

Note : Trade receivables includes 3490.70 millions from companies in which Directors are interested and have been considered good by the management.

Out of which debtors having outstanding balance of Rs 3262.86 millions are under litigation with commodities trade exchange and other parties.

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 11</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents			
- cash in hand	1.86	10.16	13.20
Balance with banks :			
- On current accounts & CC A/c	16.81	3.45	3.24
	<b>18.67</b>	<b>13.61</b>	<b>16.44</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 11A</b>			
<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>			
Other Bank Balance			
Bank deposits *	2.24	2.24	2.24
	<b>2.24</b>	<b>2.24</b>	<b>2.24</b>

\* Deposit on account of dividend accounts.



## Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 12</b>			
<b>OTHER FINANCIAL CURRENT ASSETS</b> (Unsecured considered good, unless otherwise stated)			
<b>Financial assets at amortized cost</b>			
- Advances recoverable in cash or in kind or for value to be received	590.43	561.90	381.66
	<b>590.43</b>	<b>561.90</b>	<b>381.66</b>

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 13</b>			
<b>OTHER CURRENT ASSETS</b> (Unsecured considered good, unless otherwise stated)			
Financial assets at amortized cost			
Advances to Suppliers			
- For supply of goods and rendering of services			
Prepaid expenses	2.08	2.09	5.08
Balances and Deposits with Government Authorities & Others	7.04	1.03	0.91
Other Current Assets	97.59	140.82	132.55
	<b>106.71</b>	<b>143.94</b>	<b>138.54</b>

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 14</b>			
<b>EQUITY SHARE CAPITAL</b>			
Authorised			
Equity Shares, Rs.2/- par value			
100,000,000 (Previous Year 100,000,000 )	200.00	200.00	200.00
	<b>200.00</b>	<b>200.00</b>	<b>200.00</b>
Issued & Subscribed			
Equity Shares, Rs.2/- par value			
7,03,90,000 (Previous Year 6,69,10,000)	140.78	133.82	133.82
Paid up			
Equity Shares, Rs.2/- par value			
69,970,000 (Previous Year 66,490,000) equity shares fully paid up	139.94	132.98	132.98
<b>Total fully paid-up share capital</b>	<b>139.94</b>	<b>132.98</b>	<b>132.98</b>

### Notes :

- 84,000 Equity shares of the face value of Rs.10/- each were already forfeited in the earlier years.
- During the year the company has allotted 71,40,000 convertible warrants (34,80,000 warrants of series-1 and 36,60,000 warrants of Series-2) on 17/05/2016, on preferential basis, to M/s Ganeshay Overseas Industries Limited, Promoters' Group entity, at an exercise price of Rs.17.50 per underlying equity share of the face value of Rs.2 each. The company has allotted 34,80,000 equity shares of Rs.2/- on 20-07-2016.
- During 2014-15, 34,80,000 convertible warrants of series-2 were forfeited due to non-exercise of the conversion option by the allottee and upfront amount received by the company on such warrants was forfeited as per terms.

**(a) Reconciliation of the share outstanding at the beginning and at the end of the reporting period**

Particulars	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
At the beginning of the period	66,490,000	132.98	66,490,000	132.98	66,490,000	132.98
Add: Warrant Converted into Shares during the reporting period	3,480,000	6.96	-	0.00	-	0.00
Less: Bought back during the period	-	0.00	-	0.00	-	0.00
Outstanding at the end of period	69,970,000	139.94	66,490,000	132.98	66,490,000	132.98

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

The company has only one class of equity shares having par value of Rs.2 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Company has issued only one class of ordinary equity shares having a par value of ₹ 2/- per share. Each holder of ordinary shares is entitled to one vote per share. The Company declares and pays dividends 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 31/03/2017, the amount of dividend per share recognised for distribution to ordinary shareholders is nil.

**(c) Shares held by holding company and/ or their subsidiaries/ associates : NIL**

**(d) Details of shareholders holding more than 5% shares in the company**

Particulars	As At 31.03.2017		As At 31.03.2016		As At 01.04.2015	
	Number of shares	Percentage	Number of shares	Percentage	Number of shares	Percentage
Balbir Singh Uppal	16,175,985	23.12%	16,175,985	24.33%	16,175,985	24.33%
Ganeshay Overseas Industries Limited	8,112,000	11.59%	4,632,000	6.97%	4,632,000	6.97%
Loil Health Foods Ltd	5,605,000	8.01%	5,605,000	8.43%	5,605,000	8.43%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**(e) Aggregate number of bonus shares issued, Shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil.**

**NOTE: 15  
OTHER EQUITY**

	(Rs. in Millions)												
	Equity Share Capital	Equity component of compound financial instruments Share Warrants	Capital Reserve	Securities premium	General Reserve	Retained Earnings	Investments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation on surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	Total
<b>Balance as at 1 April 2016</b>	132.98	0.00	19.14	2,106.87	478.81	547.24	0.00	0.00	0.00	0.00	0.00	0.00	3,152.06
Profit for the Year						9.13							9.13
Other Comprehensive Income for the year							0.00					0.00	0.00
Total Comprehensive Income for the year		0.00	0.00	0.00	0.00	9.13	0.00	0.00	0.00	0.00	0.00	0.00	9.13
Adjustment					0.00	0.00							0.00
Translation Reserve						3.02							3.02
Addition during the period		16.01	0.00	53.94		0.00							69.95
<b>Conversion of warrants in Equity Shares</b>	<b>6.96</b>					<b>0.00</b>							<b>0.00</b>
<b>Balance as at 31 March 2017</b>	<b>139.94</b>	<b>16.01</b>	<b>19.14</b>	<b>2,160.81</b>	<b>478.81</b>	<b>559.39</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,234.16</b>

Note :Rs. 19.14 millions forfeited against 3480000 convertible warrants of series 2, which has been transferred to Capital Reserve.

	(Rs. in Millions)												
	Equity Share Capital	Equity component of compound financial instruments Share Warrants	Capital Reserve	Securities premium	General Reserve	Retained Earnings	Investments through other comprehensive income	Equity instruments through other comprehensive income	Effective portion of Cash Flow Hedges	Revaluation on surplus	Exchange differences on translating the financial statements of a foreign operation	Other items of other comprehensive income	Total
<b>Balance as at 1 April 2015</b>	132.98	0.00	19.14	2,106.87	478.81	1,448.26	0.00	0.00	0.00	0.00	0.00	0.00	4,053.08
Profit for the Year						(903.55)							(903.55)
Other Comprehensive Income for the year												0.00	0.00
Total Comprehensive Income for the year		0.00	0.00	0.00	0.00	(903.55)	0.00	0.00	0.00	0.00	0.00	0.00	(903.55)
<b>Adjustment Related to Foreign Exchange</b>						<b>2.53</b>							<b>2.53</b>
<b>Balance as at 31 March 2016</b>	<b>132.98</b>	<b>0.00</b>	<b>19.14</b>	<b>2,106.87</b>	<b>478.81</b>	<b>547.24</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>3,152.06</b>

## Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 16</b>			
<b>FINANCIAL LIABILITIES</b>			
<b>Non Current Borrowings</b>			
Secured, Long Term Loans From Banks			
Bank Term Loan	7,202.34	6,410.48	4,115.69
Less: Current Maturities of Long Term Debts	343.20	176.24	0.00
Measurement of Financial Liabilities at Amortised Cost		34.37	
	6,859.14	6,268.61	4,115.69
Unsecured, Long Term Loan from Related Parties			
- From Directors	123.58	205.10	205.10
-From Holding in the books of LEAF	0.00	0.00	
- From Subsidiaries		0.00	0.00
	<b>123.58</b>	<b>205.10</b>	<b>205.10</b>
Total Long Term Debts	<b>6,982.72</b>	<b>6,473.71</b>	<b>4,320.79</b>

### Notes:

- (i) Working capital Term Loans and FITL facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the company by way of hypothecation and second pari passu charge on the fixed assets of the company, present and future except term loan of Rs. 320 million which is secured by first charge by way of equitable mortgage on immovable properties and movable fixed assets and second pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the Company by way of hypothecation. Further, the facilities would have personal guarantees of S. Balbir Singh Uppal and S. Janak Raj Singh Directors of the company. Vehicle Loan are secured by way of hypothecation by lenders.

Details		As at 31.03.2017		As at 31.03.2016	
S. No.	Type of Secured Loan, Name of Bank & Sanctioned Amount	Terms of repayment	Rate of Interest	Terms of repayment	Rate of Interest
1	Term Loans (including WCTL and FITL) from Punjab National Bank (Sanctioned Amount Rs.3836.50 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.
2	Term Loans (including WCTL and FITL) from Syndicate Bank (Sanctioned Amount Rs.1679.50 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	B.Rate+ 0.50% p.a.
3	Term Loans (including WCTL and FITL) from ICICI Bank (Sanctioned Amount Rs.915.20 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	I.BASE+ 0.75% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	I.BASE+ 0.75% p.a.
4	Term Loans (including WCTL and FITL) from AXIS Bank (Sanctioned Amount Rs.430.40 mn.)	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	PNB B.Rate+ 0.50% p.a.	Repayable in 32 quarterly instalments starting from December 2016 and maturing on September 2024	PNB B.Rate+ 0.50% p.a.

## Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 17</b>			
<b>LONG-TERM PROVISIONS</b>			
<b>Provision for employee benefits</b>			
- Provision for gratuity (unfunded)	8.63	9.59	8.54
	<b>8.63</b>	<b>9.59</b>	<b>8.54</b>

The provision for employee benefits includes gratuity, supplemental payment on retirement. The increase/decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year.

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 18</b>			
<b>DEFERRED TAX LIABILITIES (Net)</b>			
Deferred tax liabilities (net)	275.68	338.55	441.93
	<b>275.68</b>	<b>338.55</b>	<b>441.93</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 19</b>			
<b>SHORT-TERM BORROWINGS</b>			
Secured :			
Cash credit from banks (secured)*	4,418.09	4,919.72	5,191.03
	<b>4,418.09</b>	<b>4,919.72</b>	<b>5,191.03</b>

\* Cash credit from banks is secured by hypothecation of entire present and future tangible current assets and second charge on all movable assets.

- Working capital facilities (fund based & non fund based limits) are secured by first pari passu charge over stocks, stores, raw materials, inventories, work in progress, finished goods and also book debts, bills and moneys receivable of the Company by way of hypothecation.
- The interest on the above term loans from banks are linked to the respective banks base rates which are floating in nature.
- For defaults in repayment in bank loan, please refer note no 17

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 20</b>			
<b>TRADE PAYABLES</b>			
Trade payables (including acceptances)			
- Dues to Micro, Small and Medium Enterprises	0.00	0.00	0.00
- Others	647.16	1,111.42	1,078.96
	<b>647.16</b>	<b>1,111.42</b>	<b>1,078.96</b>

\*There are no Micro, Small and Medium Enterprises, (P.Y. NIL) to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March 2017. This information, required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, has been determined to the extent such parties have been identified on the basis of information available with the Company. Moreover, the Company primarily deals in procurement of agri-products which are sourced from the Farmers and Aartias (Commission Agents) who are not covered under the provisions of the Micro, Small and Medium Enterprises Development Act, 2006.

Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 21</b>			
<b>OTHER FINANCIAL CURRENT LIABILITIES:</b>			
<b>Financial liabilities at amortized cost</b>			
- Unpaid Dividend	2.24	2.24	2.24
- Current Maturities of Long Term Debt	343.20	176.24	0.00
- Interest accrued and due	299.92	0.00	0.00
- Other Liabilities	44.19	301.52	399.74
- Employee Benefits Payable	4.73	0.00	0.00
- Sundry Creditor for Capital Goods	0.00	5.10	10.26
- Advances from customers	2.25		
	<b>696.54</b>	<b>485.10</b>	<b>412.25</b>

\* Not due for transfer to Investor Education & Protection Fund

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 22</b>			
<b>OTHER CURRENT LIABILITIES</b>			
- Withholding and other tax payables	2.15	7.37	5.21
	<b>2.15</b>	<b>7.37</b>	<b>5.21</b>

(Rs. in Millions)

Particulars	As At 31.03.2017	As At 31.03.2016	As At 01.04.2015
<b>NOTE: 23</b>			
<b>SHORT TERM PROVISIONS</b>			
- Bonus	0.00	0.82	1.76
- Leave Encashment	0.03	0.10	0.18
- Taxation	0.00	0.10	
- Expenses	1.56		
	<b>1.60</b>	<b>1.03</b>	<b>1.94</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 24</b>		
<b>REVENUE FROM OPERATIONS</b>		
Sale of products		
Food Grains	434.57	2,263.49
Traded Goods	9,121.08	7,876.58
Power	646.16	333.63
Rice Bran Oil	16.83	37.10
Other Revenue	1.72	2.02
	<b>10,220.36</b>	<b>10,512.83</b>

## Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 25 OTHER INCOME</b>		
Interest income on financial assets carried at amortized cost	0.76	1.14
Other interest income	0.08	
Transport Revenue	0.58	0.11
Rebate & Discount	0.50	4.11
Insurance claims received	0.00	1.73
Foreign Exchange Difference	0.00	0.31
Other Income	0.02	
Refund Received	0.00	1.25
Dividend Income	0.00	0.01
	<b>1.94</b>	<b>8.65</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 26 COST OF MATERIALS CONSUMED</b>		
Inventory at the beginning of the year	7,015.85	6,907.84
Add : Purchases	9,731.96	9,837.82
	16,747.80	16,745.66
Less: inventory at the end of the year	7,928.47	7,015.85
Less: Changes in Inventory	(1,460.38)	1,004.21
Less: Purchases	8,190.54	8,602.25
Cost of raw material and components consumed	<b>2,089.17</b>	<b>123.34</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 27 PURCHASES OF STOCK-IN-TRADE</b>		
Food Grains	8,190.54	8,602.25
	<b>8,190.54</b>	<b>8,600.58</b>

Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 28 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN- PROGRESS AND STOCK IN TRADE</b>		
Inventories at the beginning of the year		
Work-in-Process	2129.57	3,133.78
Raw Material	0.00	0.00
	<b>2129.57</b>	<b>3,133.78</b>
Less - Inventories at the end of the year		
Work-in-Process	3589.94	2,129.57
Raw Material	0.00	0.00
	<b>3589.94</b>	<b>2,129.57</b>
Change in Inventories	<b>(1460.38)</b>	<b>1004.21</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 29 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and other allowances	50.21	59.52
Directors' Remuneration & Prequisites	0.00	18.00
Contribution to Provident and other Funds	0.76	1.25
Staff welfare expense	0.84	2.03
Recruitment expenses	0.00	0.02
	<b>51.81</b>	<b>80.81</b>

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 30 FINANCE COSTS</b>		
<b>Bank Processing Fees</b>	0.00	18.69
Interest on		
- Term Loan	1,003.63	572.83
- Working capital	167.12	482.73
- Other	3.65	105.07
Less: Amount Transfer to Exceptional Items	-924.53	-844.82
	<b>249.86</b>	<b>334.51</b>



## Notes Forming Part of the Consolidated Financial Statements

(Rs. in Millions)

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
<b>NOTE: 31 OTHER EXPENSES</b>		
Power and fuel	6.59	33.91
Loading Charges Plant	5.61	16.61
Repair and maintenance		
-Machinery Repairs	8.00	20.83
-Building repairs	0.00	1.25
-Other repairs	1.08	2.64
Rent	1.29	9.19
Bank Charges	0.22	2.04
Foreign Exchange Fluctuations :		
- on realisations		7.69
Insurance	7.52	15.65
Payment to auditor		
- Audit Fees	1.80	1.61
- Tax Audit Fees	0.40	0.40
- Reimbursement of Exp.	0.11	0.10
Export Expenses		0.37
Brokerage on Sales	3.67	4.49
Advertisement Exp.	0.60	0.16
Business Promotion Exp.	4.60	5.48
Freight Outward Exp.	0.07	6.43
Postage, Telephone & Internet Exp.	0.67	1.46
Loss on Sale of Fixed Assets	0.00	0.68
Legal & Professional Exp.	6.81	5.40
Charity & Donation	2.64	6.58
Fees & Subscription	2.82	4.41
Watch & Ward Exp.	0.53	1.05
Vehicle Expenses	6.49	6.61
Office Expenditure	0.26	0.68
Travelling & Conveyance	3.07	4.64
Measurement of Financial Liabilities at Amortised Cost	0.00	34.37
Other Expenditure	8.53	22.20
	73.37	216.96

**32. OTHER NOTES TO ACCOUNTS**

**1. Finance Charges and Extraordinary Item:**

Out of total finance charges of Rs.1170.74 million (P.Y. Rs.1055.56 million), Rs.246.21 million (P.Y. Rs.210.74 million) paid during the year have been shown under "Finance Charges" and the remaining amount of Rs. 924.53 million (P.Y. Rs.844.82 million) which has been converted to term loans (FITL) as per restructuring scheme has been classified as " Extraordinary Item" in Statement of Profit and Loss for current year. Interest charged by banks is subject to reconciliation with banks.

2. Loan accounts of the company were restructured by Joint Lenders Forum (JLF) with mutual consent of the company in March 2015 in terms of RBI guidelines after conducting TEV study by M/s Dun & Bradstreet with cut-off date 01-10-2014 and approved by Independent Evaluation Committee (IEC) on 11-05-2015. The company complied with all the conditions of restructuring scheme including payment of interest till 30-09-2016. But, the bankers did not fulfil the conditions of approved scheme as WC limits were not released by Banks as per TEV report/ approved restructuring scheme despite numerous requests/proposals by the company to the banks. Consequently, the restructuring scheme could not be taken forward after 01-10-2016 and the company could not achieve its projections as per TEV report. Amounts payable to Banks became overdue and loan accounts of company have been classified as Non-Performing Assets by the lending banks, for which the company has contested and the matter has also been referred to RBI. JLF meetings were held on 22-12-2016 and 22-04-2017 wherein it was discussed that the company is eligible for S4A scheme of RBI and a final approval is likely to be taken in the month of June 2017. The scheme of S4A, if approved, shall substantially reduce the interest burden, as around 50% of the debt shall be converted into Equity/ Convertible Debentures.
3. In the opinion of the company's management, the current assets, loans and advances are an approximation of the value stated, if realized in the ordinary course of business. The provision for all the known liabilities has been made and is adequate and not in excess of the amount considered reasonably necessary.
4. The balance outstanding as the debit and credit to the parties / persons / agencies are subject to confirmation by the parties / person/agencies concerned.
5. Figures of previous year have been regrouped and rearranged wherever necessary.
6. Contingent Liabilities:
  - a. Income-tax demand raised for the earlier years is Rs.65.50 millions (Previous year – Rs.65.50 million). Appeals against the demand are pending before ITAT and Punjab & Haryana High Court and the Management is expecting a favourable decision.
  - b. Claims amounting to Rs.648.50 million (Previous year – Rs.1395.72 million) by various creditors, suppliers, agents, various state procurement agencies etc. are pending before various Courts and quasi-judicial authorities, which are contested by the company.
7. **Managerial Remuneration:**

	Current Period (Rs. in million)	Previous Year (Rs. in million)
Whole time Directors		
Remuneration	0.00	18.00
Directors' sitting fee	0.56	0.16
<b>Grand Total</b>	<b>0.56</b>	<b>18.16</b>

## Notes Forming Part of the Consolidated Financial Statements

8. Foreign Currency Forward cover contracts outstanding as at 31st March 2017 are NIL. (Previous Year Nil).
9. Earning per share is calculated by dividing the profit after provision for income tax by the weighted average number of equity shares outstanding during the period.
10. The calculation of Earnings per share (EPS) as disclosed in the statement of Profit and Loss.

(Rs. in Millions)

	Current period	Previous year
Profit/(Loss) after Tax (Rs. in millions)	9.13	(903.55)
Weighted Average Number of Equity Shares outstanding during the period (Basic)	68911699	66490000
Basic Earnings per share (in Rs.)	0.13	(13.59)
Weighted Average Number of Equity Shares outstanding during the period (Diluted)	72396699	66490000
Diluted Earnings per share (in Rs.)	0.13	(13.59)
Nominal Value per Share (in Rs.)	2.00	2.00

11. Deferred Tax Liability mentioned in Note no. 18 is the net of deferred tax asset and deferred tax liability. As per the books of accounts opening balance of DTL Rs.338.55 millions, during the period due to timing difference on account of depreciation and provisions Rs.62.87 millions provided as deferred tax asset. Thus the net DTL at the end of period on 31.03.2017 remains Rs.275.68 millions.
12. The figures of 'Sales' appearing in the statement of profit & loss is the consolidated figure of sales affected through different offices of the company
13. Future minimum lease payments under non-cancelable operating leases are as under:

(Rs.in Millions.)

Lease Agreement Period	Lease Rent	
	Period ending as at 31st March 2017	Period ending as at 31st March 2016
Rent Payable for upto 1 Year	1.79	1.71
Rent Payable for upto 1 to 5 years	1.79	1.79
Rent Payable Above 5 Years	1.79	1.79

**Note:**

- Transaction is considered from the effective date of rent agreement.
  - On expiration of the above stated lease agreements, the same can be renewed on the basis of mutual consent of the lessor and lessee.
  - The Company's significant leasing arrangements are in respect of storage of material and the arrangements range between 6 months and 1 year generally and are usually renewable by mutual consent of lessor and lessee.
14. The information given below is in respect of the transactions entered into by the company during the period with the related parties as per the requirement of Ind AS 24.
- A. Names of related parties and description of relationship:

**i) Particulars of Subsidiaries/Associate Parties:**

## Notes Forming Part of the Consolidated Financial Statements

Name of Related Party	Nature of Relationship
• Ganeshay Overseas Industries Limited	Promoter Group Company
• LOIL Health Foods Limited	Promoter Group Company
• LOIL Overseas Foods Limited	Promoter Group Company
• LOIL Continental Foods Limited	Promoter Group Company
• Punjab Greenfield Resources Limited	Subsidiary Company
• Lakshmi Green Power Ltd	Subsidiary Company
• Green Energy and Foods Pte. Ltd. Singapore	Subsidiary Company
• BVM Logistics Pvt. Ltd	Directors having Significant influence
• Victor Foods India Ltd	Directors having Significant influence
• LOIL International Foods Limited	Directors having Significant influence

### ii) Key Managerial Personnel:

Name of Related Party	Nature of Relationship
• Mr. Balbir Singh Uppal	Chairman Cum Managing Director
• Mr. Janak Raj Singh	Joint Managing Director
• Mr. Ajay Ratra	Company Secretary
• Mr. PC Jain	Chief Financial Officer
• Ashok Kumar Chopra	Director
• Tejinder Singh	Director

### B. Transactions during the period and balance outstanding at the end in respect of transactions entered during the period with the related parties.

S. No.	Nature of Transactions	Promoter Group Companies		Key Management Personnel		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
i.	Sale	9115.12	144.61			9115.12	144.61
ii.	Purchase	9117.17	73.20			9117.17	73.20
iii.	Expenses	-	-	0.78	0.66	0.78	0.66
iv.	Salary	-	-	3.32	20.99	3.32	20.99
v.	Loans Received	-	-	1.45	205.1	1.45	205.1
vi.	Loans Repaid	-	-	86.70	1.77	86.70	1.77
vii.	Advances	0.40	-	-	-	0.40	-
viii.	Closing Balance Receivable/Payable	3902.26 receivable	3272.90 receivable	35.18 receivable	220.47 payable	3937.44 receivable	3052.43 receivable

15. Land measuring 49 Kanal & 5 Marla situated at Village Khamanon, Tehsil & District Fatehgarh Sahib, Punjab has been leased by the company from S. Janak Raj Singh Uppal, the Joint Managing Director of the company for the purpose of Power Plant.

## Notes Forming Part of the Consolidated Financial Statements

16. The information given below is about the segment reporting as per IND AS-108.

(Rs.In Millions)

PARTICULARS STANDALONE	2016-17			2015-16			
	AGRI	ENERGY	TOTAL	AGRI	ENERGY	TOTAL	
<b>A</b>	<b>PRIMARY SEGMENT</b>						
<b>I</b>	<b>SEGMENT REVENUE</b>						
	Sales:	9960.33	699.28	10659.61	10432.79	412.11	10844.90
	Less: Inter segment revenue	0	0	(439.25)			(318.06)
	<b>Revenue net of Inter segment</b>	<b>0</b>	<b>0</b>	<b>10220.36</b>			<b>10526.84</b>
<b>2</b>	<b>SEGMENT RESULT</b>						
	Less: Other unallocable Expenditure net of unallocable Income	0	0	249.86			321.09
	Interest			138.53			334.50
	Profit / Loss before Tax			889.39			(161.71)
	Exceptional Items			(924.53)			(844.82)
	Provision for Tax						0.00
	Deferred Tax			(44.27)			(102.98)
	Profit / Loss after Tax			9.13			(58.73)
	Profit After Tax from Operation	0	0	9.13			(903.55)
	Segment Assets	15691.71	908.93	16600.64			
	Segment Liabilities	13000.72	19.49	13019.81			
<b>3</b>	<b>SEGMENT CAPITAL EMPLOYED</b>						
				<b>4468.07</b>	<b>1539.11</b>		<b>6007.18</b>
<b>B</b>	<b>SECONDARY SEGMENT (GEOGRAPHICAL)</b>						
	India	9539.33	646.16	10185.49	9843.75	333.63	10177.38
	Deemed Export	34.87		34.87	345.04	-	345.04
	Rest of World	0	0	0	4.43	-	4.43

## Notes Forming Part of the Consolidated Financial Statements

### 17. Information Regarding Foreign Currency Transactions

(Rs.in Millions.)

Sr. No.	Description	2016-17	2015-16
1)	<b>CIF value of Imports made during the period in respect of</b>		
	Raw Material	NIL	NIL
	Components and Spare Parts Purchased	NIL	NIL
	Capital Goods Purchased	-	-
	Crude Palm Oil	-	-
2)	<b>Earnings in foreign exchange</b>	-	4.43
3)	<b>F.O.B. value of exports</b>	-	4.31
4)	<b>Expenditure in foreign currency</b>		
	Foreign Travel	0.16	0.80
	Professional Charges	3.63	-
	Buyer Credit	-	232.76

### 18. Disclosure on Specified Bank Notes (SBNs)

During the year, the parent company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in Rs.)

Particulars	SBNs*	Other denomination notes	Total
<b>Closing cash in hand as on 8 November 2016</b>	-	<b>1079300</b>	<b>1079300</b>
(+) Permitted receipts	-	32,87,102	32,87,102
(-) Permitted payments	-	20,21,313	20,21,313
(-) Amount deposited in Bank	14,57,800	-	14,57,800
Closing cash in hand as on 30 December 2016	-	8,87,289	8,87,289

\*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E) dated 8 November 2016.

As per our report of even date attached

For **SMPS & Co.**  
Chartered Accountants  
Firm Registration No.: 021622N

**Saurabh Mishra**  
Partner  
Membership No.: 402499

**Balbir Singh Uppal**  
Chairman & Managing Director  
DIN: 00064718

**V.K.Mishra**  
Director  
DIN: 00174380

**P C Jain**  
Chief Financial  
Officer

**Ajay K. Ratra**  
Company Secretary

Place: Khamanon  
Date : 30/05/2017







## BOOK-POST



*If undelivered, please return to:*

### **Lakshmi Energy and Foods Limited**

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