

Ref-LTF/ SE/ 2020-21/

Date: 03-09-2020

To,

**The Bombay Stock Exchange (BSE Limited )  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001**

**National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051**

**Sub: Annual report for the financial year 2019-20**

**Ref Code: 532783 Scrip Id: Daawat**

**Dear Sir/ Madam,**

Pursuant to Regulation 34 and other applicable regulations of the SEBI( Listing Obligations & Disclosure Requirements) Regulations,2015, please find enclosed Annual report for the financial year 2019-20.

In compliance with the Ministry of Corporate Affairs (“MCA”) circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) Circular dated May 12, 2020, Annual Report for the financial year 2019-20 and notice of the 30<sup>th</sup> Annual General Meeting are being sent to the Members through electronic mode. The Annual Report for the financial year 2019-20 and notice of the 30<sup>th</sup> Annual General Meeting are available and can be accessed from the investor relations section of the Company’s website i.e www.ltgroup.in.

Thanking You,  
Yours truly

**For LT Foods Limited**

*Monika Chawla Jaggia*  
**Monika Chawla Jaggia**  
**Company Secretary**  
**Membership No. F5150**



**#WhatYouKnow**

# #WhatYouKnow

## LT FOODS IS A BASMATI RICE COMPANY

**FROM HUMBLE BEGINNINGS IN 1970s WITH A RICEMILL IN THE HIGH-POTENTIAL BASMATI RICE SEGMENT SERVING PRIVATE LABEL PRODUCTS. TODAY, IT IS ONE OF THE LEADING RICE COMPANIES IN INDIA AND THE GLOBE ACROSS 60+ COUNTRIES, WITH GROUND PRESENCE IN KEY MARKETS OF THE US, EUROPE AND THE MIDDLE EAST**

With years of experience in the basmati rice segment, we have evolved to build an integrated business model, covering the entire value-chain from 'farm to fork'. Headquartered in Gurgaon, LT Foods has multiple state-of-the-art manufacturing and processing units in India and abroad, backed by an extensive distribution network to consistently expand its footprint and deliver unmatched operational synergies

Our flagship brands **'Daawat'** and **'Royal'** enjoy market leading positions in India and the US respectively



# #WhatMoreYouNeedToKnow

## Our Iconic Brands

Fine food - Curated to suit every palate

26%

Market Share in India

50%+

Market Share in the US and Number 1 brand in the US



Profitable Growth and sustainability



# LT FOODS IS A CONSUMER FOODS COMPANY

## Strong Global Distribution Network

Trending and Upbeat - in India & in abroad



Robust Supply Chain Network

## New growth engines

Committed to grow - relishing health and convenience



# In this Report

## Corporate Overview

- 2 Our Iconic Brands
- 4 Strong Supply chain
- 6 Robust Global Distribution Network
- 8 New growth engines
- 10 Profitable Growth and sustainability
- 12 Consistent Value Creation
- 14 Message from the Management
- 20 LT Foods' progression
- 21 LT Foods is consumer driven
- 22 Values
- 24 Strategies for Growth
- 30 India Business
- 32 International Business
- 36 Integrated operations
- 40 Strong Brand Portfolio
- 46 Food Safety
- 48 Strong Financials
- 50 Board of Directors
- 51 Corporate Information
- 52 Our People
- 54 Leading the way responsibly
- 55 Making meaningful contributions – to people and communities
- 58 Treading the path of excellence

## Statutory Reports

- 60 Management Discussion & Analysis
- 82 Directors' Report
- 121 Corporate Governance Report

## Financial Statements

- 144 Standalone Financial Statements
- 224 Consolidated Financial Statements



To know more, please log on to [ltgroup.in](http://ltgroup.in) or



Scan QR code to read more about us

### Forward-looking statements

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

Our strengths and capabilities keep us motivated to explore possibilities for growth while focusing on enduring avenues to enable limitless development. As one of the leading global consumer food Company, we remain

# PROGRESSIVE, GLOBAL AND SUSTAINABLE

– enthused to carve a unique identity with our diverse and innovative product portfolio.

To consistently fortify LT Foods' position in the global food space, we do not just rely on our range of **#WhatYouKnow** superior quality basmati rice.

Our quest for exploring and reinventing our offerings in line with changing trends **#WhatYouNeedToKnowMore** remains unabated. To enable sustained progress and to enhance consumer delight, we continue to expand our footprints in health and convenience food by leveraging our farm to fork approach, strong brand equity, global distribution and supply chain network. With our dynamic range of products including rice based snacks, organic products, Cuppa rice, ready-to-heat and saute sauces, we remain relentlessly focused to introduce innovative, healthy and convenient food offerings for our consumers across the world.

Our integrated business model, strong R&D capabilities and increasing brand penetration across all consumer segments, asserts LT Foods' position as a truly global player – evolving and growing with changing consumer preferences. With a continuously growing brand affinity, we are steadfast about enhancing value-creation for our valued stakeholders while sustainably growing and expanding our core.

# Our Iconic Brands

As we continue to cater to a varied global consumer tastes and preferences, we have introduced some of the most iconic brands in the food industry. Catering to the needs of a vast market in India and globally, we have fervently focused on improving the scope and scale of our operations to leverage our strong brand value.

From delivering our flagship Daawat brand to the Indian consumer, to making a mark in the US basmati rice market with our Royal brand, we have continuously expanded our brand recall to 60+ countries. New avatar of Daawat has also been launched in Europe to solidify our position in the region as well. We

believe in promoting a versatile brand, whereby we aspire to launch specific brands through certain channels while diversifying our product portfolio basis the need of specific geography.

In keeping with our aspirations to create a truly memorable brand, we have enthusiastically reacted

and responded to market changes to sustain seamless supply chains beyond borders and solidify our position across geographies. Our brands enjoy leadership position in India with 26% market share, the US with 54% market share and other geographies as well.

## CONSUMER FOOD BUSINESS



## ORGANIC FOOD & INGREDIENT BUSINESS

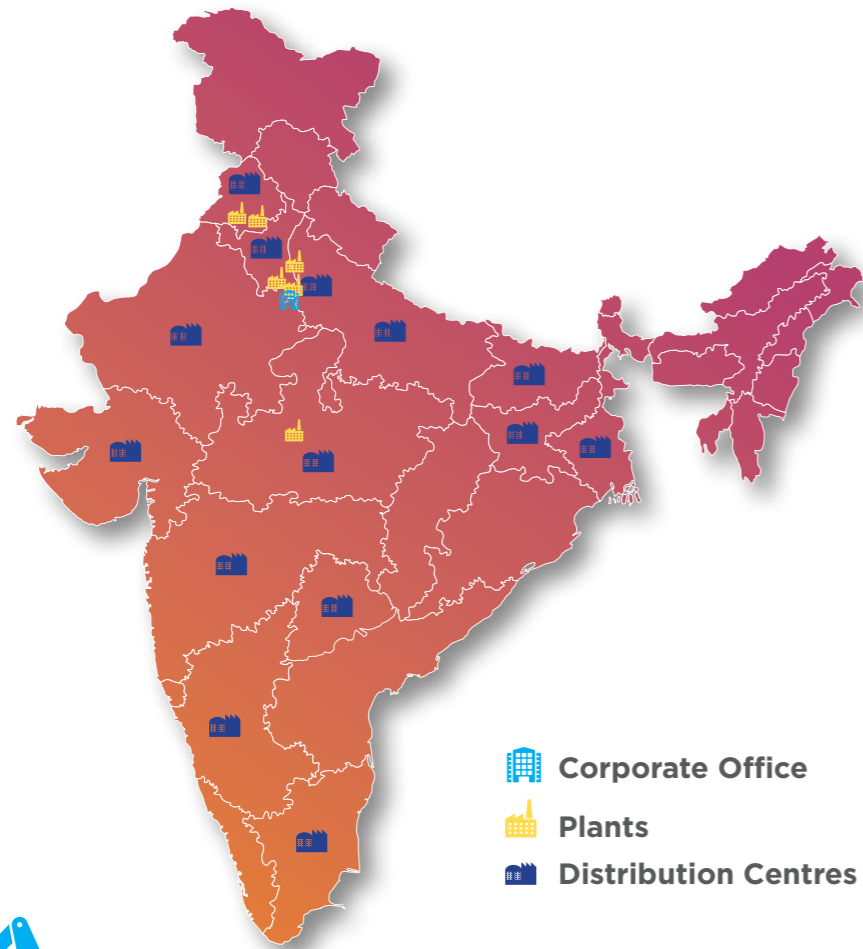


## HEALTH & CONVENIENCE FOOD BUSINESS



# Strong Supply chain

LT Foods is today among the leading consumer food Company in Basmati and Other Specialty Rice, with strong end-to-end control over the entire value chain in key products. Over the years, we have invested significantly towards building scale and capabilities in India and at international level. Today, we are well-positioned to capitalize on opportunities that arise in a rapidly evolving food industry in our category, across geographies.



## Production Units

Capacities (in MT/Day)

Central India	Bahalgarh, Haryana	Kamaspur, Haryana	Amritsar, Punjab (2)
700	750	150	360

### Did you know?

Our strategically located state-of-the-art processing and packaging facilities and milling infrastructure, across the globe, are equipped with latest technologies, enabling us to consistently deliver the finest products to our consumers. Some of the features include:

- Scientifically maintained silos for storage
- Dedicated organic processing facility with CO<sub>2</sub> treatment
- Robust practices to secure highest standards of food safety
- Lot wise tracking at each phase of processing



Europe

200

United States

35,600

Pouches/day

Snacks Plant 

Kari Kari

3,000

Units/Day

# Robust Global Distribution Network

At LT Foods, we continue to strengthen our distribution network in India as well as International markets to improve our reach and deepen our market presence

**1,18,000+**

Reach to Retail outlets in India



**700+**

Distributors in India

**7,200+**

Presence across Modern Trade Stores in India

**100+**

International distributors to serve global market

Over the years, driven by the global mega trends in consumer food, we are constantly redefining our business to stay aligned with modern practices while capitalizing on emerging opportunities. Backed by our strong product portfolio and distribution reach in India & abroad, we are now serving millions across the globe with our 800+ Distributors network.

Our global distribution network is spread across various channels including Mainstream, Retail Outlet, and Hotels/Restaurants and Caterers (HORECA) and e-Commerce platforms.





# New growth engines

## Organic, Health & Convenience Product Portfolio

We, at LT Foods, forayed into the organic business segment in 1999 through our subsidiary Nature Bio Foods Limited, long before the world paid heed to the incredible health benefits of organic food & ingredients. As consumers continued to be influenced by the health and environmental consequences of their food choices, we remained focused on fortifying our range of organic products and ingredients including rice, pulses, oil seeds, cereal grains, spices and nuts. Marketed under the 'EcoLife' brand, our organic portfolio strives to offer the healthiest and purest products, catered for your well-being.



To deliver

# TRUSTED ORGANIC FOOD AND INGREDIENTS

we have joined hands with more than 80,000 farming families from villages across India. Staying true to our commitment towards sustainability, our endeavor to produce organic food & ingredients enables us to support sustainable farming communities while effectively promoting fair trade practices.

We have also established two wholly owned subsidiaries in Netherlands and in the USA to further boost sales in the overseas market and foray into newer geographies. For years, we have strengthened our organic portfolio with new and innovative products to capitalize on growing consumer interest and improve awareness about the phenomenal benefits of organic food. To satisfy the 'organic' demand in International markets, we have also introduced a range of 'ready to heat' products, specially curated for our valued patrons.

## Health & Convenience Products

LEVERAGING OUR STRONG BRAND EQUITY, WORLD-CLASS INFRASTRUCTURE, A STRONG SUPPLY BASE AND GLOBAL DISTRIBUTION CHAIN, WE ARE STRENGTHENING OUR HEALTH AND CONVENIENCE FOOD SEGMENT IN LINE WITH CHANGING CONSUMER TRENDS. FOR FULFILLING THE DEMAND FOR CONVENIENT AND HEALTHY FOOD, WE HAVE LAUNCHED RICE BASED KARI KARI SNACKS, A RANGE OF READY-TO-HEAT PRODUCTS, SAUTE SAUCES AND CUPPA RICE. DESIGNED TO OFFER THE PERFECT BLEND OF HEALTH AND CONVENIENCE, WE CONTINUE TO STRENGTHEN OUR NEW BUSINESS SEGMENT WITH HEALTHY FOOD, PREPARED WITH CHOICEST INGREDIENTS & CONVENIENCE



# Profitable Growth and sustainability

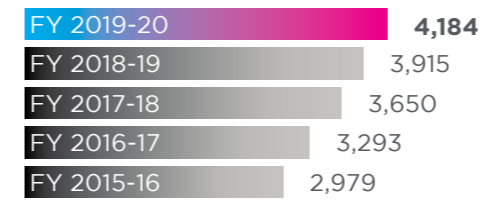
LT Foods reported another year of robust financial performance, delivering on its strategies. The year under review was a year of significant progress.

Despite volatile industry dynamics and changing consumer sentiments, we identified growth opportunities to increase our market presence, in India and around the world.

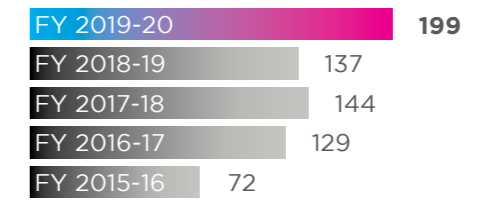


## PROFIT & LOSS METRICS

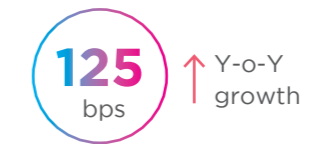
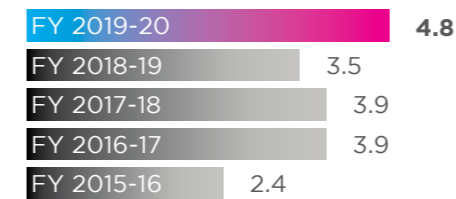
### Revenue from operations (Rs. In crores)



### PAT (Rs. In crores)

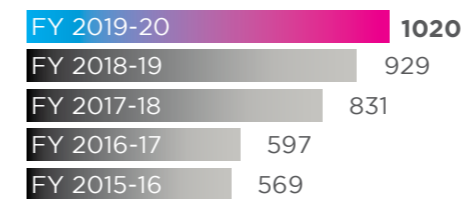


### PAT Margin (in %)

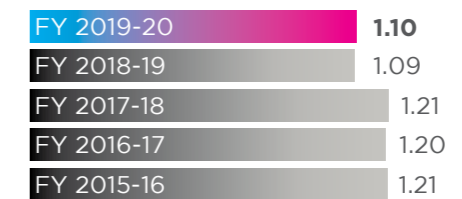


## BALANCE SHEET METRICS

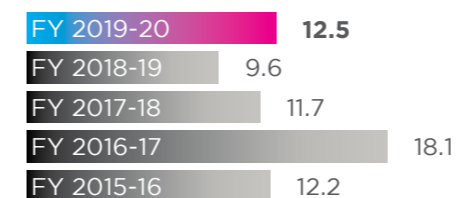
### Tangible - Gross block (Rs. In crores)



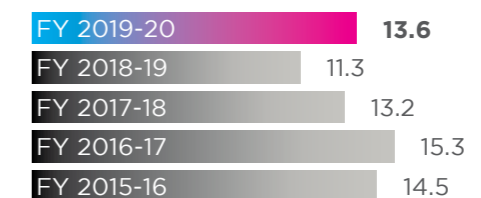
### Asset- Turnover Ratio (in times)



### RoNW (in %)

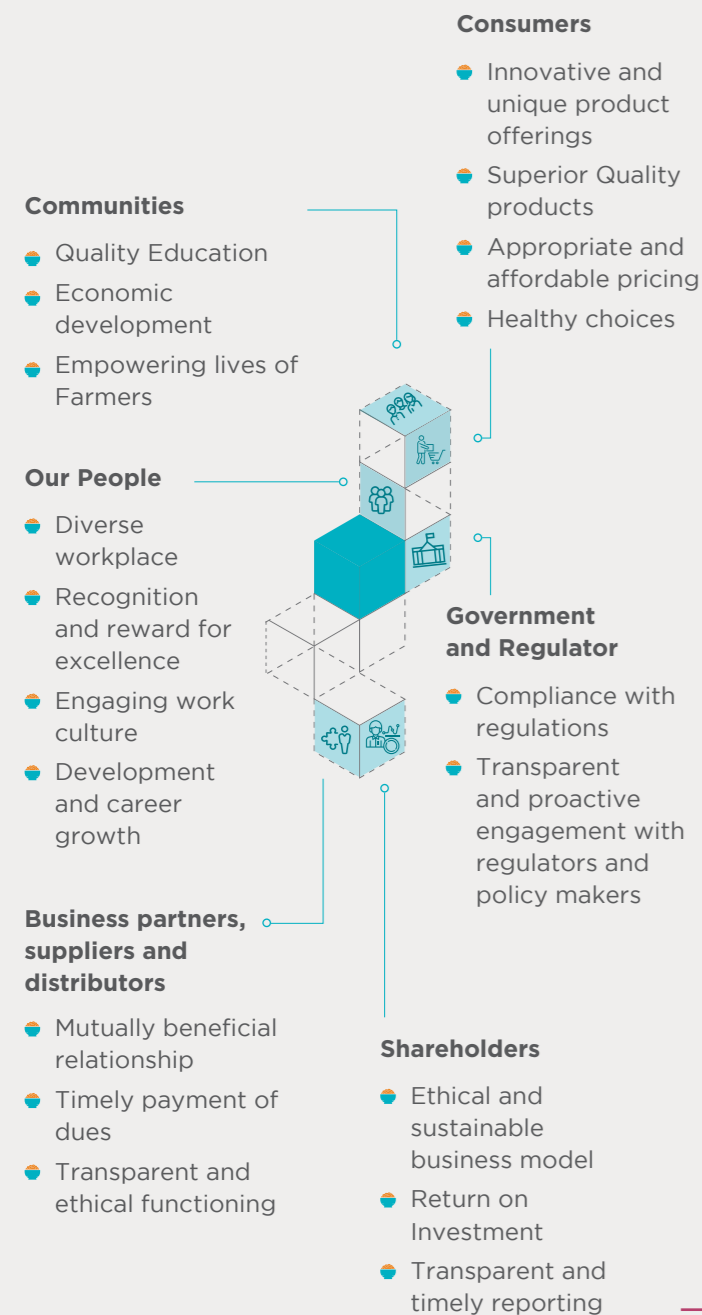


### RoCE (in %)



# Consistent Value Creation – Our Sustainable Business Model

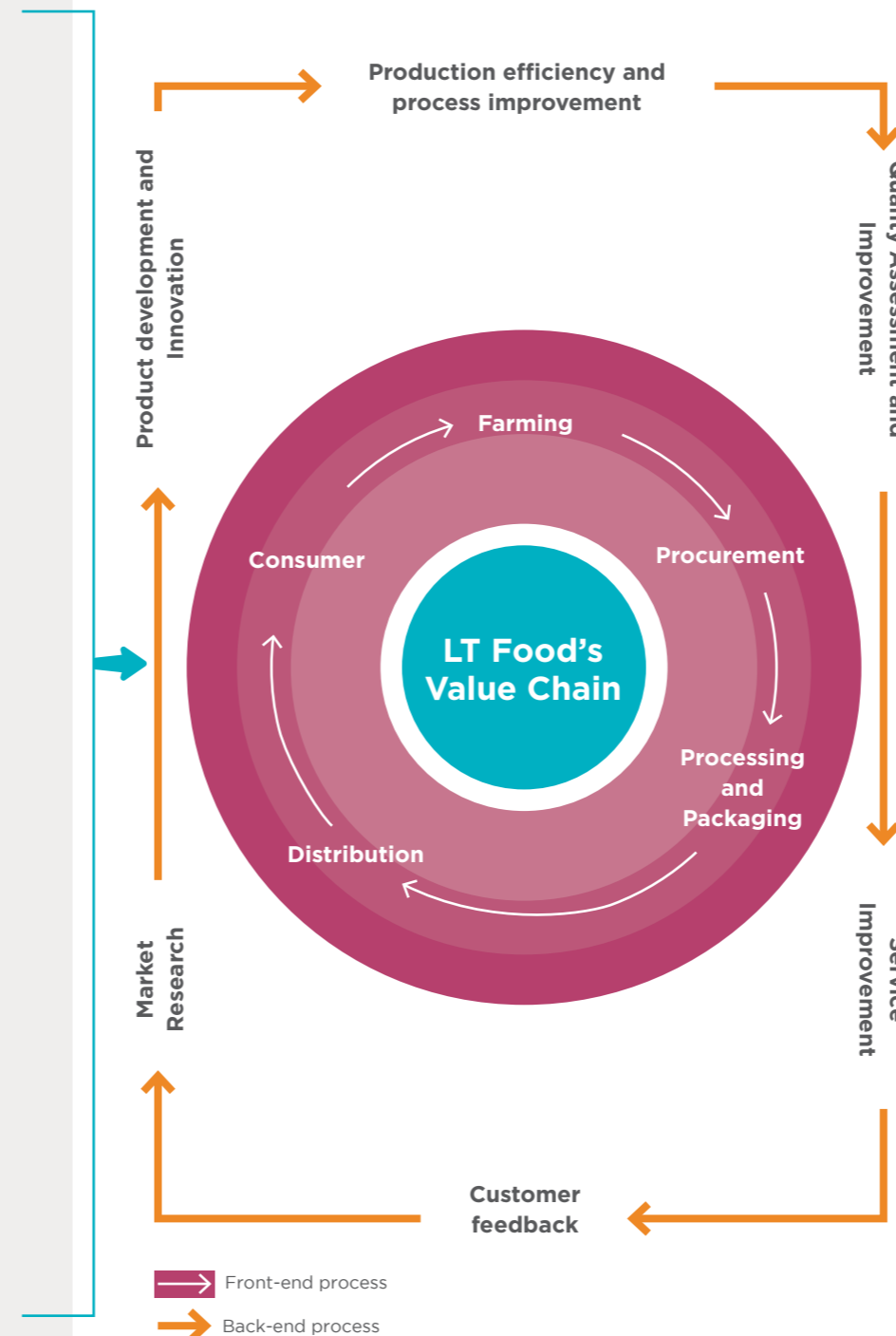
## Mapping the needs of stakeholders



## Infusing the required resources

- Financial Capital**
  - Rs. **1599** crore Shareholder's Fund
  - Rs. **1435** crore Debt (Bank Borrowings)
- Human Capital**
  - 1780** Employees across the globe
  - Rs. **180.3** crore Employee benefit expenditure
- Manufactured Capital**
  - Rs. **520.5** crore CAPEX in last five years
  - 5** Manufacturing and processing facilities in India
  - 1** Manufacturing and processing facility in Europe
  - 3** Packaging units and a ready-to-heat facility in US
  - 1** Snacks Factory in India

- Intellectual Capital**
  - 28** years Average experience of top management
  - 70+** years Years of experience in basmati rice processing
- Social and Relationship Capital**
  - Rs. **1** crore Invested in CSR activities
  - 270+** Network of agents
  - 235+** Procurement markets
  - 5,000+** Farmers associated under the SRP Program



## We offer our consumers innovative and a superior range of products under various brands

### Our product offerings

#### Consumer business

- Basmati
- Regional rice
- Specialty rice
- Arborio
- Jasmine

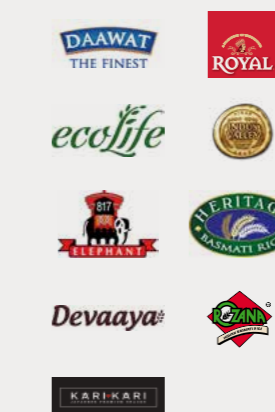
#### Organic business

- Organic food
- Eco-life

#### Ready-to-eat/heat

- Rice based snacks
- Saute' sauce
- Ready to heat

### Our Brands



## Outcomes achieved

- Financial Capital**
  - Rs. **4184** crore Revenue from operations
  - 12.2%** EBITDA Margin, improved by 140 bps over previous year
  - 45%** YoY increase in PAT
  - 13.6%** RoCE
- Intellectual Capital**
  - 5+** New products introduced in last 5 years
  - India - 115+ International - 55+** Patents / trademarks as on 31<sup>st</sup> March 2020
- Social and Relationship capital**
  - Rs. 0.50** Dividend per share
  - 1,18,000+** Retail outlets
  - 100+** International distributors to cater to the global market
  - 60+** Countries of presence for our products
- Human Capital**
  - 280+** hours Training and development
- Manufactured Capital**
  - Integrated** Operations to achieve operational excellence

Flip to see →

## Message from the Management



Growth pertains to the sustained market leadership of our key brands, across geographies we operate, coupled with an expanding product portfolio and consistent demand for our products.

**Vijay Kumar Arora**  
Chairman



Our flagship brands Daawat and Royal further strengthened their position in India and US during the year.

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

### Dear Shareholders

We write this Annual Report amidst a situation that has never been witnessed in our living memory (at least for a majority of the world's population). The COVID-19 pandemic has left national leaders battling to save the lives of fellow citizens, while trying to bring economic growth back on track, as phased lockdown continues.

As we adapt to a post-COVID world, we are pleased to share with you our achievements in the year gone by, showcasing our efforts towards building a sustainable business whilst creating value for all stakeholders. FY19-20 was marked by satisfactory growth across our geographies and business verticals.

#### The love for food

We are proud to be in the business of food - something that unites families, especially at an age where digital connectivity has left little time for moments of togetherness. The simple joys of cooking meals and reconnecting with your family over meals, continues to offer meaningful contributions across diverse emotional quotients.

At the heart of our business lies our consumers and it is what drives us to scale our capabilities and tap into emerging opportunities. While changing



**THE DOUBLE-DIGIT GROWTH IN INTERNATIONAL MARKETS VALIDATES OUR MARKET LEADERSHIP ACROSS GEOGRAPHIES WITH INCREASED SHARE OF PREMIUM PRODUCTS.**

lifestyles and food preferences are impossible to ignore for a Company like ours, we have proudly reinvigorated our business over the last seven decades to emerge as a preferred consumer food company for millions of people, in India and across the world. Besides, a widening product basket gives our consumers the freedom to truly enjoy their food while nourishing their body and soul with healthy offerings.

#### Reviewing our performance

We are pleased to once again deliver on our strategies, now fully ingrained in our business model. Our approach to building a value-accretive business now rests on the three-fold strategies

of growth, margin expansion and strengthening our key financial metrics & improving the ROCE (Return on Capital Employed).

**Growth** pertains to the sustained market leadership of our key brands, across geographies we operate coupled with an expanding product portfolio and consistent demand for our products. As a result, our consolidated revenue from operations grew 7% YoY to reach Rs. 4,184 crore in FY 2019-20 from Rs. 3,915 crore in FY 2018-19. The demand for Daawat basmati rice continues to be on the rise in India. Our flagship brand 'Daawat' strengthened its brand equity with an impressive market share of 26% in India.

## Message from the Management

We delivered a 10% growth in International markets, validating our market leadership across geographies with increased share of premium products. Our flagship International brand 'Royal' in US further strengthened its #1 ranking in the US during the year. Our offerings now include a range of rice variants i.e. Ready-to-heat that serve a growing consumer base.

We strengthened our market share in Europe, Far East and Middle East region, with our products finding increasing acceptance in a competitive environment. We are also increasing our engagement and reach across both the regions, with presence across all channels and price points to reach a wider consumer base.

Our organic food and ingredient division continues to deliver to a double-digit growth, with increasing population adopting organic food over conventional food. Having started the division almost two decades, we have today 1,18,000 hectares of organic farmland, producing varied organic food products.

We remain focused on **strengthening our margins** with our strategic focus on margin expansion. Our operating model today is structured on value-creation, with a culmination of the right product mix and excellent operational processes, perfectly designed to create a positive impact on the bottom-line and improving Return on Capital Employed. The introduction of new supply chain strategies, built on a strong foundation of technology, well-ahead of its time, helped us to strengthen our

brand presence. We registered an EBITDA growth of 21% YoY from Rs. 421 crore in FY 2018-19 to Rs. 509 crore in FY 2019-20; while our PAT increased by 45% YoY from Rs. 137 crore in FY 2018-19 to Rs. 199 crore in FY 2019-20.

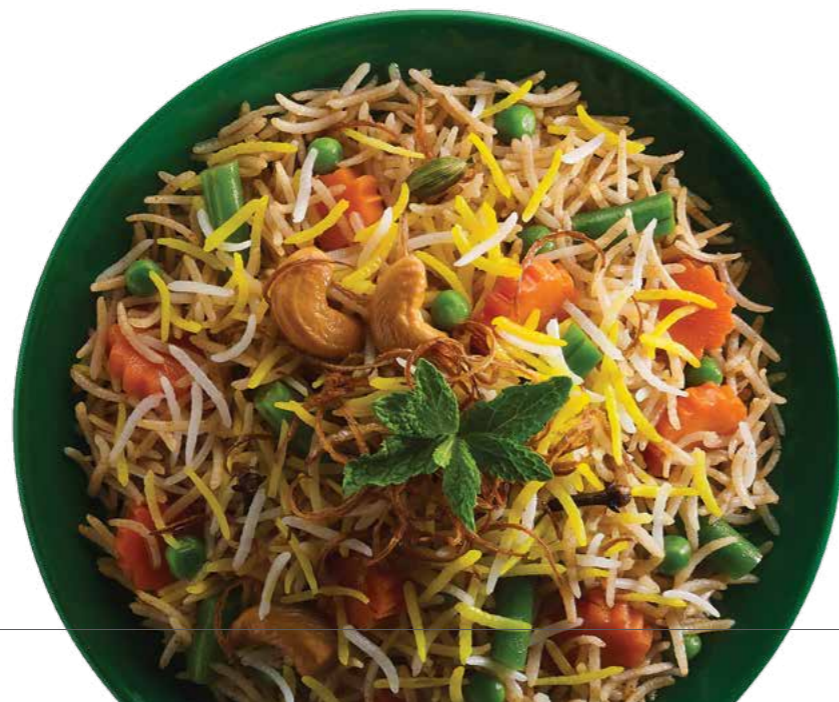
Our operational excellence is aptly reflected by our **strengthened financial matrices.**

Our EBITDA margin showed improvements by 140 bps over

the previous year, to reach 12.2% in FY 2019-20, while our PAT margin improved by 125 bps to stand at 4.8% as compared to 3.5% in the previous year. We also reduced our debt level (bank borrowings) significantly, with an impressive interest coverage of 3.2x, with a comfortable debt-equity ratio of 0.90x, as on March 31, 2020. We also improved our ROCE from 11.3% in FY 2018-19 to 13.6% in FY 2019-20.



**RIDING ON THE STRONG BRAND EQUITY, WE ARE NOW PRESENT ACROSS MEDIUMS, LIKE MULTI-CULTURAL (ETHNIC CHANNEL), DIRECT RETAIL, FOOD SERVICE CHANNEL AND E-COMMERCE PLATFORMS.**



### Driven by Innovation and automation

At LT Foods, we are driven by consumer centricity, backed by our ability to continually map the gaps in existing consumer offerings and filling it up with our innovative approach to add new products in our portfolio. The launch of new brands, like Daawat Quick Brown Rice and Daawat Sehat (fortified with iron, vitamins and folic acids) has not only strengthened our portfolio but improved our market share in key geographies. The recent launch of Daawat Cuppa Rice (a quick ready to eat rice based meal with no preservatives) has validated our promise on customer-centricity.

After the successful launch of Kari Kari premium rice-based snacks, we now have a dedicated manufacturing unit in Haryana, to aid our ambitious plans of a pan-India launch. We are now excited to launch Kari Kari snacks to a larger section of the Indian population through a joint venture with Kameda Seika (Japan's snack food major).

Our years of integrated infrastructure and automated technologies allow us to turn our innovation into quality consumer product. Further, our operations, products and facilities abide by strictest quality standards to ensure food safety, consistency of our products.

### Reaching out far and wide

Riding on the strong brand equity, we are now present across mediums, like multi-cultural (ethnic channel), direct retail, food service channel and e-commerce platforms.

Our aggressive brand positioning was leveraged to accelerate growth in new-age channels of distribution. Participation in food festivals, 360° marketing campaign, expansive shelf space and greater visibility across multiple e-commerce platforms, contributed to impressive growth in current fiscal.

We continue to leverage our robust network of suppliers and distributors, enabling steady supply. Right from automating our sales force team to aggressive spends on digital media platforms, we are moving in the right direction towards harnessing technologies. We strategically customized synergies of our products with digital-precision marketing in different geographies, resulting in defined business growth.

### Building trust

We are pleased to welcome Saudi Agriculture Livestock Investment Company (SALIC) on the Board of Daawat Foods Limited, our subsidiary company. The acquisition of 29.91% stake in our subsidiary by SALIC opens up new opportunities to grow and expand our business in the Middle East region and validates the trust and confidence reposed by them in our value-accretive business model.

### Responding to COVID-19

Our already existing automated operational setup with best-in-class industry practices, technology-driven integrated supply chain and last mile distribution network ensured uninterrupted production and

supply during the lockdown due to pandemic COVID-19. And even as this Annual Report goes into print, the Coronavirus continues to pose challenges to business continuity and economic growth for countries worldwide. However, at LT Foods, our established operational culture built on the foundation of progression, global presence, versatility and sustainability defines our growth journey as we navigate the challenges and converting the same into opportunities.

### Appreciation

We remain grateful to our Board members, team, vendors, consumers, bankers and investors for their continued trust in LT Foods. As we continue to place our consumer at everything we do, we would continue to deliver on our four strategic pillars of delivering growth, in our core business, organic business, strengthening our new growth engines, balance sheet metrics with improved ROCE. As we look ahead, our optimism drives us to dream bigger, enable prolonged value creation for our stakeholders and welcome new beginnings to lay the foundations for perfecting change.

Regards,

**Vijay Kumar Arora**  
Chairman

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

# PROGRESSIVE

Being progressive is a culmination of a multitude of factors. It is the perfect blend of our abilities to innovate, create opportunities, adapt to changing preferences and showcase an unmatched flexibility to mould our ways in tune with shifting trends.



Remaining true to our commitment of building a progressive and sustainable business model, we continue to invest in culture of excellence across value chain and making it consumer centric. This welcome change has helped establish LT Foods as a trendsetter – carving well defined paths to greater achievements.



Aligning our actions to our goals, we endeavor to emerge as a future-ready enterprise, adopt novel practices and nurture a cohesive culture to consistently enhance value, across business verticals.

# LT Foods' progression

**More than seven decades ago, the seeds of a business were sowed, that have today traversed continents and set new benchmarks in the food industry. We continue to march ahead, having come a long way from our modest beginnings in a village of Amritsar to have grown into a globally recognized consumer foods company.**

What started as a trading Company has now evolved into a leading consumer food company with presence in Indian and International markets. Nevertheless, the journey was never seamless. While we were challenged to keep pace with a vibrant business landscape, our aptitude for excellence guided us on the growth path.

Staying true to our values and our commitment to create a sustainable business, we continued to lead the way with a progressive attitude - reflected through the adoption of best industry practices across the group, investments across value chains, automation of production units and the creation of a robust distribution model. Our ability to adopt organic and inorganic routes to promote channel wise and geographic reach of our products also showcase our enthusiasm to constantly look for newer avenues of growth. Keeping pace with changing times, during the recent COVID-19 outbreak, we demonstrated the agility to quickly adapt to a 'new

normal', relying on advanced technology to implement go-to market strategies that helped us to sustain our market leadership amidst crisis.

Today, our relentless focus on delivering better outcomes have empowered us to produce leading brands and offer consistent returns to our stakeholders, enabling us to successfully lay the foundations for a sustainable organization.



# LT Foods is consumer driven

**The consumer foods industry is vibrant. It is constantly morphing, adopting new practices and adjusting to changing preferences. For LT Foods, it is not just imperative to recognize such shifts. Rather, we believe in changing ourselves according to the needs and aspirations of our consumers.**

With an unwavering focus on creating a progressive, sustainable, profitable and growing business model, LT Foods continues to make significant investments to inculcate a consumer centric approach across its value chain. Keeping the consumer at the core of our operations, we strive

to deliver exceptional products designed to meet evolving needs.

It is our consumer centric attitude that prevents complacency and compels us to pay heed to lifestyle and cultural changes reflected through food choices. Therefore, we don't just aspire to offer the finest quality long grain

Basmati rice, we also understand the need to explore the convenience and healthy foods segment as well.

Growing awareness about health and well-being is influencing consumers to opt for a perfect blend of healthy, tasty and convenient food. At LT Foods, we are ready to satisfy these demands. To provide what our consumers desire, we have explored organic food varieties, introduced Brown rice, a range of healthy and convenient Kari Kari snacks and fulfilled the need for quick cooking with ready-to-heat, saute sauces and Cuppa Rice. Our expanding product portfolio is, therefore, nothing but a reflection of our consumer centric behaviour and our relentless dedication to deliver what our consumers need.





# Values



## Consumer Centricity

We are responsible to the consumers we serve. We keep the consumer at the centre of our endeavours, and ensure all our actions will benefit the ultimate user.



## Integrity

We do what we say we will do and fulfill all our promises. What we commit to do is based on our principles and we apply them consistently in every situation.



## Ownership

We are accountable for each of our actions and take full responsibility of each task we take up as LT Foods. We strive to fulfill all promises made by us, by giving 100% of our energies to the task at hand and having a 'never give up' attitude.



## Passion for excellence

We believe in striving until we achieve the best in all our endeavors. We continually set high benchmarks and don't settle until we reach them.



## Continuous Innovation

We continuously strive to learn and grow to provide our stakeholders with the finest output and continuously attempt to improve our processes and find new ways so as to deliver superior results and to ensure that we are future ready.



## Respect

We respect the individuality, opinions and contributions of our stakeholders.



# Strategies for Growth

**LT Foods remains committed towards creating a progressive, sustainable, profitable and growing business model to build value for its stakeholders.**

Being one of the leaders in the core basmati segment, our focus is on maintaining the leadership position by offering products across multiple price points, being available across channels and delivering a world-class experience to consumers.

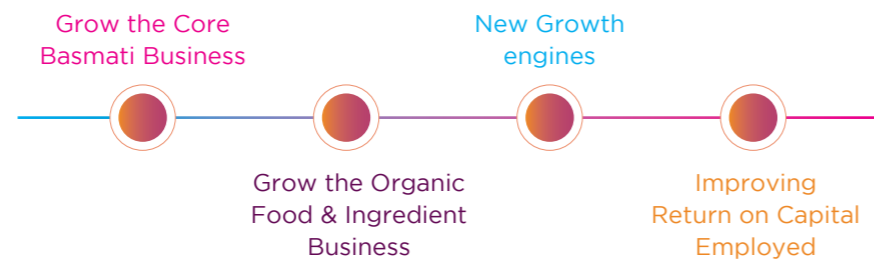
While strengthening the core business and going by our forte (i.e. advanced farm-to-fork infrastructure, global supply chain base, class leading distribution network and strong brand equity across geographies), we are also looking to nurture new initiatives in line with changing consumer trends in the market, especially in the health and convenience segment.



## Strategic goal

To create progressive, sustainable, profitable and growing business to create value for our stakeholders

## Strategic Pillars



### Grow the core Basmati business

**Leadership position:** LT Foods continues to strengthen its leadership position across geographies through organic and inorganic routes by focusing on segment and channel-led strategies.

**Better consumer connect:** The Company continues to create a connect with its consumers through effective communication, expanding the distribution reach across geographies and delivering superior consumer experience.

**Drive margin expansion :** The focus of Ltfods would remain on

expanding the margins in the core business by changing the product mix.

**Global Expansion:** We have been steadily investing in International markets to penetrate our brand through existing and new channels of reaching to the consumer. US is a strategic priority market for us, where we have been expanding the product portfolio and leveraging the market leadership position to maintain the momentum of growth. Europe is another strategic market for us, where we have ventured through green



field operations and penetrated the market with a new avatar of our brand, Daawat. The region is witnessing steady growth as well.

In Middle East and Far East, LT Foods is working on expanding its distribution reach with the help of new distributors and undertaking customized marketing initiatives to gain market share. Similarly, in Africa and other geographies, we expect our growth momentum to continue as well.

### Grow the Organic Food & Ingredient Business

LT Foods is a pioneer in the Organic food & ingredient space and has created strong entry barriers with investments in back-end infrastructure and a diversified consumer portfolio globally.

**Quality control measures:** Stringent quality controls and effective supply chain systems have helped LT Foods to position itself as a trustworthy partner in the organic space. Strong back end infrastructure, Organic land base, connect with farmers and diversified product portfolio have enabled the growth of Organic Business and increased the contribution of this segment to more than 9% in the overall revenue of the Company.

Going forward also Organization would focus on creating new channels of reaching out to consumers and addition of more value added products with stringent processes to grow this vertical .

## Strategies for Growth

### New growth engines

We will continue to focus on portfolio expansion with a healthy mix of core basmati business and future growth engines aligned to changing consumer needs.

**Health and convenience food:** In India, we have witnessed consistent traction in the health and convenience food space. We will continue to drive penetration of rice-based health and convenience products, i.e., Daawat Sehat, Daawat saute sauces and Daawat cuppa rice. We have ventured in to “On the go” space as well with Rice based snacks.

**Ready to heat:** In the US, we have seen positive traction on our newly launched convenience-based products - ‘ready to

heat’. We are evaluating such opportunities in other geographies as well to launch new products inline with changing trends and by leveraging our brand equity and the distribution network of that country.

### Improve Return on Capital Employed (ROCE)

Strategically, LT Foods is working on improving Return on Capital Employed with a combination of improved margins and better utilization of Capital.

We would continue to focus on change of product mix and increasing the scale of Core Business to expand the margins and optimise the capital utilization to deliver better ROCE to its stakeholders.

### Enablers for strategic growth

#### Business and go-to-market strategies

Expanding the business in new geographies and increasing the depth in Existing geographies are the key focus areas for LT Foods with its current product portfolio. LT Foods has followed a channel focused strategy leading to leadership positions in newer channels and organized trade environments.

Going forward, increase in penetration across channels through cutting edge analytics and digital enablement and customized marketing strategies will be in focus to be closer to our consumers and drive business growth.

#### Product innovation

Consumer centric innovation is another enabler for the organization to grow and tap into newer opportunities in the business. We need to keep a close eye on changing consumer trends in the food space, and accordingly offer them new products to fill in gaps in consumers’ kitchens, by leveraging our R&D capabilities and the strong equity of our brands Daawat and Royal.

LT Foods has launched new products on health and convenience and is seeing good traction in the market. We will continue to work with our teams to identify gap areas and look



out for such opportunities to offer innovative products to consumers.

### Cost efficiencies

Having control on the complete value chain gives LT Foods an edge over its competitors. Staying cost conscious at every step of the value chain has helped the organization to stay competitive in its space. In the current scenario, the organization has increased its focus on adding efficiencies across all levels, with the use of analytics and creating new benchmarks to achieve.

### People

People and cultural change have been the key drivers of growth for LT Foods. Nurturing existing talent with external support, driving ownership among team members, and adapting to change by aligning team members to the strategic goals and shared vision have been the key strategies for growth.

We aim to create a culture of entrepreneurship by empowering teams, and with clarity of the role in the complete value chain. We will continue to drive the agenda of empowering people by developing ownership and by giving them opportunities to learn and develop in their space

### Technology and automation

LT Foods has always been open to new ideas and adapting to changing industry practices,

which has helped the organization to stay future-ready.

Use of technology to automate systems and processes has helped the organization during a time when the industry was going through the challenge of labor availability and movement.

Digitalization and other technology inventions such as AI and Automation technologies will continue to be a focus area to bring in control and transparency in the systems and for effective end to end decision making.

### Sustainability

One of the core strategic driver for the organization is to create a sustainable business with the combination of increased share of consumer business.

Since the inception of the Company, we have focussed on this philosophy of Farm to

Fork and made investments to assure the consistent experience to its consumers. Investments on the complete value chain ie on back end with the farmers on agri extension services and sustainability programs, on infrastructure for creating a global supply chain and in front end for creating a strong Distribution network in India as well as Globally has further strengthened the business model, its financial metrics and made it future ready.

This approach of the organization gives it a edge over others to tap into the true potential of some of the key markets and strengthen its position.

We will continue this momentum by staying connected with all stakeholders in the value chain, including farmers, suppliers, vendors, customers, consumers and other partners in our value creation journey.



# GL



Transcending our national boundaries, we have moved further to

# STRENGTHEN OUR DOMINANCE GLOBALLY



# BAL

**WE ARE CONSTANTLY FORGING STRONG RELATIONSHIPS WITH CONSUMERS IN DIFFERENT PARTS OF THE WORLD, CATERING TO THEIR PREFERENCES AND INTRODUCING PRODUCTS THAT APPEAL TO OUR GROWING CONSUMER BASE.**



**OUR COMMUNICATION STRATEGIES HAVE EVOLVED AND OPERATIONS IN KEY MARKETS HAVE BEEN SCALED TO ENHANCE OUR GLOBAL REACH. IN A CONNECTED WORLD, IT IS IMPERATIVE TO OFFER A CONSISTENT MARKETING STRATEGY TO DELIVER SIMILAR OUTCOMES AND EXCEPTIONAL EXPERIENCES ACROSS TOUCH POINTS.**



With an aim to sustain our market leadership in India as well as in foreign shores, we lay constant emphasis on our brand building initiatives to sustain consumer loyalty and limit opportunities for competition. Relying on a solid reputation, excellent brand recall and a commitment to consistently deliver value, LT Foods today has securely cemented its position as a global leader par excellence.

# India Business

**In India, we operate in an organised yet fragmented market, involving multiple players with regional and national brands. It is therefore crucial for us to expand adequate distribution channels to cater to a growing consumer base in India. It has not only enabled us to expand our presence but also helped us to maintain a strong position**

We continue to deepen our market presence placing our consumer even more firmly in the center of our business activities. We are leveraging our deep-rooted expertise of market penetration to widen our retail presence.

During the year, we implemented a project on trial basis driven on market-expansion strategies that helped us to expand our reach. We identified critical constraints in our distribution network, rolling-out a specific plan that helped in outlet expansion.

We are also now scaling up our Sales Force Automation (SFA) and Distributor Management System (DMS) program. Our investments in digital tools are aimed at empowering decision making at all operational levels, to ensure faster decision making and deliver higher operating efficiencies. The use of multiple digital tools across the operational value chain have helped manage inventory at retailers and distributors with ease and ensure last-mile delivery.

We are buoyant about the country's consumption-driven growth, riding on the back of our established and prominent presence across multiple network. We continue to partner with several HoReCa players for

the last eight years and have grown multi-fold. The wholesale channel is one of the most important channels in India with the retail sector being extremely unorganized. To sustain our market leadership, we have established a prominent network of distributors and wholesale outlets in the country.

**18%**

**Increase in Daawat Basmati consuming households in India (Kantar Home Panel Data)**



**Daawat**  
**~35%**

**Market share in rural India**

**Daawat**  
**26%**

**Market share in India**

## OUR E-COMMERCE PARTNERS



Presence across **Leading** e-commerce platforms

## MODERN TRADE CHANNEL



**3,600+**

Modern Trade stores in India

**95+**

Cash N Carry stores

**1280+**

Mini Markets

**825+**

Hypermarkets

**1420+**

Supermarkets

## KEY HORECA CUSTOMERS



# International Business

**LT Foods today possesses an unrivalled scale and scope in operations, with a growing International presence. Leveraging our decades of experience, we curated our International presence on a strong foundation of our India operations. Our production and backward integration of sourcing paddy remains in India, while our packaging and processing units are located strategically in India and International countries. This helped us widened our reach with improved cost efficiencies, and maintain quality under control and expand our business with global hubs.**

We have streamlined specific processing and packaging units to ensure faster-time-to-market in International regions, with excellent connectivity with ports. We have also partnered with dedicated logistics partners to have a better control in the supply chain and achieve fast order fulfilment across our countries of presence. Our operations team continue to improve forecast, streamline inventory and minimise any risk of product unavailability across our distributors and SKUs.

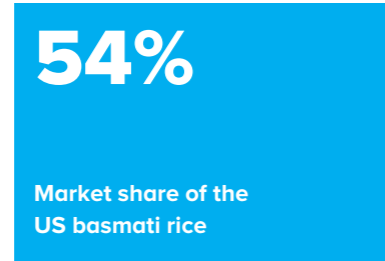
## Key geographic regions

### Americas

We were the first India-based Company to penetrate the US basmati rice market with the acquisition of 'Royal' in 2007. Since then, we have leveraged our strong brand equity, distribution network and industry expertise to widen our offerings and market reach across channels.

**Did you know?**

'Royal' was worth \$35 million when we acquired in 2007. Today, we have grown the brand at a 3-year CAGR of 20%, with Royal remaining the largest selling basmati rice brand in Americas. We have also widened our product portfolio, that now comprises of rice variants like Jasmine rice, Arborio rice, Wheat flour and Ready-to-heat rice. Daawat and 817 Elephant also continue to garner a significant market share in the region.



## KEY CUSTOMERS

### Canada - Mainstream Retail



### US- Mainstream Retail



### US- Club



### US- E-Commerce



### Middle East

With a growing presence in several countries, we continue to increase our market share in the Middle East region, with our flagship brand 'Daawat'. Post the acquisition of 'Gold Seal Indus Valley' and 'Rozana', we are now among the leading basmati rice player in several Middle East countries. Our recent strategic equity association with Saudi Agricultural and Livestock Investment Co. (SALIC), Saudi Sovereign Fund is expected to further strengthen our market share, building on supply chain synergies with SALIC.



### Europe

We strengthened our footprint and set up a production facility in 2017. The stringent food, safety and quality norms in the region, conventionally creates a strong entry barrier. However, with our strong Sustainable Rice Platform (SRP) program, quality standards and extensive distribution network, we continue to deepen our presence across many countries in Europe, with innovative products, catering to a diverse consumer base.

### Rest of World

We continue to grow our presence in other countries apart from America, Europe and the Middle East. We are now strengthening our position across geographies such as Far East, Mauritius, etc.

# SUSTAIN- ABLE



At LT Foods,

# SUSTAIN- ABILITY

**LIES AT THE CORE  
OF OUR STRATEGIC  
ABILITIES.**

We believe sustainability comes from our aptitude for excellence. It is reflected in our efforts to deliver impressive performances as well as in our commitment towards communities and the ecosystem

Over the years, we have not just curated a truly renowned brand, but have successfully made our way to the hearts and minds of our loyal patrons. It is our sustainability that remains visible in every aspect of our operation, from our procurement and supply systems to our endeavours

to ensure profitable business growth -  
**enabling us to add value beyond business**




# Integrated operations

Delivering value – from farm to fork.

Through our integrated business model, we seek to bring consistent experience to our consumers through our unique and innovative products. We operate our entire value chain with a continuous focus on quality, efficiency and optimum utilisation of our raw materials, capital and human resources.

## Sustainable farming

We work closely with the farmers, helping them to practise sustainable farming measures at par with global food safety norms. We are partners in the Sustainable Rice Platform (SRP) program as initiated under UN Environment and International Rice Research Institute.



Sustainable Rice Platform (<http://www.sustainablerice.org>) is a UN Environment and International Rice Research Institute initiative. It has instituted a third-party audit to certify cultivation in sustainable ways. LT Foods is among the **best growing** companies as per Sustainable Rice Platform standards.

**Our SRP audited score have increased from 80 to 96.1 in 3 years**



**1,00,000+**  
acres  
growing residue  
complaint paddy

## Efficient Procurement Mechanism

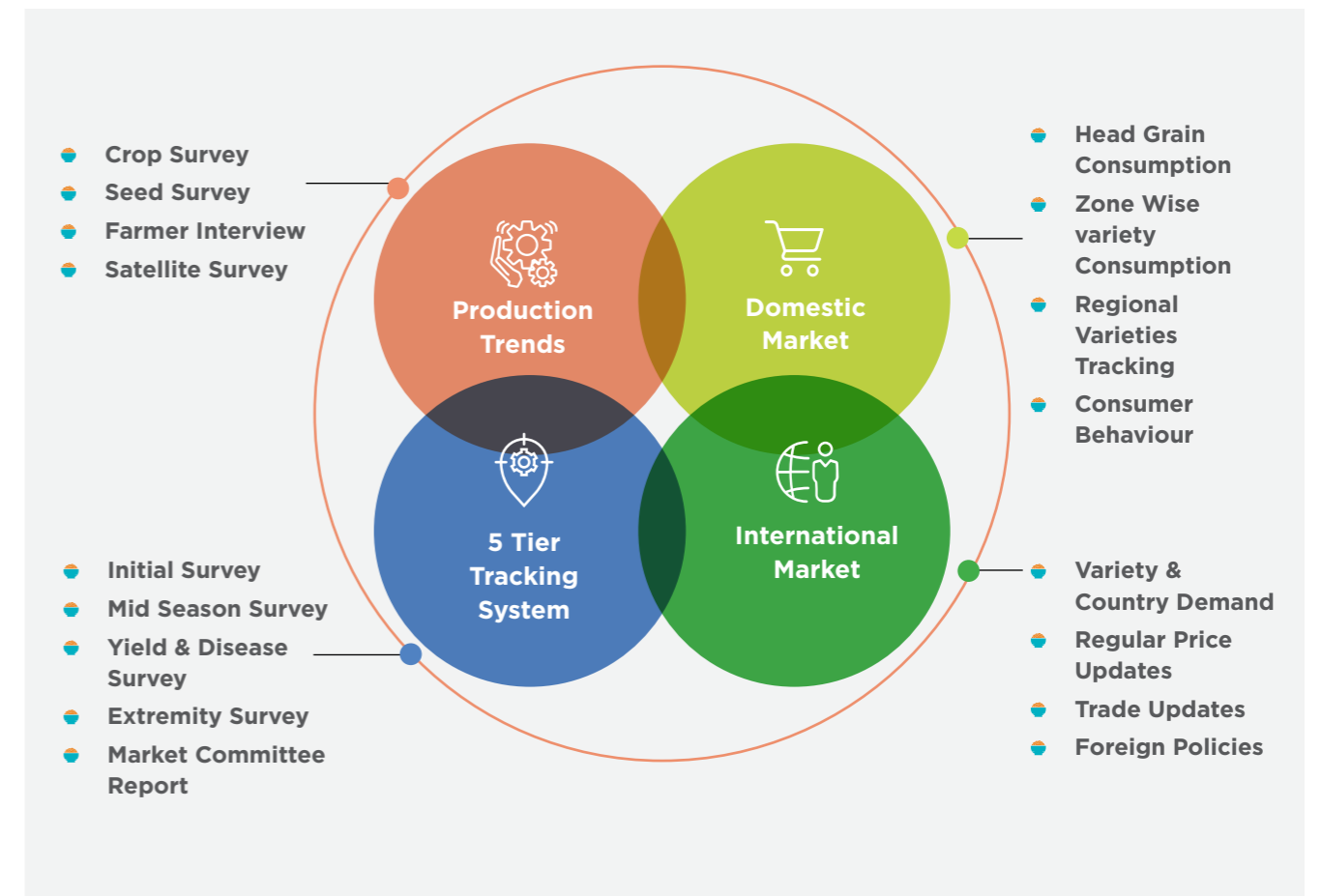
We procure our paddy from Mandis through Commission Agents. This is driven by analysing trends in production through scientific methods with an early access to key varieties with prompt payment to agents associated with mandis. Our in-house models help analyse and forecast demand, enabling full control on procurement procedures. We have a team of expert professionals to maintain consistency in Aroma, Taste, and Texture. A part of our paddy, We source materials from farmers, under our SRP program, streamlined to play a major part in our journey of value-creation.

**235+**

Procurement markets (mandis) to source raw materials

**270+**

Network of agents



### Strong Supply Chain & Global Distribution Network

Over the years, we have built an effective supply chain and distribution network across the globe, ensuring steady and uninterrupted supply of our products to end-users. In India, we benefit from our strategically

located distribution and supply centres across the country. In key International markets of the USA, Europe and Middle East, we have established our distribution centres to maintain adequate stocks to ensure

sustained business activity. We enjoy a reliable association with renowned and leading logistic companies to ensure efficiency in our distribution process



Over the years we have been consistently investing in building an automated manufacturing process that has ensured optimum capacity utilisation levels to maintain consistent quality parameters. We have introduced technologies from Japan to stay abreast with latest technology at our manufacturing and processing units. Over the years, we have not just curated a truly renowned

brand, but have successfully made our way to the hearts and minds of our loyal patrons. It is our sustainability that remains visible in every aspect of our operation, from our procurement and supply systems to our endeavours to ensure profitable business growth – enabling us to add value beyond business.





# Strong Brand Portfolio

As a dynamic and vibrant brand, we strive to promote our offerings to the farthest corners of the world. To fulfil our aspirations, we continue to innovate through new ways of communication, engage with our consumers and liaise with icons in the food industry to spread the message of healthy living.

With a focus on creating sustainable business model, organisation has continuously made investments on its brands i.e. Dawaat, Royal, Kari Kari. 360° approach of marketing to strengthen the brand has helped to increase our market

share to 26% in India and 35% in rural segment. Royal also enjoys leadership position in US with 54% market share. Organisation adapted itself with agility during Covid times & used the digital platform to strengthen brand equity and increase recall value across geographies.



## Growing Brand Equity

### Launch of New Diwali Digital Film



### New Campaign Launched in South India



## Television Campaign



## Campaigns for different variants basis consumer search & requirement

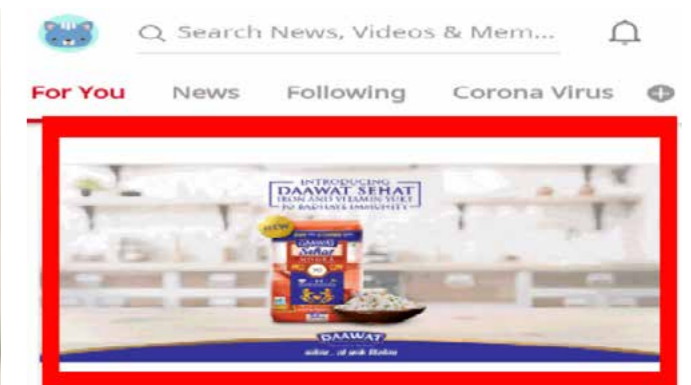
### Traditional Rice Digital Campaign



### Daawat Brown Rice Campaign



### Promotion of newly launched - Daawat Sehat



Engagement with Audience during COVID-19

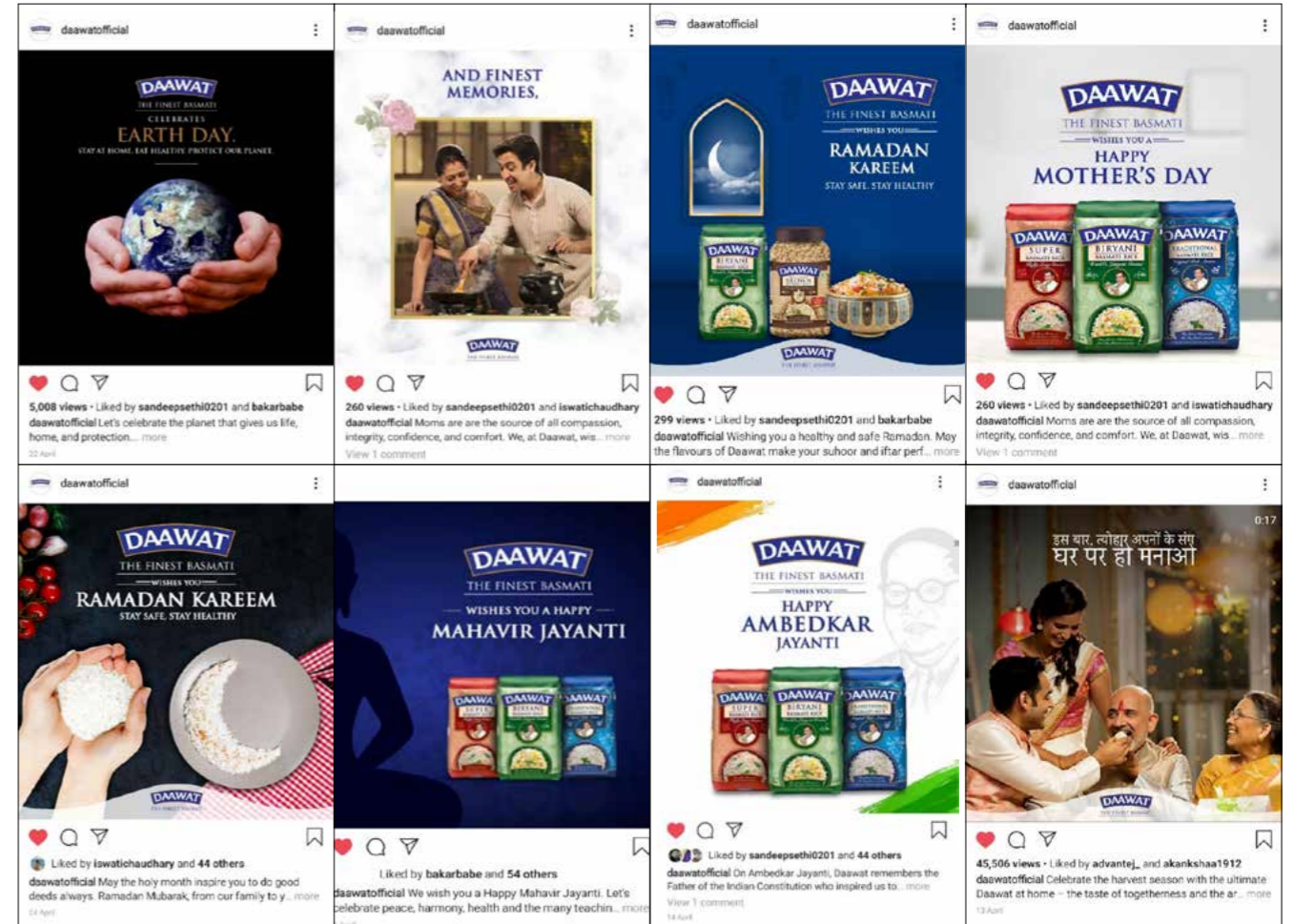
Shared different easy to cook recipes with audience



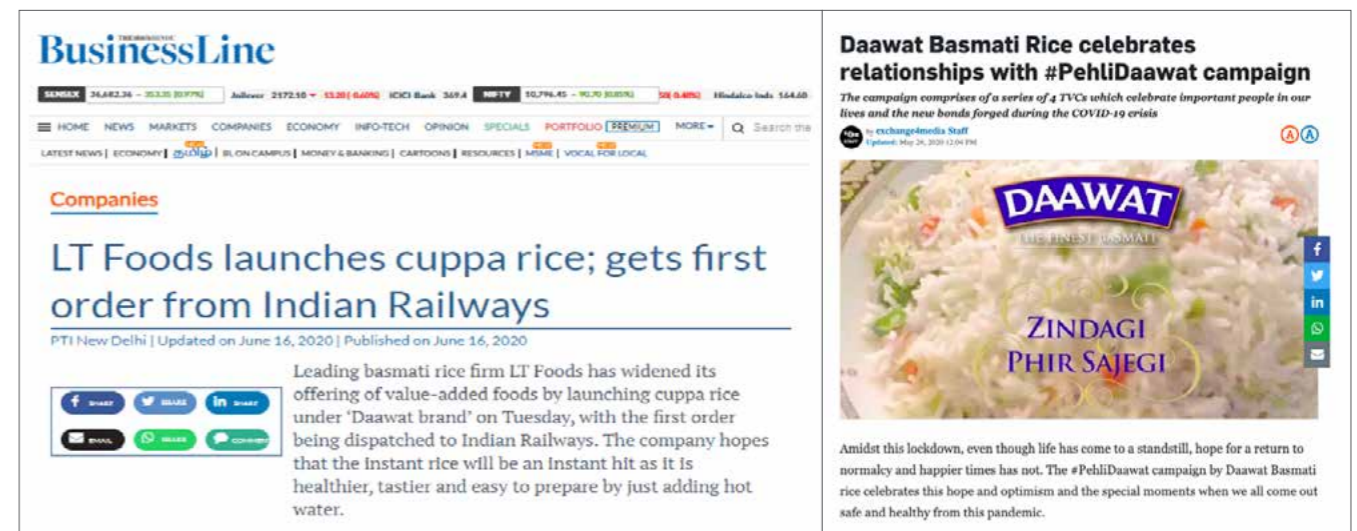
Launch of 4 New TVCs - Zindagi Phir Sajegi with DAAWAT



Brand visibility across different occasions



Extensive PR Coverage



Global Strong Brands




# Food Safety

**Our commitment to deliver exceptional value to our consumers is derived from our reputation and pursuit to achieve safety and quality practices across operations. As a part of our ongoing commitment to quality and provide consistent products to our consumers, we continue to introduce innovative quality assurance methods and processes across our value chain.**

During the year under review, we strengthened our quality commitments while increasing productivity and improving our capacities and technological capabilities. All our facilities are now certified and accredited by internationally acclaimed third party certification & accreditation bodies, as per HACCP and HARPC principles and standards.

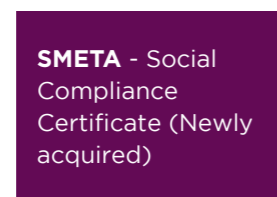
## Quality Audits

We conduct audits by certified institutions to ensure compliance to globally defined quality and safety standards. We comply with all leading import standards, as specified by FDA, CFIA, EU, GCC and SASO. Our facilities are also regularly audited by global retail consumers to ensure compliance to international country specific standards.



## Certified as per global standards

During the year, we sustained all our Food safety certifications and successfully acquired major industry accreditations.



**Kosher OU - HALAAL**



## Effective assessment

Our state-of-the-art laboratories play a vital role in providing independent assessment of quality. The laboratories are designed in accordance with the requirements of respective regions as well as global requirements for testing and analysis.

Equipped with latest machinery and tools, the laboratory is perfectly suited to determine the accuracy and reliability of our analytical results.

We analyse the effects of pesticides, heavy metals, physical, microbiological, mycotoxins and chemicals in our routine analysis to further improve the quality of our products.

Our testing team comprises of highly experienced and qualified chemists and analysts. Our laboratories are accredited by the National Accreditation Board for Testing and Calibration Laboratories

(NABL), Agricultural and Processed Food Products Export Development Authority (APEDA), EIC [full form needed] and Food Safety and Standards Authority of India (FSSAI).



Fortification Champion from FSSAI

Best Grain Company of the year 2019 awarded in India Food Safety Summit and Awards, New Delhi

Best Grain Company of the year 2018 awarded in India Food Safety Summit and Awards, New Delhi.

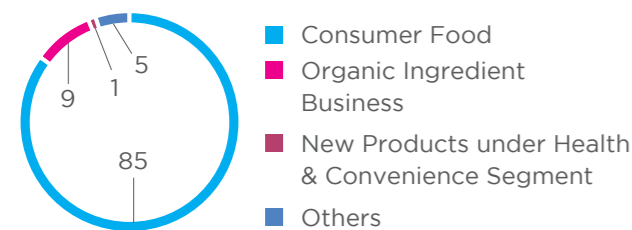
# Strong Financials

Our year-on-year performance reflects our continuing efforts to maximize and optimize the cash generating capability of our unique business model. Our diversified market presence as well as our balanced portfolio, serving a wider consumer audience, positions us to capitalize on emerging opportunities in the consumer food business.

**We have taken conscious financial measures to maintain our long-term profitability and margin levels, and deliver sustainable value for our shareholders.**

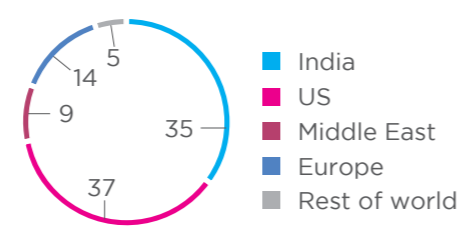
### Balanced business portfolio

Revenue by business segment in (%)



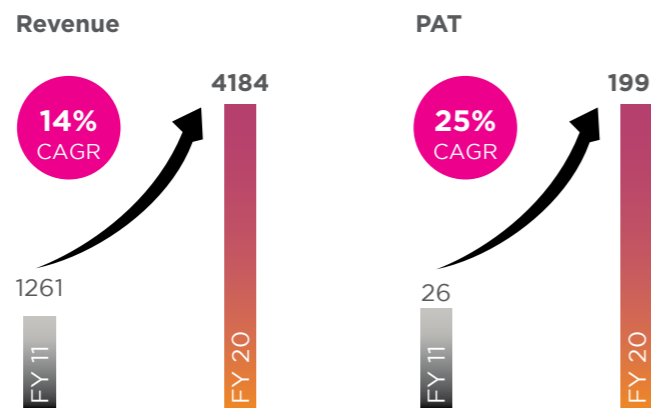
### Diversified market presence

Revenue by geography in (%)



### VALUE-ACCRETIVE BUSINESS

Our consumer food business portfolio continues to generate attractive margins. Over the years, we have increased our revenues from high-margin business substantially, scaling up our business, strengthening our distribution network and solidifying our brands across geographies.



### Organic food & ingredient business (revenue share)

Our visionary two decades old business segment, continues to demonstrate a growing consumer acceptance. Our decades of investment - both at the backend, in terms of organic farm land, and expanding our market reach, has positioned us as a preferred and trusted organic food & ingredient player in the key markets we operate.

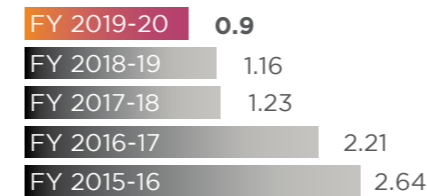
### Health and convenience business

Leveraging our decades of experience in consumer food industry, we strategically diversified into health and convenience-based food by leveraging strong brand equity, back-end infrastructure and global distribution network that continue to deliver higher margins and a growing consumer acceptance.

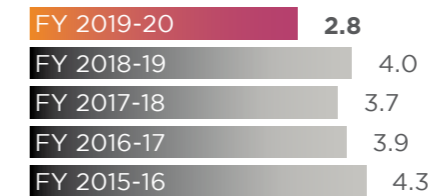
### STRENGTHENING BALANCE SHEET

In an effort to deleverage our balance sheet, we have reduced our long-term debt, showcasing our robustness in our capital structure.

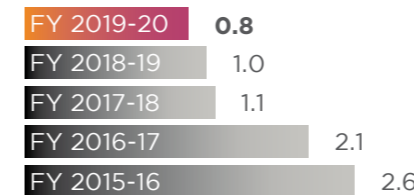
Debt-Equity Ratio (in times)



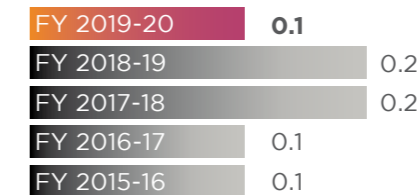
Debt/EBIDTA ratio (in times)



Short-Term Debt/Equity (in times)



Long-Term Debt/Equity (in times)



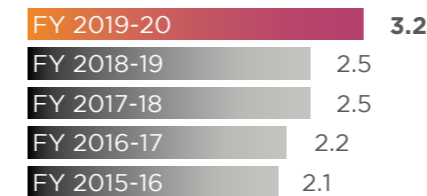
### IMPRESSIVE INTEREST COVERAGE RATIO

We continue to strengthen our ability to address debt servicing and repayment obligations. Our interest coverage ratio showcases our effective debt management capability and competitive cost of capital.

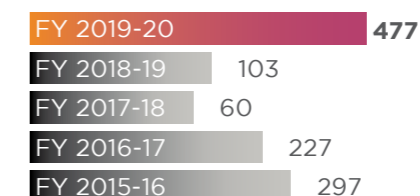
### Sustainable cash flow generation

We continue to generate significant cash flow from our business, building a robust and flexible balance sheet. Our healthy cash generative business continues to embody sustainable growth.

Interest Coverage Ratio (in times)



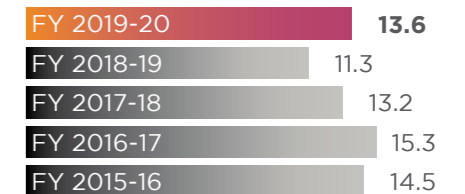
Operating cash flow (Rs. In crore)



### Enhancing cost efficiencies

Through an integrated operations and global supply chain network, we continue our efforts to reduce our cost, increase economies of scale and enhance efficiencies, thereby increasing profits significantly.

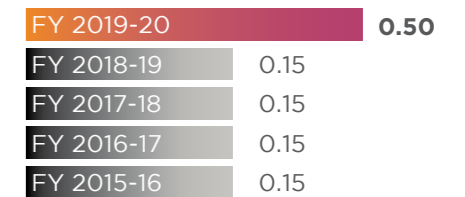
RoCE (in %)



### Consistent Dividend payout

We continue to maximize shareholder return reflecting the strength of our business model.

Dividend per share (Rs)



# Board of Directors



**VIJAY KUMAR ARORA**

Chairman



**ASHWANI KUMAR ARORA**

Chief Executive Officer & Managing Director



**SURINDER KUMAR ARORA**

Managing Director



**RAJESH KUMAR SRIVASTAVA**

Nominee Director



**NEERU SINGH**

Independent Director



**GOKUL PATNAIK**

Independent Director



**SUPARAS BHANDARI**

Independent Director



**ASHOK KUMAR ARORA**

President

# Corporate Information

## Board of Directors

**Vijay Kumar Arora**  
Chairman and Managing Director

**Surinder Kumar Arora**  
Managing Director

**Ashwani Kumar Arora**  
Managing Director & CEO

**Rajesh Kumar Srivastava**  
Nominee Director

**Neeru Singh**  
Independent Director

**Suparas Bhandari**  
Independent Director

**Gokul Patnaik**  
Independent Director

## Company Secretary & Compliance Officer

**Monika Chawla Jaggia**

## Key Management Team

### Corporate Office

**Ashok Kumar Arora**  
President

**Vivek Chandra**  
CEO-Consumer Business

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

**Rajinder Wadhawan**  
CEO - Dawaat Foods Limited

**Ritesh Arora**  
Head - India & Far East

**Kamal Poplai**  
Head Quality

**Dipol Dhole**  
Vice President HR & Admin

**Sachin Gupta**  
Group Financial Controller

## LT Foods Americas

**Abhinav Arora**  
President

**Mukesh Aggarwal**  
Chief Financial Officer

**Andrew W Cops**  
Senior Vice President (Marketing)

**Sai S. Krishnan**  
Vice President Supply Chain & Operations

**Chris Skolmutch**  
Global Product Development Manager

**Tim Pisarski**  
Executive Vice President of Sales

**Shea Levitch**  
Vice President, Human Resources

**Steve Kline**  
Director, Quality and Food Safety

## Nature Bio Foods Limited

**J. S. Oberoi**  
CEO

**Anmol Arora**  
Director

**Rohan Grover**  
Director, NBFL B.V

**Atul Garg**  
Chief Financial Officer

## LT Foods Europe

**Vikas Magoon**  
Managing Director

**Aditya Arora**  
Director

**Anubha Bajaj**  
Director

## LT Foods Middle East

**Gursajan Arora**  
Director

**Vivek Kumar**  
Business Head, Gulf

**Statutory Auditors**  
Walker, Chandio & Co

**Internal Auditors**  
Pro Legal Advisory LLP

**Secretarial Auditors**  
D Dixit & Associates

## Production and Packaging Facilities

Bahalgarh, Sonapat, Haryana

**Organic Plant:** Kamaspur, Sonapat, Haryana  
Mandideep, Bhopal, Madhya Pradesh,  
Bhikiwind, Amritsar, Punjab  
Varpal, Punjab  
Rotterdam, Netherlands  
Houston, United States

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

## Bankers to the Company

Punjab National Bank - Lead Bank  
State Bank of India  
Rabobank  
Union Bank of India  
Indian Bank  
Bank of Baroda  
ICICI Bank Ltd.  
Kotak Mahindra Bank Ltd.  
IndusInd Bank Ltd.  
Yes Bank Ltd.  
The South Indian Bank Ltd.  
IDFC First Bank Ltd,  
Indian Overseas Bank

# Our People - our pillars of success

**We are actively strengthening our human resource policies that are directed towards strategic and well-planned recruitment, development, and empowerment of our employees, aligned to the Group's Management Principles and Activity Guidelines.**

**We were awarded as one of India's Best Companies to Work in 2020, that serves as testament to our rich culture and our organizational values.**

## Recruitment, Selection and Induction

We continue to demonstrate our commitment on recruiting the best talent for our organization. We focus on building an effective workforce that is aligned with our competency frameworks and values.

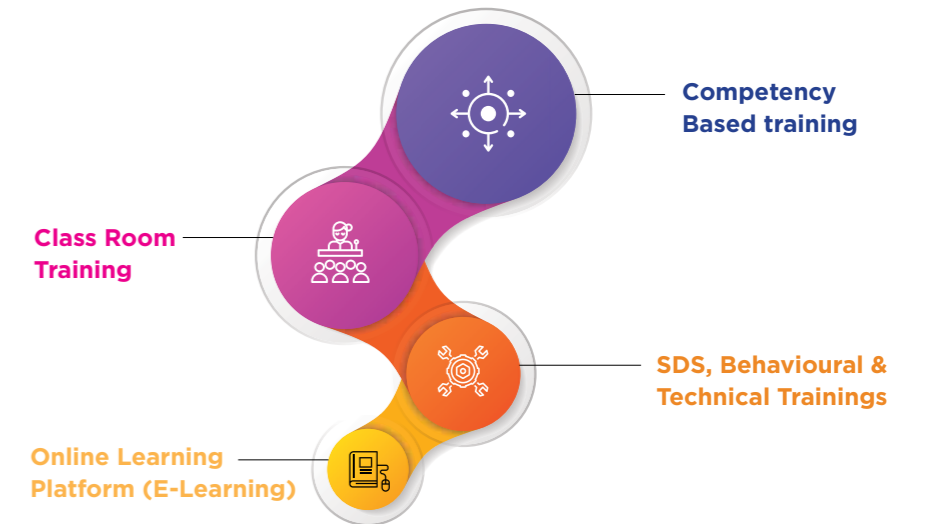
In the pursuit of excellence, we recruit management trainees from top Business Schools. We also took steps to improve our executive leadership pipeline, investing in leadership assessment and creating a long-term succession pool within the employees.

At LT Foods, every new employee goes through an elaborate corporate orientation, covering our philosophy, vision, policies and processes. Additionally, the contents of the Code of Conduct are also shared in detail with the employees through a specific module that forms part of the HR session of the employee induction training program.



## Learning & Development

Aligned to the changing needs of the organization, our employees were trained on multiple aspects of knowledge transfer, skill development and behavioural interventions. We continuously provide effective learning and development processes to our employees to upgrade their knowledge, skills and competencies through the following training modules:



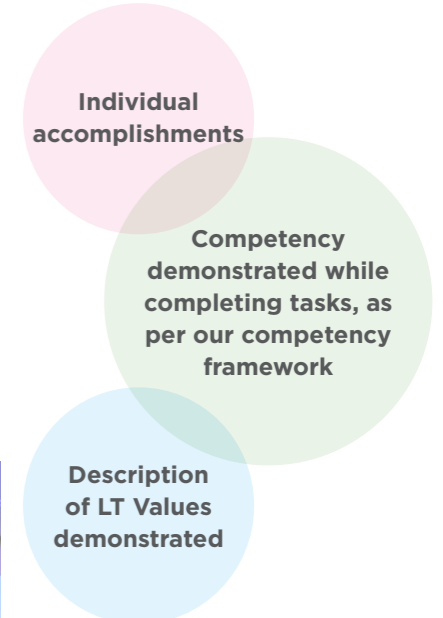
**280+**  
**hours**  
Training conducted

**100%**  
Employees covered  
under training  
programs

## Performance-driven and Career Development

With a view to encourage and motivate employees to attain higher levels of excellence, we adopted a robust Performance Measurement System (PMS) to evaluate and appraise employees.

Our performance management system focuses on: -



**77%**  
Employee  
retention ratio

## Employee retention and engagement

We aim to foster a clear communication channel to enable our people to share and exchange views. We focus on engaging with each and every employee, by offering a transparent and conducive environment to grow and succeed.

# Leading the way responsibly

## Adopting a proactive sustainability strategy

We have adopted a new concept to build upon our sustainability strategy - the 4R strategy of



## Reducing water consumption and greenhouse gas emissions in Basmati rice cultivation

We are helping farmers of rice to comply with global food safety norms, to adopt economic, environmental and socially sustainable methods. While most of the industry players buy paddy from market yards, we at LT Foods get a significant portion of paddy directly from farmers with whom we work for the full crop season and help them to implement sustainable and safe growing practices.

We are a leading partner of Sustainable Rice Platform (SRP), a UN Environment and International Rice Research Institute initiative. As a part of this initiative, we have deployed technologies like remote sensing, image processing, and artificial intelligence to enable a dynamic advisory on pest and diseases, weather forecasts,

water management and yield prediction. These technologies have benefitted farmers with knowledge and skills to take informed farming decisions. It has also helped to improve farmer's income and has also led to a significant reduction in water consumption. Farmers have also profited from lower cost of fertilizers and pesticides.

The initiative has saved 48 billion litres of ground water and contributed to ~30% less greenhouse gas emissions (combined effect of water and

**48 billion litres +**

Groundwater saved

fertilizer reduction through use of water saving technologies like laser levelling, micro-irrigation, AWD (Alternate Wetting and Drying), SRI and direct sowing). It has also improved annual household income by 25%, from the baseline values calculated at the inception of the project.



**5,000+ farmers**

Benefitted

## Waste Management

We are converting agro-wastes into valuable agricultural input. We have undertaken several initiatives for agro-waste management, partnering with farming families. Instead of burning wheat and rice straws, we use it as much for the next harvest season. This has

helped decrease weed growth, saving farmers from associated productivity loss.

We have taken initiatives to improvise our energy and resource consumption patterns, for renewable as well as non-renewable sources of energy, within the office building, production factories and farmer fields.



# Making meaningful contributions - to people and communities

At LT Foods we are committed to conduct business in an economically, socially and environmentally viable manner, with a focus on empowering communities and people.

**For us, business decisions are not just influenced by financial outcomes, but are guided by its environmental and social consequences. As a responsible entity, we believe in making meaningful contributions to society - to empower and enable the weaker sections of society with education, skill development and employment opportunities.**

For LT Foods, CSR initiatives form an integral part of a sustainable business strategy. We continue to collaborate and participate in diverse activities to fulfil our commitments towards the environment and the communities in which we operate.



## Amount spent on CSR activities

**80 lakhs**

on Vocational Skill - Livelihood Enhancement Project

**39 lakhs\***

For promoting education

**5 lakhs**

For rural development- Chhatarpur, MP

**6.45 lakhs\***

Capacity building of NGO

\*includes contribution through Nature Bio Foods



## Making meaningful contributions – to people and communities

### Education

**Compute Education Project** – We have set up six computer training centres to improve the quality of education for children in remote villages of Uttarakhand, Uttar Pradesh, Madhya Pradesh & Haryana. The project enabled more than 500 children to access computers (some of whom have never had exposure to technology) and learning programs through trained teachers.



**500+ Children**

Enrolled



**9 Schools**

Adopted for infrastructure improvement

#### School Adoption Program

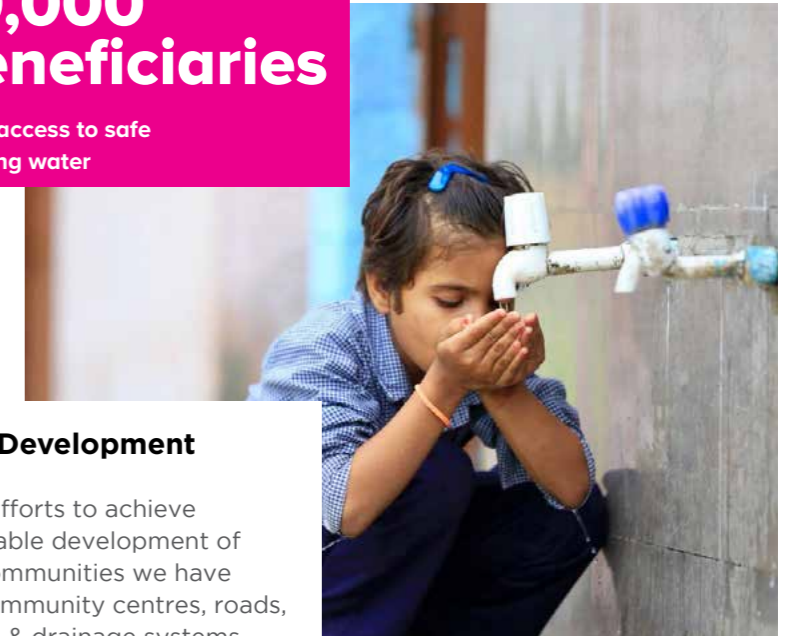
- We are working to ensure that children belonging to the marginalised sections of society, without access to education, are offered adequate infrastructure and facilities to pursue education. To meet this objective, we have adopted 9 schools in Madhya Pradesh, Haryana, Uttarakhand & Uttar Pradesh for renovation. We helped to build boundary walls, enhance classroom infrastructure and set up libraries and teacher training programs to ensure access to improved facilities.

### Clean Drinking Water

Inadequate access to clean drinking water leads to waterborne diseases, endangering lives, especially of those living in rural communities. We undertook projects to install community water treatment systems with our project partners, in different villages, schools, and PHCs that are now providing safe drinking water to over 10,000 beneficiaries.

**10,000 beneficiaries**

Have access to safe drinking water



**5+ villages**

Benefitted from our rural development initiatives

### Rural Development

In our efforts to achieve sustainable development of rural communities we have built community centres, roads, bridges & drainage systems. Additionally, we undertook various initiatives such as Transport Transformation and Farm Fencing to substantially improve living standards.



### Udayan Shalini Fellowship (USF) programme of Udayan Care

A unique academic excellence and personality development programme for deserving and talented girls from weak

socio-economic backgrounds, the USF programme aims to empower women. It supports higher education, provides regular mentoring and leadership development programs to inculcate a sense of social responsibility in them.

**30 women**

Have been inducted during the year, taking the total number to 340

# Treading the path of excellence

## Foundation

### Pre 1980s

- Founded by the Arora Family
- 1<sup>st</sup> Rice Mill

## Focus on B2B (Private label)

### 1985-1995

- Incorporation of LT Overseas Limited
- Launched the 'Daawat' brand in India as well as the global market

## Focus on Brands and product value

### 1995-2006

- Set up state-of-the-art manufacturing facilities in India
- Listed on BSE & NSE

## Expanding our global presence

### 2007-2014

- Acquired the 'Royal' brand basmati rice in US
- Infusion of equity by Rabobank - India Agri Business Fund
- Strengthened processes and systems
- Expanded our global presence to 20 more countries

## Inorganic/Greenfield routes to expand

### 2015-2019

- Greenfield operations in Europe turns EBITDA positive
- Launched new product variants like ready-to-heat food, Saute Sauces, Daawat Sehat and Kari Kari
- Marquee investors join with a successful Qualified Institutional Placement (QIP) of Rs. 400 crore
- Acquired 'Gold Seal Indus Valley', 'Rozana', '817 Elephant' brands
- Launched our own organic brand 'Ecolife' to strengthen our position in North America, Middle East

## Progressive Global Sustainable

### 2020 and beyond

- To become category leader in core Basmati business in key markets we operate
- Take the new growth engines - Organic, Health and Convenience business to next level
- Strengthen the financial metrics, expand margins and improve our ROCE

# Management Discussion & Analysis

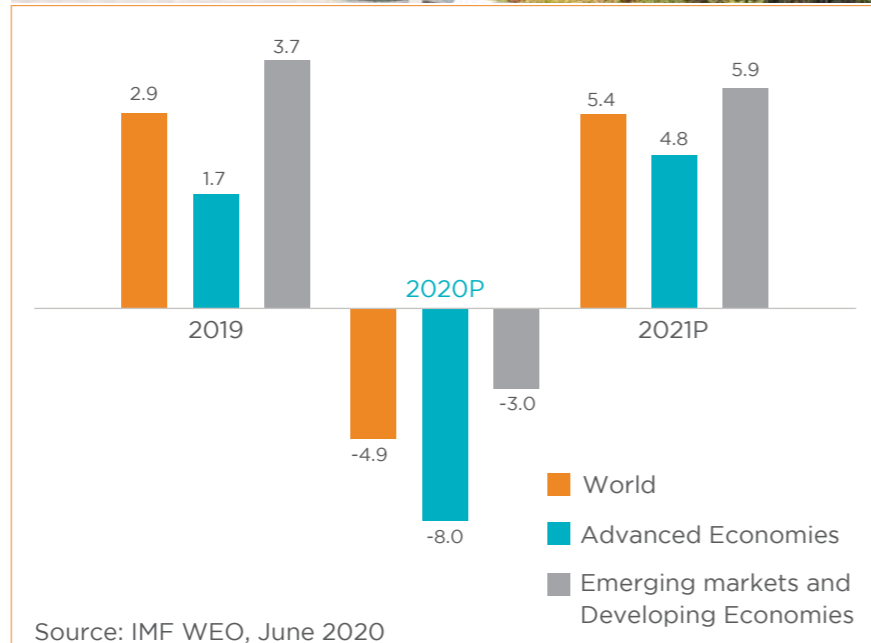
## Economic Review

### Global Economy

The global economy continued to maintain a slow growth trajectory and recorded an estimated growth rate of 2.9%<sup>1</sup> in 2019, its slowest pace since the global financial crisis of 2008. Persistent trade uncertainties between the US and China, idiosyncratic factors leading to macroeconomic stress in several emerging market economies, and structural factors such as low productivity and an aging demography in advanced economies further contributed to the decline of an ailing economy.

Rising trade barriers and associated uncertainty weighed heavily on business sentiment and activity, globally. In advanced economies and China specifically, these developments magnified cyclical and structural slowdowns. Tighter financial conditions in Argentina, geopolitical tensions in Iran, and social unrest in Venezuela, Libya, and Yemen worsened macroeconomic stress and caused significant stress to overall global economic growth. Towards the end of FY19-20, the COVID-19 pandemic wreaked havoc and disrupted global supply chains and international trade. As earnings dipped significantly, pay cuts, job loss and hiring freeze ensued in the aftermath. However, central banks around the world reacted aggressively and introduced favourable fiscal policies and stimulus packages to revive and restore confidence.

<sup>1</sup><https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>



### Outlook

The COVID-19 pandemic compelled countries around the world to impose stringent protective measures. It not only brought economic activity to a standstill but, also hampered growth globally. Given the grim economic outlook, the economy is projected to contract by 4.9% in 2020. Macroeconomic policy stimulus in the most exposed

economies will help to restore confidence as the effects of the virus outbreak and supply-side disruptions fade in advanced economies. Low interest rates should help cushion demand, although the impact of recent and projected changes in policy interest rates on activity is likely to be modest in the advanced economies.

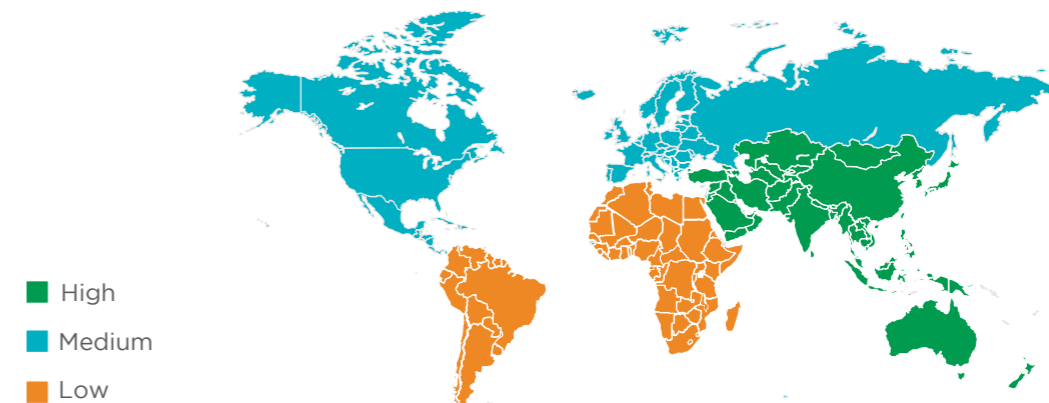
### Indian Economy

In FY 2019-20, India's GDP stood at 4.2%, as it witnessed persistent decline throughout the year. In Q1 FY 19-20, it registered growth of 5.2%, while in Q4 it further slipped to 3.1%. A synchronised global slowdown, plummeting domestic automobile sales, flattening of core sector growth and declining investment in construction and infrastructure sectors were primarily responsible for the muted growth of the Indian economy. Factors like declining credit disbursements, deceleration in consumption patterns and reduced demand, significantly affected the economy.

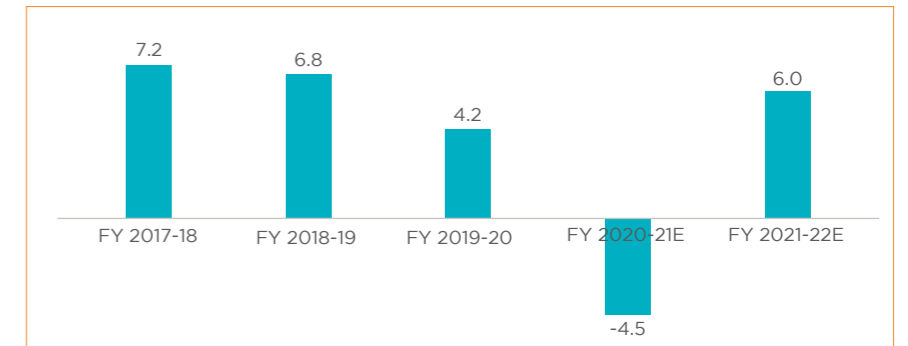
### Outlook

As the impact of the coronavirus outbreak becomes profound and widespread in FY20-21, economic outlook is severely impaired. The economy is expected to contract by 4.5% in fiscal 2019-20. The nationwide lockdown posed massive challenges to business continuity and altered the economic forecast quite frequently. Import restrictions on key raw materials from China

### Rice Market - Growth rate by region (2019-2024)



[Source: Modor Intelligence]



[Source: IMF]

is expected to affect manufacturing processes and core industries. However, short-term relief measures announced by the Government of India (GoI) and the RBI are expected to decelerate the steep fall and restore investor confidence. Economic relief packages, a combination of moratoriums and liquidity boosting measures is expected to revive economic growth to 6.0% in FY 2021-22.

## Industry Overview

### Consumer Food

The consumer food market continues to evolve at a rapid scale. The importance of healthier and sustainable food ecosystem continues to find increasing importance today, than it was ever before. Within the consumer food space, the global rice market is valued at approximately \$275 billion and is projected to grow at a CAGR of 0.88% during 2019-24.<sup>2</sup> Rice is the staple food for more than half of the world's population and more than 500 million metric ton of rice is produced annually, across the globe. It is the second-most important cereal crop after maize and ensures food security for numerous developing countries in East Asia and the Southeast Asian regions, with India being among the leading rice producers in the world. Global consumption of rice has increased on year-on-year basis, especially of basmati and regional rice.

<sup>2</sup>[https://agriexchange.apeda.gov.in/Weekly\\_eReport/Basmati\\_Report.pdf](https://agriexchange.apeda.gov.in/Weekly_eReport/Basmati_Report.pdf)

## Management Discussion & Analysis

Of the total global rice industry, Basmati accounts for around 2.1%, valued at \$9 billion and is projected to grow at a CAGR of 7% in the next 4 years and is estimated to reach at \$11 billion. The consumption of Basmati rice is primarily led by the Middle East, accounting for about 45% of the global consumption of Basmati Rice.

At present, India contributes to about 80% of the world's share of Basmati rice production. The superior taste and aroma of basmati rice remains a key driver for its increasing preference across diverse consumer groups. In India, other factors such as rising disposable income, desire to consume superior quality food drives growth in the basmati rice market.

### Organic Food and Ingredient industry

Organic food is grown in a natural and chemical-free environment, without the use of preservatives or additives. The organic food market is expected to grow at a CAGR of 16.4% between 2014

and 2022, to reach \$327.6 billion.<sup>4</sup> Increasing health awareness, higher disposable income and its eco-friendly nature augurs demand for this segment. Moreover, rising awareness about the advantages of organic food and government impetus to develop this sector continues to drive reliable and qualitative growth for organic food.

Asia is the third-largest market for organic food products and Southeast Asia is experiencing healthy growth of the organic food segment. North America remains the largest market for organic food consumption with multi-channel sales streams. An ageing population, especially in Western Europe and North America, continues to influence food choices and purchasing habits that fulfil the objective of a healthy life.

India is among the largest producers of organic food, with every state in the country chipping in with their contribution towards this sector. Over the last few years, production has

**As per a survey conducted by Assocham, around 79% of Indian households today prefer to have instant food due to time constraints.**

improved considerably owing to growing demand for organic products. By 2024, the market is projected to touch \$2 billion<sup>5</sup>

### Health & Convenience Segment

Food consumption patterns and preferences are undergoing significant changes. As dietary patterns change, lifestyles evolve and health awareness grows, food habits are undergoing transformations. With growing incidence of lifestyle-related diseases like diabetes, obesity, etc., consumers worldwide are showing an interest in preventive instead of curative lifestyles. As a result, the demand for healthy, nutritious and convenience food has grown manifold. Companies operating in this space, are therefore geared to deliver innovative products to meet changing customer preferences. The Health and wellness foods industry is pegged at around Rs. 10,352 crore<sup>3</sup> and is projected to grow at an average rate of 10%.

A notable shift has also been noticed towards an increasing demand for quick cooking, convenience food. Urbanization,

a burgeoning working population and a constant rise of nuclear families mandates the requirement for food that can be cooked or prepared almost instantly. As per a survey conducted by Assocham, around 79% of Indian households today prefer to have instant food due to time constraints.

Growing media awareness, higher literacy rates and improved standards of living have created a greater affinity for this extremely useful segment of healthy yet convenience food. Besides, consumers in urban and semi-urban areas are drifting gradually towards the consumption of hygienically packaged, fortified Ready-to-Heat & Eat Products. With these factors driving growth, the Convenience Food industry is projected to grow at a CAGR of 6.1% in 2020-22, from its current market value of \$25 billion.

### Mega trends in the food industry

- **Working Population and Urbanization** - It is projected that around 45% of the total population of India will dwell in urban zones by 2030<sup>6</sup>. The increase in urban populace infers development of standard of living. It also leads to lifestyle changes that increase the demand for convenience food and ready-to-cook meals.
- **Channel Shift** - We witnessed a shift in the consumer space and consumers have moved towards e-commerce platforms. It has facilitated growth in the consumer

### Experiencing Changes in Consumption Trends



Channel Shift



Working Population and urbanisation



Growing health awareness



Government regulations



Higher spending capacity



Increasing internet penetration

foods industry. The COVID-19 outbreak has also accelerated growth of India's e-commerce market, projected to grow at a CAGR of 19.6% between 2019 and 2023 to reach Rs. 7 trillion by 2023.

- **Increasing internet penetration** - Greater internet penetration backed by low-cost access to the internet has allowed people to learn about the benefits of quality food. Digital literacy has allowed consumers to make an informed decision to take their pick from a wide selection of finest quality products with high hygiene and safety quality levels.
- **Government Regulations** - The Government of India is keen to promote Organic Farming in the country and has introduced schemes like Paramparagat Krishi Vikas Yojana (PKVY). Under this scheme, 2 lakh hectares have been allocated for organic farming and is estimated to benefit 5 lakh farmers. Additionally, Food Standards and Safety Authority of India
- **Higher Spending Capacity** - According to a research by the India Brand Equity Foundation, the spending capacity of the Indian middle class is expected to double by 2025. With the rise in disposable income and access to credit, the Indian middle class will have a high spending capacity on convenience and branded food products.
- **Growing health awareness** - Eating habits have been significantly influenced on account of rising health awareness. People are not only conscious about their consumption patterns but, are also cognizant about the nutrient content of their food. This drives demand for convenient, healthy and safe packaged food.

<sup>3</sup><https://www.nielsen.com/wp-content/uploads/sites/3/2019/04/nielsen-featured-insights-india-acquires-a-taste-for-health-and-wellness.pdf>

<sup>4</sup><https://www.alliedmarketresearch.com/organic-food-beverage-market>

<sup>5</sup><https://www.consultancy.asia/news/2712/avalon-outlines-massive-organic-food-market-potential-in-india>

<sup>6</sup><https://www.entrepreneur.com/article/335707>



## Management Discussion & Analysis

### Operational performance

Our Business Segment	Brands	Products offered	End-users	Percentage share in total revenue*
<b>Basmati and other Specialty Rice</b>		<ul style="list-style-type: none"> <li>Basmati Rice</li> <li>Regional Rice</li> <li>Quick Cooking Brown Rice</li> <li>Jasmine Rice</li> <li>Arborio Rice</li> </ul>	Institutional customers and Direct consumers	<b>85%</b>
<b>Organic food and ingredients</b>		<ul style="list-style-type: none"> <li>Cereal Grains</li> <li>Pulses</li> <li>Oil and Oil</li> <li>Seeds</li> <li>Nuts</li> <li>Spices</li> <li>Herbs</li> <li>Millets</li> <li>Sweeteners</li> <li>Basmati Rice</li> <li>Regional Rice</li> </ul>	Institutional customers and direct consumers	<b>9%</b>
<b>Health &amp; Convenience Foods</b>		<ul style="list-style-type: none"> <li>Rice-based snacks</li> <li>Ready to Heat</li> <li>Saute Sauces</li> <li>Cuppa Rice</li> <li>Staples</li> <li>Fortified Rice</li> </ul>	Direct consumers	<b>1%</b>

\* Balance share comprises of by-products

### Consumer Food

#### India Business

##### Overview

LT Foods is one of the leading consumer food companies in India in specialty rice offering Daawat, one of the most renowned brands in the market. The Company offers premium quality basmati rice, regional rice, rice-based snacks, saute' sauces and other products on the health and convenience platform. It has established a prominent presence through brands including DAAWAT, Rozana, Chef Secretz and Heritage across different

price points. Leveraging its wide distribution network, LT Foods has strengthened its presence across various trade channels including General Trade, Modern Trade, HORECA and e-commerce.

##### Performance review

In FY 2019-20, the overall India business volume grew by 5% YoY, from 1,78,400 MT in FY 2018-19 to 1,88,000 MT in the year under review. The revenues grew from Rs. 947 crore in FY 18-19 to Rs. 986 crore in FY 19-20, with realisation levels sustaining at Rs. 52 per kg in FY 19-20. The sustained revenue growth was

driven by balanced performance from multi-channels, backed by our widening product portfolio with consistent quality that now caters to a discerning consumer base.

##### Segment review

Driven by its resilient focus on building a truly coveted brand, the company initiated measures to strengthen its reach and market presence. Daawat, the Company's flagship brand in India, remains one of India's leading basmati rice brands with an overall market share of 26% and rural market share of 35%. It also enjoys more



LT Foods now serves customers across **~1,18,000** retail outlets, **~7,200** modern trade channels and **leading** e-commerce platforms.

than 23% market share of basmati rice at grocery stores and above 30% market share in modern trade segment.

The Company's Daawat Quick Cooking Brown Rice – has emerged as the fastest growing product in the new innovations segment. Launched with a clear-focused brand approach, highlighting the unique Daawat benefit of a genuine quick cooking brown rice, it has garnered significant appreciation from its targeted consumer base.

The introduction of Daawat Sehat in 2019-20 marked another achievement in our legacy of innovations under health segment. Fortified with iron, Vitamins and Folic Acid, this product highlights the Company's undeterred commitment to develop a need based product portfolio.

The Company's regional rice portfolio comprising Sona Masoori

and Lachkari was widely accepted by consumers. Currently, it is available only in selected regions but going forward, the Company plans to expand it to other markets as well. The Company's range of saute sauces, available in 5 different variants, also captured a significant market share during the year under review.

##### Distribution network

The Company's strong distribution network is a testimony to the Company's sustained financial performance, year after year. FY 19-20 was a watershed year for the supply chain and distribution team, as it helped increase LT Foods' presence across all channels of trade. LT Foods now serves customers across ~1,18,000 retail outlets, ~7,200 modern trade channels (including hypermarkets, supermarkets, Cash n Carry etc) and all leading e-commerce platforms. The Company also

aggressively scaled up its presence in the food service and HoReCa segment, with more than 2000 new accounts comprising restaurants, Biryani chains, Star Hotels and caterers.

##### Supply Chain

For LT Foods, digitising the supply chain network was one of the major highlights of FY19-20. The Company has already recorded an improved vehicle turn-around-time to 14 hours from 36 hours, while the loading time to trucks have been improved to 2 hours from 6 hours earlier. The implementation of advanced automated systems and daily systematic operating procedures review have further streamlined the operations.

The Sales Force automation journey that started two years back is now perfectly aligned to drive efficiencies with data analytics to deliver targeted

## Management Discussion & Analysis

results. The backward integration of Document Management System (DMS) with SAP has enhanced operations for improved order tracking and inventory visibility. The new Go-To-Market model, that works on 'selling based replenishment' model with automation tools was introduced on pilot basis in FY 2019-20. It has not only resulted in deriving process efficiencies, but also helped achieving faster delivery of products across our distribution network and improve the Return on Investment of shareholders.

### Brand review

To strengthen brand presence and recall, the company undertook various marketing initiatives including participation in various food festivals and others events. Branding initiatives like 360-degree marketing and television campaigns were also undertaken to promote Biryani, Pulav and Brown Rice recipes using Daawat basmati rice. The Company scaled up its secondary marketing with aggressive branding at modern trade stores.

The Company also focused on social media platforms to stay engaged and strengthen its connect with its consumers about its brands. Daawat basmati rice YouTube channel has one of the highest subscribers, keeping users engaged with innovative, traditional and modern rice recipes. To fortify its marketing campaigns and branding initiatives, LT Foods continued their association with Master Chef Sanjeev Kapoor during the year.

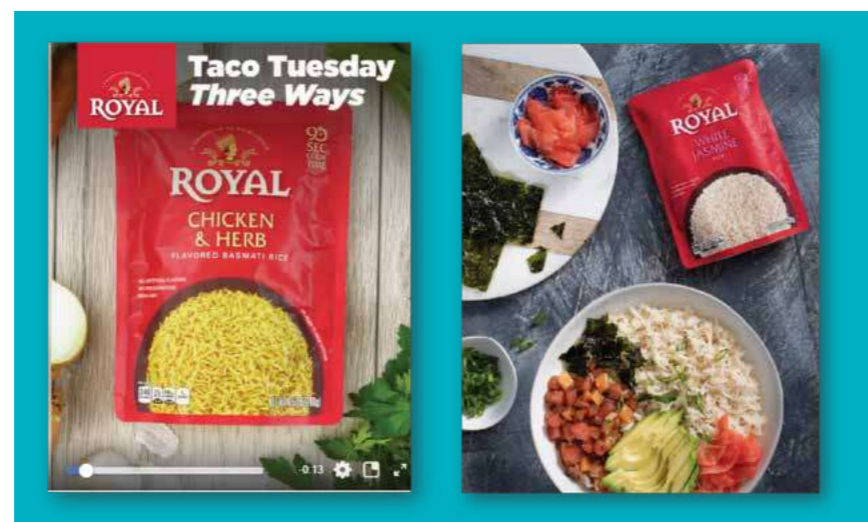
### International Business

The Company's international business comprises of various leading brands like Daawat, Royal, Indus Valley, Devaaya, Daawat Rozana and 817 elephant across key international markets. The Company reaches out to consumers in more than 60 countries including North America, Middle East, Europe, Far East and Rest of the World. The overall volume of international business grew from 2,06,000 MT in FY 2018-19 to 2,24,000 MT in FY 2019-20, registering a growth of 9% YoY. The International business recorded a revenue of Rs. 2,322 crore in FY 19-20 as compared to Rs. 2,103 crore in FY 18-19, registered a growth of 10%.

### North America

The flagship brand - Royal® - is the #1 selling Basmati brand in the United States. In addition, the company also offers Daawat® in the U.S. & Canada targeted

towards the south Asian diaspora as well as 817 Elephant® in Canada. All 3 brands assist LT Foods in achieving more than 50% market share of all Basmati imports into the United States. Royal® has roughly 37% market share of the U.S. basmati segment as measured by Nielsen in all mainstream grocery, mass & club accounts. In addition to Basmati rice, the company also offers Jasmine rice, Arborio rice, Wheat Flour, and Ready-to-Heat rice in North America servicing several different channels of business including multi-cultural (Ethnic channel), grocery, club, mass, food service and e-commerce channels. To address the rising consumer need for innovative, value-added, convenient food, the Company recently launched into the ready-to-heat (RTH) segment. Since launch, the business has achieved roughly 30% All Commodity Value (ACV) across a range of 7 SKUs aimed at introducing basmati rice in a fast, simple format to the U.S. general



population consumer through both plain and flavored varieties. Key partners in this initiative include Walmart, Kroger, Meijer, HEB, & Albertsons/Safeway.

### Middle East

Middle East accounts for ~45% of the world's total basmati rice consumption. Given the size of the market, it plays a crucial role for the Company's business growth. The Company has a strong market presence in various countries in the region including UAE, Kuwait, Qatar, Oman, Yemen, Saudi Arabia and Iraq. The Company is present across all channels and price points - Modern Trade, Self Service, Traditional Trade and Food Service. The region contributes 9% of the overall revenue of LT Foods, and the company holds 10% market share in Premium Basmati segment (as per AC Nielsen).

The acquisition of 29.91% equity stake by Saudi Agricultural & Live Stock Investment Company marks a landmark moment for the Company's corporate journey in the region. It is anticipated to open up new opportunities for market penetration in the Middle East. To expand its presence in food services, LT Foods partnered with one of largest food services distributors in State of Kuwait. In addition, it also participated in several events in the gulf region, that helped the Company gain a stronger foothold in the region. LT Foods participated in the Gulf Food Show every year and it is a very important event in its yearly calendar. It provides a

perfect opportunity for our Global Distribution partners and the Company Management to interact at a common platform. This event provides an forum to talk about the achievements of the year gone by and the Company

presents its growth Strategies and Plans for the Year ahead. LT Foods en-cashed this opportunity to introduce its new products- Kari Kari and Daawat Cuppa Rice on the convenience platform to its global partners.



**The acquisition of 29.91% equity stake by Saudi Agricultural & Live Stock Investment Company marks a landmark moment for the Company's corporate journey in Middle East.**

## Management Discussion & Analysis

### Europe

During the year, the region recorded more than 80% YoY growth in its revenue that stood at Rs. 468 crore in FY 19-20. Despite macro-economic challenges, the Company registered a healthy EBITDA margin of 3.6%. Driven by strong marketing initiatives, the Company has expanded its retail and geographic presence across Europe. The sustained capex investment in a processing unit in Europe, now runs at 80% capacity with the addition of new machines to improve efficiency. Sustainable Rice Production and other Agri initiatives are undertaken by the organization with 5,000+ farmers across an area of 1,00,000 acres directed towards residue compliant product, that has largely contributed to our brand equity in the region. This has helped produce superior quality products, that meet stringent quality benchmarks across the European region.

During the year, the Company expanded its product portfolio by offering Jasmine & Long grain rice sourced from Thailand & Vietnam, respectively along with its core offering of basmati rice.

### Rest of World Business (RoW)

RoW contributed 5% of overall revenue during FY 19-20, maintaining sustained volume growth.

The Company has strengthened its distribution network and market penetration by implementing various initiatives by leveraging its brand and distribution strength across geographies. LT Foods is also working on filling the portfolio gaps in various countries to match the consumers preferences and needs and serve them better at all price points.



### Organic Food & Ingredient Business

The Company's subsidiary, Nature Bio Foods Limited (NBF/NBFL) drives the ingredient-based organic food segment. Today, it has emerged as a trusted brand, offering authentic organic ingredients to consumers across the markets of the US and Europe. It offers a range of organic products including rice, pulses, oil seeds, cereal grains, spices and nuts. With over two decades of existence and experience, NBF/NBFL now partners with 80,000+ farmer families across India, to build enduring relations with farmers with over 118,000 hectares of certified organic land in India.

The Company has established a strong foothold in various countries including Germany,

the Netherlands, Italy, France, Austria, the US, Canada, Australia, New Zealand, the UAE and Israel. The Company resolves to maintain safety across its operations that has enabled it to achieve a rare feat of being the first company in India to be conferred with the coveted CII Food Safety Award in FY 2019-20. During the year, the segment reported revenues of Rs. 367 crore, and contributing 9% to the overall revenue.

The Company has incorporated two subsidiaries in US and Europe to strengthen its position in these geographies via the stock and sell model. Investment at the backend, strong supply chain and expansion in product portfolio has helped the organization to prove itself as the trusted partner during challenging COVID-19 time.

### Health & Convenience business

The Company remains a pioneer to introduce quick cooking brown rice under brand Daawat. With approximate 15-minutes of cooking time, the product remains a frontrunner in our innovation pipeline, aimed to build an integrated portfolio.

As an extension to build our innovative product pipeline, we also launched Daawat Sehat brand of basmati rice, fortified with iron, vitamins and folic acid. With the brand certified as F+ by FSSAI, meeting the quality expectations of consumers as well as delivering health benefits.

The growing consumer preference towards Saute sauces validates our belief in introducing new products that are centered around our consumer business, creating rich and value-added culinary of food choices.

The bouquet of 'Royal' ready-to-heat products recently launched in our international market, have also found increasing acceptance among the consumers.

After the successful launch of Kari Kari in the previous financial year, the Company has set-up a Kari Kari manufacturing unit in Haryana with a production capacity of 3,000 units per day. Based on the success and repeat orders received from exiting channels, the Company will be expanding the reach to more MT and e-commerce outlets and also adding HORECA and GT to the distribution network. The Company will also expand to international markets such as Middle East, Far East and Europe.



The product is now available in Modern retail outlets and online platforms. In FY 2020-21, it expects to widen the reach to to more Indian cities.

products in the near-short across its distribution network, expecting to capitalise the growing ready-to-heat market.

The Company's recent launch of Cuppa Rice - A convenience product, has already garnered a lot of interest, with already a long-term contract signed with the Indian Railways. The Company shall launch the full line of

**3,000 units per day capacity of Kari Kari production unit in Haryana**



## Management Discussion & Analysis

### Impact of COVID-19

The already existing business model backed with automated technologies, streamlined supply chain & distribution network and enhanced safety and quality measures ensured 'zero' disruptions during the phased lockdowns due to COVID-19 across the Company's locations.

With a robust supply chain network, the Company had adequate inventory of raw

material to fulfil the increased demand during the lockdown. Even during the multiple lockdown that was witnessed in the first quarter of FY 20-21, the Company's operational value chain did not face any disruption, the distribution channels were strengthened with new approaches and the organization adapted to the "New Normal" with agility.

The demand for products further gained traction on account of

increased home consumption and people started opting for safe, hygienic and branded food. Online sales also witnessed significant growth across all major e-commerce platforms. Additionally, to minimize the impact of the pandemic on the HoReCa segment, the Company partnered with Cloud Kitchens, Shipping rationing/Military, Navy, Air Force Mess and Canteens, NGOs.

### Agility in Converting Challenges into Opportunities

#### Sales and Marketing

- Developed innovative Go-To-Market Strategies
- Expanded Rural Reach
- Enabled tele ordering
- Partnering with delivery partners such as Swiggy, Zomato, Dominos, etc.
- SMS blasts
- Distributor point pick up
- Focused Digital Campaigns

#### Manufacturing

- Unhindered plant operations at all times
- Ramped up capacity due to increased demand
- Optimization of Conversion Cost
- Inventory optimization through better planning
- Hygiene drives conducted to ensure delivery of safe food

#### Support Services

- Finance - worked to ensure uninterrupted backend operations and drove cost reduction
- IT - digitization to ensure remote working for all employees
- HR - ensured safety and engagement of employees
- Compliances - ensured timely compliances

#### Procurement

- Ensured raw material availability at all times
- Expanded our Vendor engagement
- Educating the farming community on the new technologies to reduce manpower requirement and increase yield

#### Distribution

- Serviced with low inventory
- Direct sales from Depot

### Financial Review

#### Standalone financial performance (Rs. in crore)

	FY 2019-20	FY 2018-19	YoY Change
Revenue from operations	2,378	2,210	7.6%
Gross Profit	440	411	6.9%
EBITDA	199	183	8.8%
EBIT	173	160	8.2%
PBT	113	83	35.4%
PAT	85	54	56.3%
EPS	2.66	1.70	56.3%
Cash Profit	112	78	43.4%

#### Consolidated financial performance (Rs. in crore)

	FY 2019-20	FY 2018-19	YoY Change
Revenue from operations	4184	3915	6.9%
Gross Profit	1117	976	14.4%
EBITDA	509	421	20.7%
EBIT	417	352	18.4%
PBT	281	214	31.4%
PAT	199	137	45.0%
EPS	5.77	3.96	45.8%
Cash Profit	291	206	40.8%

#### Key Ratios

Ratios	Consolidated	
	FY 2019-20	FY 2018-19
Debtors Turnover (no. of days)	54	50
Inventory Turnover (no. of days)	208	235
Interest Coverage Ratio (in times)	3.2	2.5
Current Ratio (in times)	1.52	1.43
Debt Equity Ratio (in times)	0.90	1.16
Operating Profit Margin (in %)	10.0	9.0
EBITDA Margin (in %)	12.2	10.8
PAT Margin (in %)	4.8	3.5
Return on Net Worth (in %)	12.5	9.6
Return on Capital Employed (in %)	13.6	11.3
Debt-EBITDA (times)	2.8	4.0

Reason for increase in RoNW/RoE - The Company's ROE has increased from 9.6% to 12.5% on account of increase in its net profits by 45%. LT Foods is working on increasing its ability to generate profits along with consistently managing the shareholder's equity.

Reason for Increase in PAT Margin - Increase in PAT margin from 3.5% to 4.8% on Y-o-Y basis was on account of operational efficiencies at EBITDA level and reduction in effective tax rate from 35.6% to 27.7%.

Reason for Improvement in DEBT-EBITDA ratio - This ratio has reduced from 4 to 2.8x as the company is consistent working on improving its EBITDA level on account of operational efficiencies thereby increasing its coverage to pay of its debt.



## Management Discussion & Analysis

### Integrated Farm to Fork Business model

The Company's integrated farm to fork business model is a key driver of its sustained market leadership and long-term business growth in its core Basmati business. LT Foods' sound business model testifies its ability to deliver value to its growing stakeholder base. With a strong focus on quality, costs, profitability and digital transformation, LT Foods has increased its market share in India and abroad.

### Farming via Sustainable Rice Production

The Company sources majority of its paddy from farmers associated with it through the Sustainable Rice Production (SRP) Programs. The Company is a leading partner of Sustainable Rice Platform (SRP), a UN Environment and International Rice Research Institute initiative. More than 5,000 farmers are associated with LT Foods, through its SRP program, growing residue compliant paddy in more than 1,00,000 acres of land. As a part of this initiative, the Company has deployed digital tools like remote sensing, image processing, and artificial intelligence to enable a dynamic advisory on pest and diseases, weather forecasts, water management and yield prediction. These technologies have benefitted farmers with knowledge and skills to take informed farming decisions. It has also helped to improve farmer's income and has also led to a significant reduction in water consumption.

**More than 5,000 farmers are associated with LT Foods, through its SRP program, growing residue compliant paddy in more than 1,00,000 acres of land.**



The initiative has resulted in conserving 48 billion litres of ground water, resulting in ~30% less greenhouse gas emissions (combined effect of water and fertilizer reduction through use of water saving technologies like laser levelling, micro-irrigation, AWD (Alternate Wetting and Drying), SRI and direct sowing). It has also improved annual household income of farmers by 25%, from the



baseline values calculated at the inception of the project.

Further, to source raw material for its organic products, the Company engages in contract farming with small-holding farmers. It encourages farmers to practice organic and sustainable cultivation techniques and procedures.

### Procurement

The Company sources its raw materials through an extensive procurement network of agents spread across the basmati paddy producing regions of Northern India. The entire procurement process is divided into two parts - Pre-harvest and Post-harvest. The pre-harvest process comprises of surveys and analysis that determines the estimated paddy supply. This involves field survey, mandi agents survey, remote sensing / satellite survey. Then a

thorough analysis of the demand-supply factors is made, in alignment with international trade policies. While natural factors like, monsoon and health of the crop are also important, the pre-harvest process is concluded with dedicated and structured supplier meets.

The post-harvest season involves a detailed data collection on varieties of paddy collected with a structured 5-tier system. A weekly quality tracking methodology system provides a better understanding of quality-wise trend. The Company conducts a purchaser feedback mechanism and commission agent feedback mechanism, that allows procurement of paddy at best quality.

With more than 270 agents in more than 235 mandis (procurement markets) across the country, that are government authorised, the Company monitors quality control measures and procurement of materials at competitive rates.

### Processing and Packaging

LT Foods possesses five state-of-the-art facilities located in Haryana, Punjab and Madhya Pradesh along with one advanced processing unit in Europe. It also has three packaging units in California, Texas and New Jersey. The manufacturing and packaging units adopt global best practices and has passed stringent national and international certification standards to deliver consistent product of desired quality standards. The shift in consumer preferences towards quality and safe branded products,



the Company continues to invest in strengthening its overall processing and packaging units and automating it to add efficiencies at floor level.

### Distribution and Sales

The consistent efforts on strengthening its distribution network across geographies has helped the organisation to make its products available and expand its reach to more than 60 countries and 1 lakh outlets in India. LT Foods' responsible marketing and promotion efforts are pivotal for its growing market presence. The 'Go-To-Market' strategies resulted in expansive rural reach and growing market presence. A robust distribution and sales network, ensures servicing with faster product reach to a global customer base. Over the years, the Company has evolved its distribution framework, that includes several network routes, with a set of optimised logistic services that suit our diverse distributors and

dealer network resulting into 26% market share in India and 35% market share in rural market. In US also, LT Foods enjoys leadership position with a 50% market share.

### Food Safety

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

## Management Discussion & Analysis



### Certificates possessed by our production units

Plant	Certification Standards
1. <b>LT Foods Limited Bahalgarh – Sonapat (Haryana)</b>	ISO 45001 : 2018 ( Health and Safety ) ISO 9001 : 2015 (Quality Management System) ISO 14001 : 2015 (Environment Management System) SQF (Safe Quality Foods ) BRC Global Standard for Food Safety IFS ( Food Safety ) ISO 17025: 2005 NABL, EIC & - Laboratory Management System SA 8000 ( Social Standard ) Halal Kosher Certification (OU)
2. <b>LT Foods Limited Varpal. Amritsar</b>	FSSC 22000 : 2010 (Inclusive ISO:22000 & ISO/TS 22002-1) BRC Global Standard for Food Safety
<b>Subsidiaries</b>	
3. <b>LT Foods Americas</b>	FSSC 2200: GFSI Certification for Processing, Storage and Distribution (International Food Safety)(with Costco Addendum) Certified Organic Processor NOP (National Organic Program with Canadian Equivalency) Kosher Mars Certified External Manufacturer State Department of Health FDA Preventive Controls (FSMA) and Site Registration; FDA LACF (Low Acid Can Food) RTH) , Safe Food For Canadians
4. <b>LT Foods Europe, BV, Rotterdam, Netherlands</b>	BRC Global Standard for Food Safety version - 7 SKAL - Organic GMP + (Feed) IFS - 6.1 Fairtrade
5. <b>Nature Bio-Foods Limited Organic Division)</b>	FSSC 22000 (Food Safety Standard) NOP (National Organic Programme) of USFDA Organic Standard. NPOP (National Programme for Organic Production) EEC 837:2007 (Europe Organic Standard) IFS ( Food Safety ) Kosher Certification ( OU ) Fair Trade Halal BRC
6. <b>Daawat Foods Limited Mandideep, (MP)</b>	ISO 45001 : 2018 (Health and Safety) ISO 9001 : 2015 (Quality Management System) ISO 14001 : 2015 (Environment Management System) FSSC 22000 : 2010( Inclusive ISO:22000 & ISO/TS 22002-1) BRC Global Standard for Food Safety+ Costco Addendum FSMA   FDA   IFS (Food Safety)   HACCP   SA 8000 (Social Standard)   Sedex   Halal   Kosher Certification (OU) NOP (National Organic Programme) of USFDA Organic Standard   NPOP (National Programme for Organic Production)   IOPEPC Registration of Rice mills for USA & China   EIA- IPQC
7. <b>Raghunath Agro Industries Private Limited Bhikiwind, Amritsar(Punjab)</b>	FSSC:22000:2015 FDA

### Outlook

In FY 2019-20, LT Foods has retained its growth momentum despite headwinds. The COVID-19 outbreak and subsequent lockdown in first quarter of FY 2020-21 did not hamper operations significantly as the Company relied on its efficient processes and advanced methods to ensure continuity in the value-chain. To ensure value accretive business, LT Foods has defined a threefold strategy of growth, margin expansion and strengthening of financial metrics by improving the Return on Capital Employed.

The Company has delivered on all its strategic pillars i.e. as Growth, Margin Expansion and Strengthening the Financial metrics which is visible in our financial performance as the well. The overall revenue of the Company has increased by 7% wherein the Consumer business of the organisation is up by 14%.

Our margin profile has improved and our Gross Margins were up from 24.9% to 26.7%, EBITDA margins from 10.8% to 12.2% and PAT margins from 3.5% to 4.8%.

The financial metrics also improved, Debt/Equity Ratio improved from 1.16 to 0.90, Debt-EBITDA improved from 4.0x to 2.8x, Working Capital Cycle down by 19 days, Net Worth up by 12% to Rs. 1599 Crore and Cash from Operations up by 365% to Rs. 477 crore. The Return on Capital Employed has also improved from 11.3% to 13.6% during the year.

The Company aims to further consolidate and grow its market share by increasing consumer



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

Going forward, Company will continue to focus on its strategic goal to create progressive, sustainable, profitable and growing business to create value for its stakeholders by growing its core basmati business by recruiting new consumers and expanding distribution and driving growth in organic business, by adding new customers and expanding the product portfolio. It will also keep evaluating opportunities in consumer space to add more products by leveraging our strong brand equity, distribution network and infrastructure with a focus on improving ROCE.

### Human Resource

Human Resource development continues to be a key focus at LT Foods and the Company takes great pride in the commitment, competence and passion shown by its workforce in all realms of business. The Company has a dedicated team of over 1780 employees across geographies including India.

The Company has drawn up a comprehensive human resource strategy (the 'Human Resource' strategy) to address key aspects of human resource development. It includes the following: -

- Drive and reinforce the values of the organisation
- Code of conduct and fair business practices
- A performance management system linked to business performance for identifying and differentiating high performing candidates
- Implementation of performance-based compensation packages to attract and retain talent

## Management Discussion & Analysis

- Development of comprehensive training programs to impart and continuously upgrade industry/function specific skills

### Investment in technologies

LT Foods, has always believed in embracing technology to align its business to changing market shifts. It continues to lead through innovation, as technology continues to be growth enabler by adding more control, efficiency and transparency in the system.

#### Highlights of Technologies Initiatives

**Control System Automation** - The Company introduced QR code technique, that was integrated to inventory, enabling its distributors to manage the entire value-chain (right from ordering to invoicing) without any manual intervention.

**Remote Real-time Data Capture** - The Cloud-based Sales Force Automation has empowered

the Field Force and distributors to capture sales order on their mobile application. The integration of Internet of Things (IoT) has resulted in faster turnaround time for inventory management, strengthening the supply chain system.

#### Real time Online MIS System

- The Company implemented Cloud-based analytical tools to capture and report data on real-time mode. This internal data analysis has helped the team to present data to the Board on various parameters, thereby resulting in strengthening the operations.

#### Inventory Management through QR code

- The Company introduced a pilot QR-based inventory tracking project, that helped in inventory management, enabling tracking of goods movement with mobile handheld devices.

**Sales Force Automation** - We have implemented mobile based

Sales Force Automation solution wherein our Field force carries mobile device and follows route as suggested by software. A salesperson also capture Sales Order from Retailer using mobile devices only which get immediately visible to Distributor. This helped us in increasing the service level.

#### SAP integration with banking system

- To make the payment process smooth and simple, the Company has implemented real-time integration of SAP with Banking system. It has helped the Company to settle ledger balances without any manual intervention whenever there are debits / credits in the bank.

#### Internal Audit Control Systems

LT Foods has a well-established system of internal controls and procedures, in line with the size and nature of its operations. The Company regularly conducts internal audit of operations, establishments and stockyards to ensure that the set processes are strictly adhered to. The Audit Committee reviews the reports of internal auditors and evaluates the operational efficiency of the internal control systems. The Committee then suggests improvements in the Company's business processes, systems, and internal controls. Annual internal audit plans are prepared by internal auditors in consultation with the Audit Committee. The Company has implemented SAP, the world's leading ERP system, to automate the internal control environment and keep track of processes and performance.



## Risk Management

LT Foods recognises risk as inherent part of business sustainability. The Company has identified risks under three categories, developing an understanding and preparing a mitigating response for each of them. These risks comprehensively cover the entire value-chain of business wherein it has defined each risks in the context of severity of its consequence, and how would it threaten the business model, solvency, liquidity and future performance, should the risk materialise.

### Strategic risk

#### Shift consumer tastes and choices

From increasing awareness to better product quality to attractive offers – consumer shifts pose a challenge to demand for retaining market for food products

##### Mitigation

The R&D team collaborates with the strategy team, keeps a tab on the emerging trends to timely develop new food products and also actively monitor the social media trends to spot the changing consumer needs with agility.

#### Perception

Having started the business as a basmati rice company, the company is still perceived as a commodity player

##### Mitigation

the Company has over the last 7 decades evolved from being a rice trader to a Consumer Food Company with all the elements in place to be known as a consumer food company such as strong iconic brands, global footprint, integrated Farm to Fork business model, global supply chain network, strong financials and a future ready approach to expand product portfolio based on changing consumer trends.

#### Unacceptance of new products

The achievements that define a consumer food company solely relies on its ability to achieve success on new products launched at regular intervals that are adaptive to changing consumer preference. In a dynamic food sector space, failure to penetrate the market.

##### Mitigation

the Company has a well-defined stage gate process from ideation to execution prior to introducing a new product in the market. The product goes through this rigorous process in terms of its market demand, commercial viability, return on investment, future demand, etc. Each product is first test launched in a smaller market and then post the success of the same is launched at a larger scale with requisite investment in marketing and brand building activities. LT Foods has launched products in the Health and Convenience category and one such example of a successful launch is Daawat Quick Cooking Brown Rice. Riding on the success of this product the Company has launched another product Daawat Sehat (Fortified Rice). A few more products that have been recently launched in the convenience category are Daawat Sauté Sauces, Royal Ready-to-Heat, Kari Kari, Daawat Cuppa Rice, etc.

#### Competitive market conditions

increase in number of competitive brands in the market and aggressive pricing strategies by competition may cause disruption

##### Mitigation

the Company has made investments in various brand building activities across geographies and enjoys leadership position in India, US, Far East, Europe, etc. Our market share has increased year on year in different geographies. The Company has also diversified its product portfolio and entered into Health and Convenience category to minimize risk. The Company also keeps a close watch on the competitor's pricing strategies and responds to the same with agility

#### Private Label

growth in e-commerce and modern trade channels could lead to emergence of private label brands

##### Mitigation

Investment in brand building activities to ensure higher recall of our brands in consumer's mind and also partnering with modern trade and e-commerce channels in category management. LT Foods holds more than 30% market share in the Modern Trade category as per AC Nielsen.

## Management Discussion & Analysis

### Operational risk

#### Volatility in Raw material costs

Challenges in procurement of paddy (prime raw material) due to unfavorable weather conditions or pricing, may result in difficulties to business operations.

#### Mitigation

LT Foods is a Consumer Food Company with strong brands in place. The strength of our brands acts as a shock absorber in case of any volatility in the raw material prices to a great extent. The Company has an integrated procurement model in place, partnering with the farmers for timely procurement of paddy. The Company's plant at five locations, all strategically located close to the procurement areas that helps the company to procure paddy/ rice in the required quantity at competitive prices. Our procurement team conducts field surveys, commission agent survey and remote sensing/

satellite surveys and all the data acquired from these sources is used to implement an effective procurement strategy that helps to adapt to changing supply patterns in line price volatility across different locations.

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

frequent change in a country's MRLs can pose as a threat to the business performance of a company

#### Mitigation

LT Foods has been working extensively at the back end with farmers to give them a know-how on the use of pesticides so as to ensure residue compliant paddy to meet the global standards as well as ensuring the farmers income. The Company is associated with more than 5,000 farmers through its Sustainable Rice Production

program growing residue compliant paddy in more than 1,00,000 acres of land. The Company is a leading partner of Sustainable Rice Platform (SRP), a UN Environment and International Rice Research Institute initiative. The Company's SRP audited score has increased from 80 to 96.1 in the last 3 years.

#### Political Instability in Operating Geographies

political instability and unrest in the geographies that we operate can have an adverse impact of the financial performance of the business

#### Mitigation

LT Foods has a well-defined policy in place to select countries that are politically stable in nature, have future growth opportunities for business expansion and also where the consumption of core product category is increasing.

### Compliance & Governance Risk

#### Non-Compliance with various Regulatory requirements

non-compliance on any account can expose the company to legal consequences thereby causing financial loss and penalty. The same can also adversely impact the reputation of the company.

#### Mitigation

LT Foods has invested in an extensive IT enabled global compliance tool that has all the requisite compliances mapped for each entity and are monitored on regular basis with a two-step authentication for each completed compliance. Regular workshops are held across all geographies

with offices and production facilities to emphasize on the importance of the compliance framework and how non-compliance can severely impact the reputation of the organization.

#### Violation of ethics & business integrity

Any non-compliance with respect to the Code of Conduct of the company can adversely impact the reputation of the company as well as the business performance.

#### Mitigation

LT Foods has a Code of Conduct in place that is signed by any new recruitment done and is also a part of the orientation process for new induction. The same is reviewed on a regular basis

with the Board of Directors to keep the document updated with the changing governance norms. The Company also has a Whistle Blower Policy that enables all the stakeholders to report any fraud/unethical behavior to the designated Ombudsman.

### Liquidity & Financial Risk

#### Currency Risk

The Company's presence into more than 60 countries exposes it to a potential loss in revenues due to currency volatility

#### Mitigation

The Company has put in place a well-framed hedging policy that mitigates any potential risk due to currency volatility and cause a financial impact.

#### Debt Portfolio

Rising borrowing cost and challenges of liquidity at lending institutions pose a risk to secure funding to operate business viably.

#### Mitigation

the Company continues to secure funds from a consortium of banks at competitive interest rates. The Company has over the last few years improved its interest coverage ratios and the cash flow from operations. The interest coverage ratio improved from 2.5 to 3.2 and the cash flow from operations have improved by 365% to Rs. 477 crore.

#### Working Capital Intensive Business

Excessive use of capital into inventory might result in increasing debt and impact profitability

#### Mitigation

The Company's nature of business is working capital intensive in nature as the paddy needs to be aged on an average for c. 6-24 months. The Company has a well devised procurement policy in place so as to ensure c. 65-70% raw material procurement in the season itself. LT Foods has an extensive procurement network in place so as to procure the right quality of paddy at competitive process from strategic locations via its c. 270 agents from more than 235 mandis (procurement markets). The Company has also been working on reducing its working capital cycle year on year so that it does not impact the profitability of the business. The working capital cycle has reduced by 19 days in FY 20 and stood at 231 days

versus 250 days in FY 19 and we plan to further reduce it in the future.

#### Macro-Economic Factors

Lower GDP growth can lead to shift in consumer demand from branded to unbranded and premium to value range products

#### Mitigation

LT Foods caters to the requirement of its consumers across all price points ranging from premium to value range. LT Foods also has a robust supply chain network and has presence across channels. The Company is also working on product portfolio expansion to keep itself future ready.

## Management Discussion & Analysis

### Social Risk

#### Failure to meet product quality and safety requirements

being a consumer food company any non-compliance in meeting the quality and safety norms with respect to our products can lead to reputational risk, loss of customer trust and legal consequences.

#### Mitigation

the Company has checks at each step of the value chain with respect to the quality and safety of a product. A stringent compliance system is

in place to ensure adherence to regulatory requirements. There is also a proper feedback mechanism for the consumers to get in touch with the company at any given point and time.

#### Talent Acquisition & Retention

A mismatch in hiring of skilled talent may lead to impact the Company's ability to achieve its strategic goals

#### Mitigation

The Human Resource department ensures that the

talent acquired is in line with the needs of the organization and are those who understand the strategic goal of the Company. It also ensures that the workforce is provided with suitable training and development tools so as to enhance their productivity at all levels. They also ensure that various workshops, town halls, etc. are conducted from time to time to keep the team members abreast with any new developments in the Company and it also provides them with a framework/ open platform to give their suggestions as well as opinions.

### Environmental Risk

#### Disruption due to climatic changes

any change in the rainfall pattern can have an adverse impact on the crop health.

#### Mitigation

it is a myth that Basmati as a crop is dependent on rainfall and so an erratic rainfall pattern can have an adverse impact on its production. Basmati as a

crop is mostly grown in areas that are not dependent on rainfall and that has access to other ways of irrigation such as canal and ground water.

### Opportunities

#### Basmati Market

The overall rice market is of 500 million tonnes, out of which 7.5 million tonnes is that of Basmati. Approximately 80% of the entire market that exists for Basmati is catered by India. The overall production by India is c.6.50 million out of which 4.5 million tonnes is exported and the remaining is consumed in India. The trends in both India and International markets are changing and are thus creating a huge opportunity for increase in Basmati consumption globally.

In India, the demand for hygienic and packaged products is increasing and also c. 40% of the Basmati market is branded and thus the remaining portion also opens up huge opportunities for players like us in India. In the International markets a lot of new ethnicities are switching to Basmati from other rice varieties. LT Foods is well positioned to tap the opportunity available in the Basmati market globally due to its strong iconic brands, complete control on the value chain from 'Farm to Fork', robust distribution & supply chain network, consistent quality and food safety measures and strong connect

with the farmers at the backend to ensure residue compliant products due to increasing awareness among consumers on changing global food safety norms.

#### Organic Category

Demand for natural, fresh and locally sourced foods, which are healthier and more wholesome than packaged foods with more shelf life are rising. The demand for global organic food market is expected to rise by 23% CAGR by 2023. LT Foods has a strong backend in place with 80,000+ farmer families across India, to build enduring relations with farmers with over 118,000 hectares of certified organic land in India. The Company has also incorporated two subsidiaries in US and Europe to strengthen its position in these geographies via the stock and sell model. With investment at the backend and strong supply chain we have a right to win in this category as well.

#### Health and Convenience Category

Consumers are adapting to healthy eating habits for leading a good life. They are looking for options that are indulgent,

delicious and produced with quality ingredients. The food sector is also rapidly evolving on the back of various lifestyle-induced changes such as increase in working population and urbanization, growing health awareness, higher spending, etc. Global Health and Wellness Food Market is expected to grow by USD 236 billion by 2024, with a CAGR of 6%. LT Foods has been keeping a close tap on the changing consumer needs and preferences and has ventured in the Health & Convenience category with products such as Daawat Quick Cooking Brown Rice, Daawat Sauté Sauces, Kari Kari, Royal Ready-to-Heat products, Fortified Rice, Daawat Cuppa Rice, etc. The Company will be leveraging its strong brand equity, integrated business model and distribution network to strengthen this product portfolio.

### Threats

Refer to the Risk Management section on page 77 for the same.

# Directors' Report

To,  
The Members,

Your Directors have pleasure in presenting their 30th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2020.

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

(₹ In Lakhs)

Particulars	Financial Year (2019-20)	Financial Year (2018-19)
Gross Income	237778.53	221009.09
Profit Before Interest and Depreciation	19920.01	18302.79
Finance Charges	6009.91	7644.44
Gross Profit	43969.90	41137.28
Provision for Depreciation	2645.21	2336.18
Net Profit Before Tax	11264.89	8322.17
Net Profit After Tax	8516.26	5448.54
Balance of Profit brought forward	34820.38	29917.83
Balance available for appropriation	40758.13	34820.38
Proposed Dividend on Equity Shares	2078.99	479.76
Tax on proposed Dividend	427.34	98.62
Transfer to General Reserve	Nil	Nil
Surplus carried to Balance Sheet	40758.13	34820.38

## 2. Company's working during the year

On consolidated basis, Company's revenue for FY 20 was up by 7% at ₹ 4,184 crore on year-on-year basis. The strategic intent of the Company has been to focus on our consumer business. With continued focus our consumer business was up by 14% and the share of our branded rice portfolio increased to 74% vs 69% last year.

The Gross Margins expanded by 174 bps to 26.7% vs. 24.9% last year. In absolute terms, Gross Profit was up by 14% on year-on-year basis at ₹ 1,117 crore. This was on account of increase in the contribution of consumer business and strong growth from all the geographies. This is to further highlight that our Premium & mid-price product range achieved double digit growth on year-on-year basis.

The EBITDA margins expanded by 140 bps to 12.2% vs. 10.8% last year. In absolute terms EBITDA was up by 21% on year-on-year basis from ₹ 421 crore to ₹ 509 crore due to better Gross Profit and operational efficiencies. The Profit before Tax was

up by 30% to ₹ 277 crore from ₹ 214 crore on year-on-year basis due to lower interest cost. The Profit After Tax increased by 45% to ₹ 199 crore on year-on-year basis while the margins expanded by 125 bps to 4.8%. This led to an increase in Earnings Per Share by 46% to ₹ 5.77 from ₹ 3.96 on year-on-year basis.

Moving on to the geographical split - India's Consumer Business was up by 4% on year-on-year basis at ₹ 986 crore and International Consumer Business was up by 20% on year-on-year basis at ₹ 1,645 crore. All the geographies performed as per the assumptions. Our US business saw a double digit growth in revenue terms and the recently launched Ready-to-Heat business in the US was well received by the consumers and its sales were more than doubled in the fourth quarter of this financial year. Our Europe business has been performing well quarter on quarter and became PAT positive in during the year.

Our organic business revenue stood at ₹ 367 crore and contributes c. 9% to the overall revenue. The business had experienced a fall in its soya meal

business in the first half of the year with the company's plan to move into valued added soy meal processing, the business has seen a ramp up in the second half with implementation of a dedicated organic soy meal processing in a record time of around 3 months. The plant is running at full capacity to cater to the large orders received from global customers.

The Company also worked on strengthening its Balance Sheet. The Company's net worth was up by 11.5% to ₹ 1,599 crore led by strong accruals. The overall debt (bank borrowing) of the Company was down by ₹ 215 crore to ₹ 1435 crore. The debt-equity ratio improved from 1.15 times to 0.90 times. Long term debt to equity has reduced to negligible levels of 0.14 times from 0.17 times last year. This is to reiterate that majority of our debt is working capital Debt which is required because of the nature our business and our focus is to maintain the debt to EBITDA ratio to less than 3 times.

Because of our continuous focus on working capital optimization, our net working capital has reduced by 19 days to 231 days which has helped in reducing short term debt by ₹ 193 crore to ₹ 1,228 crore. Interest coverage ratio has also improved significantly from 2.5 to 3.1 year-on-year basis. Current ratio has also improved to 1.52 from 1.43 on year-on-year basis. Return on Capital Employed also improved by 230 bps to 13.6%.

The Cash generated by Operations was up by 365% on year-on-year basis to ₹ 477 crore. The Company also declared an Interim Dividend of Re. 0.50 per share on its fully paid up shares.

On standalone basis, Company's revenue for FY 20 was up by 8% at ₹ 2,378 crore on year-on-year basis. The Gross Margins stood at 18.5% and the Gross Profit was up by 7% on year-on-year basis at ₹ 440 crore. The EBITDA margins stood at 8.4% and in absolute terms EBITDA was up by 9% on year-on-year basis from ₹ 183 crore to ₹ 199 crore. The Profit before Tax was up by 35% to ₹ 113 crore from ₹ 83 crore on year-on-year basis due to lower interest cost. The Profit After Tax increased by 56% to ₹ 85 crore from ₹ 54 crore on year-on-year basis while the margins expanded by 112 bps to

3.6%. This led to an increase in Earnings Per Share by 56% to ₹ 2.66 from ₹ 1.70 on year-on-year basis.

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

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

## 4. Dividend

The Board of Directors has recommended and paid ₹0.50 per share as interim dividend for the financial year 2019-20 and decided to retain back the remaining earnings.

## 5. Reserves

Out of the amount available for appropriation, the Company's Directors proposed to transfer NIL amount to General Reserve and retain to Profit and Loss Account.

## 6. Share Capital

There was no change in the share capital during the financial year 2019-20.

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

Mrs. Radha Singh and Mr. Parmod Bhagat resigned on 06th February 2020.

Mrs. Neeru Singh was appointed as Additional Director through resolution passed by circulation on 17th March 2020.

## 8. Particulars of Employees & Employee Remuneration

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

**Managerial Remuneration:**

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

1. Ratio of remuneration of each Director to median remuneration of employees	
Vijay Kumar Arora	1:31
Ashwani Kumar Arora	1:31
2. Percentage increase in remuneration of each director and KMPs*	
Vijay Kumar Arora	Nil
Surinder Kumar Arora	NA
Ashwani Kumar Arora	Nil
Monika Chawla Jaggia	5%
3. Percentage increase in the median remuneration of employees	7%
4. Number of permanent employees	888
5. Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	
Managerial Increase	5%
Non Managerial Increase	9%
6. Affirmation that the remuneration is as per the remuneration policy of the Company	Yes

\*The Company has not paid any remuneration to its Non-Executive Directors

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

Name	Designation	Remuneration (in lakhs)	Nature of employment	Qualification	Experience	Age	Last employment	% of shares held
Vijay Kumar Arora	Managing Director	213.42	Permanent	B.Sc.	44	62	NA	7.19
Ashwani Kumar Arora	Managing Director	211.22	Permanent	B COM	32	53	NA	7.19

**9. Board Meetings**

During the year, seven Board Meetings were held, the dates on which these meeting were held are 16th May, 2019, 8thAug 2019,19th August 2019,07th November, 2019, 13th December 2019 ,06th February, 2020 and 12thFebruary 2020.

Apart from the Board Meetings mentioned above, the Board decided urgent businesses through resolution by circulation also. A resolution was passed through circulation on 17th March 2020 for appointment of Ms. Neeru Singh as Additional Director.

The details of the Board Meetings are given in the Corporate Governance Report. The intervening

gap between the meetings was within the period prescribed under the Companies Act, 2013.

**10. Performance Evaluation**

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

and Stakeholders Relationship Committees has been carried out during the financial year 2019-20.

The Independent Directors of the Company met separately on 06th February 2020 without the presence of Non-Independent Directors and inter-alia reviewed the performance of the members of management, Executive Directors, Board as a whole, performance of the Chairman of the Company and the Committees

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

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

The Directors duly completed with the evaluation process.

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

**11. Statement of Declaration by Independent Director(s) and re- appointment, if any**

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

**12. Remuneration Policy**

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

The salient features of Remuneration policy are as follows:

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

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

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

During the year, the Company generated a revenue of ₹ 4,184 Crores at group level. Its subsidiaries played a major role in contributing to the overall revenue. LT Foods Americas (formerly known as Kushal Inc), the fellow subsidiary of the Company contributed approx. 37% to the overall revenue. Daawat Foods Limited, a majority owned subsidiary contributed 24% to the total revenue. The organic arm NBFL, a wholly owned subsidiary contributed approx. 9% to the group revenue.

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

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

During the year, Expo Services, fellow subsidiary of the Company was closed under voluntary strike off.

#### 14. Auditors

M/s. Walker Chandiook & Co. LLP, Chartered Accountants were re-appointed as Statutory Auditors of your Company at the Annual General Meeting held on 18th September 2015, for a term of five consecutive years. Accordingly, their term of 10 years will expire on the conclusion of 30th Annual General Meeting to be held in year 2020. As per the provisions of Section 139 of the Companies Act, 2013, the company is required to appoint new statutory auditors. Therefore, the Board in its meeting held on 30th July 2020 proposed M/s MSKA & Associates Chartered Accountants as statutory auditors of the Company.

The appointment of new auditors is subject to the approval of shareholders in the ensuing annual general meeting.

M/s MSKA & Associates has given their consent to be appointed as Statutory Auditors of the Company and have confirmed that they are not disqualified under any provisions of Section 141(3) of Companies Act, 2013 and also their engagement with the Company is within the prescribed limits under Section 141 (3)(g) of Companies Act, 2013

#### 15. Auditors' Report

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

They have been no instances of fraud reported by the Statutory Auditors under Section-143(12) of

the Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government.

#### 16. Audit Committee

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

#### 17. Secretarial Audit Report

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

- (i) Delay in filing forms: Due to oversight, the Company has delayed in filing few forms within prescribed time frame of the Companies Act, 2013. The applicable additional fees has been paid to Ministry of Corporate Affairs.
- (ii) CSR spent- Out of the total CSR expenditure required to be made, the Company has spent 54% and the remaining amount will be spent in the next financial year in compliance with Section-135 of the Companies Act, 2013
- (iii) Delay in filing of Annual Performance Report- The Company has submitted Annual Performance Report late for its wholly owned subsidiary LT Foods International Limited, UK due to delay in audit. The Company has filed for condonation for delay for the same.
- (iv) Non-Intimation to controlling authority under Payment of Gratuity Act, 1972 and delay in payment of gratuity to ex-employees- The Company will give intimation to controlling authority whenever gratuity is due for an employee along with the amount of gratuity and the payment of the gratuity was duly made to all ex- employees of the Company.
- (v) Inadequate composition of Directors- The Company is making all efforts to appoint one more Independent Director on the Board of Directors.

- (vi) Appointment of Independent Director on the Board of material subsidiary- The Company will appoint one of its Independent Director on the Board of its Foreign material subsidiary LT Foods Americas.

#### 18. Internal Audit & Controls

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

#### 19. Vigil Mechanism:

In pursuance to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy can be found on the following link <http://www.ltgroup.in/pdf/whistle-blower-policy.pdf> on the website of the Company. In terms of amendment in regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which requires a listed Company to have a whistle-blower policy and to make employees aware of such policy to enable them to report instances of leak of unpublished price sensitive information. Since the Company has already in place a policy on Whistle Blower formulated in terms of Listing agreement and thereby informed the employees through internal circular, about their right to report any instance of leak or suspected leak of UPSI under the guard of the said policy in place.

#### 20. Risk Management Policy

LT has in place comprehensive risk assessment and minimization procedures, which are reviewed by the top management at regular intervals. The Board of Directors of the Company has adopted Risk Management Policy and the same is available at weblink <http://www.ltgroup.in/pdf/LT-Foods%20-Risk-Management.pdf>

#### 21. Extract of Annual Return:

Pursuant to the requirements of Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the annual return in MGT 9 has been made a part of this Annual Report as ANNEXURE I. The annual return can also be found on the following link [www.ltgroup.in](http://www.ltgroup.in/pdf/Annual_Return_2020.pdf) under investors updates [http://www.ltgroup.in/pdf/Annual\\_Return\\_2020.pdf](http://www.ltgroup.in/pdf/Annual_Return_2020.pdf) on the website of the Company

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

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

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

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

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

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

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



## 25. Deposits

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

## 26. Cost Record

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

## 27. Particulars of loans, guarantees or investments

The Company has not made any investments within the preview of Section 186 of the Companies Act, 2013. However, the details of loans and guarantees given are as follows:-

Details of loans

S. No	Date of loan	Name of the Company	Amount (₹ In lakhs)	Purpose for which loan was given	Date of Board meeting/ Management Committee resolution	Rate of interest charged
1	31-03-2020	Raghuvesh Warehousing Private Limited	245.09	Business	31.03.2020	10%
2	31-03-2020	RaghuveshAgri Foods Private Limited	328.49	Business	31.03.2020	10%

Details of Guarantees

S. No	Details of recipient	Amount (In Lakhs)	Purpose for which the security/ guarantee is proposed to be utilized by the recipient
1	Daawat Foods Limited	22392.02	Working capital loan
2	Nature Bio Foods Limited	7601.19	-do-
3	Raghunath Agro Industries Private Limited	3799.07	-do-
4	LT Foods Europe BV	6899.25	Working capital loan & loan against plant and machinery

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

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

## 29. Corporate Governance Certificate

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

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

## 30. Management Discussion and Analysis

The Management Discussion and Analysis Report prepared in accordance with the Regulation 34(2) (e) of Listing Regulations forms part of this Annual Report for the year ended 31st March 2020.

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

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

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

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

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

### a) Conservation of energy

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

- Machine output plays a vital role in energy consumption. This year, we worked on increasing the plant throughput with better production planning and as a result of this initiative, we were able to achieve reduction in units per metric tonnes.

- Efficient production planning has resulted in reducing our net production days thereby identifying certain days or shifts in a particular month where there is no need to carry out production and hence enabling in reduction of power consumption over the month.
- Identification of no production days also resulted in the optimal usage of alternate source of electricity (Diesel Generator) and operating only the critical machineries when required.
- Power boosters were installed in the compressor line which resulted in lowering down the power consumption in the form of reduction in the requirement of compressed air for plant operations.
- Energy audit was also conducted and the suggested recommendations were able to plug in certain leakages which further helped in reducing the overall energy consumption.

### Power & Fuel Consumption (Bahalgarh Plant)

Particulars	2019-20	2018-19
ELECTRICITY Through Purchases Units	21075703	21232165
Total Amount (₹)	165113421	174677348
Rate/Unit(₹)	7.83	8.23
Through Diesel Generator Units generated	429082	610449
TOTAL AMOUNT (₹)	8735314	13298009
Cost/Unit (₹)	20.36	21.78

### Power & Fuel Consumption (Varpal Plant)

Particulars	2019-20	2018-19
ELECTRICITY Through Purchases Units	4836317	4520910
Total Amount (₹)	33536661	30723036
Rate/Unit (₹)	6.93	6.80
Through Diesel Generator Units generated	91900	73000
TOTAL AMOUNT (₹)	2242728	1846860
Cost/Unit (₹)	24.40	25.30

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

Digitization is the need of the hour and LT Foods has successfully taken a big leap in this direction, the digitization initiative, although was in place in previous year as well but infusion of more technology drive initiatives and knowledge base took place in the year 2019-20.

- Real time dashboard representation of the critical KPIs directly fetching the information from SAP system.
- As a pilot project, we are planning to introduce QR based inventory Management and Control in one section which at later stages will cover overall inventory control.

- We are planning to initiate a project on inventory optimization across the group.
- All the KPIs for measuring the performance of a department like the Production, replenishment, inventory management all are being deployed on the Power BI platform with real time information.
- Further we are working in direction to provide real time visibility of the orders to our customers both for India and overseas.

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

During the year, the total foreign exchange spent was ₹ 4225.06 Lakhs and the total foreign exchange earned was ₹ 99225.84 Lakhs.

Particulars	₹ In Lakhs)	
	March 31, 2020	March 31, 2019
Value of imports on CIF basis		
Capital goods	30.64	608.24
Stores and spares	81.99	174.92
Other Food Items		-
Other		-
<b>Total</b>	<b>112.63</b>	<b>791.17</b>
Expenditure in foreign currency		
Legal fees	110.61	142.83
Interest and other charges to bank	965.82	766.22
Steamer freight	2563.90	1131.41
Sales promotion	37.89	76.29
Commission on export sales	364.06	34.05
Others	70.16	119.75
<b>Total</b>	<b>4112.43</b>	<b>2270.56</b>
Earnings in foreign currency		
FOB value of exports		
Rice	99225.84	88776.79
<b>Total</b>	<b>99225.84</b>	<b>88776.79</b>

**33. Corporate Social Responsibility (CSR)**

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

**34. Human Resources**

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

The Company continuously invest in attraction, retention and development of talent on an ongoing basis. We at LT Foods focus on creating effective workforce to ensure alignment with our LT competency framework and values. We as Organization continuously provide effective Learning & development process for employee to upscale themselves on knowledge, skill and competencies through Competency Based training, Class Room Training SDS, Behavioural & Technical Trainings, etc. LT foods strongly believes on engaging their employees to ensure

optimum productivity and satisfaction to our employees. During the year, the Company was certified as Great Place To Work by Great Place To Work® Institute.

**35. Directors’ Responsibility Statement**

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

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

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

Pursuant to Section 124 and 125 of the Companies Act, 2013, the dividend which remains unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government No dividend was declared for the financial year 2011-12, therefore no amount was transferred to IEPF account in the f/y 2019-2020

Further the amount of Dividend unclaimed/unpaid for the financial year 2012-13 to 2018-19 lies in the respective unpaid dividend account and can be claimed from Company’s Registrar and Share Transfer Agent i.e. Big Share Services Private Limited, before the due date for transfer of the same in IEPF account.

The dividend declared for the f/y 2012-13, is due to be transferred to IEPF account in the f/y 2020-2021.

Pursuant to the provisions of the Investor Education Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company, as on 30th September, 2019 with the Ministry of Corporate Affairs on its website.

**37. Listing with Stock Exchanges:**

The Company is listed with both National Stock Exchange of India Limited and BSE Limited. The Listing details are as follows:

BSE Limited : 532783

National Stock Exchange of India Limited:

DAAWAT  
ISIN: INE818H01020

**38. Compliance with Secretarial Standards**

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

**39. Acknowledgements**

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

For and on behalf of the Board of Directors

Sd/-  
**Vijay Kumar Arora**

Place: Gurugram  
Date: 30th July 2020  
Chairman & Managing Director  
DIN: 00012203

**ANNEXURE INDEX**

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

**Annexure-I to Directors Report for the year ended 31st March, 2020**

**Form No. MGT-9**

Extract of Annual Return as on the financial year ended 31st March, 2020

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L74899DL1990PLCO41790
2.	Registration Date	16/10/1990
3.	Name of the Company	LT FOODS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	UNIT NO-134,FIRST FLOOR, RECTANGLE-1, SAKET DISTRICT CENTRE, NEW DELHI, DELHI-110017 Tel: 011-26857099 Fax: 011-26859344
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	BIGSHARE SERVICES PVT. LTD. 302, Kushal Bazar 32-33, Nehru Place, New Delhi-110019 Tel: 011-42425004, 47565852 mukesh@bigshareonline.com

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

S. No	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	BASMATI RICE	10612	85

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

S. No	Address	CIN/GLN	% of shares held	Applicable section	
<b>FOREIGN SUBSIDIARY</b>					
1	LTO North America, Inc. USA (Wholly Owned Subsidiary)	11130, Warland Drive, Cypress, CA	26-1422699	100.00%	2(87)(ii)

S. No	Address	CIN/GLN	% of shares held	Applicable section	
2	LT Foods Americas, Inc. (Fellow Subsidiary)	11130, Warland Drive, Cypress, CA	33-0525788	100.00%	-do-
3	LT Foods USA LLC (Fellow Subsidiary)	11130, Warland Drive, Cypress, CA	NA	100.00%	do
4	Universal Traders, Inc. (Fellow Subsidiary)	11130,warland drive, Cypress,CA	46-5216235	100.00%	do
5	LT Foods Middle East DMCC (Fellow Subsidiary)	Unit 706-707, BB2,Mazaya Business Avenue, JLT, Dubai, UAE	DMCC 4037	100.00%	do
6	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	Office 104 Plot No. 358-615, Al Quoz 3,P.O. Box 17870, Dubai, UAE	OF 1027	100.00%	do
7	LT Foods Europe BV (Fellow Subsidiary)	Broekdijk West 18, 3621 LV, Breukelen	856697667	100.00%	do
8	Nature Bio-Foods B.V. (Fellow Subsidiary)	Bosporusstraat 42, 3199 LJ Maasvlakte Rotterdam, the Netherlands	858101154	100.00%	do
9	LT Foods International Limited (Subsidiary)	Regus, 268, Bath Road, Slough SL1 4DX, United Kingdom	10250873	100.00%	do
<b>INDIAN SUBSIDIARIES</b>					
10	Daawat Foods Limited (Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15209DL2005PLC135838	70.48%	do
11	Nature Bio Foods Limited (Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15134DL2005PLC143017	99.95%	do
12	SDC Foods India Limited (Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U52201DL2007PLC241225	80.00%	do
13	Fresco Fruits & Nuts Pvt Limited (Fellow Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51909DL2011PTC222196	84.94%	do
14	LT Agri Services Private Limited (Fellow Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2009PTC189462	70.48%	do
15	LT International Limited (Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U74899DL1999PLC097892	89.98%	do
16	Ecopure Specialities Limited (Fellow Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15135DL2018PLC338331	99.95%	do
17	Raghunath Agro Industries Private Limited (Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U01403DL2015PTC282966	96.00%	do
18	Deva Singh Sham Singh Export Private Limited (Wholly Owned Subsidiary)	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U51100DL2007PTC165512	100.00%	do
<b>ASSOCIATES</b>					
19	Raghuvesh Warehousing Private Limited	Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63020DL2014PTC267603	40%	do

S. No	Address	CIN/GLN	% of shares held	Applicable section
20	RaghuveshAgri-Foods Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U63000DL2014PTC267604	40%	do
21	Raghuvesh Infrastructure Private Limited Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-	U74999DL2015PTC284471	30%	do
<b>JOINT VENTURE</b>				
22	Daawat Kameda (India) Private Limited* Unit No:134, 01st Floor, Rectangle-1, Saket, District Centre, New Delhi-110017	U15209DL2017PTC314398	51%	-do-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**A) Shareholding**

S. No	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year :31/03/2020				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>(A) Shareholding of Promoter and Promoter Group</b>										
<b>1</b>	<b>Indian</b>									
a)	INDIVIDUAL / HUF	84360040	0	84360040	26.38	79360040	0	79360040	24.81	(1.56)
b)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
d)	FINANCIAL INSTITUTIONS / BANKS	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)									
1	GROUP COMPANIES	30984130	0	30984130	9.69	33349472	0	33349472	10.43	0.74
2	DIRECTORS RELATIVES	63860760	0	63860760	19.97	68960760	0	68960760	21.56	1.59
<b>SUB TOTAL:</b>		<b>179204930</b>	<b>0</b>	<b>179204930</b>	<b>56.03</b>	<b>181670272</b>	<b>0</b>	<b>181670272</b>	<b>56.80</b>	<b>0.77</b>

S. No	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year :31/03/2020				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
<b>2</b>	<b>Foreign</b>									
a)	BODIES CORPORATE	0	0	0	0.00	0	0	0	0.00	0.00
b)	INDIVIDUAL	0	0	0	0.00	0	0	0	0.00	0.00
c)	INSTITUTIONS	0	0	0	0.00	0	0	0	0.00	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Public Shareholding</b>		<b>179204930</b>	<b>0</b>	<b>179204930</b>	<b>56.03</b>	<b>181670272</b>	<b>0</b>	<b>181670272</b>	<b>56.80</b>	<b>0.77</b>
<b>(B)</b>	<b>Public shareholding</b>									
<b>3</b>	<b>Institutions</b>									
a)	Central / State government(s)	0	0	0	0.00	0	0	0	0.00	0.00
b)	FINANCIAL INSTITUTIONS / BANKS	724295	0	724295	0.23	2073240	0	2073240	0.65	0.42
c)	MUTUAL FUNDS / UTI	28943093	0	28943093	9.05	16173684	0	16173684	5.06	(3.99)
d)	VENTURE CAPITAL FUNDS	0	0	0	0.00	0	0	0	0.00	0.00
e)	INSURANCE COMPANIES	0	0	0	0.00	0	0	0	0.00	0.00
f)	FII'S	0	0	0	0.00	0	0	0	0.00	0.00
g)	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.00	0	0	0	0.00	0.00
h)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
i)	ANY OTHERS (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
j)	FOREIGN PORTFOLIO INVESTOR	4997216	0	4997216	1.56	4553885	0	4553885	1.42	(0.14)
k)	ALTERNATE INVESTMENT FUND	2007233	0	2007233	0.63	1962889	0	1962889	0.61	(0.01)
<b>SUB TOTAL:</b>		<b>36671837</b>	<b>0</b>	<b>36671837</b>	<b>11.47</b>	<b>24763698</b>	<b>0</b>	<b>24763698</b>	<b>7.74</b>	<b>(3.72)</b>
<b>4</b>	<b>Non-institutions</b>									
a)	BODIES CORPORATE	9767439	0	9767439	3.05	8585540	0	8585540	2.68	(0.37)
b)	INDIVIDUAL									
1	(CAPITAL UPTO TO ₹1 Lakh)	47278206	661890	47940096	14.99	57027471	650304	57677775	18.03	3.04

S. No	Category of Shareholder	No. of Shares held at the beginning of the year: 01/04/2019				No. of Shares held at the end of the year :31/03/2020				% Change
		Demat	Physical	Total Shares	Total %	Demat	Physical	Total Shares	Total %	
2	(CAPITAL GREATER THAN ₹ 1 Lakh)	24945732	0	24945732	7.80	21522723	0	21522723	6.73	(1.07)
c)	ANY OTHERS (Specify)									
1	HINDU UNDIVIDED FAMILY	2118238	0	2118238	0.66	3635507	0	3635507	1.14	0.47
2	TRUSTS	2000	0	2000	0.00	13000	0	13000	0.00	0.00
3	CLEARING MEMBER	3995441	0	3995441	1.25	6151109	0	6151109	1.92	0.67
4	NON RESIDENT INDIANS (NRI)	120528	0	120528	0.04	0	0	0	0.00	(0.04)
5	NON RESIDENT INDIANS (REPAT)	2095544	0	2095544	0.66	2472662	0	2472662	0.77	0.12
6	NON RESIDENT INDIANS (NON REPAT)	693666	0	693666	0.22	830947	0	830947	0.26	0.04
7	DIRECTORS RELATIVES	0	0	0	0.00	0	0	0	0.00	0.00
8	EMPLOYEE	3056878	0	3056878	0.96	3289096	0	3289096	1.03	0.07
9	OVERSEAS BODIES CORPORATES	8289454	500000	8789454	2.75	8289454	500000	8789454	2.75	0.00
10	UNCLAIMED SUSPENSE ACCOUNT	0	0	0	0.00	0	0	0	0.00	0.00
11	IEPF	442997	0	442997	0.14	442997	0	442997	0.14	0.00
d)	QUALIFIED FOREIGN INVESTOR	0	0	0	0.00	0	0	0	0.00	0.00
e)						0	0	0	0.00	0.00
	<b>SUB TOTAL:</b>	<b>102806123</b>	<b>1161890</b>	<b>103968013</b>	<b>32.51</b>	<b>112260506</b>	<b>1150304</b>	<b>113410810</b>	<b>35.46</b>	<b>2.95</b>
	<b>Total Public Shareholding</b>	<b>139477960</b>	<b>1161890</b>	<b>140639850</b>	<b>43.97</b>	<b>137024204</b>	<b>1150304</b>	<b>138174508</b>	<b>43.20</b>	<b>(0.77)</b>
<b>(C) Shares held by Custodians and against which Depository Receipts have been issued</b>										
5										
f)	SHARES HELD BY CUSTODIANS	0	0	0	0.00	0	0	0	0.00	0.00
12	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
13	Public	0	0	0	0.00	0	0	0	0.00	0.00
	<b>SUB TOTAL:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>Total Public Shareholding</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
	<b>GRAND TOTAL</b>	<b>318682890</b>	<b>1161890</b>	<b>319844780</b>	<b>100.00</b>	<b>318694476</b>	<b>1150304</b>	<b>319844780</b>	<b>100.00</b>	<b>(0.00)</b>

**B) Shareholding of Promoter-**

S. No	Shareholder's Name	Shareholding at the beginning of the financial year 2019-20			Shareholding at the end of the financial year 2019-20			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Raghuvesh Holdings Private Ltd	30984130	9.69	3.36	33349472	10.426	3.36	0.7395
2	Surinder Kumar Arora	21286920	6.66	0	22986920	7.1869	0	0.5315
3	Ashok Kumar Arora	21286920	6.66	0	22986920	7.1869	0	0.5315
4	Ashwani Arora	21286920	6.66	0	22986920	6.66	0	0.5315
5	Vijay Kumar Arora	21286920	6.66	0	22986920	6.66	0	0.5315
6	GurucharanDass Arora	21286920	6.66	0	21286920	6.66	0	0
7	Parvesh Rani	6800000	2.12	0	0	2.12	0	2.1260
8	Vandana Arora	8396500	2.62	0	8396500	2.62	0	0.0078
9	Munish Kumar Arora	643660	.20	0	643660	.20	0	0
10	Abhinav Arora	633340	0.198	0	633340	0.198	0	0
11	Guruchandran Dass Arora	633340	0.198	0	633340	0.198	0	0
12	Aditya Arora	633340	0.198	0	633340	0.198	0	0
13	Ranju Arora	7738160	2.42	0	7738160	2.42	0	0
14	Vaneet Arora	160000	.05	0	160000	.05	0	0
15	Gursajan Arora	126660	0.04	0	126660	0.04	0	0
16	Anita Arora	7611500	2.38	0	7611500	2.38	0	0
17	Sakshi Arora	8371500	2.62	0	8371500	2.62	0	0
18	Ritesh Arora	38200	0.012	0	38200	0.012	0	0
19	Anmol Arora	0	0	0	100000	0.0313	0	0.0313

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

S. No	Name	Shareholding			Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company					No of Shares	% total Shares of the Company
1	RAGHUVESH HOLDINGS PRIVATE LIMITED	30984130	9.69		30-Mar-2019			30984130	9.69
			9.72		24-May-2019	104,000 Buy		31088130	9.72
			9.73		31-May-2019	35,000 Buy		31123130	9.73
			9.74		07-Jun-2019	33,000 Buy		31156130	9.74
			9.83		28-Jun-2019	283,659 Buy		31439789	9.83
			9.95		06-Mar-2020	394,433 Buy		31834222	9.95
			9.98		13-Mar-2020	100,000 Buy		31934222	9.98
			10.43		20-Mar-2020	1,415,250 Buy		33349472	10.43

S. No	Name	Shareholding			Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date			No of Shares	% total Shares of the Company
		33349472	10.43	31-Mar-2020			33349472	10.43
2	ASHOK KUMAR ARORA	21286920	6.66	30-Mar-2019			21286920	6.66
			7.19	27-Sep-2019	1,700,000	Received on transmission	22986920	7.19
		22986920	7.19	31-Mar-2020			22986920	7.19
3	SURINDER ARORA	21286920	6.66	30-Mar-2019			21286920	6.66
			7.19	27-Sep-2019	1,700,000	Received on transmission	22986920	7.19
		22986920	7.19	31-Mar-2020			22986920	7.19
4	ASHWANI KUMAR ARORA	21286920	6.66	30-Mar-2019			21286920	6.66
			7.19	27-Sep-2019	1,700,000	Received on transmission	22986920	7.19
		22986920	7.19	31-Mar-2020			22986920	7.19
5	VIJAY KUMAR ARORA	21286920	6.66	30-Mar-2019			21286920	6.66
			7.19	27-Sep-2019	1,700,000	Received on transmission	22986920	7.19
		22986920	7.19	31-Mar-2020			22986920	7.19
6	GURUCHARAN DASS ARORA	21286920	6.66	30-Mar-2019			21286920	6.66
		21286920	6.66	31-Mar-2020			21286920	6.66
7	VANDANA ARORA	8396500	2.63	30-Mar-2019			8396500	2.63
		8396500	2.63	31-Mar-2020			8396500	2.63
8	SAKSHI ARORA	8371500	2.62	30-Mar-2019			8371500	2.62
		8371500	2.62	31-Mar-2020			8371500	2.62
9	RANJU ARORA	7738160	2.42	30-Mar-2019			7738160	2.42
		7738160	2.42	31-Mar-2020			7738160	2.42
10	ANITA ARORA	7611500	2.38	30-Mar-2019			7611500	2.38
		7611500	2.38	31-Mar-2020			7611500	2.38
11	PARVESH RANI	6800000	2.13	30-Mar-2019			6800000	2.13
			0.00	27-Sep-2019	-6,800,000	Transmission	0	0.00
			0.00	31-Mar-2020			0	0.00
12	MUNISH KUMAR ARORA	643660	0.20	30-Mar-2019			643660	0.20
		643660	0.20	31-Mar-2020			643660	0.20
13	ABHINAV ARORA	633340	0.20	30-Mar-2019			633340	0.20
		633340	0.20	31-Mar-2020			633340	0.20
14	ADITYA ARORA	633340	0.20	30-Mar-2019			633340	0.20
		633340	0.20	31-Mar-2020			633340	0.20
15	GURUCHARAN DASS ARORA	633340	0.20	30-Mar-2019			633340	0.20
		633340	0.20	31-Mar-2020			633340	0.20
16	VANEET ARORA	160000	0.05	30-Mar-2019			160000	0.05
		160000	0.05	31-Mar-2020			160000	0.05
17	GURSAJAN ARORA	126660	0.04	30-Mar-2019			126660	0.04
		126660	0.04	31-Mar-2020			126660	0.04

S. No	Name	Shareholding			Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date			No of Shares	% total Shares of the Company
18	ANMOL ARORA	0	0.00	30-Mar-2019			0	0.00
			0.00	27-Mar-2020	11,000	Buy	11000	0.00
			0.03	31-Mar-2020	89,000	Buy	100000	0.03
		100000	0.03	31-Mar-2020			100000	0.03
19	RITESH ARORA	38200	0.01	30-Mar-2019			38200	0.01
		38200	0.01	31-Mar-2020			38200	0.01

D) Shareholding Pattern of top ten Shareholders

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

S. No	Name	Shareholding			Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date			No of Shares	% total Shares of the Company
1	DSP SMALL CAP FUND	13297872	4.16	30-Mar-2019	0		13297872	4.16
			4.05	20-Mar-2020	-358925	Sell	12938947	4.05
		12938947	4.05	31-Mar-2020	0		12938947	4.05
2	INDIA AGRI BUSINESS FUND LTD	8289454	2.59	30-Mar-2019	0		8289454	2.59
		8289454	2.59	31-Mar-2020	0		8289454	2.59
3	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCE SMALL CAP FUND	5323791	1.66	30-Mar-2019	0		5323791	1.66
			1.70	24-May-2019	100000	Buy	5423791	1.70
			1.76	28-Jun-2019	200000	Buy	5623791	1.76
			1.72	04-Oct-2019	-114809	Sell	5508982	1.72
			0.73	11-Oct-2019	-3168601	Sell	2340381	0.73
			0.54	18-Oct-2019	-605895	Sell	1734486	0.54
			0.31	25-Oct-2019	-735281	Sell	999205	0.31
			0.00	01-Nov-2019	-999205	Sell	0	0.00
			0.00	31-Mar-2020	0		0	0.00
4	SBI MAGNUM TAXGAIN SCHEME	4337388	1.36	30-Mar-2019	0		4337388	1.36
			1.29	05-Jul-2019	-198812	Sell	4138576	1.29
			1.19	12-Jul-2019	-348418	Sell	3790158	1.19
			1.09	19-Jul-2019	-319430	Sell	3470728	1.09
			1.02	26-Jul-2019	-208384	Sell	3262344	1.02
			0.81	02-Aug-2019	-686103	Sell	2576241	0.81
			0.72	09-Aug-2019	-274400	Sell	2301841	0.72
			0.23	16-Aug-2019	-1581000	Sell	720841	0.23

S. No	Name	Shareholding			Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/end of the year (31/03/2020)	% total Shares of the Company	Date		Increase/Decrease in Shareholding	No of Shares
			0.09	23-Aug-2019	Sell	294000	0.09
			0.00	30-Aug-2019	Sell	0	0.00
			0.00	31-Mar-2020		0	0.00
5	MUKUL MAHAVIR PRASAD AGRAWAL	3300000	1.03	30-Mar-2019	0	3300000	1.03
			1.13	06-Sep-2019	Buy	3600400	1.13
			1.19	13-Sep-2019	Buy	3800400	1.19
			1.13	15-Nov-2019	Sell	3600400	1.13
			1.28	21-Feb-2020	Buy	4100400	1.28
		4100400	1.28	31-Mar-2020	0	4100400	1.28
6	MANIK KANT AVASTHI	3125775	0.98	30-Mar-2019	0	3125775	0.98
			1.22	12-Apr-2019	Buy	3887255	1.22
			0.81	10-May-2019	Sell	2575775	0.81
			0.77	14-Jun-2019	Sell	2465775	0.77
			0.76	21-Jun-2019	Sell	2426859	0.76
			0.39	28-Jun-2019	Sell	1259650	0.39
			0.93	23-Aug-2019	Buy	2974793	0.93
			0.84	22-Nov-2019	Sell	2700183	0.84
			0.79	13-Dec-2019	Sell	2536473	0.79
			0.00	20-Dec-2019	Sell	0	0.00
			0.00	31-Mar-2020		0	0.00
7	RAIMA EQUITIES PRIVATE LIMITED	400000	0.13	30-Mar-2019	0	400000	0.13
			0.17	12-Apr-2019	Buy	551214	0.17
			0.13	19-Apr-2019	Sell	410000	0.13
			0.13	26-Apr-2019	Sell	400000	0.13
			0.14	17-May-2019	Buy	433167	0.14
			0.14	24-May-2019	Buy	443845	0.14
			0.13	31-May-2019	Sell	400000	0.13
			0.13	14-Jun-2019	Buy	415000	0.13
			0.13	21-Jun-2019	Sell	400000	0.13
			0.16	28-Jun-2019	Buy	503442	0.16
			0.11	05-Jul-2019	Sell	350000	0.11
			0.14	26-Jul-2019	Buy	450000	0.14
			0.11	02-Aug-2019	Sell	350000	0.11
			0.21	09-Aug-2019	Buy	675000	0.21
			0.20	16-Aug-2019	Sell	625500	0.20
			0.20	23-Aug-2019	Sell	625000	0.20
			0.17	13-Sep-2019	Sell	554714	0.17
			0.14	20-Sep-2019	Sell	450000	0.14
			0.23	23-Sep-2019	Buy	740000	0.23
			0.23	27-Sep-2019	Buy	740250	0.23
			0.23	30-Sep-2019	Sell	740000	0.23
			0.24	08-Nov-2019	Buy	777203	0.24
			0.23	15-Nov-2019	Sell	740000	0.23
			0.29	22-Nov-2019	Buy	940000	0.29
			0.28	29-Nov-2019	Sell	881170	0.28

S. No	Name	Shareholding			Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/end of the year (31/03/2020)	% total Shares of the Company	Date		Increase/Decrease in Shareholding	No of Shares
			0.30	06-Dec-2019	Buy	955000	0.30
			0.25	13-Dec-2019	Sell	800000	0.25
			0.26	27-Dec-2019	Buy	840814	0.26
			0.25	31-Dec-2019	Sell	800000	0.25
			0.30	03-Jan-2020	Buy	944144	0.30
			0.26	10-Jan-2020	Sell	831645	0.26
			0.36	17-Jan-2020	Buy	1151000	0.36
			0.24	24-Jan-2020	Sell	770000	0.24
			0.26	14-Feb-2020	Buy	818801	0.26
			0.23	21-Feb-2020	Sell	720000	0.23
			0.20	13-Mar-2020	Sell	651000	0.20
			0.20	20-Mar-2020	Sell	650000	0.20
			0.70	31-Mar-2020	Buy	2250000	0.70
		2250000	0.70	31-Mar-2020	0	2250000	0.70
8	ICICI BANK LIMITED	486828	0.15	30-Mar-2019	0	486828	0.15
			0.49	05-Apr-2019	Buy	1551289	0.49
			0.58	12-Apr-2019	Buy	1869793	0.58
			0.59	19-Apr-2019	Buy	1899608	0.59
			0.59	26-Apr-2019	Sell	1890595	0.59
			0.18	03-May-2019	Sell	587617	0.18
			0.23	10-May-2019	Buy	725016	0.23
			0.23	17-May-2019	Buy	727732	0.23
			0.28	24-May-2019	Buy	903471	0.28
			0.33	31-May-2019	Buy	1041487	0.33
			0.33	07-Jun-2019	Buy	1048432	0.33
			0.35	14-Jun-2019	Buy	1130485	0.35
			0.35	17-Jun-2019	Buy	1132304	0.35
			0.35	21-Jun-2019	Sell	1119940	0.35
			0.36	28-Jun-2019	Buy	1150829	0.36
			0.36	29-Jun-2019	Sell	1148720	0.36
			0.38	05-Jul-2019	Buy	1207001	0.38
			0.95	12-Jul-2019	Buy	3048628	0.95
			0.94	19-Jul-2019	Sell	3021551	0.94
			0.95	26-Jul-2019	Buy	3032026	0.95
			0.83	02-Aug-2019	Sell	2658892	0.83
			0.82	09-Aug-2019	Sell	2614497	0.82
			0.57	16-Aug-2019	Sell	1827405	0.57
			0.57	23-Aug-2019	Buy	1829489	0.57
			0.35	30-Aug-2019	Sell	1133181	0.35
			0.11	06-Sep-2019	Sell	349854	0.11
			0.11	13-Sep-2019	Sell	335724	0.11
			0.10	20-Sep-2019	Sell	326853	0.10
			0.10	23-Sep-2019	Buy	331141	0.10
			0.10	24-Sep-2019	Sell	324002	0.10
			0.09	27-Sep-2019	Sell	299129	0.09
			0.34	30-Sep-2019	Buy	1102237	0.34

S. No	Name	Shareholding			Reason	Cumulative Shareholding during the year		
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date		Increase/ Decrease in Shareholding	No of Shares	% total Shares of the Company
			0.34	04-Oct-2019	-6487	Sell	1095750	0.34
			0.42	11-Oct-2019	259005	Buy	1354755	0.42
			0.42	18-Oct-2019	-15300	Sell	1339455	0.42
			0.42	25-Oct-2019	10048	Buy	1349503	0.42
			0.37	01-Nov-2019	-182056	Sell	1167447	0.37
			0.14	08-Nov-2019	-731328	Sell	436119	0.14
			0.13	15-Nov-2019	-9710	Sell	426409	0.13
			0.66	22-Nov-2019	1699422	Buy	2125831	0.66
			0.69	29-Nov-2019	77212	Buy	2203043	0.69
			0.22	06-Dec-2019	-1514038	Sell	689005	0.22
			0.69	13-Dec-2019	1526228	Buy	2215233	0.69
			0.68	20-Dec-2019	-28541	Sell	2186692	0.68
			0.62	27-Dec-2019	-198231	Sell	1988461	0.62
			0.62	31-Dec-2019	-2533	Sell	1985928	0.62
			0.62	03-Jan-2020	-7061	Sell	1978867	0.62
			0.35	10-Jan-2020	-844002	Sell	1134865	0.35
			0.37	17-Jan-2020	41317	Buy	1176182	0.37
			0.41	24-Jan-2020	151012	Buy	1327194	0.41
			0.42	31-Jan-2020	28188	Buy	1355382	0.42
			0.41	07-Feb-2020	-46677	Sell	1308705	0.41
			0.47	14-Feb-2020	179988	Buy	1488693	0.47
			0.47	21-Feb-2020	14167	Buy	1502860	0.47
			0.47	24-Feb-2020	-4570	Sell	1498290	0.47
			0.46	28-Feb-2020	-35020	Sell	1463270	0.46
			0.68	06-Mar-2020	701774	Buy	2165044	0.68
			0.61	13-Mar-2020	-224212	Sell	1940832	0.61
			0.60	20-Mar-2020	-26540	Sell	1914292	0.60
			0.64	27-Mar-2020	122082	Buy	2036374	0.64
			0.63	31-Mar-2020	-28571	Sell	2007803	0.63
		2007803	0.63	31-Mar-2020	0		2007803	0.63
9	Dolly Khanna	1967503	0.62	30-Mar-2019	0		1967503	0.62
			0.61	05-Apr-2019	-17000	Sell	1950503	0.61
			0.61	12-Apr-2019	-8000	Sell	1942503	0.61
			0.59	26-Apr-2019	-45000	Sell	1897503	0.59
			0.59	03-May-2019	-25000	Sell	1872503	0.59
			0.57	10-May-2019	-45000	Sell	1827503	0.57
			0.54	17-May-2019	-96000	Sell	1731503	0.54
			0.51	24-May-2019	-105000	Sell	1626503	0.51
			0.47	31-May-2019	-130000	Sell	1496503	0.47
			0.44	07-Jun-2019	-83500	Sell	1413003	0.44
			0.42	14-Jun-2019	-81000	Sell	1332003	0.42
			0.41	17-Jun-2019	-21000	Sell	1311003	0.41
			0.38	21-Jun-2019	-83000	Sell	1228003	0.38
			0.37	28-Jun-2019	-30000	Sell	1198003	0.37
			0.36	05-Jul-2019	-56000	Sell	1142003	0.36

S. No	Name	Shareholding			Reason	Cumulative Shareholding during the year		
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date		Increase/ Decrease in Shareholding	No of Shares	% total Shares of the Company
			0.35	12-Jul-2019	-17000	Sell	1125003	0.35
			0.35	19-Jul-2019	-14000	Sell	1111003	0.35
			0.34	02-Aug-2019	-19000	Sell	1092003	0.34
			0.34	09-Aug-2019	-5000	Sell	1087003	0.34
			0.35	16-Aug-2019	40000	Buy	1127003	0.35
			0.35	23-Aug-2019	-10000	Sell	1117003	0.35
			0.35	30-Aug-2019	-5000	Sell	1112003	0.35
			0.35	06-Sep-2019	-7000	Sell	1105003	0.35
			0.35	20-Sep-2019	10000	Buy	1115003	0.35
			0.34	04-Oct-2019	-17000	Sell	1098003	0.34
			0.34	25-Oct-2019	-9000	Sell	1089003	0.34
			0.34	08-Nov-2019	-12000	Sell	1077003	0.34
			0.32	15-Nov-2019	-40000	Sell	1037003	0.32
			0.32	22-Nov-2019	-22000	Sell	1015003	0.32
			0.32	29-Nov-2019	-7000	Sell	1008003	0.32
			0.31	06-Dec-2019	-13000	Sell	995003	0.31
			0.31	13-Dec-2019	-16000	Sell	979003	0.31
			0.30	20-Dec-2019	-24000	Sell	955003	0.30
			0.29	27-Dec-2019	-19000	Sell	936003	0.29
			0.29	31-Dec-2019	-10000	Sell	926003	0.29
			0.29	03-Jan-2020	-5000	Sell	921003	0.29
			0.28	10-Jan-2020	-10000	Sell	911003	0.28
			0.28	17-Jan-2020	-17000	Sell	894003	0.28
			0.27	24-Jan-2020	-28000	Sell	866003	0.27
			0.24	31-Jan-2020	-111000	Sell	755003	0.24
			0.23	07-Feb-2020	-28000	Sell	727003	0.23
			0.21	28-Feb-2020	-50000	Sell	677003	0.21
			0.20	06-Mar-2020	-49000	Sell	628003	0.20
			0.18	13-Mar-2020	-54000	Sell	574003	0.18
			0.18	27-Mar-2020	-10000	Sell	564003	0.18
		564003	0.18	31-Mar-2020	0		564003	0.18
10	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED	0	0.00	30-Mar-2019			0	0.00
			0.09	23-Aug-2019	276668	Buy	276668	0.09
			0.14	20-Sep-2019	185028	Buy	461696	0.14
			0.25	24-Sep-2019	337777	Buy	799473	0.25
			0.19	27-Sep-2019	-187879	Sell	611594	0.19
			0.20	30-Sep-2019	21480	Buy	633074	0.20
			0.20	04-Oct-2019	21893	Buy	654967	0.20
			0.25	11-Oct-2019	132882	Buy	787849	0.25
			0.26	18-Oct-2019	56303	Buy	844152	0.26
			0.53	25-Oct-2019	864018	Buy	1708170	0.53
			0.63	01-Nov-2019	312360	Buy	2020530	0.63
			0.64	22-Nov-2019	15000	Buy	2035530	0.64
			0.59	29-Nov-2019	-145000	Sell	1890530	0.59
			0.62	20-Dec-2019	100000	Buy	1990530	0.62



S. No	Name	Shareholding			Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date			No of Shares	% total Shares of the Company
			0.63	27-Dec-2019	30000	Buy	2020530	0.63
			0.65	03-Jan-2020	61721	Buy	2082251	0.65
			0.75	24-Jan-2020	308707	Buy	2390958	0.75
			0.84	07-Feb-2020	304711	Buy	2695669	0.84
			0.78	14-Feb-2020	-190083	Sell	2505586	0.78
			0.50	21-Feb-2020	-909297	Sell	1596289	0.50
			0.50	24-Feb-2020	-5000	Sell	1591289	0.50
			0.51	13-Mar-2020	25208	Buy	1616497	0.51
			0.60	20-Mar-2020	300000	Buy	1916497	0.60
		1916497	0.60	31-Mar-2020	0		1916497	0.60
11	DSP CORE FUND	1902233	0.59	30-Mar-2019	0		1902233	0.59
			0.58	20-Mar-2020	-51344	Sell	1850889	0.58
		1850889	0.58	31-Mar-2020	0		1850889	0.58
12	DINESH KUMAR GUPTA	0	0.00	30-Mar-2019			0	0.00
			0.19	20-Mar-2020	619384	Buy	619384	0.19
			0.49	27-Mar-2020	940380	Buy	1559764	0.49
			0.58	31-Mar-2020	311000	Buy	1870764	0.58
		1870764	0.58	31-Mar-2020	0		1870764	0.58
13	OLAYAN INVESTMENTS CYPRUS LIMITED	0	0.00	30-Mar-2019			0	0.00
			0.07	05-Apr-2019	209000	Buy	209000	0.07
			0.13	12-Apr-2019	209000	Buy	418000	0.13
			0.19	26-Apr-2019	202000	Buy	620000	0.19
			0.29	02-Aug-2019	300000	Buy	920000	0.29
			0.43	18-Oct-2019	470000	Buy	1390000	0.43
			0.45	06-Mar-2020	65000	Buy	1455000	0.45
			0.49	13-Mar-2020	120000	Buy	1575000	0.49
		1575000	0.49	31-Mar-2020	0		1575000	0.49

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

S. No	Name	Shareholding			Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date			No of Shares	% total Shares of the Company
1	SURINDER ARORA	21286920	6.66	30-Mar-2019			21286920	6.66
			7.19	27-Sep-2019	1,700,000	Received on transmission	22986920	7.19
		22986920	7.19	31-Mar-2020			22986920	7.19
2	ASHWANI KUMAR ARORA	21286920	6.66	30-Mar-2019		Received on transmission	21286920	6.66

S. No	Name	Shareholding			Increase/Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares At the Beginning (01/04/2019)/ end of the year (31/03/2020)	% total Shares of the Company	Date			No of Shares	% total Shares of the Company
			7.19	27-Sep-2019	1,700,000	Received on transmission	22986920	7.19
		22986920	7.19	31-Mar-2020			22986920	7.19
3	VIJAY KUMAR ARORA	21286920	6.66	30-Mar-2019			21286920	6.66
			7.19	27-Sep-2019	1,700,000	Buy	22986920	7.19
		22986920	7.19	31-Mar-2020			22986920	7.19
4	Gokul Patnaik	NIL	NIL	NIL	NIL	NIL	NIL	Nil
5	Rajesh Kumar Srivastava	NIL	NIL	NIL	NIL	NIL	NIL	Nil
6	Radha Singh	NIL	NIL	NIL	NIL	NIL	NIL	Nil
7	Supras Bhandari	NIL	NIL	NIL	NIL	NIL	NIL	Nil
8	Parmod Bhagat	NIL	NIL	NIL	NIL	NIL	NIL	Nil
9	Neeru Singh	NIL	NIL	NIL	NIL	NIL	NIL	Nil
10	Monika Chawla Jaggia	202165	0.06	30-Mar-2019			202165	0.06
				30-Sep-2019	5	Buy	202170	0.06
				20-Mar-2020	2475	Buy	204645	0.06
				27-Mar-2020	2000	Buy	206645	0.06

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

(Amount in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	66422.26	-	-	66422.26
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	77.01	-	-	77.01
Total (i+ii+iii)	66499.27	-	-	66499.27
Change in Indebtedness during the financial year				
* Addition	83.95			83.95
* Reduction	(9925.79)			(9925.79)
Net Change	(9841.84)			(9841.84)
Indebtedness at the end of the financial year				
i) Principal Amount	56580.42			56580.42
ii) Interest due but not paid				
iii) Interest accrued but not due	247.33			247.33
	56827.75			56827.75

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

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

S. No	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
1	Gross salary	Vijay Kumar Arora	Ashwani Kumar Arora	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	213.42	211.22	424.64
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.39	-	0.39
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
5	Others, please specify	-	-	-
	Total (A)	213.81	211.22	425.03
	Ceiling as per the Act	As per the Companies Act, 2013		

**B. Remuneration to other Directors(Amount in ₹ Lakhs)**

S. No	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Radha Singh	Pramod Bhagat	Gokul Patnaik	Suparas Bhandari	
	Fee for attending board and committee meetings	6.95	6.55	6.55	4.6	24.65
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (A1)	6.95	6.55	6.55	4.60	24.65
2	Other Non-Executive Directors	Rajesh Kumar Srivastava				
	Fee for attending board committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (A2)	-	-	-	-	-
3	Total B=(A1+A2)	6.95	6.55	6.55	4.60	24.65
4	Total Managerial Remuneration	6.95	6.55	6.55	4.6	24.65
5	Celling as per Act	₹ 1 Lakh Per Meeting				

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

(Amount in ₹ Lakhs)

S. No	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	53.81	-	53.81
	(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</b>	<b>53.81</b>	<b>-</b>	<b>53.81</b>

Mr. Ashwani Kumar Arora is the designated Chief Financial Officer of the Company. His remuneration details can be checked in A.

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

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

For and on behalf of the Board of Directors

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

Place: Gurugram  
 Date: 30th July, 2020

**Annexure -II** to Directors Report for the year ended 31st March, 2020

**Key Points of Our CSR POLICY**

**OBJECTIVE:**

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

**CSR BUDGET**

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

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

**PLANNING AND IMPLEMENTATION**

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

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

**Mandatory Reporting**

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

- Mode of carrying CSR activities:
- Through a society, Non- Profit Organization set up by the Company or its holding, subsidiary or associate Company.
  - Implementation through the Agency
  - Collaborating with other non- profit Organization, Corporate, Government.

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

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

**(1) The Composition of the CSR Committee.**

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

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

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

**(2) Average net profit of the company for last three financial years- ₹ 6454.43 Lakhs**

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

**(3) Prescribed CSR Expenditure (two per cent. of the amount as in item 2 above) - ₹129.09 Lakhs**

1. The following table provides a summary of the domain wise expenditure on CSR for 2019-20 along with the geographies. The list of partners with who we collaborate is available right below the table

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

- (a) Total amount to be spent for the financial year:- ₹129 .09Lakhs
- (b) Amount unspent, if any;-₹59.32
- (c) The Company is exploring projects for CSR activities.

2. In the column 'Cumulative expenditure till reporting period', we have chosen to take 2019-20 as the base year. Many of our programs go back more than 3 years and some more than 5 years. Given the practical challenges in reporting the cumulative expenditure from inception, we have chosen to start with the current year as the base year.

3. All our programs are executed and implemented through our partners.

S. N.	CSR Project or Activity Identified	Sector in which the project is covered	Project of Program (i)Local Area or Other (ii)Specify the state or district where the projects or programmes were undertaken	Amount outlay (Budget) Project or Programwise	Amount spent of Project or Program: Sub head: Direct Expenditure on Project or Programme	Amount spent Direct/ through implementing agency
1	Village development Maintenance	Rural Development	Chattarpur(Madhya Pradesh)	500,000	500,000	Fair Farming Foundation
2	Sustainable Agriculture	Vocational Skill livelihood enhancement	Haryana & Uttar Pradesh	5,000,000	5000,000	Fair Farming Foundation
3	Udayan Shalini Fellowship Programme	Promoting education	Haridwar(Uttar Pradesh)	777,348	777,348	Udayan Care
4	Sadak Project	Promoting education	Patiala( Punjab)	700,000	700,000	Patiala Foundation
<b>Total</b>				<b>6,977,348</b>	<b>6,977,348</b>	<b>-</b>

**ABOUT FAIR FARMING FOUNDATION**

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

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

Since inception, Fair Farming Foundation have been and continue to be involved in meaningful, welfare driven initiatives that distinctively impact the quality of

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

**ABOUT UDAYAN CARE**

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

**ABOUT PATIALA FOUNDATION**

The Patiala Foundation is working on a livelihood project (UN-SDG 13) by the name ofGreenCABSin the state of Punjab under which we are providing new ECOfriendly cycle rickshaws to persons who are already plying the same or who wish to start the same in the state of Punjab. They also provide the Traction Drivers more Income enhancement options. They are providing them the Patiala GreenCABS with a package of Uniform sets, Membership ID card, MC permit etc. and the rickshaws are of new improved design which are lighter in weight hence they are easy to ply. Without using any wood, these rickshaws are ECO Friendly fitted with seat belts for the safety of the passengers and have more luggage space. In addition to the above project we are also working with the female SHGs and are linking them to the Banks so that they can start with their own livelihood.They have also expanded the operations in the state of Haryana.

Sd/-  
**(Ashwani Kumar Arora)**  
(Chief Executive Officer)  
DIN 01574773

Sd/-  
**(Gokul Patnaik)**  
(Chairman CSR Committee)  
DIN 00027915

**Annexure -III to Directors Report for the year ended 31st March, 2020**

**FORM NO. AOC -2**

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

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

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

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

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

(Amount in Lakhs)

SL. No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
1.	Dawaat Foods Limited (Subsidiary Company)	Sales/Purchases/ Interest received/ Rent received/ Corporate Guarantee Charges income/Expenses on Fleet lease/ Reimbursement of Expenses received/ Business Support Services/Sale of Fixed Assets/ Purchase of Fixed Assets/Corporate Guarantee Rent Income / Fumigation Income / Guarantees given / Processing charges Income Sales	01.04.19 to 31.03.2020	70,592.50	16/05/2019, 08/08/2019, 07/11/2019 and 06/02/2020	6136.42
2	Nature Bio Foods Limited (Subsidiary Company)	Rent Income / Fumigation Income / Guarantees given / Processing charges Income	01.04.19 to 31.03.2020	7,875.80	-do-	-
3	LT Foods America Inc. (Fellow Subsidiary)	Sales	01.04.19 to 31.03.2020	27657.17	-do-	-

(Amount in Lakhs)

SL. No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/ Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
4	LT Foods Middle East DMCC (Fellow Subsidiary)	Sales	01.04.19 to 31.03.2020	11611.94	-do-	-
5	Raghunath Agro Industries Private Limited (Subsidiary Company)	Sales / Purchase / Corporate guarantee income, reimbursement of expenses/ Purchase of fixed assets	01.04.19 to 31.03.2020	11248.51	-do-	-
6	Raghuvesh Agri Foods Private Limited (Associate Company)	Loan	01.04.19 to 31.03.2020	328.49	-do-	-
7	Super Texfab Private Limited (Entities of KMP)	Purchase	01.04.19 to 31.03.2020	582.14	-do-	-
8	Raghuvesh Warehousing Private Limited (Associate Company)	Loan	01.04.19 to 31.03.2020	245.09	-do-	-
9	Deva Singh Sham Singh Exports Private Limited (Wholly Owned Subsidiary Company)	Sales /Processing charges paid	01.04.19 to 31.03.2020	900.71	-do-	-
10	UIPL Innovations Private Limited (Entities of KMP))	Purchase/ Reimbursement of expenses	01.04.19 to 31.03.2020	143	-do-	-
11	LT Foods Europe B.V. (Fellow Subsidiary)	Sales / Guarantees given/Corporate Guarantee charges income	01.04.19 to 31.03.2020	21912.02	-do-	-
12	Daawat Kameda India Private Limited (Joint Venture)	Sales/ Purchases/ Rental income/ Reimbursement of expenses	01.04.19 to 31.03.2020	646.07	-do-	-
13	Raghuvesh Infrastructure Private Limited (Associate Company)	Reimbursement of expenses	01.04.19 to 31.03.2020	11.57	-do-	-
14	LT Overseas North America, Inc (Wholly Owned Subsidiary Company)	Sale of investment in subsidiary	01.04.2019 to 31.03.2020	58.50	19/08/2019	-

All material transactions were approved by shareholders in the Annual General meeting of the Company held on 30 th September, 2019

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

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

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

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

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

## Annexure -IV to Directors Report for the year ended 31st March, 2020

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

To,  
The Members,  
**LT Foods Limited**

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

Based on my verification of the **M/s LT Foods Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March 2020** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

#### PARA ONE

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s LT Foods Limited ("the Company") for the financial year ended on 31st March, 2020 to the extent applicable according to the provisions of:

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

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
- (e) \*The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) \*The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) \*The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009-; and
- (h) \*The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998-

\* No Event took place under these regulations during the Audit Period.

(vi) I have also examined the Compliances of the Provisions of the following other laws applicable specifically to the Company wherein I have also relied on the Compliance Certificates/declaration issued by the head of the respective department/ management in addition to the checks carried out by me and found that company has complied with all the provisions of said Acts and also the

abovementioned act except the below mentioned observations.

- (1) The Stamp Duty Act, 1899
- (2) The Employee's Provident fund & Miscellaneous Provisions Act, 1952
- (3) The Equal Remuneration Act, 1976
- (4) The Maternity Benefit Act, 1961
- (5) The Minimum wages Act, 1948
- (6) The Water (Prevention and Control of Pollution) Act, 1974
- (7) The Air (Prevention and Control of Pollution) Act, 1981
- (8) The Environment (Protection) Act, 1986
- (9) The Employee's State Insurance Act, 1948
- (10) Legal Metrology Act, 2009
- (11) The Factories Act, 1948
- (12) Payment of Gratuity Act, 1972
- (13) The Payment of Wages Act, 1956
- (14) The Contract Labour (Regulation and Abolition) Act, 1970
- (15) The Industrial Employment (Standing Orders) Act, 1946
- (16) The Industrial Dispute Act, 1947
- (17) The Payment of Bonus Act, 1965

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

1. According to information and Explanation and verification of forms and returns maintained by Company, the Company as required under Section 403 pays the prescribed additional fees in case of delayed filing.
2. During the FY 2019-20, the Company has spent only Rs.69.77 Lakh out of allocated Rs129.09 Lakh for the purpose of CSR activities.

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

- 1.) The Company has late submitted its Annual Performance Report (APR) for its WOS LT Foods International Limited for the financial year 31st March 2019 as required under Regulation B14 of RBI's Master Direction on 25th May 2020 and accordingly has filed for condonation of delay for the same.

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

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

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

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

**PARA SECOND**

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

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

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

I further report that

- a. As required under Regulation 17(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company do not have half of the Board of Directors as Independent after

resignation of two Independent Directors on 06th February, 2020 and appointment of one Independent Director on 17th March 2020.

- b. As required under Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, none of its Independent Director has been appointed on the Board of Directors of one of its Foreign Material Subsidiary LT Foods Americas INC as on close of its financial year

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

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

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

1. Taken following approval of Shareholders in Annual General Meeting of the Company held on 30th September, 2019

- (a) Special resolution passed for reappointment of Mr. Parmod Bhagat as Independent Director for a second term up to the conclusion of the 34th Annual General Meeting of the Company.
- (b) Special resolution passed for reappointment of Mrs. Radha Singh as Independent Director for a second term up to the conclusion of the 34th Annual General Meeting of the Company.
- (c) Special resolution passed for appointment of Mr. Vijay Kumar Arora as Managing Director of the company for a period of 5 years w.ef. 28th September 2019.
- (d) Special resolution passed for approval of proposed material related party transactions with its Subsidiary company Daawat Foods Limited
- (e) Special resolution passed ratifying material related party transactions executed during the financial year 2018-19 with its Subsidiary company Daawat Foods Limited.

For D Dixit and Associates  
Company Secretaries

Place: New Delhi  
Date: 30.07.2020

**CS Debasis Dixit**  
FCS No. 7218, CP No.: 7871  
UDIN-F007218B000528068

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

**Annexure -A** to the Secretarial Audit Report

The Members  
**LT Foods Limited**

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

Date: 30.07.2020  
Place: New Delhi

**Annexure -V** to Directors Report for the year ended 31st March, 2020

Statement Containing certain financial information of subsidiaries, associate Companies and Joint Ventures of LT Foods Limited as at 31st March 2020  
**STATEMENT PURSUANT TO FIRST PROVISIO TO SUB -SECTION (3) OF SECTION 129 READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES,2014**

**PART-A SUBSIDIARIES**

(figures in lakhs)

S. No	Name of the subsidiary	Reporting Currency	Date of acquisition of Subsidiary	Financial year ended on	Share capital	Reserve & surplus (includes equity component of compound financial instrument)	Total assets	Total liabilities	Investments	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation & prior period adjustment	Profit/(loss) after tax expenses and prior period adjustment	Proposed dividend	% of shareholding
1	LTO North America, Inc. USA (Wholly Owned Subsidiary)	USD	02.11.2007	31.03.20	67.70	(12.95)	208.41	153.67	179.53	-	-	(0.53)	0.53	-	100.00%
2	LT Foods Americas, Inc. (Fellow Subsidiary)	USD	22.09.2010	31.03.20	1.00	522.84	1,376.30	852.45	-	2,185.75	116.96	32.99	83.98	-	100.00%
3	LT Foods USA LLC (Wholly Owned Subsidiary)	USD	21.10.2007	31.03.20	0.10	-	59.72	66.25	-	-	(1.28)	(0.44)	(0.84)	-	100.00%
4	Universal Traders, Inc. (Fellow Subsidiary)	USD	19.07.2012	31.03.20	0.10	-	0.14	0.04	-	-	-	-	-	-	100.00%
5	LT Foods Middle East DMCC (Fellow Subsidiary)	AED	17.04.2013	31.03.20	10.00	(5.97)	220.21	216.18	-	894.29	(39.23)	-	(39.23)	-	100.00%
6	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	AED	19.03.2005	31.03.20	65.20	5.63	71.25	0.42	10.00	0.60	(1.24)	-	(1.24)	-	100.00%
7	Daawat Foods Limited (Subsidiary)	INR	04.05.2005	31.03.20	1,915.53	25,244.90	81,146.94	53,986.51	162.29	1,00,022.62	7,096.67	1,999.66	5,097.01	-	70.48%
8	Nature Bio Foods Limited (Wholly Owned Subsidiary)	INR	25.11.2005	31.03.20	200.10	13,894.19	30,085.70	15,991.40	14.02	35,079.69	2,485.80	552.43	1,933.37	-	99.95%
9	SDC Foods India Limited (Subsidiary)	INR	02.01.2009	31.03.20	100.00	(100.00)	-	-	-	356.06	252.89	31.03	221.86	-	80.00%
10	Fresco Fruits & Nuts Pvt Limited (Fellow Subsidiary)	INR	28.08.2014	31.03.20	4,356.69	(5,439.91)	0.17	108.40	-	-	(0.12)	-	0.12	-	84.75%
11	LT Agri Services Private Limited (Fellow Subsidiary)	INR	17.04.2009	31.03.20	1.00	(2.60)	0.45	2.05	-	-	(0.20)	-	(0.20)	-	70.48%
12	LT International Limited (Subsidiary)	INR	12.01.1999	31.03.20	200.00	(35.52)	164.60	0.12	135	-	(8.75)	-	(8.75)	-	89.98%

(figures in lakhs)

S. No	Name of the subsidiary	Reporting Currency	Date of acquisition of Subsidiary	Financial year ended on	Share capital	Reserve & surplus (includes equity component of compound financial instrument)	Total assets	Total liabilities	Investments	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation & prior period adjustment	Profit/(loss) after tax expenses and prior period adjustment	Proposed dividend	% of shareholding
13	Raghunath Agro Industries Private Limited (Subsidiary)	INR	20.07.2015	31.03.20	424.79	2,017.61	16,371.37	13,928.97	-	22,397.87	209.95	53.49	156.46	-	96.00%
14	LT Foods International Limited (Subsidiary)	USD	24.06.2016	31.03.20	0.75	29.71	90.34	59.88	81.63	-	(1.28)	(0.54)	(0.74)	-	100.00%
15	LT Foods Europe BV (Fellow Subsidiary)	USD	06.09.2016	31.03.20	0.00	40.85	399.53	358.68	-	412.30	8.76	1.26	7.50	-	100.00%
16	Deva Singh Sham Singh Export Private Limited (Wholly Owned Subsidiary)	INR	12.04.2017	31.03.20	1.00	(3.84)	750.78	753.62	-	1,406.54	33.68	2.10	31.58	-	100.00%
17	Nature Bio-Foods B.V. (Fellow Subsidiary)	Euros	06.11.2017	31.03.20	0.00	11.09	38.88	27.79	0.18	118.14	9.71	2.31	7.40	-	100.00%
18	Ecopure Specialities Limited (Fellow Subsidiary)	INR	01.11.2017	31.03.20	5.00	(390.83)	5,956.01	6,341.84	-	3,313.91	(481.05)	(90.85)	(390.20)	-	99.95%

Profit & Loss Items dealt with:-

- \* USD : Exchange Rate as on 31/03/2020 is ₹ 70.88 per USD
  - \*\* AED: Exchange Rate as on 31/03/2020 is ₹ 19.3064 per AED
  - \*\*\* EURO: Exchange Rate as on 31/03/2020 is ₹ 78.76 per EURO
- Balance Sheet Items dealt with:-
- \* USD : Exchange Rate as on 31/03/2020 is ₹ 75.66 per USD
  - \*\* AED: Exchange Rate as on 31/03/2020 is ₹ 20.536 per AED
  - \*\*\* EURO: Exchange Rate as on 31/03/2020 is ₹ 83.08 per EURO
- Expo Services Private Limited was closed during the year.

PART- B ASSOCIATES AND JOINT VENTURES

S. No.	Name of Associates or Joint Ventures	RaghuveshAgri Foods Private Limited (Associate)	Raghuvesh Warehousing Private Limited (Associate)	Raghuvesh Infrastructure Pvt. Ltd. (Associate)	Daawat Kameda India Pvt Ltd (Joint Venture)
1.	Last Audited Balance Sheet date	31/03/2020	31/03/2020	31/03/2020	31/03/2020
2.	Date on which the Associate or Joint Venture was associated or acquired	20/05/2014	20/05/2014	24/08/2015	14/03/2017
3.	Shares of the Associate or Joint Venture held by the company on the year end No.	1600000	1600000	15000	24056359
	Amount of Investment in the Associate or Joint Venture	160.00	160.00	1.50	2405.64
	Extent of holding (in percentage)	40	40	30	51
4.	Description of how there is significant Influence	Holding More than 20% of Total Share Capital of the Company			
5.	Reason why the associate/ joint venture is not consolidated	Not Applicable			
6.	Networth attributable to shareholding as per latest audited balance sheet	973.34	1144.63	(56.91)	4151.34
7.	Profit or Loss for the year				
	(i) Considered in consolidation	(81.55)	(35.79)	24.79	(258.01)
	(ii) Not Considered in consolidation	(122.33)	(53.69)	57.84	(247.89)

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



## CEO/CFO Certificate

- To
- The Board of Directors  
**LT Foods Limited**
- Sub: - Compliance Certificate as per Regulation 17(8) of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015
- We have examined the registers, records, books and papers of the Company as required to be maintained under the Companies Act, 2013 (the Act) and the rules made thereunder, the provisions of various statutes, wherever applicable, the provisions contained in the Memorandum and Articles of Association of the Company for the year ended on 31st March 2020 and in our opinion and to the best of our information
- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year that are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For LT Foods Limited

**Ashwani Kumar Arora**  
 Chief Executive Officer & Chief Financial Officer

Date: 28th May, 2020  
 Place- Gurugram

# Corporate Governance Report

Corporate governance is about maximizing shareholder value legally, ethically and on a sustainable basis. Our goal of corporate governance is to ensure fairness for every stakeholder – our customers, investors, vendor-partners, the community, and the governments of the countries in which we operate. We believe that sound corporate governance is critical in enhancing and retaining investor trust. It is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values

The Company believes that good Corporate Governance emerges from the application of the best and sound management practices and compliance with the laws, coupled with adherence to the highest standards of transparency and business ethics. The Company places great emphasis on values such as ownership, customer centricity, integrity, passion for excellence, constant innovation and respect.

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

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

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

## BOARD OF DIRECTORS

In accordance with our corporate governance philosophy and in strict adherence to the provisions of SEBI (Listing and Other Disclosure) requirements, 2015 (LODR), we have a diverse Board with appropriate combination of skills as well as integrity of Independent Directors to maintain its autonomy. The Company has always recognized the advantages of a diversified Board in effecting better decision-making, better ideas, advancement of knowledge and improvement of brand and reputation.

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

On March 31, 2020, our Board consisted of seven members, three of whom are Executive, three are Non-executive independent members and one is Non-executive Nominee Director. On 17th March, 2020, the Board appointed Mrs Neeru Singh as Additional Director, who is independent of the other Board members.

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

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

b) None of the Directors on the Board are members of more than ten committees or hold the post of Chairman in more than five Committees in other companies. Necessary disclosures regarding the Committee positions on the Board of other Public Companies, as on March 31, 2020 have been made by the Directors.

c) Since the Chairman of the Board is Executive, more than half of the Board should have been Independent. Two Independent Directors resigned from the Board of the Company on 06th

February 2020. However, the Board was proactive in filling the vacancy by appointing Mrs. Neeru Singh as Independent Director. The Board is still short of one more Independent Director to maintain optimum combination as prescribed by Listing Regulations. The Company has put all its efforts to fill in the vacancy with the appointment of one more Director with requisite skills and knowledge.

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

The Composition of the Board and Attendance record of Directors for 2019-20:

Name & DIN	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2019-20		Whether attended last AGM	Number of Directorships in other public companies	Number of Committee positions held in public companies	
			Held	Attended			Chairman	Member
Vijay Kumar Arora 00012203	Chairman & Managing Director (Promoter, Executive)	22986920	7	5	NO	3	NIL	NIL
Ashwani Kumar Arora 01574773	Managing Director (Promoter, Executive)	22986920	7	6	NO	3	NIL	NIL
Surinder Kumar Arora 01574728	Managing Director (Promoter, Executive)	22986920	7	6	YES	3	NIL	NIL
*Parmod Bhagat 00198092	Non-Executive (Independent)	Nil	7	6	YES	1	2	NIL
*Rajesh Kumar Srivastava 00302223	Non-executive (Nominee Director)	Nil	7	6	NO	5	NIL	2
*Radha Singh 02227854	Non-executive (Independent)	Nil	7	6	YES	2	1	3
Suparas Bhandari 00159637	Non-executive (Independent)	Nil	7	6	NO	1	1	2
Gokul Patnaik 00027915	Non-executive (Independent)	Nil	7	7	NO	1	1	1
**Neeru Singh 06987939	Non-executive (Independent)	Nil	0	0	NA	0	0	0

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

\* Mr. Parmod Bhagat and Mrs. Radha Singh resigned from the Board of Directors w.e.f 06th February, 2020.

\*\* Mrs. Neeru Singh was appointed as Independent Director on the Board w.e.f 17th March, 2020

- e) During the year, seven meetings of the Board members were held and the interval between two meetings did not exceed one hundred twenty days. The dates on which these meetings were held are: May 16, 2019, August 8, 2019, August 19, 2019, November 07, 2019, 13th December, 2020, February 06, 2020 and 12th February 2020. Further a resolution was passed through circulation on 17th March 2020.
- f) During the year, information, as mentioned in Regulation 17(7) of SEBI (Listing Obligations and Disclosure Requirements), has been placed before the Board for its consideration.
- g) None of the Non-executive Directors have any material or pecuniary relationship or transactions with the Company.

- h) There is no inter se relationship between the Independent Directors. However, Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora are related to each other.
- i) The Board reviews the compliance report pertaining to all applicable laws, as well as the steps taken by the Company to rectify the instances of non-compliance.
- j) The Non-executive Directors do not hold any convertible instruments in the Company.
- k) The Senior management has disclosed to the Board of Directors that they have not entered into any material, financial, commercial transactions

which may have potential conflicts with the interest of the Company.

- l) No employee, including Key Managerial Personnel or Director or Promoter of a listed entity have entered into an agreement for himself or on behalf of any other person, with any shareholder or other third party, with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity.

m) \*Mr. Rajesh Kumar Srivastava is a Nominee Director representing India Agri Business Fund and Real trust as equity investor.

Details of listed Companies in which persons are Directors and category of Directorships-

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

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

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

- o) The Board confirms that the Independent Directors fulfil the conditions specified in these regulations and are Independent of the management.

- p) Mrs. Radha Singh and Parmod Bhagat resigned on 06th February 2020. Mrs. Neeru Singh was appointed as Additional Director on 17th March 2020.

**Role of the Board of Directors**

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

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

**Definition of Independent Directors**

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

**Familiarization Programme of Independent Directors**

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

They are presented with an opportunity to interact with senior management and are provided with documents that enable them to have good

understanding of the Company, its business model and operations.

The web link for the details of familiarization programme imparted to Independent Directors is <http://www.ltgroup.in/pdf/familiarization-programme-for-independent-directors.pdf>. The Independent Directors attended a two-day programme on the five-year roadmap of the Organisation in financial year 2019-20, spending fifteen hours in the familiarization programmes about the Company and its future outlook. All business updates of the Company are communicated to the Directors well in time to stay informed on all developments of the business.

**Performance Evaluation of Independent Directors**

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

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

Additionally, the performance of Chairman, Executive Directors and Independent Directors are evaluated using certain indices depending upon their roles and responsibilities. For the Chairman, the criteria includes leadership, relationship with stakeholders, and so on, while for the Executive Directors the criteria includes execution of business plans, risk management, achievement of business targets, development of plans and policies aligned to the vision and mission of the Company, among others. Similarly, ideals for evaluation of Independent Directors

include effective deployment of knowledge and expertise, commitment to his/her role towards the Company and various stakeholders, willingness to devote time and efforts to his/her role, high ethical standards, adherence to applicable codes and policies, effective participation and application of objective as well as independent judgement during meetings, among others. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2019-20 by way of oral evaluation at the time of personal interaction.

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

**Separate Meeting of Independent Directors**

The Listed Company needs to conduct at least one meeting in a year wherein Independent Directors can evaluate the Board as well as fellow Independent Directors individually in addition

to assessing the Committees and the Board procedures of the Company. All Independent Directors met separately on February 6th, 2020.

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

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

**Succession Plan**

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

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

**BOARD COMMITTEES**

<b>Audit Committee</b>	<b>Nomination and Remuneration Committee</b>
1. Gokul Patnaik - Chairman Independent Director	1. Gokul Patnaik - Chairman Independent Director
2. Suparas Bhandari Independent Director	2. Suparas Bhandari Independent Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee Director
<b>Governance Committee</b>	<b>Corporate Social Responsibility Committee</b>
1. Vijay Kumar Arora - Chairman Executive Director	1. Gokul Patnaik- Chairman Independent Director
2. Ashwani Kumar Arora Executive Director	2. Vijay Kumar Arora Executive Director
3. Rajesh Kumar Srivastava Nominee Director	3. Rajesh Kumar Srivastava Nominee Director

**Stakeholders Relationship Committee**

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

**Audit Committee**

**Brief description and terms of reference:**

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

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

**Powers of the Audit Committee**

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

**Role of the Audit Committee**

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, adequate and credible
- Recommendations for appointment, remuneration and terms of appointment of Auditors of the Company
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors
- Evaluation with the management, the annual financial statements and Auditors Report before submission to the Board for approval, with particular reference to:

- a. Matters required to be included in the Directors' Responsibility Statement as well as the Board's report in terms of clause (c) of sub section 3 of Section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgement by the management
  - d. Significant adjustments made in financial statements arising out of audit discoveries
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions; and
  - g. Qualifications in the draft Audit report
- Management review of the quarterly financial statements before submission to the Board for approval
  - Monitoring and reviewing with the Management, the statement of uses/application of funds raised through an issue(public issue, right issue, preferential issue, and so on), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency overseeing the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
  - Review and regulation of the auditors' independence, performance, and effectiveness of audit process
  - Approval or any subsequent modification of transactions of the Company with the related parties

- Valuation of undertakings or assets of the Company, wherever it is necessary
  - Assessment of Internal Financial Controls and Risk Management Systems
  - Management's review of the performance of statutory auditors, internal auditors, adequacy of internal control systems
  - Formulation of the scope, functioning, periodicity and methodology for conducting the internal audit
  - Analysis of the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
  - Discussions with internal auditors regarding any significant findings and follow-up thereon
  - Thorough study of the discoveries from internal investigations by the auditors regarding matters where there could be suspected fraud, irregularity or a failure of internal control systems of a material nature, which also requires reporting of the matter to the Board.
  - Discussion regarding the nature and scope of audit with statutory auditors before the audit commences as well as post audit discussion to ascertain any area of concern
  - Arrival at reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors
- Supervision of the functioning of the Vigil and Whistle Blower mechanism
  - Approval of the appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, background, among others of the candidate
  - Execution of any other function as is mentioned in the terms of reference of the Audit Committee
  - Examination of financial statements, in particular the investments made by the Company's unlisted subsidiaries
  - Evaluation of the following information:
    - a) The Management Discussion and Analysis of financial condition and result of operations
    - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by Management
    - c) Management letters/letters of internal control weaknesses issued by the statutory auditors
    - d) Internal audit reports related to internal control weaknesses and
    - e) Material in relation to appointment, removal and terms of remuneration of the Chief Internal Auditor/Internal Auditors

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

May 16, 2019, August 08, 2019, November 07, 2019, December 13, 2019 and February 06, 2020.

Members of the Committee	Category and Designation	Number of the meetings held during the year 2019-20	
		Held	Attended
Parmod Bhagat	Independent, Non-executive (Chairman)	5	5
Radha Singh	Independent, Non-executive	5	5
Rajesh Kumar Srivastava	Nominee, Non-executive	5	4
Gokul Patnaik	Independent Non-executive	5	5

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

All the members of the Audit Committee are financially literate.

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

- Mrs. Radha Singh and Parmod Bhagat resigned on 06th February 2020. The Committee was reconstituted by appointing Mr. Gokul Patnaik as Chairman and Mr. Rajesh Kumar Srivastava and Mr. Suparas Bhandari as members.

## II. NOMINATION & REMUNERATION COMMITTEE

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

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

Mrs. Radha Singh was present at the twenty-ninth Annual General Meeting of the Company

- Mrs. Radha Singh and Parmod Bhagat resigned on 06th February 2020. The Committee was reconstituted by appointing Mr. Gokul Patnaik as Chairman and members as Rajesh Kumar Srivastava and Mr. Suparas Bhandari

The Nomination & Remuneration Committee meeting was held on 08th August 2019.

Members of the Committee	Category and Designation	Number of the meetings held during the year 2019-20	
		Held	Attended
Parmod Bhagat	Independent, Non-executive (Chairman)	1	1
Radha Singh	Independent, Non-executive	1	1
Rajesh Kumar Srivastava	Nominee, Non-executive	1	1
Suparas Bhandari	Independent, Non-executive	0	0
Gokul Patnaik	Independent, Non-executive (Chairman) (appointed as Chairman on 06th Feb 2020)	0	0

### Brief Description and Terms of Reference:

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

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

During the financial year, one Nomination & Remuneration/Compensation Committee Meeting was held. Further a Circular resolution was passed by the members of the Committee on 17th March 2020 for appointment of Mrs. Neeru Singh.

### I. Remuneration Policy

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

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

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

### II. Directors Remuneration Policy

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

their respective dates of appointment. The details of remuneration paid to the Executive Directors for the financial year ending March 31, 2020, are as under:

Name of Director	(Amount in ₹ Lakhs)	
	Vijay Kumar Arora	Ashwani Kumar Arora
<u>Salary Components(INR)</u>		
Salary	213.42	211.21
Benefits(perquisites)	0.39	NIL
Bonuses	NIL	NIL
Stock Option	NIL	NIL
Pension	NIL	NIL
Fixed Component	NIL	NIL
Performance linked incentive and performance criteria	NIL	NIL
Service Contract	NIL	NIL
Notice Period	NIL	NIL
Severance Fee	NIL	NIL
Stock Option details	NIL	NIL

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

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

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

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

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

the Nomination & Remuneration Committee and the approval of Board of Directors and the Shareholders of the Company.

- No pecuniary relationship or transaction happened between the Non-Executive Directors vis-à-vis the listed entity, during the financial year ended March 31, 2020, except for the sitting fees for attending meetings of the Board and other Committees.

The details of sitting fees paid to the Non-executive Directors for attending the meetings of the Board(s) and Committee(s) during the financial year ending March 31, 2020

Name of the Director	(₹ In Lakhs)	
	Sitting fees paid	
Parmod Bhagat	6.55	
Radha Singh	6.95	
Gokul Patnaik	6.55	
Suparas Bhandari	4.60	

### Service:

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

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

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

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

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

May 16, 2019, August 08, 2019, November 07,2019, February 06,2020

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

Members of the Committee	Category and Designation	Number of the meetings held during the year 2019-20	
		Held	Attended
*Parmod Bhagat	Independent, (Chairman)	4	4
*Radha Singh	Independent	4	4
Rajesh Kumar Srivastava	Nominee	4	4
Suparas Bhandari	Independent	4	4
*Gokul Bhandari	Independent	0	0

- Mrs. Radha Singh and Parmod Bhagat resigned on 06th February 2020. The Committee was reconstituted by appointing Mr. Gokul Patnaik as Chairman and members as Rajesh Kumar Srivastava and Mr. Suparas Bhandari.

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

#### Shareholder's Complaints:

During the financial year 2019-20, the Company has received only one complaint, which was duly resolved within the stipulated time.

### IV. GOVERNANCE COMMITTEE

The Governance Committee comprises three members:

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

The dates and other details of these meetings are as follows

Dates: May 16, 2019, August 08, 2019, November 07, 2019 and February 06,2020

Members of the Committee	Category and Designation	Number of the meetings held during the year 2019-20	
		Held	Attended
Vijay Kumar Arora	Executive (Chairman)	4	3
Ashwani Kumar Arora	Member, Director	4	4
Rajesh Kumar Srivastava	Member, Nominee Director	4	1

### V. CSR COMMITTEE

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

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

Dates: May 16, 2019 and August 08, 2019

The CSR Committee includes the following members:

Members of the Committee	Category and Designation	Number of the meetings held during the year 2019-20	
		Held	Attended
Radha Singh	Chairman, Independent	2	2
Vijay Kumar Arora	Member	2	2
Rajesh Kumar Srivastava	Member	2	2
Gokul Patnaik	Member, Independent	2	2

### WHISTLE BLOWER MECHANISM

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

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

### POLICY/VIGIL

### POLICY ON PREVENTION OF INSIDER TRADING

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

### RISK MANAGEMENT

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

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

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

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

### MATERIAL SUBSIDIARY COMPANIES

There are three material subsidiaries as on 31st March, 2020. Including

LT Foods Americas

Daawat Foods Limited

LT Foods Europe B.V.

Daawat Foods Limited is an unlisted material subsidiary of the Company with one Independent Director, Mr. Parmod Bhagat of LT Foods Limited on the Board who resigned from the Board of LT Foods

as on 06th February, 2020. The Audit Committee and the Board of Directors of the Company evaluate the financial statements of the subsidiary.

The Financial statements, significant transactions, if any at any given point of time and proceedings of all the unlisted subsidiaries of the Company were periodically reviewed by the Audit Committee and placed before the Directors of LT Foods Limited.

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

### DETAILS OF THE ANNUAL GENERAL MEETINGS

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

Financial Year	General Meeting	Location	Date	Time
2018-19	29th AGM	Siri Fort Auditorium, August Kranti Marg, New Delhi-110049	30.09.2019	12:00 noon
2017-18	28th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	24.09.2018	03:00 PM
2016-17	27th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	19.09.2017	12.00 PM

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

Financial Year	General Meeting	Location
2018-19	29th AGM	Appointment of Mr. Parmod Bhagat as an Independent Director Appointment of Mrs. Radha Singh as Independent Director Reappointment of Mr. Vijay Kumar Arora as Managing Director of the Company
2017-18	28th AGM	: Ratify material related party transactions entered by the company during financial year 2017-18.
2016-17	27th AGM	: Revised remuneration of Mr. Vijay Kumar Arora, Managing Director of the Company. : Revised remuneration of Mr. Ashwani Kumar Arora, Managing Director of the Company. : Approve related party transactions for the financial year 2017-18 : Fix remuneration of Mr. Ritesh Kumar Arora.

### POSTAL BALLOT

Special Resolution for alteration in Memorandum of Association was passed through postal ballot as on 16th December 2019

Debasis Dixit, Practicing Company Secretary conducted the postal ballot

Procedure for Postal Ballot

Voting Pattern and Procedure for Postal Ballot:

- i) The Board of Directors of the Company, in their meeting held on 07th November 2019, appointed Mr. Debasis Dixit, Practicing Company Secretary as the Scrutinizer for conducting the postal ballot voting process.
- ii) The Company had completed the dispatch of the Postal Ballot Notice dated 15th November 2019 together with the Explanatory Statement, along with forms and postage prepaid business reply envelopes to all the shareholders whose name(s) appeared on the Register of Members/list of beneficiaries as on 8th November 2019.
- iii) The voting under the postal ballot was kept open from 15th November, 2019 (from 09.00 a.m.) to

14th December 2019 (upto 5.00 p.m.) ( either physically or through electronic mode)

- iv) Particulars of postal ballot forms received from the Members using the electronic platform of CDSL were entered in a register separately maintained for the purpose.
- v) The postal ballot forms were kept under safe custody of the Scrutinizer in sealed and tamper proof ballot boxes before commencing the scrutiny of such postal ballot forms.
- vi) All postal ballot forms received/receivable up to the closure of working hours on 14th December 2019 the last date and time fixed by the Company for receipt of the forms, had been considered for his scrutiny.
- vii) Envelopes containing postal ballot forms received after closure of working hours on 14th December 2019 had not been considered for his scrutiny.
- viii) On 16th December, 2019, the Company Secretary announced the following results of the postal ballot as per the Scrutinizer's Report:

### RESOLUTION NO. 1 ALTERATION OF MEMORANDUM OF ASSOCIATION

#### Voted in favour of the resolution:

Mode of voting	Number of members validly vote	Number of Valid votes cast by them	% of total number of valid votes cast
Remote e-voting	261	163253169	98.58
Voting by Postal Ballot	17	2020	0.00
Total	278	163255189	98.58

#### Voted against the resolution:

Mode of voting	Number of members validly vote	Number of Valid votes cast by them	% of total number of valid votes cast
Remote e-voting	42	2352773	1.42
Voting by Postal Ballot	434	4249	0.00
Total	476	2357022	1.42

#### Invalid votes:

Total number of members whose votes were declared invalid	Total Number of votes cast by them
2	21286921

**DISCLOSURES**

1. During the financial year ended March 31, 2020, there were no materially significant transactions with related parties, including promoters, relatives, the management, and subsidiaries, among others, that may have a potential conflict with the interest of the Company at large other than the disclosed transactions. The relevant disclosures on related parties and transactions with them are appearing in the Notes to the Accounts (Schedule-21). The Company has formulated a policy on materiality of Related Party transactions and on dealing with RPT, in accordance with the relevant provision of Companies Act, 2013 and Listing Regulations, 2015 (as amended from time to time). The policy has been revealed on the website of the Company at weblink: [http://www.ltgroup.in/pdf/policy\\_on\\_related\\_party\\_transactions-new.pdf](http://www.ltgroup.in/pdf/policy_on_related_party_transactions-new.pdf) under the investors section. Necessary disclosure has been made in Director's Report Annexure III.

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

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

2. The Company has been compliant and no penalty or stricture was imposed on it by any Stock Exchange, SEBI or statutory authority on account of non-compliance by the Company on any matter related to the Capital Market during the last three financial years.

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

4. In compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended till date, on prevention of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly followed by its management, staff and relevant business associates. The Code expressly lays down the guidelines, the procedure

to be followed and disclosures to be made, while dealing with shares of the Company. It also cautions them on the consequences of non-compliance thereof.

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

6. The Company complies with all the mandatory requirements of Listing Regulations, 2015. It is in the process of conforming to the non-mandatory requirements of the LODR on 'Corporate Governance'.

7. Reconciliation of Share Capital Audit

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

8. Disclosure of accounting treatment in preparation of financial statements

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

9. LT Foods also established effective whistle blower mechanism and hereby affirms that no personnel or stakeholder has been denied access to the Audit Committee.

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

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

11. No personnel has been denied access to the Audit Committee under Vigil mechanism.

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

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

14. Total fee INR 58.79 lakhs for all the services paid by the Company and its subsidiaries, on a consolidated basis to the statutory auditor and

all entities in the network firm /network entity of which the statutory auditor is a part.

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

16. Disclosure of Commodity price risks and commodity hedging activities

The same has been disclosed in Management & Discussion Analysis

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

**II Annual Affirmations**

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Board composition	17(1), 17(1A) & 17(1B)	no
Meeting of board of directors	17(2)	yes
Quorum of board meeting	17(2A)	yes
Review of Compliance Reports	17(3)	yes
Plans for orderly succession for Appointments	17(4)	yes
Code of Conduct	17(5)	yes
Fees/compensation	17(6)	yes
Minimum Information	17(7)	yes
Compliance Certificate	17(8)	yes
Risk Assessment & Management	17(9)	yes
Performance Evaluation of Independent Directors	17(10)	yes
Recommendation of board	17(11)	yes
Maximum number of directorship	17A	yes
Composition of Audit Committee	18(1)	yes
Meeting of Audit Committee	18(2)	yes
Composition of Nomination & Remuneration Committee	19(1) & (2)	yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	yes
Meeting of Nomination & Remuneration Committee	19(3A)	yes
Composition of Stakeholder Relationship Committee	20(1), 20(2) and 20(2A)	yes
Meeting of Stakeholder Relationship Committee	20 (3A)	yes
Composition and role of Risk Management Committee	21(1),(2),(3),(4)	yes
Meeting of Risk Management Committee	21(3A)	yes
Vigil Mechanism	22	yes
Policy for related party Transaction	23(1),(1A),(5),(6),(7) & (8)	yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	NA
Approval for material related party Transactions	23(4)	yes
Disclosure of related party transactions on consolidated basis	23(9)	yes



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

### Voluntary Disclosure of Dividend Distribution Policy

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

Brief objectives of the policy are:

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

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

### MEANS OF COMMUNICATION

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

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

### CODE OF CONDUCT

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

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

I hereby confirm that:

The Company has obtained, from all members of the Board and Senior management, personnel affirmation that they have complied with the Code of Conduct and Ethics for Directors and Senior Management personnel for the financial year 2019-20.

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

### GENERAL SHAREHOLDER'S INFORMATION

#### Thirtieth Annual General Meeting

Date and Time	30th September, 2020 at 12.00 noon
Venue	Video Conferencing/ Audio Visual means
Book Closure	Thursday, September 24, 2020 to Wednesday, September 30, 2020, both days inclusive

#### Tentative Financial Calendar

First Quarter Result	30th July, 2020
Half Yearly Result	November, 2020
Third Quarter Result	February, 2021

**Registered Office and Corporate Office**

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

**Listing on Stock Exchanges**

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

BSE LIMITED	NATIONAL STOCK EXCHANGE OF INDIA LIMITED
PhirozeJeejeebhoy Towers Dalal Street, Mumbai - 400001 Tel. No. 022- 22721233/34 Fax: 022- 22721919	Exchange Plaza, 5thFloor, Plot No. C-1, G- Block, BandraKurla Complex, Bandra (E), Mumbai - 400051. Tel.: 022- 26598110- 14 Fax: 022- 26598120
Security Code: 532783	Security Code: DAAWAT

**ISIN No. for NSDL & CDSL: INE818H01020**

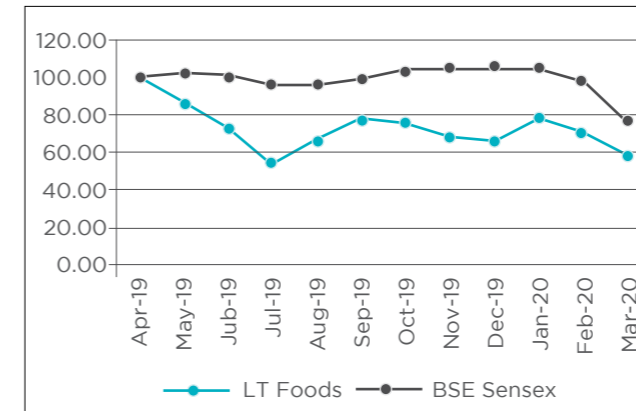
Listing Fees/Custodial Fees for 2019 -20:

The annual listing fees have been paid to BSE and NSE while the annual custodian fees have been paid to NSDL and CDSL for the financial year 2019-20.

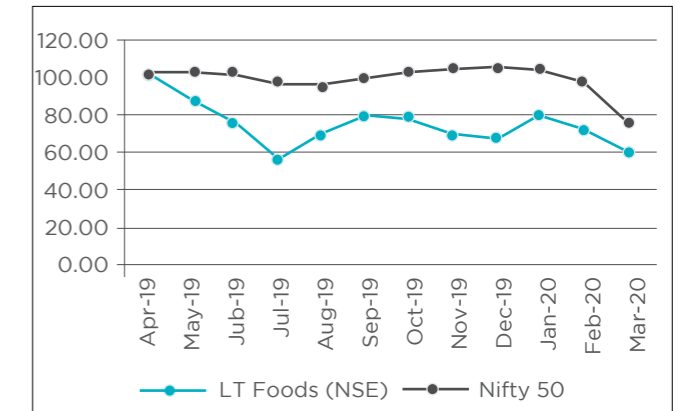
**Stock Market Data on BSE and NSE**

Month	Bombay Stock Exchange Limited					National Stock Exchange Limited					Nifty 50
	High	Low	Close	Volume	Sensex (closing)	High	Low	Close	Volume		
Apr-19	40.40	34.15	34.35	1211017	39032	40.40	34.10	34.40	12694605	11748	
May-19	34.95	26.90	29.45	1557550	39714	34.90	26.85	29.55	17780279	11923	
Jun-19	32.00	19.30	24.90	1794970	39395	30.20	19.25	24.90	17972653	11789	
Jul-19	25.70	18.00	18.65	893234	37481	25.70	17.90	18.65	10555954	11118	
Aug-19	23.50	18.05	22.85	1552050	37333	23.50	18.05	22.90	15784765	11023	
Sep-19	29.65	21.60	26.25	1377841	38667	29.70	21.50	26.35	11808943	11474	
Oct-19	27.25	22.80	26.05	1087881	40129	27.40	22.75	25.90	16388171	11877	
Nov-19	26.30	21.05	23.15	1226692	40794	26.10	21.00	23.20	12898267	12056	
Dec-19	24.15	19.75	22.70	890101	41254	24.20	19.75	22.60	18624312	12168	
Jan-20	30.05	22.30	26.65	2680953	40723	29.95	22.30	26.70	33046452	11962	
Feb-20	30.70	23.80	24.20	1717968	38297	30.95	23.80	23.90	23432095	11202	
Mar-20	26.25	13.00	20.00	1634177	29468	28.30	13.00	19.95	27901047	8598	

**Stock Price vs BSE Sensex**



**Stock Price vs NSE NIFTY**



The graphs above have share prices and indices indexed to 100 on the first working day of 2019-20

**Unclaimed Dividend**

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

As per Companies Act, 2013, any money transferred by the Company to the Unpaid Dividend Account, which remains unclaimed for a period of seven years from the date of the transfer shall be transferred to a fund called 'The Investor Education and Protection setup by the Central Government. The unclaimed dividend for the financial year 2012-13 will be transferred to IEPF account on 30th Oct, 2020. The shareholders who have not claimed their dividend are requested to contact our Registrar and Share Transfer Agent Bigshare Services Private Limited

There are no shares in Unclaimed Suspense Account.

**Share Transfer System and Registrar and Share Transfer Agent**

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

All requests for transfer of shares in the physical form are processed and the duly transferred share certificates are returned to the transferee within the

time prescribed by law, subject to the share transfer documents being valid and complete in all respects.

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

Big share Services Private Limited E-2/3, Ansa Industrial Estate,

Saki Vihar Road, Saki Naka, Andheri (East), Mumbai Pin Code-400072.

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

Fax No. 022-28475207

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

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

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

**Dematerialization of Shares and Liquidity**

Procedure for dematerialization/rematerialization of shares

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

with an equivalent number of shares. In case of a rejection of the request, it will be communicated to the shareholder.

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

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

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

Distribution of Shareholding as on dated March 31, 2020:

**(A) Distribution of Shareholding by Ownership**

Category	Total Shareholders	% Of Shareholders	Voting Strength	%
ALTERNATE INVESTMENT FUND	2	0.00	1962889	0.61
CLEARING MEMBER	339	0.40	6151109	1.92
CORPORATE BODIES	261	0.31	8585540	2.68
DIRECTORS	4	0.00	68960760	21.56
EMPLOYEE	55	0.07	3289096	1.03
FINANCIAL INSTITUTIONS	1	0.00	2007803	0.63
FOREIGN COMPANY	1	0.00	8289454	2.59
FOREIGN PORTFOLIO INVESTOR	18	0.02	4553885	1.42
PROMOTER GROUP COMPANY	2	0.00	33349472	10.43
NON NATIONALISED BANKS	1	0.00	65437	0.02
NON RESIDENT INDIANS	1150	1.37	3303609	1.03
OVERSEAS CORPORATE BODIES	1	0.00	500000	0.16
PROMOTER GROUP	14	0.02	79260040	24.78
PUBLIC	81880	97.78	82936005	25.93
TRUSTS	4	0.00	13000	0.00
MUTUAL FUND	2	0.00	16173684	5.06
IEPF	1	0.00	442997	0.14
<b>TOTAL</b>	<b>83736</b>	<b>100</b>	<b>319844780</b>	<b>100.0000</b>

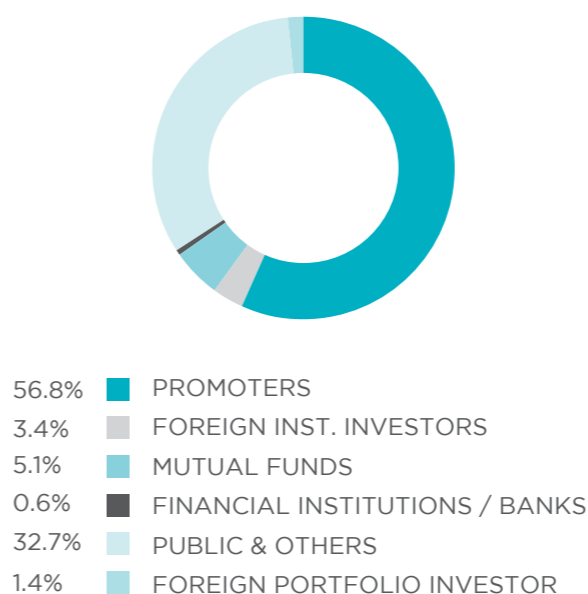
**(B) Distribution of Shareholding by Size**

Category	No. of shares	No of shareholders	% of total shareholders	Share Amount(₹)	% of total
1	5000	81553	97.3930	35191678	11.0027
5001	10000	1115	1.3316	8441160	2.6391
10001	20000	537	.06413	7812678	2.4426
20001	30000	168	0.2006	4198290	1.3126
30001	40000	75	0.0896	2648157	0.8280
40001	50000	69	0.0824	3114898	0.9739
50001	100000	103	0.1230	7416158	2.3187
100001	9999999999	116	0.1385	251021761	78.4824
<b>Total</b>		<b>83736</b>	<b>100</b>	<b>319844780</b>	<b>100.0000</b>

**(C) Top ten Shareholders as on March 31,2020**

CATEGORY	NAME	Shares	
1	PROMOTER GROUP COMPANY	RAGHUVESH HOLDINGS PRIVATE LIMITED	33349472
2	PROMOTERS	GURUCHARAN DASS ARORA	21286920
3	PROMOTER DIRECTOR	SURINDER ARORA	22986920
4	PROMOTER DIRECTOR	ASHOK KUMAR ARORA	22986920
5	DIRECTORS	ASHWANI KUMAR ARORA	22986920
6	PROMOTER DIRECTOR	VIJAY KUMAR ARORA	22986920
7	INSTITUTIONAL INVESTOR	DSP BLACKROCK SMALL CAP FUND	16173684
8	PROMOTERS	VANDANA ARORA	8396500
9	PROMOTER	SAKSHI ARORA	8371500
10	FOREIGN COMPANY	INDIA AGRI BUSINESS FUND LIMITED	8289454

**Shareholding Pattern as on 31st March, 2020-**



**Production facilities:**

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

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

**Investors Correspondence:**

**Registered Office**

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

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

Company Secretary and Compliance Officer

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

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

The long term credit rating of the Company is CRISIL A-and short term credit rating is CRISIL A2+ remained the same with a change in outlook on long term bank loan facilities has been revised from positive to stable.

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

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

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

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

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

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

For D Dixit & Associates

**Company Secretaries**  
Debasis Dixit  
FCS-7218, CP-7871

Date: 30th July, 2020  
Place:- New Delhi

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

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

For D Dixit & Associates

Date: 30th July, 2020  
Place:- New Delhi

Company Secretaries  
**Debasis Dixit**  
FCS-7218, CP-7871

# Independent Auditor's Report

To the Members of LT Foods Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of LT Foods Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended 31st March 2020, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31st March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition – Sale of Products</b></p> <p>Refer to the significant accounting policies in note 2(iv)(i) and the revenue related disclosures in note 32 of the standalone financial statements.</p> <p>Revenue of the Company primarily comprises of revenue from sale of rice and other food products.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Further, there is continuous pressure on the management to achieve planned results. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiple channels for sales, various categories of customers and significant variations in sales quantities during certain periods of the year. Further, there are sporadic high value</p>	<p>Our audit procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process of revenue stream of sale of rice and other food products.</li> <li>• Evaluated the design and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions;</li> <li>• Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc.;</li> <li>• Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria</li> </ul>

# Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>transactions requiring special audit attention and evaluation as they involve varying terms of contracts with such customers.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>are assessed by the management in accordance with the accounting standards;</p> <ul style="list-style-type: none"> <li>• On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payments;</li> <li>• Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns;</li> <li>• Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof.</li> <li>• Evaluated disclosures made in the financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.</li> </ul> <p>Our audit procedures included, but were not limited to the following:</p> <p><b>Existence:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's process of inventory management and inventory physical verification performed at year end;</li> <li>• Evaluated the design and effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness;</li> <li>• Reviewed the instructions given by senior management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/charts, separate identification of goods received after year end, identification of damaged inventory, if any, etc;</li> <li>• Obtained inventory records and results of management conducted count;</li> <li>• Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management, if any;</li> <li>• Appointed an independent firm of Chartered Accountants ('independent CA firm') for</li> </ul>
<p><b>Inventory existence and valuation</b></p> <p>Refer to the significant accounting policies in note 2(iv)(a) and the inventory related disclosures in note 34 of the standalone financial statements.</p> <p>The inventory primarily comprises of paddy, semi-finished and finished rice. Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy. Such inventory is stored in plants, warehouses, silos, yards and storage bags. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.</p> <p>The production process of rice involves mixing of different varieties of purchased rice and manufactured rice, and also leads to generation of by-products such as bran, husk and broken rice. Production process also involves ageing the paddy/ rice to achieve desired quality of end produce. The valuation of semi-finished and finished rice is a complex exercise and is carried out manually through excel spreadsheets. The valuation process involves estimation around determination of –</p> <p>Overhead absorption rates, Determination of yield, Determination of net realisable value of by-products, and</p>	<p>Our audit procedures included, but were not limited to the following:</p> <p><b>Existence:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management's process of inventory management and inventory physical verification performed at year end;</li> <li>• Evaluated the design and effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness;</li> <li>• Reviewed the instructions given by senior management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/charts, separate identification of goods received after year end, identification of damaged inventory, if any, etc;</li> <li>• Obtained inventory records and results of management conducted count;</li> <li>• Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management, if any;</li> <li>• Appointed an independent firm of Chartered Accountants ('independent CA firm') for</li> </ul>

## Independent Auditor's Report

### Key audit matter

Calculation of holding period and determination of weighted average borrowing cost.

Due to outbreak of the COVID-19, there has been a lockdown enforced in the country near year end and several restrictions were imposed by the government on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques as further described in our audit procedures.

Accordingly, existence and valuation of year-end inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.

### How our audit addressed the key audit matter

providing direct assistance in carrying out physical verification of the inventory on a sample basis subsequent to the balance sheet date and supervised and reviewed the work performed by them;

- Reviewed the inventory roll back reconciliation statement prepared by the management and performed tests on sample basis by reviewing the supporting documents and records to substantiate the existence of inventory as at the reporting date; and
- Reviewed the quantitative reconciliation of inventory taking into account the quantity of paddy milled, rice produced, sales and inventory till the date of the inventory verification by the independent CA firm.

### Valuation:

- Obtained an understanding of management process of inventory valuation;
- Evaluated design and effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;
- Tested inputs into the valuation process from source documents/ general ledger accounts;
- Tested reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate yield during the year and to identify any abnormal production loss,
- Compared key estimates, including those involved in computation of overhead absorption and borrowing cost, to prior years and enquired reasons for any significant variations,
- Checked net realisable value of by-products from actual sales proceeds near/ subsequent to the year-end, and
- Tested arithmetical accuracy of valuation calculations.
- Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.

### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial

statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

## Independent Auditor's Report

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

## Independent Auditor's Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest of such communication.

### Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

17. Further to our comments in Annexure A, as required by section 143(3) of the Act, 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 of the accompanying standalone financial statements;

b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

c) the standalone financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended 31st March 2020 and our report dated 31st March 2020 as per Annexure B expressed unmodified opinion; and

g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and

## Independent Auditor's Report

Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

i. the Company, as detailed in note 43 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2020;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2020;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2020; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

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

**Neeraj Goel**  
Partner

**Place:** Gurugram **Membership No.:** 99514  
**Date:** 28th May 2020 **UDIN:** 20099514AAAACK3001

## Independent Auditor's Report

### Annexure A to the Independent Auditor's Report of even date to the members of LT Foods Limited, on the standalone financial statements for the year ended 31st March 2020

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- (ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of loans and guarantees. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of investments and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, GST, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

## Independent Auditor's Report

- (b) The dues outstanding in respect of income-tax, sales-tax, GST, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

### Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹ in Lakhs)	Amount paid under Protest (₹ in Lakhs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income-tax Act, 1961	Income tax demands	57.54	-	2002-03	Income tax Appellate Tribunal (ITAT)
Income-tax Act, 1961	Income tax demands	4.84	-	2006-07	ITAT
Income-tax Act, 1961	Income tax demands	327.62	850.00	2007-08	ITAT
Income-tax Act, 1961	Income tax demands	235.95	223.95	2008-09	ITAT
Income-tax Act, 1961	Income tax demands	346.01	103.38	2009-10	ITAT
Income-tax Act, 1961	Income tax demands	142.68	19.50	2011-12	ITAT
Income-tax Act, 1961	Income tax demands	175.61	108.16	2012-13	ITAT
Income-tax Act, 1961	Income tax demands	90.43	300.00	2013-14	Commissioner of Income Tax (Appeals) (CIT(A))
Income-tax Act, 1961	Penalty	36.27	36.27	1998-99	CIT (A)
Income-tax Act, 1961	Penalty	177.42	10.00	2009-10	CIT (A)
Income-tax Act, 1961	Income tax demands	466.81	-	2014-15	CIT (A)

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank during the year. The Company did not have any outstanding debentures or loans or borrowing payable to any financial institution or government during the year.

(ix) In our opinion, the Company did not raise moneys by way of initial public offer/ further public offer (including debt instruments). The Company has applied the money raised by way of term loans for the purposes for these were raised.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188

of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

**Neeraj Goel**  
Partner

**Place:** Gurugram **Membership No.:** 99514  
**Date:** 28th May 2020 **UDIN:** 20099514AAAACK3001



## Independent Auditor's Report

### Annexure B to the Independent Auditor's Report of even date to the members of LT Foods Limited on the standalone financial statements for the year ended 31st March 2020

#### Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of LT Foods Limited ('the Company') as at and for the year ended 31st March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

#### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those

Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised

## Independent Auditor's Report

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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by the ICAI.

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

**Neeraj Goel**  
Partner

**Place:** Gurugram **Membership No.:** 99514  
**Date:** 28th May 2020 **UDIN:** 20099514AAAACK3001

## Balance Sheet as at 31st March 2020

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

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	20,153.41	19,848.88
Capital work-in-progress	2	520.24	1,833.66
Right of use assets	2	275.80	-
Goodwill	3	0.41	0.51
Other intangible assets	3	92.92	124.02
<b>Financial assets</b>			
Investments	4	12,750.55	12,782.01
Loans	5	761.38	690.68
Other financial assets	6	600.67	459.17
Deferred tax assets (net)	7	235.93	-
Other non-current assets	8	57.02	161.57
Non-current tax assets	9	3,259.02	3,092.92
<b>Total non-current assets</b>		<b>38,707.35</b>	<b>38,993.42</b>
<b>Current assets</b>			
Inventories	10	84,434.46	89,940.79
<b>Financial assets</b>			
Trade receivables	11	24,713.24	30,951.13
Cash and cash equivalents	12	367.74	463.11
Other bank balances	13	117.52	577.95
Loans	14	708.46	98.82
Other financial assets	15	304.33	1,896.04
Other current assets	16	11,248.48	6,826.71
<b>Total current assets</b>		<b>1,21,894.23</b>	<b>1,30,754.55</b>
<b>Total assets</b>		<b>1,60,601.58</b>	<b>1,69,747.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	3,198.45	3,198.45
Other equity	18	83,942.05	80,953.97
<b>Total equity</b>		<b>87,140.50</b>	<b>84,152.42</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	72.54	15.47
Other financial liabilities	20	7.00	7.00
Lease liabilities	21	116.15	-
Provisions	22	340.98	394.10
Deferred tax liabilities (net)	7	-	989.66
Other non-current liabilities	23	245.98	285.62
<b>Total non-current liabilities</b>		<b>782.65</b>	<b>1,691.85</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	24	56,485.92	66,273.74
Trade payables	25	11,288.32	13,432.76
Due to micro and small enterprises		417.83	356.99
Due to others		10,870.49	13,075.77
Other financial liabilities	26	3,463.04	2,064.51
Lease liabilities	21	110.84	-
Other current liabilities	27	1,047.04	1,938.60
Provisions	28	268.57	125.29
Current tax liabilities (net)	29	14.70	68.80
<b>Total current liabilities</b>		<b>72,678.43</b>	<b>83,903.70</b>
<b>Total liabilities</b>		<b>73,461.08</b>	<b>85,595.55</b>
<b>Total equity and liabilities</b>		<b>1,60,601.58</b>	<b>1,69,747.97</b>
<b>Statement of significant accounting policies</b>	1		

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the financial statements.  
This is the Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration Number:- 001076N/N500013

**Neeraj Goel**  
Partner  
Membership number:- 099514

Place : Gurugram  
Date : 28th May 2020

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN 01574773

**Gokul Patnaik**  
Director  
DIN 00027915

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

**Surinder Kumar Arora**  
Managing Director  
DIN 01574728

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

## Statement of Profit and Loss for the year ended 31st March 2020

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

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue</b>			
Revenue from operations	30	2,35,006.69	2,19,255.55
Other income	31	2,771.84	1,753.54
<b>Total income</b>		<b>2,37,778.53</b>	<b>2,21,009.09</b>
<b>Expenses</b>			
Cost of material consumed	32	1,62,031.06	1,50,387.40
Purchases of stock-in-trade	33	31,059.91	35,721.65
Changes in inventories of finished goods and stock-in-trade	34	717.66	(6,237.24)
Employee benefits expense	35	6,261.09	6,055.35
Finance costs	36	6,009.91	7,644.44
Depreciation and amortisation expense	37	2,645.20	2,336.18
Other expenses	38	17,788.81	16,779.14
<b>Total</b>		<b>2,26,513.64</b>	<b>2,12,686.92</b>
<b>Profit before tax</b>		<b>11,264.89</b>	<b>8,322.17</b>
<b>Tax expenses</b>	39		
Current tax		3,192.89	2,799.37
Deferred tax (credit)/ charge		(444.26)	74.26
<b>Total tax expense</b>		<b>2,748.63</b>	<b>2,873.63</b>
<b>Profit for the year</b>		<b>8,516.26</b>	<b>5,448.54</b>
<b>Other comprehensive income</b>			
1) Items that will not be reclassified to Statement of Profit or Loss			
Remeasurements of net defined benefit plans		(110.18)	49.55
Tax on above		32.57	(17.15)
2) Items that will be reclassified to Statement of Profit or Loss			
(Loss)/ gain on cash flow hedge reserve		(4,181.37)	1,837.30
Tax on above		1,231.70	(642.03)
<b>Other comprehensive (loss)/ income for the year</b>		<b>(3,027.28)</b>	<b>1,227.67</b>
<b>Total comprehensive income for the year</b>		<b>5,488.98</b>	<b>6,676.21</b>
<b>Earning per equity share</b>			
- Basic	40	2.66	1.70
- Diluted		2.66	1.70
<b>Statement of significant accounting policies</b>	1		

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants  
Firm Registration Number:- 001076N/N500013

**Neeraj Goel**  
Partner  
Membership number:- 099514

Place : Gurugram  
Date : 28th May 2020

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN 01574773

**Gokul Patnaik**  
Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN 01574728

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

## Cash Flow Statement

for the year ended 31st March 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Cash flow from operating activities:</b>		
<b>Profit before tax</b>	<b>11,264.89</b>	<b>8,322.17</b>
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation and amortisation expense	2,645.21	2,336.18
Loss on sale of fixed assets	35.19	2.31
Unrealised foreign exchange (gain)/ loss	(236.64)	196.53
Corporate guarantee charges	(418.15)	(388.80)
Amounts written off	82.76	110.52
Interest expense	6,009.91	7,644.44
Interest income	(835.10)	(667.00)
(Profit)/ Loss on sale of investment	(4.36)	22.04
Dividend income	-	(0.63)
Liabilities written back	-	(50.80)
Impairment of trade receivables	673.93	33.92
Fair valuation of investments	(9.20)	-
Loss/Impairment in value of investments	5.00	125.00
<b>Operating profit before operating assets and liabilities</b>	<b>19,213.44</b>	<b>17,685.88</b>
<b>Changes in operating assets and liabilities</b>		
(Decrease)/ Increase in trade payables	(2,142.59)	3,413.94
(Decrease)/ Increase in provisions and other liabilities	(675.40)	1,022.68
Decrease in trade receivables	5,721.44	4,505.24
Decrease/ (Increase) in inventories	5,506.33	(3,694.40)
(Increase) in other current and other non-current assets	(4,436.90)	(586.44)
<b>Cash generated from operations</b>	<b>23,186.31</b>	<b>22,346.90</b>
Income taxes paid (net of refunds)	(2,930.13)	(2,950.87)
<b>Net cash generated from operating activities</b>	<b>20,256.17</b>	<b>19,396.03</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets including intangible assets, capital work in progress and capital advances	(1,536.71)	(5,319.43)
Proceeds from sale of fixed assets	67.01	558.22
Purchase of non-current investments	(39.40)	(4,245.93)
Proceeds from maturity of inter corporate deposits	-	525.97
Investments in inter corporate deposits	-	(545.54)
Interest received	835.10	111.64
Proceeds from sale/maturity of current investments	79.42	41.57
Proceeds from/ (Investment in) bank deposits (having original maturity of more than three months)	338.74	(484.08)
Dividends received	-	0.63
<b>Net cash used in investing activities</b>	<b>(255.84)</b>	<b>(9,356.95)</b>

## Cash Flow Statement

for the year ended 31st March 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	83.95	-
Repayment of long-term borrowings	(137.97)	(3,730.52)
(Repayment of)/ Proceeds from short term borrowings (net)	(11,511.27)	2,028.37
Interest paid	(5,913.23)	(7,632.05)
Payment of lease liabilities	(110.84)	-
Dividends paid on equity shares	(2,078.99)	(479.77)
Tax on equity dividend paid	(427.34)	(98.62)
<b>Net cash used in from financing activities</b>	<b>(20,095.69)</b>	<b>(9,912.59)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(95.37)</b>	<b>126.49</b>
Cash and cash equivalents at the beginning of the year	463.11	336.62
<b>Cash and cash equivalents at the end of the year</b>	<b>367.74</b>	<b>463.11</b>
<b>Components of cash and cash equivalents (refer note 12)</b>		
Cash on hand	122.00	168.73
Balances with banks		
- on current accounts	245.74	294.38
<b>Total cash and cash equivalents</b>	<b>367.74</b>	<b>463.11</b>
<b>Statement of significant accounting policies</b>	1	

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

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration Number:- 001076N/N500013

**Neeraj Goel**

Partner

Membership number:- 099514

Place : Gurugram

Date : 28th May 2020

For and on behalf of Board of Directors of

LT Foods Limited

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN 01574773

**Gokul Patnaik**

Director

DIN 00027915

**Surinder Kumar Arora**

Managing Director

DIN 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

## Statement of Changes in Equity

for the year ended 31st March 2020

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

### A. Equity share capital

Particulars	Amount
Balance as at 1st April 2018	3,198.45
Changes during the year	-
<b>Balance as at 31st March 2019</b>	<b>3,198.45</b>
Changes during the year	-
<b>Balance as at 31st March 2020</b>	<b>3,198.45</b>

### B. Other equity

Particulars	Reserves and surplus					Total
	Retained earnings	General reserve	Securities premium reserve	Share options outstanding account	Cash flow hedge reserve	
Balance as at 1st April 2018	29,917.83	1,514.73	43,240.01	183.58	-	74,856.15
Profit for the year	5,448.54	-	-	-	-	5,448.54
Transfer to general reserve from share options outstanding account	-	183.58	-	(183.58)	-	-
Gain on cash flow hedge (net of tax)	-	-	-	-	1,195.27	1,195.27
Remeasurement of defined benefit obligations (net of tax)	32.40	-	-	-	-	32.40
<b>Total Comprehensive Income for the year</b>	<b>5,480.94</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,195.27</b>	<b>6,676.21</b>
<b>Transaction with owners</b>						
Final dividend	(479.77)	-	-	-	-	(479.77)
Tax on dividend	(98.62)	-	-	-	-	(98.62)
<b>Balance as at 31st March 2019</b>	<b>34,820.38</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>-</b>	<b>1,195.27</b>	<b>80,953.97</b>
<b>Balance as at 1st April 2019</b>	<b>34,820.38</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>-</b>	<b>1,195.27</b>	<b>80,953.97</b>
Impact on account of adoption of Ind AS 116 (refer note 2(i)(d))	5.43	-	-	-	-	5.43
Profit for the year	8,516.26	-	-	-	-	8,516.26
(Loss) on cash flow hedge (net of tax)	-	-	-	-	(2,949.67)	(2,949.67)
Remeasurement of defined benefit obligations (net of tax)	(77.61)	-	-	-	-	(77.61)
<b>Total Comprehensive Income for the year</b>	<b>8,444.08</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,949.67)</b>	<b>86,448.38</b>
<b>Transaction with owners</b>						
Interim dividend	(1,599.22)	-	-	-	-	(1,599.22)
Final dividend	(479.77)	-	-	-	-	(479.77)
Tax on dividend	(427.34)	-	-	-	-	(427.34)
<b>Balance as at 31st March 2020</b>	<b>40,758.13</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>-</b>	<b>(1,754.40)</b>	<b>83,942.05</b>

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration Number:- 001076N/N500013

**Neeraj Goel**  
Partner  
Membership number:- 099514

Place : Gurugram  
Date : 28th May 2020

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN 01574773

**Gokul Patnaik**  
Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN 01574728

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

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

### 1. i) Corporate Information

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

### ii) Basis of preparation

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

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

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

### b) Current versus non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle\*
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or

- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgement and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

### iv) Significant Accounting Policies

#### a) Inventory

Inventories are valued as follows:

##### Raw materials, stores and spares and packing materials

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

##### Work in progress

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

##### Finished goods

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

#### b) Property, Plant and Equipment

##### Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (against which input has not been availed), borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent

costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognised in Statement of Profit or Loss as incurred.

##### Subsequent measurement (depreciation and useful lives)

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

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

##### De-recognition

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

#### c) Intangible assets

##### Recognition and initial measurement

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

##### Subsequent measurement (amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised over their estimated useful lives. Residual values and useful lives are reviewed at each reporting

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

date and any change in the same is accounted for prospectively. The following useful lives are applied:

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

##### De-recognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### d) Impairment of non-financial assets

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

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### e) Borrowing costs

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

#### f) Functional and presentation currency

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

### Foreign Currencies

#### Transactions and balances

##### Initial recognition

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

##### Subsequent measurement

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

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

##### Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

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

- i. foreign currency amount of a forward contract translated at the exchange rates at the reporting date, or the settlement date where the transaction is settled during the reporting period, and

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

- ii. the same foreign currency amount translated at the later of the date of the inception of the contract and the last reporting date, as the case may be.

### g) Leases

The Company has adopted Ind AS 116-Leases effective from 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for plant and machinery. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease;
- (iii) the Company has the right to direct the use of the asset. At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

- (iv) The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.
- (v) A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### h) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

the fair value measurement as a whole:

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

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

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

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

### i) Revenue recognition

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

#### Sale of goods:

Revenue from sale of goods is recognised when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from the

customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

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

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

#### Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognised when the Company transfers control at the point of time the customer takes undisputed delivery of the goods.

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

#### Payment terms

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

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

### Rental income:

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

### Interest income:

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

For all financial assets measured at amortised cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

### j) Financial instruments

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

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

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognises the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognises that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

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

### Financial assets

#### Classification and subsequent measurement

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

**i. Financial assets at amortised cost** - a financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**ii. Investments in equity instruments of subsidiaries** - Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 Separate Financial statements.

**iii. Financial assets at fair value**

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

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

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

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

### Financial liabilities

#### Subsequent measurement

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

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

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

#### Offsetting of financial instruments

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

#### Impairment of financial assets

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

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

### k) Hedge

#### Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and non-derivative financial liabilities to hedge its foreign currency

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

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

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

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

### l) Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

### m) Retirement and other employee benefits

#### Defined Contribution plan

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

#### Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Gratuity fund is administered through Life Insurance Corporation of India.

#### Other Employee Benefits

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which

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

#### Other short term benefits

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

### n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognised as interest expense.

### o) Earnings per share

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

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

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

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

### p) Taxes

#### Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits (Minimum alternate tax credit entitlement) and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be

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

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

### q) Government grants and subsidies

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

### r) Segment reporting

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

#### Identification of segments:

In accordance with Ind AS 108- Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Company's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources



## Summary of Significant Accounting Policies

for the year ended March 31, 2020

to be allocated to the segment and assess its performance and for which discrete financial information is available.

### Allocation of common costs:

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

### Unallocated items:

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

### Segment accounting policies

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

#### s) Financial guarantee contracts

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

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

#### t) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

#### u) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future

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

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

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

**a. Impairment of trade receivables** - The impairment for trade receivables reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognised in the financial statements.

**b. Defined benefit obligation (DBO)** - Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

## Summary of Significant Accounting Policies

for the year ended March 31, 2020

**c. Evaluation of indicators for impairment of assets** - The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**d. Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

**e. Contingent liabilities** - The Company is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and

claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

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

**Notes to the Financial Statements** for the year ended 31st March 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

**2(i) Property, plant and equipment**

Particulars	Freehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
<b>Gross carrying value</b>							
As at 1st April 2018	3,219.38	10,496.53	23,414.88	821.65	885.70	1,569.96	40,408.10
Additions	347.48	657.56	2,475.40	39.84	90.40	140.64	3,751.32
Disposals	(25.50)	-	(755.73)	-	(4.43)	(30.01)	(815.67)
<b>As at 31st March 2019</b>	<b>3,541.36</b>	<b>11,154.09</b>	<b>25,134.55</b>	<b>861.49</b>	<b>971.67</b>	<b>1,680.59</b>	<b>43,343.75</b>
Additions	2.08	1,398.16	1,198.76	108.94	70.09	184.88	2,962.91
Disposals	-	-	(712.67)	(0.17)	(10.90)	(10.82)	(734.56)
<b>As at 31st March 2020</b>	<b>3,543.44</b>	<b>12,552.25</b>	<b>25,620.64</b>	<b>970.26</b>	<b>1,030.86</b>	<b>1,854.65</b>	<b>45,572.10</b>
<b>Accumulated depreciation</b>							
As at 1st April 2018	-	3,626.51	15,320.32	599.40	749.10	1,250.37	21,545.69
Charge for the year	-	496.28	1,480.88	60.11	58.04	109.01	2,204.32
Disposals	-	-	(222.98)	-	(3.87)	(28.29)	(255.14)
<b>As at 31st March 2019</b>	<b>-</b>	<b>4,122.79</b>	<b>16,578.22</b>	<b>659.51</b>	<b>803.27</b>	<b>1,331.09</b>	<b>23,494.87</b>
Charge for the year	-	521.88	1,774.67	58.49	67.34	133.80	2,556.18
Disposals	-	-	(611.69)	(0.16)	(10.30)	(10.22)	(632.37)
<b>As at 31st March 2020</b>	<b>-</b>	<b>4,644.67</b>	<b>17,741.20</b>	<b>717.84</b>	<b>860.31</b>	<b>1,454.67</b>	<b>25,418.69</b>
<b>Net carrying value as at 31st March 2019</b>	<b>3,541.36</b>	<b>7,031.30</b>	<b>8,556.33</b>	<b>201.98</b>	<b>168.40</b>	<b>349.50</b>	<b>19,848.88</b>
<b>Net carrying value as at 31st March 2020</b>	<b>3,543.44</b>	<b>7,907.58</b>	<b>7,879.44</b>	<b>252.42</b>	<b>170.55</b>	<b>399.98</b>	<b>20,153.41</b>

**a. Contractual obligations**

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

**b. Property, plant and equipment pledged as security**

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

**c. Adoption of Ind AS 116 "Leases"**

The Company has taken lease for laboratory equipments. With effect from 1st April 2019, the Company has adopted Ind AS 116, 'Leases' retrospectively with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (1st April 2019). Accordingly, the Company is not required to restate the comparative information for the year ended 31st March 2019.

**Notes to the Financial Statements** for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

**2(i) Property, plant and equipment (Contd..)**

As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, on 1st April 2019, the Company has recognised, a lease liability amounting to ₹ 308.42 measured at the present value of the remaining lease payments and Right-of-Use (ROU) asset amounting to ₹ 328.38 at its carrying amount as if the standard had been applied since the lease commencement date but discounted using the lessee's incremental borrowing rate as at 1st April 2019. This has resulted in an adjustment to the opening balance of retained earnings amounting to ₹ 5.43. As at 31st March 2020 ₹ 275.80 of Right-of-use assets and ₹ 226.99 of lease liabilities is recognised. Also, in relation to those leases under Ind AS 116, the Company has recognised amortisation cost and finance cost, instead of operating lease expense. During the year ended 31st March 2020, the Company recognised ₹ 52.58 of amortisation charges and ₹ 29.41 of finance costs from these leases.

**d. The following is the summary of practical expedients elected on initial application:**

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

**Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020**

	As at 31st March 2020
<b>Leased assets</b>	
Addition on account of adoption of Ind AS 116	328.38
Amortisation	52.58
<b>Net carrying value as at 31st March 2020</b>	<b>275.80</b>

**(ii) Capital work-in-progress**

Particulars	As at 31st March 2020	As at 31st March 2019
Capital work-in-progress	520.24	1,833.66

Particulars	Amount
<b>Capital work-in-progress as at 1st April 2018</b>	293.39
Add: Additions during the year	1,765.69
Less: Capitalisation during the year	(225.42)
<b>Capital work-in-progress as at 31st March 2019</b>	<b>1,833.66</b>

Particulars	As at 31st March 2020
Capital work-in-progress as at 1st April 2019	1,833.66
Add: Additions during the year	416.14
Less: Capitalisation during the year	(1,729.57)
<b>Capital work-in-progress as at 31st March 2020</b>	<b>520.24</b>

## Notes to the Financial Statements

for the year ended March 31, 2020

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

### Capitalised borrowings cost on property, plant and equipment (including Capital work-in-progress)

The Company has capitalised borrowing costs during the year ended 31st March 2020: ₹ 73.64 (31st March 2019: ₹ 41.35)

### 3(i) Intangible assets

Particulars	Goodwill	Brand	Software	Total
<b>Gross carrying value</b>				
As at 1st April 2018	12.11	310.28	1,096.24	1,418.64
Additions	-	-	0.54	0.54
<b>As at 31st March 2019</b>	<b>12.11</b>	<b>310.28</b>	<b>1,096.78</b>	<b>1,419.18</b>
Additions	-	-	5.29	5.29
<b>As at 31st March 2020</b>	<b>12.11</b>	<b>310.28</b>	<b>1,102.07</b>	<b>1,424.47</b>
<b>Amortisation</b>				
As at 1st April 2018	11.48	264.65	886.66	1,162.79
Charge for the year	0.12	8.42	123.31	131.85
<b>As at 31st March 2019</b>	<b>11.60</b>	<b>273.07</b>	<b>1,009.97</b>	<b>1,294.64</b>
Charge for the year	0.11	6.87	29.52	36.50
<b>As at 31st March 2020</b>	<b>11.71</b>	<b>279.94</b>	<b>1,039.49</b>	<b>1,331.14</b>
<b>Net carrying value as at 31st March 2019</b>	<b>0.51</b>	<b>37.21</b>	<b>86.81</b>	<b>124.53</b>
<b>Net carrying value as at 31st March 2020</b>	<b>0.41</b>	<b>30.34</b>	<b>62.58</b>	<b>93.33</b>

### 4 Investments - Non-current

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Investments carried at cost</b>		
(i) In subsidiary companies		
- in Equity instruments	7,757.03	7,816.18
- in Preference instruments	2,000.00	2,000.00
(ii) In associate companies	321.50	321.50
(iii) In joint ventures	2,405.64	2,405.64
	<b>12,484.17</b>	<b>12,543.32</b>
<b>Investments at fair value through Statement of Profit and Loss</b>		
Key man insurance policies	266.12	237.96
Equity instruments - Quoted	0.21	0.68
Equity instruments - Unquoted	0.05	0.05
	<b>266.38</b>	<b>238.69</b>
	<b>12,750.55</b>	<b>12,782.01</b>
<b>Aggregate amount of</b>		
Quoted investments	0.21	0.68
Unquoted investments	12,830.34	12,986.33
Less: Impairment in value of investment	(80.00)	(205.00)
<b>Total</b>	<b>12,750.55</b>	<b>12,782.01</b>

## Notes to the Financial Statements

for the year ended March 31, 2020

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

### Details of investment is as follows:

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Investments carried at cost</b>		
<b>Equity instruments - Unquoted</b>		
<b>(i) in subsidiary companies</b>		
- LT International Limited 1,799,581 (31st March 2019: 1,799,581) fully paid up equity shares of ₹10 each	179.96	179.96
- Nature Bio Foods Limited 2,000,000 (31st March 2019: 2,000,000) fully paid up equity shares of ₹10 each	200.00	200.00
- Sona Global Limited 65,200 (31st March 2019: 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
- Daawat Foods Limited 13,249,944 (31st March 2019: 13,249,944) fully paid up equity shares of ₹10 each	1,324.99	1,324.99
- SDC Foods India Limited 250,050 (31st March 2019: 250,050) fully paid up equity shares of ₹10 each	25.01	25.01
- SDC Foods India Limited 800,000 (31st March 2019: 800,000) fully paid up equity shares of ₹10 each	80.00	80.00
- LT Overseas North America, Inc 338,500 (31st March 2019: 338,500) shares fully paid up equity shares of USD 20 each	2,822.31	2,822.31
- Raghuvesh Foods and Infrastructure Limited Nil (31st March 2019: 49,994) equity shares fully paid up of ₹10 each	-	5.00
- LT Foods International Limited Nil (31st March 2019: 61,000) shares fully paid up equity shares of Pound 1 each	-	54.15
- Raghunath Agro Industries Private Limited 4,078,020 (31st March 2019: 4,078,020) equity shares fully paid up of ₹10 each	2,296.03	2,296.03
- Deva Singh Sham Singh Exports Private Limited 10,000 (31st March 2019: 10,000) shares fully paid up equity shares of ₹ 10 each	1.00	1.00
Less: Impairment in value of investment of SDC Foods India Limited (subsidiary)	(80.00)	(80.00)
<b>Total</b>	<b>7,757.03</b>	<b>7,816.18</b>
<b>Investment in subsidiary company carried at cost</b>		
<b>Preference shares - Unquoted</b>		
- Daawat Foods Limited 1,562,500 10% Non cumulative redeemable preference shares (31st March 2019: 1,562,500)	524.03	-
- Equity component	1,475.97	2,000.00
- Debt component		
	<b>2,000.00</b>	<b>2,000.00</b>
<b>Total investments carried at cost</b>	<b>12,484.17</b>	<b>12,543.32</b>

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(ii) In associate companies</b>		
- Raghuvesh Warehousing Private Limited 1,600,000 (31st March 2019: 1,600,000) equity shares of ₹10 each	160.00	160.00
- Raghuvesh Agri Foods Private Limited 1,600,000 (31st March 2019: 1,600,000) equity shares of ₹ 10 each	160.00	160.00
- Raghuvesh Infrastructure Private Limited 15,000 (31st March 2019: 15,000) equity shares of ₹10 each	1.50	1.50
<b>Total</b>	<b>321.50</b>	<b>321.50</b>
<b>(iii) In joint ventures</b>		
- Genoa Rice Mills Private Limited Nil (31st March 2019: 1,250,000) equity shares of ₹10 each	-	125.00
- Daawat Kameda India Private Limited 24,056,359 (31st March 2019: 24,056,359) equity shares of ₹10 each Less: Impairment in value of investment of Genoa Rice Mills Private Limited	2,405.64 -	2,405.64 (125.00)
<b>Total</b>	<b>2,405.64</b>	<b>2,405.64</b>
<b>Investments at fair value through statement of profit and loss</b>		
<b>Key man insurance policies</b>	266.12	237.96
<b>Equity instruments - Quoted</b>		
<b>Fully paid-up equity shares</b>		
2,300 (31st March 2019: 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.21	0.68
<b>Equity instruments - Unquoted</b>		
<b>Fully paid-up equity shares</b>		
500 (31st March 2019: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
<b>Total</b>	<b>266.38</b>	<b>238.69</b>
<b>Total investments - non-current</b>	<b>12,750.55</b>	<b>12,782.01</b>

### 5 Loans

Particulars	As at 31st March 2020	As at 31st March 2019
Security deposits	737.37	662.40
Loan to employees (refer note (a) below)	24.01	28.28
	<b>761.38</b>	<b>690.68</b>

#### Break-up of security details

Particulars	As at 31st March 2020	As at 31st March 2019
Loans considered good-Secured	-	-
Loans considered good-Unsecured	761.38	690.68
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>761.38</b>	<b>690.68</b>

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

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 6 Other financial assets

Particulars	As at 31st March 2020	As at 31st March 2019
Bank deposits with maturity of more than 12 months (refer note below)	600.67	459.17
	<b>600.67</b>	<b>459.17</b>

(i) ₹ 600.67 (31st March 2019: ₹ 459.17) represents deposits with maturity more than 12 months, held by the entity and are not available for use by the Company, as these are pledged.

(ii) Refer note 47 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 48 - Financial risk management for assessment of expected credit losses.

### 7 Deferred tax assets/liabilities (net)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>On temporary difference between the book base and tax base</b>		
<b>Deferred tax liability arising on account of :</b>		
Property, plant and equipment and intangible assets	(332.86)	(547.20)
Key man insurance policy	(66.36)	(83.15)
Unrealised foreign exchange gain on forward contracts	-	(466.37)
	<b>(399.22)</b>	<b>(1,096.72)</b>
<b>Deferred tax asset arising on account of :</b>		
Provision for employee benefits	62.86	46.59
Impairment of trade receivables	178.15	9.09
Impairment in value of investment	18.31	47.75
Ind AS 116 impact	59.56	-
Loss on sale of investment	31.33	-
Unrealised foreign exchange loss on forward contracts	282.38	-
Others	2.57	3.63
	<b>635.16</b>	<b>107.06</b>
<b>Deferred tax asset/(liabilities) (net)</b>	<b>235.93</b>	<b>(989.66)</b>

#### Movement in deferred tax assets/(liabilities) (net)

Particulars	1st April 2019	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31st March 2020
<b>Deferred tax liabilities arising on account of</b>				
Property, plant and equipment and intangible assets	(547.20)	-	214.34	(332.86)
Key man insurance policy	(83.15)	-	16.79	(66.36)
Unrealised foreign exchange gain on forward contracts	(466.37)	748.75	-	282.38
	<b>(1,096.72)</b>	<b>748.75</b>	<b>231.13</b>	<b>(116.84)</b>
<b>Deferred tax assets arising on account of</b>				
Provision for employee benefits	(46.60)	(32.57)	16.31	(62.86)
Impairment of trade receivables	(9.09)	-	(169.06)	(178.15)

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### Movement in deferred tax assets/(liabilities) (net) (Contd..)

Particulars	1st April 2019	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	As at 31st March 2020
Impairment in value of investment	(47.76)	-	29.46	(18.30)
Loss on sale of investment	-	-	(31.33)	(31.33)
Ind AS 116 impact	-	-	(59.56)	(59.56)
Others	(3.61)	-	1.05	(2.57)
	<b>(107.06)</b>	<b>(32.57)</b>	<b>(213.13)</b>	<b>(352.77)</b>
<b>Net Deferred tax asset</b>	<b>(989.66)</b>	<b>781.32</b>	<b>444.26</b>	<b>235.93</b>

Particulars	1st April 2018	Recognised in other comprehensive income	Recognised in Statement of Profit and Loss	1st April 2019
<b>Deferred tax liabilities arising on account of</b>				
Property, plant and equipment and intangible assets	416.11	-	131.09	547.20
Key man insurance policy	79.26	-	3.89	83.15
Unrealised foreign exchange gain on forward contracts	5.72	466.37	(5.72)	466.37
Others	9.88	-	(9.88)	-
	<b>510.96</b>	<b>466.37</b>	<b>119.38</b>	<b>1,096.72</b>
<b>Deferred tax assets arising on account of</b>				
Provision for employee benefits	56.82	(17.15)	6.92	46.59
Impairment of investments	18.64	-	29.11	47.75
Impairment of trade receivables	-	-	9.09	9.09
Others	3.63	-	(0.00)	3.63
	<b>79.09</b>	<b>(17.15)</b>	<b>45.12</b>	<b>107.06</b>
<b>Net Deferred tax liabilities</b>	<b>431.88</b>	<b>483.52</b>	<b>74.26</b>	<b>989.67</b>

### 8 Other non-current assets

Particulars	As at 31st March 2020	As at 31st March 2019
Prepaid expenses	17.27	7.46
Capital advances	39.75	154.11
	<b>57.02</b>	<b>161.57</b>

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 9 Non-current tax assets

Particulars	As at 31st March 2020	As at 31st March 2019
Income tax assets	3,259.02	3,092.92
	<b>3,259.02</b>	<b>3,092.92</b>

### 10 Inventories

Particulars	As at 31st March 2020	As at 31st March 2019
Raw material		
Paddy*	25,115.66	29,544.89
Bardana	1,320.61	1,417.01
Finished goods (including goods in transit of ₹ 5,648.49 (31st March 2019: ₹ 1,939.04))*	53,386.66	55,664.37
Traded goods	2,279.85	719.80
Stores and spares	681.24	461.99
Packing material	1,650.44	2,132.73
	<b>84,434.46</b>	<b>89,940.79</b>

\* Includes interest capitalised during the year ended 31st March 2020: ₹ 1,456.97 (31st March 2019: ₹ 2,240.61).

### 11 Trade receivables

Particulars	As at 31st March 2020	As at 31st March 2019
Trade receivables*	25,413.17	30,985.05
Less: Allowance for expected credit loss	(699.93)	(33.92)
	<b>24,713.24</b>	<b>30,951.13</b>

### Break-up of security details

	As at 31st March 2020	As at 31st March 2019
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	24,713.24	29,856.11
Trade receivables - credit impaired	699.93	33.92
<b>Total</b>	<b>25,413.17</b>	<b>29,890.03</b>
Less: Loss allowance	(699.93)	(33.92)
<b>Total trade receivables</b>	<b>24,713.24</b>	<b>29,856.11</b>

(i) No trade receivables are due from directors or other officers of the Company either severally or jointly with any other persons.

\*Includes receivables from related parties (refer note 50)

LT Foods Americas Inc.	3,584.30	3,849.07
LT Foods Middle East DMCC	98.09	1,406.83
LT Foods Europe B.V.	184.53	1,152.84
Daawat Foods Limited	-	1,240.03
Raghunath Agro Industries Private Limited	2,392.10	4,667.64
Deva Singh Sham Singh Exports Private Limited	238.03	109.06
LT Foods International Limited	19.17	-
Nature Bio Foods Limited	116.00	-
UIPL Innovations Private Limited	2.87	-
Daawat Kameda India Private Limited	29.46	-

## Notes to the Financial Statements for the year ended March 31, 2020

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

### Transferred receivables

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

The relevant carrying amounts are as follows:

Particulars	As at 31st March 2020	As at 31st March 2019
Total transferred receivables	1,086.31	-
Associated secured borrowing	1,086.31	-

Refer note 48 for expected credit loss

### 12 Cash and cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019
Balances with banks on current accounts	245.74	294.38
Cash on hand		
In Indian currency	119.25	166.37
In foreign currencies	2.75	2.36
	<b>367.74</b>	<b>463.11</b>

### 13 Other bank balances

Particulars	As at 31st March 2020	As at 31st March 2019
Unpaid dividend accounts (earmarked)	38.88	19.07
Deposits with original maturity more than 3 months and less than 12 months	78.64	558.88
	<b>117.52</b>	<b>577.95</b>

(i) ₹ 78.64 (31st March 2019: ₹ 558.88) represents deposits with original maturity more than 3 months and remaining maturity less than 12 months, held by the entity and are not available for use by the Company, as these are pledged.

(ii) Refer note 47 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 48 - Financial risk management for assessment of expected credit losses.

## Notes to the Financial Statements for the year ended March 31, 2020

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

### 14 Loans

Particulars	As at 31st March 2020	As at 31st March 2019
Security deposits	53.93	31.30
Loans to related parties	573.58	-
Loan to employees	80.95	67.52
	<b>708.46</b>	<b>98.82</b>
<b>Break-up of security details</b>		
Loans considered good-Secured	-	-
Loans considered good-Unsecured	708.46	98.82
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>708.46</b>	<b>98.82</b>
*Includes receivables from related parties (refer note 50)		
Raghuvesh Agri Foods Private Limited	328.49	-
Raghuvesh Warehousing Private Limited	245.09	-
Mr. Ashok Kumar Arora	-	0.95

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

### 15 Other current financial assets

Particulars	As at 31st March 2020	As at 31st March 2019
Derivative assets	-	1,324.44
Others*	304.33	571.60
	<b>304.33</b>	<b>1,896.04</b>
*Includes receivables from related parties (refer note 50)		
Eco Pure Specialities Limited	-	506.66

### 16 Other current assets

Particulars	As at 31st March 2020	As at 31st March 2019
Prepaid expenses	570.60	807.75
Balances with government authorities	37.42	123.11
Advance to suppliers*	10,640.46	5,895.85
	<b>11,248.48</b>	<b>6,826.71</b>
*Includes receivables from related parties (refer note 50)		
LT Agri Services Private Limited	-	1.22
Fresco Fruit N Nuts Private Limited	-	7.67
Raghuvesh Infrastructure Private Limited	-	92.10
Raghuvesh Agri Foods Private Limited	-	328.49
Raghuvesh Warehousing Private Limited	-	245.09
Daawat Foods Limited	6,136.42	-

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 17 Share capital

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Authorised</b>		
360,000,000 Equity shares of ₹ 1 each (31st March 2019 : 360,000,000 equity shares of ₹ 1 each)	3,600.00	3,600.00
<b>Issued, subscribed and paid up</b>		
319,844,780 equity shares of ₹ 1 each (31st March 2019 : 319,844,780 equity shares of ₹ 1 each)	3,198.45	3,198.45
	<b>3,198.45</b>	<b>3,198.45</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,198.45	3,198.45	3,198.45	3,198.45
Changes during the year	-	-	-	-
<b>Equity shares at the end of the year</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>

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

The Company has only one class of equity shares having the par value of ₹ 1 per share (31st March 2019: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

During the year ended 31st March 2020 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.65 per share (31st March 2019: ₹ 0.15 per share).

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

#### (c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of shares	% holding	No of shares	% holding
Mr. Ashwani Kumar Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
Mr. Surinder Kumar Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
Mr. Gurucharan Dass Arora	2,12,86,920	6.66%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
Raghuvesh Holdings Private Limited	3,33,49,472	10.43%	3,09,84,130	9.69%
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
DSP Investment Managers Private Limited	1,61,73,684	5.06%	1,66,22,340	5.20%
	<b>16,27,57,756</b>	<b>50.91%</b>	<b>15,40,41,070</b>	<b>48.19%</b>

(d) The Company has not issued any equity shares pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last five years.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 18 Other equity

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(i) Retained earnings</b>		
Opening balance	34,820.38	29,917.83
Add: Net profit for the year	8,516.26	5,448.54
Impact on account of adoption of Ind AS 116	5.43	-
Add : Other comprehensive income (OCI)		
- Remeasurements of post-employment benefits obligation (net of taxes)	(77.61)	32.40
Less : Equity dividend	(2,078.99)	(479.77)
Less : Corporate dividend tax	(427.34)	(98.62)
<b>Profit available for appropriation</b>	<b>40,758.13</b>	<b>34,820.38</b>
<b>(ii) General reserve</b>		
Opening balance	1,698.31	1,514.73
Transferred from share options outstanding account	-	183.58
<b>Closing balance</b>	<b>1,698.31</b>	<b>1,698.31</b>
<b>(iii) Securities premium reserve</b>		
Opening balance	43,240.01	43,240.01
<b>Closing balance</b>	<b>43,240.01</b>	<b>43,240.01</b>
<b>(iv) Cash flow hedging reserve</b>		
Opening balance	1,195.27	-
Change during the year	(2,949.67)	1,195.27
<b>Closing balance</b>	<b>(1,754.40)</b>	<b>1,195.27</b>
<b>(v) Share options outstanding account</b>		
Opening balance	-	183.58
Transferred to General reserve	-	(183.58)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>Total other equity</b>	<b>83,942.05</b>	<b>80,953.97</b>

#### Nature and purpose of other reserves

##### General reserve:

"The Company has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

##### Share options outstanding amount:

During the previous year ended 31st March 2019, no share option were outstanding, there by the amount earlier recognised was transferred to general reserve.

##### Cash flow hedging reserve:

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 19 Long-term borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured</b>		
Vehicle loans		
From banks	72.54	15.47
	<b>72.54</b>	<b>15.47</b>
Current maturities of long-term borrowings		
Term loans	-	122.52
Vehicle loans	21.96	10.53
	<b>21.96</b>	<b>133.05</b>
	<b>94.50</b>	<b>148.52</b>

#### Details of borrowings are as follows:

Particulars	Repayments	Total amount of installment	As at 31st March 2020	As at 31st March 2019
<b>a) Term loans</b> (refer point A part (i) for interest rate)				
Allahabad Bank (refer point C part (i) for security)	32 quarterly	107.00	-	122.52
<b>b) Vehicle loans</b> (refer point A part (ii) for interest rate and point C part (ii) for security)				
HDFC Bank	36 - 60 months	2.95	52.20	24.95
Yes Bank	60 months	1.04	42.30	-
ICICI Bank	60 months	1.06	-	1.05
			<b>94.50</b>	<b>148.52</b>

#### A. Details of interest rate for each type of borrowings

- The interest on above rupee term loans from banks are linked to the respective banks base rates/MCLR which are floating in nature. As of 31st March 2020 the interest rates is Nil (31st March 2019: 12.80% per annum).
- The interest on above vehicle loans from banks are linked to the respective banks base rates which are fixed in nature. As of 31st March 2020 the interest rates ranges from 8.35% to 8.88% per annum (31st March 2019: 8.50% to 10.05% per annum).

#### B. Details of guarantee for each type of borrowings

##### Guaranteed by directors

Particulars	As at 31st March 2020	As at 31st March 2019
Term loans	-	122.52
	<b>-</b>	<b>122.52</b>

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### C. Details of security for each type of borrowing :

- Term loan from Allahabad Bank is secured against first exclusive charge on existing specific project assets of Wheat Silos Project located at Village Mulechak, Amritsar and personal guarantee of directors.
- Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.  
Refer note 45 for assets pledged as security

### D. Reconciliation of liabilities arising from financing activities:

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Liabilities from financing activities		Total
	Long-term borrowings	Short-term borrowings	
Net debt as at 1st April 2018	3,879.04	64,771.31	68,650.35
Cash movement:			
- Proceeds	-	2,028.37	2,028.37
- Repayment	(3,730.52)	-	(3,730.52)
- Interest paid	(320.17)	(7,311.88)	(7,632.05)
Non cash movement			
- Impact of currency restatement on PCFC (gain)	-	(502.67)	(502.67)
- Interest expense	320.17	7,324.27	7,644.44
- Interest capitalised	-	41.35	41.35
<b>Net debt as at 31st March 2019</b>	<b>148.52</b>	<b>66,350.75</b>	<b>66,499.27</b>

Particulars	Lease Liability	Liabilities from financing activities		Total
		Long-term borrowings	Short-term borrowings	
Net debt as at 1st April 2019	-	148.52	66,350.75	66,499.27
Cash movement:				
- Proceeds	-	83.95	(11,008.82)	(10,924.87)
- Repayment	(110.84)	(54.02)	-	(164.86)
- Interest paid	-	(7.79)	(5,905.44)	(5,913.23)
Non cash movement				
Addition during the year	308.42	-	-	308.42
- Impact of currency restatement on PCFC (Loss)	-	-	1,221.00	1,221.00
- Interest expense	29.41	7.79	6,002.12	6,039.32
- Interest capitalised	-	-	73.64	73.64
<b>Net debt as at 31st March 2020</b>	<b>226.99</b>	<b>178.45</b>	<b>56,733.25</b>	<b>57,138.69</b>

### 20 Other non-current financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Security deposits from distributors	7.00	7.00
	<b>7.00</b>	<b>7.00</b>



## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 21 Lease liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Lease liabilities (Refer note 2 )	226.99	-
	<b>226.99</b>	<b>-</b>

#### (i) The following is the break-up of current and non-current lease liabilities as at 31st March 2020

Particulars	As at 31st March 2020
Current lease liabilities	110.84
Non-current lease liabilities	116.15
<b>Total</b>	<b>226.99</b>

#### The following is the movement in lease liabilities during the year ended 31st March 2020

Particulars	As at 31st March 2020
<b>Balance at the beginning of the year</b>	-
Add: Additions	308.42
Add: Finance cost accrued during the year	29.41
Less: Payment of lease liabilities	(110.84)
<b>Balance at the end of the year</b>	<b>226.99</b>

The Company has lease for laboratory equipments. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment. The Company has considered automatic extension option available for property lease in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period.

#### ii) Nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right to use	Laboratory equipments
Number of right-of-used assets leased	3
Range of remaining lease term	1-2 years
Average of remaining lease term	1.5 Years
No of lease with extension options	3
No of lease with options to purchase	-
No of lease with variable payments linked to an index	-
No of lease with termination option	-

The adoption of Ind AS 116, has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application. Lease liability and ROU assets have been separately presented in the financial position and the payment of principal portion of lease liabilities has been classified as financing cash flows. The adoption of this standard resulted in the recognition of ROU assets and lease liabilities for operating leases of ₹ 308.42 as at 1st April 2019.

On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 11.00%.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

#### iii) The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 at 1st April 2019:

Particulars	Carrying amount at 31st March 2019	Adjustment upon transition to Ind AS 116	Ind AS 116 carrying amount at 1st April 2019
Property, plant and equipment	34.91	328.38	363.29
Lease liabilities	-	(308.42)	(308)
Retained earnings		(5.43)	(5)
Security deposits		(14.53)	(15)
<b>Total</b>	<b>34.91</b>	<b>-</b>	<b>34.91</b>

#### iv) The following are amounts recognised in profit or loss:

Particulars	As at 31st March 2020
Amortisation expense of right-of-use assets	52.58
Interest expense on lease liabilities	29.41

#### v) The following is a reconciliation of total operating lease commitments at 31st March 2019 (as disclosed in the financial statements for the year ended 31st March 2019) to the lease liabilities recognised at 1st April 2019:

Particulars	Amount
Total operating lease commitments disclosed at 31st March 2019	-
Recognition exemptions:	
Reasonably certain extension option taken	365.56
Operating lease liabilities before discounting	365.56
Discounted using incremental borrowing rate	(57.14)
<b>Total lease liabilities recognised under Ind AS 116 as on 1st April 2019</b>	<b>308.42</b>

#### vi) Total cash outflow for leases for the year ended 31st March 2020 was ₹ 110.84

### 22 Long-term provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Provisions for employee benefits		
Provision for gratuity	219.17	256.69
Provision for compensated absences	121.81	137.41
	<b>340.98</b>	<b>394.10</b>

Refer note 46 on Employee benefit obligations

### 23 Other non-current liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred government grant	245.98	285.62
	<b>245.98</b>	<b>285.62</b>

Refer note 44 on Deferred government grant

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 24 Short-term borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured</b>		
- Rupee working capital loans	32,462.47	53,558.69
- Packing credit foreign currency loans	22,937.14	12,715.05
- Bills discounted	1,086.31	-
	<b>56,485.92</b>	<b>66,273.74</b>

i)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>a) Rupee working capital loans</b>		
The rupee working capital loans are secured by hypothecation of all current assets of the Company, personal guarantee of Directors of the Company and First Pari-Passu Charge on fixed assets and fixed deposit of the Company.	32,462.47	53,558.69
The rupee working capital loans are repayable on demand and interest on the above loans from banks are linked to the respective bank base rates/ MCLR which are floating in nature. The interest rate ranges from 9.05% to 12.55% (31st March 2019: 8.55% to 12.55%) on rupee working capital loans.		
<b>b) Packing credit foreign currency loans</b>		
The packing credit foreign currency loans are secured by hypothecation of all current assets, personal guarantee of Directors of the Company and First Pari-Passu Charge on fixed assets and fixed deposits of the Company.	22,937.14	12,715.05
The interest rate ranges from 4.18% to 5.50% (31st March 2019: 4.55% to 6.47%) in case of packing credit foreign currency loans.		
<b>c) Bills discounted</b>		
Factored receivables is secured by first charge on trade receivables subject to factoring arrangements.	1,086.31	-

ii) Refer note 45 for assets pledged as security

### 25 Trade payables

Particulars	As at 31st March 2020	As at 31st March 2019
Dues to		
Micro and small enterprises	417.83	356.99
Others*	10,870.49	12,187.21
Acceptances	-	888.56
	<b>11,288.32</b>	<b>13,432.76</b>

\*Includes payable to related parties (refer note 50)

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 25 Trade payables (Contd.,)

Particulars	As at 31st March 2020	As at 31st March 2019
SDC Foods India Limited	-	9.42
Daawat Kameda India Private Limited	2.97	9.06
Super Texfab Private Limited	205.60	229.41
VK Foods	4.92	4.93
Genoa Rice Mills Private Limited	-	72.14
SK Engineering Company	-	0.51
Mr. Vijay Kumar Arora	-	7.27
Mr. Ashwani Kumar Arora	-	6.76
UIPL Innovations Private Limited	14.02	-

a) Due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:

Particulars	As at 31st March 2020	As at 31st March 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount remaining unpaid	414.08	356.99
Interest accrued and remaining unpaid as at year end	3.75	-
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	-
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
	<b>417.83</b>	<b>356.99</b>

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 26 Other current financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Current maturities of long-term borrowings	21.96	133.05
Interest accrued but not due on borrowings	247.33	77.01
Unclaimed dividend*	38.88	19.07
Derivative liabilities	1,123.08	-
Other liabilities	2,031.79	1,835.38
	<b>3,463.04</b>	<b>2,064.51</b>

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

### 27 Other current liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Advances from customers*	657.68	1,655.73
Statutory liabilities	241.70	248.40
Deferred government grant	25.63	34.47
Other liabilities	122.03	-
	<b>1,047.04</b>	<b>1,938.60</b>
*Includes advances from related parties (refer note 50)		
Nature Bio Foods Limited	-	1,126.71
LT Foods International Limited	-	80.58

Refer note 44 on Deferred government grant

### 28 Short-term provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for employee benefits		
Provision for gratuity	201.89	68.20
Provision for compensated absence	66.68	45.03
Others	-	12.06
	<b>268.57</b>	<b>125.29</b>

### Movement in other provisions

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Other provisions</b>		
Opening	12.06	-
Current year additions	-	12.06
Current year adjustments	(12.06)	-
<b>Closing</b>	<b>-</b>	<b>12.06</b>

Refer note 46 on Employee benefit obligations

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 29 Current tax liabilities (net)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for taxation (net of advance tax)	14.70	68.80
	<b>14.70</b>	<b>68.80</b>

### 30 Revenue from operations

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Sale of products *</b>		
Export	81,137.58	70,577.99
Domestic	1,19,332.32	1,17,276.02
<b>Sale of traded goods *</b>		
Export	18,224.65	15,831.86
Domestic	15,533.90	14,898.89
<b>Other operating revenue</b>		
Service charges	656.83	549.38
Processing charges	18.67	18.67
Rental income (refer note A)	102.74	102.74
	<b>2,35,006.69</b>	<b>2,19,255.55</b>

### \*Details of products sold

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>- Finished goods sold</b>		
Rice	1,94,756.29	1,83,345.35
Others	5,713.61	4,508.65
<b>- Traded goods sold</b>		
Rice	32,265.02	28,496.88
Others	1,493.53	2,233.88
	<b>2,34,228.45</b>	<b>2,18,584.76</b>

A. The Company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended 31st March 2020 and 31st March 2019 was ₹ 102.74 and ₹ 102.74 respectively. The Company has not executed any non-cancellable operating leases.

### 31 Other income

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Dividend from non trade investments	-	0.63
Interest income on		
fixed deposits with banks	53.72	37.68
loans	-	64.58
advances	478.00	367.62
income tax refund	64.53	187.74
Others	238.86	9.38
Rental income (refer note A)	223.20	84.06

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 31 Other income (Contd..)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Liabilities written back	-	50.80
Corporate guarantee charges	418.15	388.80
Corporate service charges	226.98	-
Government grant income (refer note 44)	48.48	59.14
Net gain on foreign currency transactions	826.10	445.47
Miscellaneous receipts	193.82	57.64
	<b>2,771.84</b>	<b>1,753.54</b>

A. The Company has entered into rent agreements as a lessor for area of premises owned by the company, which are in the nature of operating lease. Rental income for operating lease for the years ended 31st March 2020 and 31st March 2019 was ₹ 223.2 and ₹ 84.06 respectively. The Company has not executed any non-cancellable operating leases.

### 32 Cost of material consumed

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Opening stock</b>		
Paddy	29,544.89	32,291.34
Bardana	1,417.01	1,229.02
Packing material	2,132.73	2,017.74
	<b>33,094.63</b>	<b>35,538.10</b>
<b>Add: purchases</b>		
Paddy	76,424.78	79,751.29
Bardana	337.95	398.44
Packing material	5,291.69	5,827.38
Rice	74,968.72	61,966.82
	<b>1,57,023.14</b>	<b>1,47,943.93</b>
<b>Less: closing stock</b>		
Paddy	25,115.66	29,544.89
Bardana	1,320.61	1,417.01
Packing material	1,650.44	2,132.73
	<b>28,086.71</b>	<b>33,094.63</b>
	<b>1,62,031.06</b>	<b>1,50,387.40</b>
<b>Consumption details</b>		
Paddy	80,854.01	82,497.74
Bardana	434.35	210.45
Packing material	5,773.98	5,712.39
Rice	74,968.72	61,966.82
	<b>1,62,031.06</b>	<b>1,50,387.40</b>

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 33 Purchases of stock in trade

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Rice	29,208.92	33,989.68
Staples	936.12	1,198.51
Others	914.87	533.46
	<b>31,059.91</b>	<b>35,721.65</b>

### 34 Changes in inventories of finished goods and stock-in-trade

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Opening Stock</b>		
Finished goods	55,664.37	48,387.54
Traded goods	719.80	1,759.39
<b>Closing stock</b>		
Finished goods	53,386.66	55,664.37
Traded goods	2,279.85	719.80
	<b>717.66</b>	<b>(6,237.24)</b>

### 35 Employee benefit expense

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries, wages and bonus	5,657.67	5,463.68
Contribution to provident and other fund (refer note 46)	299.15	311.51
Staff welfare expenses	304.27	280.16
	<b>6,261.09</b>	<b>6,055.35</b>

### 36 Finance cost

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest on working capital loans	5,251.75	6,484.79
Interest on term loans	7.79	320.17
	<b>5,259.54</b>	<b>6,804.96</b>
Interest capitalised	(73.64)	(41.35)
Other borrowing costs	824.01	880.83
	<b>6,009.91</b>	<b>7,644.44</b>

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's general borrowings during the year, in this case 9.10% p.a. (31st March 2019 - 9.52% p.a.)

## Notes to the Financial Statements

for the year ended March 31, 2020

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

### 37 Depreciation and amortisation expense

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Depreciation on property, plant and equipment	2,556.12	2,204.33
Amortisation of right-of-use-assets	52.58	-
Amortisation of intangible assets	36.50	131.85
	<b>2,645.20</b>	<b>2,336.18</b>

### 38 Other expenses

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Warehouse rent (refer point A)	637.94	764.35
Wages	842.83	830.91
Factory insurance	200.64	171.32
Power and fuel	2,004.43	2,114.76
Security services	237.56	218.46
Packing expenses	455.16	487.65
Repairs		
- Plant and machinery	73.32	88.66
- Building	31.03	35.38
- Others	89.14	87.55
Stores and spares consumed	1,152.63	1,417.08
Advertisement	1,383.57	1,348.24
Insurance	109.28	50.08
Legal and professional charges	1,043.67	878.68
Rates and taxes	391.96	269.60
Donation and charity	69.38	64.12
Corporate social responsibility expense (refer point C)	69.77	52.98
Directors' sitting fees	24.65	21.25
Auditors' remuneration (refer point B)	54.79	51.90
Vehicle running and maintenance	185.06	164.51
Travelling and conveyance	1,086.80	1,333.93
Commission to selling agents	740.77	370.77
Clearing, forwarding and freight charges	4,529.86	4,037.27
Impairment of trade receivables	673.93	33.92
Loss from sale of fixed assets (net)	35.19	2.31
Loss on sales of investments	-	22.04
Write off/ impairment in the value of investment	5.00	125.00
Amounts written off	82.76	110.52
Joint venture losses absorbed	-	194.98
Business promotion expenses	207.91	176.57
Other selling expenses	617.20	589.02
Other administrative expenses	752.58	665.34
	<b>17,788.81</b>	<b>16,779.14</b>

A. The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of operating lease. Rental expense for operating lease for the years ended 31st March 2020 and 2019 was ₹ 637.94 and ₹ 764.35 respectively. The Company has not executed any non-cancellable operating leases. The operating leases are cancellable at the option of both the parties with a notice of one to six months.

## Notes to the Financial Statements

for the year ended March 31, 2020

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

### B. Auditors' remuneration

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Statutory audit (including fees for limited reviews)	47.75	47.75
Certification fees	-	0.61
Others	5.00	-
Out of pocket expenses	2.04	3.54
	<b>54.79</b>	<b>51.90</b>

### C. Corporate social responsibility expenditure

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013	129.09	97.09
ii) Amount spent (in cash) during the year on:		
- Construction/acquisition of an asset	69.77	52.98
- on purpose other than above	-	-
Unspent amount	59.32	44.11

### 39 Tax expense

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>The income tax expense consists of the following :</b>		
Current tax expense for the current year	3,078.70	2,799.37
Current tax expense pertaining to previous years	114.19	-
Deferred tax (credit)/ expense	(444.26)	74.26
<b>Total income tax</b>	<b>2,748.63</b>	<b>2,873.63</b>
<b>The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:</b>		
Profit before income taxes	11,264.89	8,322.17
*At India's statutory income tax rate of 25.168% (31st March 2019: 34.944%)	2,835.15	2,908.10
Adjustments in respect of current income tax		
Tax expense related to earlier years	114.19	-
Donation and charities	24.72	21.65
Fines, penalties and interest on statutory dues	0.24	17.86
Impact of change in tax rates	(154.96)	18.75
Deductions under section 80 of Income-tax Act, 1961	-	(70.20)
Others	(70.71)	(22.53)
<b>Total income tax expense</b>	<b>2,748.63</b>	<b>2,873.63</b>

\*The Company elected to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has re-measured its Deferred tax liabilities basis the rate prescribed in the said section. The impact of this change has been recognised in the Statement of Profit and Loss and other comprehensive income for the year.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 40 Earnings per share

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Profit attributable to equity shareholders	<b>8,516.26</b>	<b>5,448.54</b>
Numbers of weighted average equity share outstanding at the year end for Basic	3,198.45	3,198.45
Numbers of weighted average equity share outstanding at the year end for Diluted	3,198.45	3,198.45
Nominal value per share	1.00	1.00
<b>Earnings per equity share</b>		
Basic	2.66	1.70
Diluted	2.66	1.70

### 41 Contingencies and commitments

#### (A) Contingent liabilities

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
I Income-tax demands (refer point a)	2,061.19	2,293.05
II Demand from Food Corporation India for differential price / freight / taxes	75.69	75.69
III Claims on Company	30.77	-
IV Duty saved under EPCG licenses (export obligation outstanding ₹ 248.98 (31st March 2019: ₹ 617.10))	41.50	105.75
V Bank guarantees	145.70	2,067.20
VI Guarantee given by Company to bank on behalf of subsidiaries (refer point b)	40,691.52	48,299.63
VII Guarantee given by Company on the behalf of subsidiaries for export obligation under EPCG scheme	14.68	14.68
<b>Total</b>	<b>43,061.05</b>	<b>52,856.00</b>

- a. The Company has pending appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2007-08 to AY 2014-15 and AY 2016-17 on the matters over which no relief was provided by CIT (Appeals) amounting to ₹ 1,380.69 (previous year ₹ 2,079.36).

The Company's appeal for AY 1990-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹ 213.69 (previous year ₹ 213.69) are pending at various level of appeals.

During the financial year 2019-20, the Company has received demands under section 147 for the Assessment Year 2015-16 for ₹ 466.81. The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

The Company has paid ₹ 1,651.26 (previous year ₹ 1,551.26) as per the directions of Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/ refunded, once the appeals are final.

The management is confident that its position is likely to be upheld in the appeals pending before various appellate authorities and no liability could arise on the Company on account of these proceedings.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

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

Particulars	Name of subsidiary company	Sanction limit	Year ended 31st March 2020	Year ended 31st March 2019	Purpose
State Bank of India - Consortium	Daawat Foods Limited	30,469 (31st March 2019 30,469)	22,392.02	21,938.48	Working capital loan
Oriental Bank of Commerce	Raghunath Agro Industries Private Limited	7,600 (31st March 2019 7,600)	3,799.07	5,038.18	Working capital loan
ICICI Bank Limited	Nature Bio Foods Limited	Nil (31st March 2019 3,000)	7,601.18	8,746.91	Working capital loan
Yes Bank Limited	Nature Bio Foods Limited	3,580 (31st March 2019 3,980)			
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	2,200 (31st March 2019 2,200)			
Indusind Bank Limited	Nature Bio Foods Limited	4,800 (31st March 2019 3,150)			
Cooperative Rabo Bank U.A. (Euro 7.30 million, 31st March 2019 Euro 7.30 millions)	L T Foods Europe BV, Netherland	6,065.21 (31st March 2019 5,672.28)	4,822.12	5,205.49	Against plant and machinery
Cooperative Rabo Bank U.A. (Euro 2.50 million, 31st March 2019 Euro 10.00 millions)	L T Foods Europe BV, Netherland	2,077.13 (31st March 2019 7,770.24)	2,077.13	7,370.57	Working capital loan
<b>Total</b>		<b>56,791.33</b>	<b>40,691.52</b>	<b>48,299.63</b>	

#### (B) Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 727.69 (31st March 2019: ₹ 531.72).

### 42 Segment information

In accordance with Ind AS 108, the Board of directors being the Chief operating decision maker of the Company has determined its only one business segment of manufacture and storage of rice. Further, in terms of Paragraph 4 and 31 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented in the consolidated financial statements.

### 43 Transfer pricing

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

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 44 Deferred government grants

Particulars	31st March 2020	31st March 2019
At the beginning of the year	320.09	379.23
Released during the year	48.48	59.14
<b>At the end of the year</b>	<b>271.61</b>	<b>320.09</b>

Particulars	31st March 2020		31st March 2019	
	Current	Non-current	Current	Non-current
Government grants	25.63	245.98	34.47	285.62

### 45 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Non-current assets</b>		
<b>First charge</b>		
Property, plant, and equipments	18,875.01	21,682.54
Other financial assets	600.67	459.17
<b>Total non-current assets pledged as security</b>	<b>19,475.68</b>	<b>22,141.71</b>
<b>Current assets</b>		
<b>First charge</b>		
<i>Pari-passu</i>		
Inventories	84,434.46	89,940.79
Trade receivables	24,713.24	30,951.13
Cash and cash equivalents	367.74	463.11
Other bank balances	117.52	577.95
Loans	708.46	98.82
Other financial assets	304.33	1,896.04
Other current assets	11,248.48	6,826.71
<b>Total current assets pledged as security</b>	<b>1,21,894.23</b>	<b>1,30,754.55</b>
<b>Total assets pledged as security</b>	<b>1,41,369.91</b>	<b>1,52,896.26</b>

### 46 Employee benefit obligations

Particulars	31st March 2020		31st March 2019	
	Current	Non-current	Current	Non-current
Gratuity	201.89	219.17	68.20	256.69
Compensated absences	66.68	121.81	45.03	137.41
<b>Total</b>	<b>268.57</b>	<b>340.98</b>	<b>113.23</b>	<b>394.10</b>

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### A Gratuity

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. The planned assets are managed by Life Insurance Corporation of India. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognized funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### Disclosure of gratuity

##### (i) Amount recognised in the Statement of Profit and Loss is as under:

Description	31st March 2020	31st March 2019
Current service cost	91.15	90.27
Interest cost	25.46	21.89
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>116.61</b>	<b>112.16</b>

##### (ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Description	31st March 2020	31st March 2019
Remeasurement on the net defined benefit obligation		
Actuarial (gain)/loss arising from change in demographic assumption	46.00	-
Actuarial (gain)/loss arising from change in financial assumption	40.42	7.25
Actuarial (gain)/loss arising from change in experience assumption	19.69	(64.72)
Remeasurement on plan assets		
Return on plan assets (excluding interest)	4.07	7.92
<b>Total actuarial loss/(gain) recognised in OCI</b>	<b>110.18</b>	<b>(49.55)</b>

##### (iii) Movement in the defined benefit obligation during the year is as under:

Description	31st March 2020	31st March 2019
Present value of defined benefit obligation as at the start of the year	647.03	584.64
Current service cost	91.15	90.27
Interest cost	49.85	46.56
Actuarial loss/(gain) recognised during the year	106.11	(57.47)
Benefits paid	(30.17)	(16.97)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>863.97</b>	<b>647.03</b>

## Notes to the Financial Statements

for the year ended March 31, 2020

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

### (iv) Change in fair value of assets:

Description	31st March 2020	31st March 2019
<b>Fair value of plan assets at the beginning of the year</b>	322.14	316.84
Interest income on plan assets	24.39	24.68
Contribution	130.62	5.51
Actuarial (losses)	(4.07)	(7.92)
Benefits paid	(30.17)	(16.97)
<b>Fair value of plan assets at the end of the year</b>	<b>442.91</b>	<b>322.14</b>

Plan assets consist of 100% non-quoted insurer managed funds and T-Bills

### (v) Actuarial assumptions

Description	31st March 2020	31st March 2019
Discount rate	5.74%	7.57%
Retirement age	58 years	58 years
Employee turnover:		
- From 31 to 44 years	23.00%	10.00%
Rate of increase in compensation	4.00%	5.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### (vi) Movement in net liability recognised in balance sheet

Description	31st March 2020	31st March 2019
Defined Benefit Obligation	863.97	647.03
Fair value of Plan Assets	(442.91)	(322.14)
Liability recognised in the Balance Sheet	<b>421.06</b>	<b>324.89</b>

### (vii) Sensitivity analysis for gratuity liability

Description	31st March 2020	31st March 2019
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	<b>863.97</b>	<b>647.03</b>
- Impact due to increase of 1 %	(25.24)	(31.61)
- Impact due to decrease of 1 %	28.75	34.72
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	<b>863.97</b>	<b>647.03</b>
- Impact due to increase of 1 %	26.41	31.16
- Impact due to decrease of 1 %	(25.14)	(29.66)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

## Notes to the Financial Statements

for the year ended March 31, 2020

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

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

### (viii) Maturity profile of defined benefit obligation (undiscounted)

Description	31st March 2020	31st March 2019
Within next 12 months	207.29	70.73
Between 2-5 years	286.48	286.48
Between 6-10 years	291.17	291.17

### B Compensated absence

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

#### (i) Actuarial assumptions

Description	As at 31st March 2020	As at 31st March 2019
Discount rate	5.74%	7.57%
Future basic salary increase	4.00%	5.00%
Employee turnover/ Withdrawal rate	23.00%	10.00%
Retirement age	58 years	58 years

#### Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

### C Provident fund and ESI fund

Contribution made towards provident fund by the Company during the year is ₹ 175.91 (31st March 2019: ₹ 160.63)

Contribution made towards ESI fund by the Company during the year is ₹ 18.69 (31st March 2019: ₹ 26.66)

There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgement dated 28th February 2019 on provident fund on which the Company has obtained legal advice specifically on the retrospective applicability of the same. The Company has started recognising such expenditure/liability on account of enhanced provident fund contributions prospectively. Pending further clarification on the applicability of such ruling and on basis of the legal opinion so obtained, the management is of the view that such ruling is applicable prospectively. In view of the same, the Company had recorded an additional liability of ₹ 1.25 for the month of March 2019.



## Notes to the Financial Statements

for the year ended March 31, 2020

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

### 47 Fair value disclosures

#### i) Financial instruments by category

Particulars	As at 31st March 2020			As at 31st March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	266.33	-	0.05	238.64	-	0.05
Security deposits	-	-	791.30	-	-	693.70
Trade receivables	-	-	24,713.24	-	-	30,951.13
Cash and cash equivalents	-	-	367.74	-	-	463.11
Other bank balances	-	-	117.52	-	-	577.95
Derivative asset	-	-	-	1,324.44	-	-
Other financial assets	-	-	1,583.54	-	-	1,126.57
<b>Total</b>	<b>266.33</b>	<b>-</b>	<b>27,573.39</b>	<b>1,563.08</b>	<b>-</b>	<b>33,812.51</b>
<b>Financial liabilities</b>						
Borrowings	-	-	56,827.75	-	-	66,499.27
Trade payable	-	-	11,288.32	-	-	13,432.76
Lease Liability	-	-	226.99	-	-	-
Derivative liabilities	1,123.08	-	-	-	-	-
Other financial liabilities	-	-	2,077.67	-	-	1,861.45
<b>Total</b>	<b>1,123.08</b>	<b>-</b>	<b>70,420.73</b>	<b>-</b>	<b>-</b>	<b>81,793.48</b>

Investment in equity instruments and preference shares of subsidiaries, joint ventures and associates has been accounted at cost in accordance with Ind AS 27. Therefore not within the scope of Ind AS 109, hence not included here.

#### ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

31st March 2020	Level 1	Level 2	Total
Financial assets			
Key man insurance policies	-	266.12	266.12
Equity instruments - Quoted	0.21	-	0.21
<b>Total financial assets</b>	<b>0.21</b>	<b>266.12</b>	<b>266.33</b>
Financial liabilities			
Derivative liabilities	-	1,123.08	1,123.08
<b>Total financial liabilities</b>	<b>-</b>	<b>1,123.08</b>	<b>1,123.08</b>

## Notes to the Financial Statements

for the year ended March 31, 2020

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

31st March 2019	Level 1	Level 2	Total
Financial assets			
Key man insurance policies	-	237.96	237.96
Equity instruments - Quoted	0.68	-	0.68
Derivative asset	-	1,324.44	1,324.44
<b>Total financial assets</b>	<b>0.68</b>	<b>1,562.40</b>	<b>1,563.08</b>

#### Valuation process and technique used to determine fair value

- The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- In order to arrive at the fair value of unquoted investments, the company obtains independent valuations. The techniques used by the valuer are as follows:
  - Asset approach - Net assets value method
  - Income approach - Discounted cash flows ("DCF") method
  - Market approach - Enterprise value/Sales multiple method
- Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India, Max New York Life Insurance Company Limited, SBI Life Insurance Company Limited, Star Union Dai-Ichi Life Insurance and Canara HSBC OBC Life Insurance which represents surrender value for the investors.

#### Derivative financial assets/liabilities:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

#### (iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31st March 2020		31st March 2019	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Security deposit	Level 3	791.30	791.30	693.70	693.70
Loan to related parties	Level 3	573.58	573.58	-	-
Loan to employees	Level 3	104.96	104.96	95.80	95.80
Other financial assets	Level 3	26,103.55	26,103.55	33,023.01	33,023.01
<b>Total financial assets</b>		<b>27,573.39</b>	<b>27,573.39</b>	<b>33,812.51</b>	<b>33,812.51</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	56,827.75	56,827.75	66,499.27	66,499.27
Lease Liabilities	Level 3	226.99	226.99	-	-
Other financial liabilities	Level 3	13,365.99	13,365.99	15,294.21	15,294.21
<b>Total financial liabilities</b>		<b>70,420.73</b>	<b>70,420.73</b>	<b>81,793.48</b>	<b>81,793.48</b>

## Notes to the Financial Statements for the year ended March 31, 2020

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

The management assessed that security deposits, loan to related parties, loan to employees, other financial assets, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) All the long term borrowing facilities (other than vehicles loans) availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

### 48 Financial risk management

#### (i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Ageing analysis Credit ratings	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Indian Rupees(INR)	Cash flow forecasting Sensitivity analysis	Forward contract and hedging.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

## Notes to the Financial Statements for the year ended March 31, 2020

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

#### A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

#### a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High

Assets under credit risk -

Credit rating	Particulars	Year ended 31st March 2020	Year ended 31st March 2019
A: Low	Loans	1,469.84	789.50
	Investments	12,750.55	12,782.01
	Other financial assets	905.00	2,355.21
	Cash and cash equivalents	367.74	463.11
	Other bank balances	117.52	577.95
C: High	Trade receivables	24,713.24	29,856.11
	Trade receivables	699.93	33.92

#### Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### Trade receivables

The Company closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

#### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### b) Expected credit losses

#### Expected credit losses for financial assets other than trade receivables

The Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	31st March 2020			31st March 2019		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	367.74	0.00%	367.74	463.11	0.00%	463.11
Other bank balances	117.52	0.00%	117.52	577.95	0.00%	577.95
Loans	1,469.84	0.00%	1,469.84	789.50	0.00%	789.5
Other financial assets	905.00	0.00%	905.00	2,355.21	0.00%	2,355.21

#### Expected credit loss for trade receivables under simplified approach

The Company uses expected credit loss model to assess the impairment loss. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account available internal credit risk factors such as the Company's historical experience for customers. The Company believes that amount receivable from related parties is collectible in full, based on historical payment behaviour and hence no loss allowance has been recognized on the same. The Company based upon past trends determines an impairment allowance for loss on receivables from others

Particulars	0-1 Year	1-3 Year
<b>As at 31st March 2020</b>		
Trade receivables	24,713.24	699.93
Default rate	-	100.00%
Expected credit loss	-	699.93
<b>As at 31st March 2019</b>		
Trade receivables	29,856.11	33.92
Default rate	-	100.00%
Expected credit loss	-	33.92

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on 1st April 2018</b>	-
Add (Less): Changes in loss allowances	33.92
<b>Loss allowance on 31st March 2019</b>	<b>33.92</b>
Add (Less): Bad debts written off	(7.92)
Add (Less): Changes in loss allowances	673.93
<b>Loss allowance on 31st March 2020</b>	<b>699.93</b>

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the company operates.

#### a) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31st March 2020	31st March 2019
- Expiring within one year (cash credit and other facilities)	9,845.08	10,387.26
- Expiring beyond one year (term loans)	-	-
	<b>9,845.08</b>	<b>10,387.26</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

#### Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of the Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31st March 2020	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	56,755.21	72.54	-	56,827.75
Security deposit received	-	7.00	-	7.00
Lease liabilities	110.84	116.15	-	226.99
Trade payable	11,288.32	-	-	11,288.32
Other financial liabilities	2,070.67	-	-	2,070.67
<b>Total</b>	<b>70,225.04</b>	<b>195.69</b>	<b>-</b>	<b>70,420.73</b>

## Notes to the Financial Statements for the year ended March 31, 2020

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

31st March 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	66,483.80	15.47	-	66,499.27
Security deposit received	-	7.00	-	7.00
Trade payable	13,432.76	-	-	13,432.76
Other financial liabilities	1,854.45	-	-	1,854.45
<b>Total</b>	<b>81,771.01</b>	<b>22.47</b>	<b>-</b>	<b>81,793.48</b>

### C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – that will the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### a) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Company's policy is to hedge the risk of changes in foreign currency. The Company uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Company designate both change in spot and forward element of forward contracts and change in spot of PCFCs to hedge exposure in foreign currency risk on highly probable forecast sales.

#### (i) Exposure to currency risk:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency		In INR	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Financial assets</b>				
<b>Trade receivables</b>				
EURO	1.97	13.06	163.77	1,014.76
USD	140.82	150.52	10,654.26	10,411.45
GBP	1.23	0.00	114.76	0.34
<b>Foreign exchange derivative contracts</b>				
EURO	(154.92)	(65.00)	(12,871.16)	(5,050.66)
USD	(313.63)	(379.00)	(23,728.87)	(26,215.92)
GBP	(5.00)	-	(467.75)	-
<b>Trade payables</b>				
EURO	0.36	0.61	30.16	47.33
USD	-	1.52	-	105.04
Preshipment credit				
USD	303.16	183.82	22,937.14	12,715.05

## Notes to the Financial Statements for the year ended March 31, 2020

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

Particulars	In foreign currency		In INR	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Bill discounted</b>				
USD	14.36	-	1,086.31	-
<b>Net exposure:</b>				
EURO	(153.31)	(52.55)	(12,737.55)	(4,083.23)
USD	(490.33)	(413.82)	(37,098.05)	(28,624.55)
GBP	(3.77)	0.00	(352.98)	0.34

Apart from above, the Company has a foreign currency liability (advances from customers) of ₹ 57.40 (USD 0.8) (31st March 2019: ₹ 133.23 (USD 1.96)

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	31st March 2020	31st March 2019
EURO	83.09	77.70
USD	75.66	69.17
GBP	93.55	90.48

#### (a) Disclosure of effects of hedge accounting on financial position

##### As at 31st March 2020

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	37,067.78	-	-	1,123.08	30th April 2020 - 23th March 2021	1:1	USD: ₹ 74.22 EUR: ₹ 84.13 GBP: ₹ 93.55	(1,123.08)	1,123.08
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	22,937.14	-	22,937.14	21st April 2020 - 6th December 2020	1:1	USD: ₹ 71.59	1,221.00	(1,221.00)

## Notes to the Financial Statements for the year ended March 31, 2020

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

### As at 31st March 2019

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	31,266.58	-	1,324.44	-	30th April 2019 - 31st January 2020	1:1	USD: ₹ 72.88 EURO: ₹ 84.22	1,324.44	(1,338.58)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	12,715.05	-	12,715.05	30th April 2019 - 30th September 2019	1:1	USD: ₹ 70.50	428.43	(424.34)

### (b) Disclosure of effects of hedge accounting on financial performance

#### For the year ended 31st March 2020

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Foreign exchange forward contracts	21.01	-	(1,102.07)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	1,475.40	14.08	254.39	Revenue and other income

#### For the year ended 31st March 2019

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Foreign exchange forward contracts	1,334.63	0.21	(1,233.26)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	424.34	4.09	(1,598.81)	Revenue and other income

## Notes to the Financial Statements for the year ended March 31, 2020

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

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

### (c) Movements in cash flow hedging reserve

Particulars	Amount
<b>As at 1st April 2018</b>	-
Add: Changes in fair value of forward contracts	101.37
Add: Changes in fair value of forward PCFCs	(1,096.14)
Less: Amount reclassified to profit or loss	2,832.07
Less: Tax relating to above (net)	(642.02)
<b>As at 31st March 2019</b>	<b>1,195.28</b>
Add: Changes in fair value of forward contracts	(487.38)
Add: Changes in fair value of forward PCFCs	(1,651.05)
Less: Amount reclassified to profit or loss	(847.67)
Less: Tax relating to above (net)	1,231.70
<b>Change during the year ended 31st March 2020</b>	<b>(2,949.67)</b>
<b>As at 31st March 2020</b>	<b>(1,754.40)</b>

### Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at 31st March 2020 and 31st March 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Impact on profit after tax		Impact on equity	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
Trade receivables				
EURO sensitivity				
INR/EURO increase by 100 bps (31st March 2019 100 bps)*	1.23	6.60	-	-

## Notes to the Financial Statements

for the year ended March 31, 2020

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

Particulars	Impact on profit after tax		Impact on equity	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
INR/EURO decrease by 100 bps (31st March 2019 100 bps)*	(1.23)	(6.60)	-	-
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	79.73	67.73	-	-
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	(79.73)	(67.73)	-	-
GBP sensitivity				
INR/GBP increase by 100 bps (31st March 2019 100 bps)*	0.86	0.00	-	-
INR/GBP decrease by 100 bps (31st March 2019 100 bps)*	(0.86)	(0.00)	-	-
Bill discounted				
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	8.13	-	-	-
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	(8.13)	-	-	-
Trade payables				
EURO sensitivity				
INR/EURO increase by 100 bps (31st March 2019 100 bps)*	0.23	0.31	-	-
INR/EURO decrease by 100 bps (31st March 2019 100 bps)*	(0.23)	(0.31)	-	-
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	-	0.68	-	-
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	-	(0.68)	-	-
GBP sensitivity				
INR/GBP increase by 100 bps (31st March 2019 100 bps)*	(0.00)	(0.00)	-	-
INR/GBP decrease by 100 bps (31st March 2019 100 bps)*	0.00	0.00	-	-
Preshipment credit				
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	-	-	171.64	82.72
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	-	-	(171.64)	(82.72)
Foreign exchange derivative contracts				
USD sensitivity				

## Notes to the Financial Statements

for the year ended March 31, 2020

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

Particulars	Impact on profit after tax		Impact on equity	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
INR/USD increase by 100 bps (31st March 2019 100 bps)*	-	-	(177.56)	(170.55)
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	-	-	177.56	170.55
GBP sensitivity				
INR/GBP increase by 100 bps (31st March 2019 100 bps)*	-	-	(3.50)	-
INR/GBP decrease by 100 bps (31st March 2019 100 bps)*	-	-	3.50	-
EURO sensitivity				
INR/EURO increase by 100 bps (31st March 2019 100 bps)*	-	-	(96.31)	(32.86)
INR/EURO decrease by 100 bps (31st March 2019 100 bps)*	-	-	96.31	32.86

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at 31st March 2020, the Company is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Company's investments in fixed deposits all pay fixed interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Company to interest rate risk:

Particulars	31st March 2020	31st March 2019
Variable rate borrowing	56,733.25	66,473.27
Fixed rate borrowing	94.50	26.00
<b>Total borrowings</b>	<b>56,827.75</b>	<b>66,499.27</b>

#### Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	31st March 2020	31st March 2019
<b>Total borrowings</b>		
- Impact due to increase of 50 basis points*	(212.27)	(216.22)
- Impact due to decrease of 50 basis points*	212.27	216.22

\*Holding all other variable constant

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### c) Price risk exposure

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

## 49 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company's adjusted net debt to equity ratio as at year end were as follows:

Particulars	31st March 2020	31st March 2019
Total borrowings	56,827.75	66,499.27
Less : cash and cash equivalents	367.74	463.11
<b>Net debt</b>	<b>56,460.01</b>	<b>66,036.16</b>
Total equity	87,140.50	84,152.42
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.65</b>	<b>0.78</b>

Particulars	31st March 2020	31st March 2019
<b>Equity shares</b>		
<b>(i) Final Dividend</b>		
For the year ended 31st March 2019 of ₹ 0.15 per share (excluding tax)	479.77	-
For the year ended 31st March 2018 of ₹ 0.15 per share (excluding tax)	-	479.77
<b>(ii) Interim Dividend</b>		
For the year ended 31st March 2020 of ₹ 0.50 per share (excluding tax)	1,599.22	-
<b>(iii) Proposed Dividend</b>		
For the year ended 31st March 2019 of ₹ 0.15 per share (excluding tax)	-	479.77

The proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### b) Loan covenants

Under the terms of major borrowing facilities, the Company is required to comply with the following covenants:

- the current ratio must be more than 1.25 times;
- the debt to equity ratio must not exceed 3 times;
- the interest coverage ratio must be more than 1.5 times;
- the promoter's holding must not be less than 51%;
- the debt service coverage ratio must be more than 1.2 times;
- the debt to tangible net worth ratio must not be more than 2.5 times;
- the adjustable tangible net worth of the Company must be more than ₹ 73,440.

The Company has complied with these covenants throughout the reporting period"

## 50 Related party disclosures

The Company's related party transactions and outstanding balances are with its subsidiaries, associates and joint venture, key management and others as described below.

### A. Relationships

#### a) Subsidiaries

Daawat Foods Limited  
SDC Foods India Limited  
Nature Bio Foods Limited  
LT International Limited  
LT Overseas North America, Inc.  
Sona Global Limited  
Deva Singh Sham Singh Exports Private Limited  
Raghunath Agro Industries Private Limited

#### b) Step down subsidiaries

LT Foods America Inc.  
LT Foods USA LLC  
LT Foods Middle East DMCC  
LT Foods International Limited  
Universal Traders Inc.  
Ecolife LLC  
Fresco Fruit N Nuts Private Limited  
Nature Bio Foods B.V.  
Expo Services Private Limited  
LT Agri Services Private Limited  
LT Foods Europe B.V.  
Eco Pure Specialities Limited  
Nature Bio Foods Inc. (from 8th January 2020)

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### c) Joint venture

Daawat Kameda India Private Limited  
Genoa Rice Mills Private Limited (upto 27th September 2019)

### d) Associate enterprises

Raghuvesh Agri Foods Private Limited  
Raghuvesh Warehousing Private Limited  
Raghuvesh Infrastructure Private Limited

### e) Key management personnel and Directors

#### - Key management personnel

Name	Relationship
Mr. Vijay Kumar Arora	Managing Director
Mr. Surinder Kumar Arora	Managing Director
Mr. Ashwani Kumar Arora	Managing Director and Chief Financial Officer
Mr. Ashok Kumar Arora	President - Punjab operations
Mr. Gokul Patnaik	Director
Mr. Suparas Bhandari	Director
Ms. Neeru Singh	Director (w.e.f 17th March 2020)
Mr. Pramod Bhagat	Director (upto 6th February 2020)
Ms. Radha Singh	Director (upto 6th February 2020)
Mr. Rajesh Kumar Srivastava	Nominee Director

#### - Relatives of Key Management Personnel (with whom transactions have taken place during the year)

Name	Relationship
Mr. Ritesh Arora	Son of Mr. Ashwani Kumar Arora
Aditya Arora	Son of Mr. Ashok Kumar Arora
Parvesh Rani	Mother of Key management personnel's
Abhinav Arora	Son of Mr. Vijay Kumar Arora
Ranju Arora	Wife of Mr. Vijay Kumar Arora
Vaneet Arora	Son of Mr. Gurucharan Das Arora
Sakshi Arora	Wife of Mr. Surinder Kumar Arora
Anita Arora	Wife of Mr. Ashok Kumar Arora
Munish Kumar Arora	Son of Mr. Gurucharan Das Arora
Vandana Arora	Wife of Mr. Ashwani Kumar Arora
Gurucharan Das Arora	Promoter
Gursajan Arora	Son of Mr. Ashok Kumar Arora

#### Entities in which Key Management Personnel and their relatives have significant influence with whom transactions have taken place during the current year and/or previous year:

V.K Foods  
SK Engineering Company  
Super Textfab Private Limited  
UIPL Innovations Private Limited  
Raghuvesh Holdings Private Limited

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### Transactions with subsidiary companies, step down subsidiary companies, joint venture, associate companies and entities where key management personnel has significant influence

Particulars	31st March 2020	31st March 2019
<b>Sales</b>		
LT Foods America Inc.	27,657.17	16,807.07
Raghunath Agro Industries Private Limited	1,863.72	10,199.17
LT Foods Middle East DMCC	11,611.94	11,149.72
Daawat Foods Limited	12,062.88	2,738.15
Nature Bio Foods Limited	-	124.60
Deva Singh Sham Singh Exports Private Limited	807.86	571.38
LT Foods Europe B.V.	14,944.54	6,315.98
Daawat Kameda India Private Limited	23.15	-
<b>Sales return</b>		
LT Foods International Limited	-	52.62
<b>Purchases</b>		
Raghunath Agro Industries Private Limited	5,527.01	8,390.48
Daawat Foods Limited	35,021.73	29,213.94
Nature Bio Foods Limited	-	415.81
Super Textfab Private Limited	582.14	937.55
Deva Singh Sham Singh Exports Private Limited	-	156.36
Genoa Rice Mills Private Limited	-	1,132.46
Daawat Kameda India Private Limited	63.26	56.15
UIPL Innovations Private Limited	136.57	-
<b>Rental income</b>		
Daawat Foods Limited	2.25	-
Daawat Kameda India Private Limited	188.94	0.53
Nature Bio Foods Limited	15.12	67.09
<b>Fumigation income</b>		
Nature Bio Foods Limited	0.64	3.16
<b>Reimbursement of expenses received</b>		
Daawat Kameda India Private Limited	370.72	87.64
UIPL Innovations Private Limited	6.43	-
Nature Bio Foods Limited	12.87	11.63
Raghuvesh Infrastructure Private Limited	11.57	-
Daawat Foods Limited	113.07	25.82
Raghunath Agro Industries Private Limited	5.08	-
Processing charges income		
Nature Bio Foods Limited	160.82	28.93
<b>Processing charges</b>		
Deva Singh Sham Singh Exports Private Limited	92.85	-
<b>Transport income</b>		
Nature Bio Foods Limited	20.01	13.40



## Notes to the Financial Statements for the year ended March 31, 2020

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

Particulars	31st March 2020	31st March 2019
<b>Interest income</b>		
Daawat Foods Limited	478.00	371.05
Genoa Rice Mills Private Limited	-	64.58
<b>Business Support Services</b>		
Daawat Foods Limited	226.98	-
<b>Corporate guarantee charges income</b>		
LT Foods Europe BV	68.23	48.67
Daawat Foods Limited	246.16	212.67
Nature Bio Foods Limited	65.16	67.39
Raghunath Agro Industries Private Limited	38.61	60.07
<b>Provision for diminution in value of investment</b>		
Genoa Rice Mills Limited	-	125.00
<b>Sale of investment in subsidiary</b>		
LT Overseas North America, Inc.	58.50	-
<b>Investments in joint venture</b>		
Daawat Kameda India Private Limited	-	2,234.79
<b>Investments in subsidiary</b>		
Daawat Foods Limited	-	2,000.00
<b>Loan granted</b>		
Genoa Rice Mills Private Limited	-	545.54
Raghuvesh Agri Foods Private Limited	328.49	-
Raghuvesh Warehousing Private Limited	245.09	-
<b>Loan repaid</b>		
Genoa Rice Mills Private Limited	-	1,095.54
<b>Sale of fixed assets</b>		
Daawat Foods Limited	49.41	21.19
Eco Pure Specialities Limited	-	461.66
<b>Purchase of fixed assets</b>		
Raghunath Agro Industries Private Limited	15.02	-
Daawat Foods Limited	-	37.04
<b>Transactions with key management personnel</b>		
<b>Director Remuneration (excluding long term employee benefit)</b>		
Mr. Vijay Kumar Arora	213.81	211.61
Mr. Ashwani Kumar Arora	211.22	211.21
<b>Total (A)</b>	<b>425.03</b>	<b>422.82</b>

## Notes to the Financial Statements for the year ended March 31, 2020

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

Particulars	31st March 2020	31st March 2019
<b>Defined benefit obligation for KMP</b>		
<b>Gratuity</b>		
Mr. Vijay Kumar Arora	20.00	20.00
Mr. Ashwani Kumar Arora	15.19	2.21
<b>Total (B)</b>	<b>35.19</b>	<b>22.21</b>
<b>Compensated absences</b>		
Mr. Vijay Kumar Arora	10.31	9.73
Mr. Ashwani Kumar Arora	4.81	2.23
<b>Total (C)</b>	<b>15.12</b>	<b>11.96</b>
<b>Employee benefits to the key management personnel</b>		
Long term employee benefits (Total (B)+Total (C))	50.31	34.17
Short term employee benefits (Total (A))	424.64	422.82
<b>Dividend paid to the key management personnel</b>	587.46	127.72
<b>Transactions with relatives of key management personnel</b>		
<b>Remuneration</b>		
Mr. Ritesh Arora	40.94	40.94
<b>Dividend paid to relatives of key management personnel</b>		
Details of parties to whom dividend paid is more than 10%		
- Gurucharan Das Arora	142.48	32.88
- Raghuvesh Holdings Private Limited	204.36	46.48
Others	233.49	61.65
<b>Director sitting fees</b>		
Mr. Gokul Patnaik	6.55	4.75
Mr. Suparas Bhandari	4.60	3.40
Mr. Pramod Bhagat	6.55	6.35
Ms. Radha Singh	6.95	6.75

Mr. Vijay Kumar Arora, Mr. Ashwini Kumar Arora, and Mr. Surinder Kumar Arora, the Directors have given personal guarantees against the short term borrowings (except vehicles loans) availed by the Company as disclosed under:

Particulars	As at 31st March 2020	As at 31st March 2019
Long-term borrowings	-	122.52
Short-term borrowings	56,485.92	66,273.74

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Balances at the year-end (net receivable/(net payable))</b>		
SDC Foods India Limited	-	(9.42)
LT Foods Middle East DMCC	98.09	1,406.83
LT Foods America Inc.	3,584.30	3,849.07
Daawat Foods Limited	6,136.42	1,240.03
Ecopure Specialities Limited	-	506.66
Nature Bio Foods Limited	116.00	(1,126.71)
LT Agri Services Private Limited	-	1.22
Raghunath Agro Industries Private Limited	2,392.10	4,667.64
Fresco Fruit N Nuts Private Limited	-	7.67
LT Foods International Limited	19.17	(80.58)
LT Foods Europe B.V.	184.53	1,152.84
Deva Singh Sham Singh Exports Private Limited	238.03	109.06
VK Foods	(4.92)	(4.93)
Raghuvesh Infrastructure Private Limited	(117.29)	92.10
Raghuvesh Agri Foods Private Limited	328.49	328.49
Raghuvesh Warehousing Private Limited	245.09	245.09
Genoa Rice Mills Private Limited	-	(72.14)
Daawat Kameda India Private Limited	26.49	(9.06)
Super Texfab Private Limited	(205.60)	(229.41)
SK Engineering Company	-	(0.51)
UIPL Innovations Private Limited	(11.15)	-
Mr. Vijay Kumar Arora	(0.14)	(7.27)
Mr. Ashwani Kumar Arora	(0.09)	(6.76)
Mr. Ashok Kumar Arora	-	0.95
<b>Corporate guarantees given (outstanding) on behalf of</b>		
Daawat Foods Limited	22,392.02	21,938.48
Nature Bio Foods Limited	7,601.18	8,746.91
Raghunath Agro Industries Private Limited	3,799.07	5,038.18
LT Foods Europe BV	6,899.25	12,575.67

### 51 Details of loan, investment made and guarantee given covered under section 186(4) of Companies Act, 2013

#### (i) Loans granted

Name of the Loanee	Rate of interest	Maximum balance outstanding during the year	As at 31st March 2020	As at 31st March 2019
Raghuvesh Agri Foods Private Limited	10.00% p.a.	328.49	328.49	-
Raghuvesh Warehousing Private Limited	10.00% p.a.	245.09	245.09	-
<b>Total</b>			<b>573.58</b>	<b>-</b>

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

#### (ii) Investments made

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Investments in equity shares and preference shares</b>		
LT International Limited	179.96	179.96
Nature Bio Foods Limited	200.00	200.00
Sona Global Limited	907.73	907.73
Daawat Foods Limited	3,350.00	3,350.00
SDC Foods India Limited	80.00	80.00
Less: Impairment in value of investment	(80.00)	(80.00)
LT Overseas North America Inc.	2,822.31	2,822.31
Raghuvesh Foods and Infrastructure Limited	-	5.00
LT Foods International Limited	-	54.15
Raghunath Agro Industries Private Limited	2,296.03	2,296.03
Deva Singh Shyam Singh Exports Private Limited	1.00	1.00
Raghuvesh Warehousing Private Limited	160.00	160.00
Raghuvesh Agri Foods Private Limited	160.00	160.00
Raghuvesh Infrastructure Private Limited	1.50	1.50
Geona Rice Mills Private Limited	-	125.00
Less: Impairment in value of investment	-	(125.00)
Daawat Kameda India Private Limited	2,405.64	2,405.64
<b>Total</b>	<b>12,484.17</b>	<b>12,543.32</b>

The above investments are made for business purposes only.

#### (iii) Guarantee provided

Particulars	Guarantees outstanding, given behalf of	Purpose	As at 31st March 2020		As at 31st March 2019	
			Sanction amount	Outstanding amount	Sanction amount	Outstanding amount
State Bank of India - Consortium	Daawat Foods Limited	Working capital loan	30,469.00	22,392.02	30,469.00	21,938.48
Oriental Bank of Commerce, Amritsar	Raghunath Agro Industries Private Limited	Working capital loan	7,600.00	3,799.07	7,600.00	5,038.18
ICICI Bank Limited	Nature Bio Foods Limited	Working capital loan	-	7,601.18	3,000.00	8,746.91
Yes Bank Limited	Nature Bio Foods Limited	Working capital loan	3,580.00	-	3,980.00	-
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	Working capital loan	2,200.00	-	2,200.00	-
Indusind Bank Limited	Nature Bio Foods Limited	Working capital loan	4,800.00	-	3,150.00	-
Cooperative Rabo Bank U.A. (Euro 7.30 million)	L T Foods Europe BV, Netherland	Against plant and machinery	6,065.21	4,822.12	5,672.28	5,205.49
Cooperative Rabo Bank U.A. (Euro 2.50 million, 31st March 2019: Euro 10.00 million)	L T Foods Europe BV, Netherland	Working capital loan	2,077.13	2,077.13	7,770.24	7,370.57
<b>Total</b>			<b>56,791.34</b>	<b>40,691.52</b>	<b>63,841.52</b>	<b>48,299.63</b>

The above guarantees were made for business purposes only.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### 52 Interest in joint venture

The Company's interest and share in joint venture in jointly controlled entities are as follows:

Name of joint venture	Ownership interest as at		Country of incorporation
	31st March 2020	31st March 2019	
Geona Rice Mills Private Limited	0%	50%	India
Daawat Kameda India Private Limited	51%	51%	India

#### (a) Interest in jointly controlled entities of the Company

Particulars	As at	
	31st March 2020	31st March 2019
<b>Geona Rice Mills Private Limited*</b>		
<b>Assets</b>		
Non current	-	5.96
Current	-	439.51
<b>Liabilities</b>		
Non current	-	0.82
Current	-	701.71
Revenue	-	3,012.42
Expenditure	-	3,106.21
Other comprehensive income	-	0.58
Contingent liabilities	-	0.06
<b>Daawat Kameda India Private Limited</b>		
<b>Assets</b>		
Non current	906.13	315.67
Current	1,338.66	2,127.08
<b>Liabilities</b>		
Non current	1.43	-
Current	126.17	67.56
Revenue	128.38	83.06
Expenditure	386.37	190.33

\* During the current year the Company has sold its share in the Joint Venture (JV) Geona Rice Mills Private Limited in September 2019 however the agreement to terminate the JV was entered in the previous year 2018-19. Hence no figures related to the financial figures of the said JV are reportable.

### 53 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

## Notes to the Financial Statements

for the year ended March 31, 2020  
(All amounts are in ₹ in lakhs unless otherwise stated)

### Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

### Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Particulars	Year ended 31st March 2020
Advance from customers	
Amounts included in contract liabilities at the beginning of the year	1,655.73
Amount of advance refunded back	(1,126.71)
Performance obligations satisfied in current year	(529.02)
Amount received in the current year having outstanding performance obligations	657.68
Amounts included in contract liabilities at the end of the year	657.68

Remaining performance obligations as at the reporting date are expected to be recognised over the next year by the Company.

### Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by segment and type.

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue from contract with customer</b>		
<b>Revenue from sale of products</b>		
Domestic	1,34,866.22	1,32,174.91
Export	99,362.23	86,409.85
<b>Processing fees</b>	675.50	568.05

The Company has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Company does not have any open contract for which the expected duration is more than one year as at the reporting period.

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue recognised over time	-	-
Revenue recognised at point in time	2,34,903.95	2,19,152.81
	<b>2,34,903.95</b>	<b>2,19,152.81</b>

## Notes to the Financial Statements for the year ended March 31, 2020

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

### Assets and liabilities related to contracts with customers

Particulars	As at 31st March 2020		As at 31st March 2019	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of goods and services</b>				
Trade receivables	-	24,713.24	-	30,951.13
<b>Contract assets related to sale of goods and services</b>				
Advance from customers	-	657.68	-	1,655.73

### Reconciliation of revenue recognised with contract price

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Contract price	2,39,964.27	2,23,025.89
Adjustment for:		
Incentives	(3,963.92)	(2,841.89)
Rebate & discounts	(1,096.39)	(1,031.19)
	<b>2,34,903.95</b>	<b>2,19,152.81</b>

**54** The outbreak of Coronavirus (Covid 19) has disrupted economic activities across the world. However, the Company continued to operate its manufacturing facilities and distribute its products which are covered under the essential commodities category. Though, there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. As the economic environment continues to remain highly uncertain, the management is regularly monitoring the development in countries where it operate or supplies goods and take necessary action to adapt to changing environment.

### 55 Previous year figures

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration Number:- 001076N/N500013

**Neeraj Goel**  
Partner  
Membership number:- 099514

Place : Gurugram  
Date : 28th May 2020

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN 01574773

**Gokul Patnaik**  
Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN 01574728

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

**Consolidated  
Financial  
Statements** →

# Independent Auditor's Report

To the Members of LT Foods Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of LT Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture, which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs of the Group, its associates and joint venture, as at 31st March 2020, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# Independent Auditor's Report

5. We have determined the matters described below to be the key audit matters to be communicated in our report

Key audit matter	How our audit addressed the key audit matter
<p><b>Revenue recognition - Sale of Products</b></p> <p>Refer to the Group's significant accounting policies in note 2(v)(i) and the revenue related disclosures in note 35 of the consolidated financial statements.</p> <p>Revenue of the Company primarily comprises of revenue from sale of rice and other food products.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Further, there is continuous pressure on the management to achieve planned results. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiple channels for sales, various categories of customers and significant variations in sales quantities during certain periods of the year. Further, there are sporadic high value transactions requiring special audit attention and evaluation as they involve varying terms of contracts with such customers.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p><b>Our audit procedures included, but were not limited to the following:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process of revenue stream of sale of rice and other food products.</li> <li>• Evaluated the design, implementation and tested the operating effectiveness of key controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions;</li> <li>• Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc;</li> <li>• Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards;</li> <li>• On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end, with supporting documents such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payments;</li> <li>• Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns;</li> <li>• Tested manual journal entries impacting revenue including credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof.</li> </ul> <p>Evaluated disclosures made in the financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards</p>

## Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Inventory existence and valuation</b></p> <p>Refer to the Group's significant accounting policies in note 2(v)(b) and the inventory related disclosures in note 12 of the consolidated financial statements</p> <p>The inventory primarily comprises of paddy, semi-finished and finished rice. Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy. Such inventory is stored in plants, warehouses, silos, yards and storage bags. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.</p> <p>The production process of rice involves mixing of different varieties of purchased rice and manufactured rice, and also leads to generation of by-products such as bran, husk and broken rice. Production process also involves ageing the paddy/ rice to achieve desired quality of end produce. The valuation of semi-finished and finished rice is a complex exercise and is carried out manually through excel spreadsheets. The valuation process involves estimation around determination of -</p> <ul style="list-style-type: none"> <li>Overhead absorption rates</li> <li>Determination of yield,</li> <li>Determination of net realisable value of by-products, and</li> <li>Calculation of holding period and determination of weighted average borrowing cost.</li> <li>Due to outbreak of the COVID-19, there has been a lockdown enforced in the country near year end and several restrictions were imposed by the government on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques as further described in our audit procedures.</li> </ul>	<p>Our audit procedures included, but were not limited to the following:</p> <p><b>Existence:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of management's process of inventory management and inventory physical verification performed at year end;</li> <li>Evaluated the design effectiveness of controls over inventory management process/inventory physical verification and tested key controls for their operating effectiveness;</li> <li>Reviewed the instructions given by senior management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/charts, separate identification of goods received after year end, identification of damaged inventory, if any, etc;</li> <li>Obtained inventory records and results of management conducted count;</li> <li>Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management, if any;</li> <li>Appointed an independent firm of Chartered Accountants ('independent CA firm') for providing direct assistance in carrying out physical verification of the inventory on a sample basis subsequent to the balance sheet date and supervised and reviewed the work performed by them;</li> <li>Reviewed the inventory roll back reconciliation statement prepared by the management and performed tests on sample basis by reviewing the supporting documents and records to substantiate the existence of inventory as at the reporting date; and</li> <li>Reviewed the quantitative reconciliation of inventory taking into account the quantity of paddy milled, rice produced, sales and inventory till the date of the inventory verification by the independent CA firm.</li> </ul>

## Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p><b>Recoverability of insurance claim on loss of inventory by fire</b></p> <p>In addition to the above, the auditors of Daawat Foods Limited, a subsidiary company, have reported below key audit matter:</p> <p>Refer note 8 in the Consolidated financial statements.</p> <p>A major fire occurred in the subsidiary company, Daawat Foods Limited, resulting in loss of inventory of raw material having a book value of ₹ 17,991.40 lakhs and the subsidiary company had filed an insurance claim of ₹ 18,971.02 lakhs. The insurance company has repudiated the insurance claim vide its order dated 4th February 2016 against which the subsidiary company filed a civil suit. On the basis of developments in the case including surveyor reports, the subsidiary company has written off claim of ₹ 4,400 lakhs. The carrying value of the insurance claim amounts to ₹ 13,410.53 lakhs as at 31st March 2020.</p>	<p><b>Valuation:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of management process of inventory valuation;</li> <li>Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;</li> <li>Tested inputs into the valuation process from source documents/ general ledger accounts;</li> <li>Tested reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate yield during the year and to identify any abnormal production loss,</li> <li>Compared key estimates, including those involved in computation of overhead absorption and borrowing cost, to prior years and enquired reasons for any significant variations,</li> <li>Checked net realisable value of by-products from actual sales proceeds near/ subsequent to the year-end, and</li> <li>Tested arithmetical accuracy of valuation calculations.</li> <li>Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.</li> </ul> <p>The auditors of Daawat Foods Limited have performed the below audit procedures:</p> <ul style="list-style-type: none"> <li>Discussed and obtained understanding of the Company's process for identification and monitoring of significant developments in relation to the pending claim.</li> <li>Evaluated the design and tested the operating effectiveness of key controls around the estimation of the likely outcome of the litigation and its resultant impact on the accompanying consolidated financial statements.</li> <li>Held discussions with the management and legal head of the Group to understand the developments and corroborated the same from the relevant documents available including correspondence with external lawyers.</li> <li>Assessed the appropriateness and tenability of the quantum of claim recognised with underlying supporting documents including claim filed by the subsidiary company and surveyors' reports.</li> </ul>

## Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>The amounts involved are significant and determining the recoverability of the amount from the insurance company is dependent on future developments in the ongoing legal case which involves significant judgment considering the developments in the legal case because of the high estimation uncertainty involved, we have considered this matter to be a key audit matter in the current year.</p> <p>This matter has also been considered as fundamental to the understanding of the users of the financial statements by the component auditor, who has drawn attention to the uncertainties related to the outcome of ongoing litigation related to the recoverability of insurance claim receivable.</p>	<ul style="list-style-type: none"> <li>• Obtained and evaluated independent external legal advice on the said matter. We also evaluated independence, competence and objectivity of the legal expert engaged by the management.</li> <li>• Evaluated the appropriateness of the disclosures made in the accompanying consolidated financial statements with relation to this matter.</li> </ul>

### Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

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

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

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

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

6. The accompanying consolidated financial statements have been approved by the Holding

Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, and its associate companies and joint venture company covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements

## Independent Auditor's Report

that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

7. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
8. Board of Directors is also responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint venture.

### Auditor's Responsibilities for the Audit of the Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
10. As part of an audit in accordance with Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud

is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, and its associates and joint venture, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors.

## Independent Auditor's Report

For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

14. We did not audit the financial statements of certain subsidiaries, whose financial statements reflects total assets of ₹ 248,562.69 lakhs (Net of eliminations ₹ 220,347.97 lakhs) and net assets of ₹ 69,719.51 lakhs as at 31st March 2020, total revenues of ₹377,795.74 lakhs (net of eliminations ₹ 249,350.02 lakhs) and net cash outflows amounting to ₹ 1,061.92 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss (including other comprehensive loss) of ₹ 117.34 lakhs for the year ended 31st March 2020, as considered in the consolidated financial statements, in respect of 2 associates and , whose financial statements have not been audited by us.

These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates, are based solely on the reports of the other auditors.

Further, of these subsidiaries and associates, certain subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 14, on separate financial statements of the subsidiaries and associates , we report that the Holding Company, its subsidiary companies, associate companies and joint venture companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

## Independent Auditor's Report

16. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries and associates we report, to the extent applicable, that:

- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
- c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;
- e) on the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture companies covered under the Act, none of the directors of the Group companies, its associate companies and joint venture company covered under the Act, are disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
- f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate companies and joint venture company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and

- g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint venture:
  - i. the consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture as detailed in Note 47 to the consolidated financial statements;
  - ii. the Holding Company and its subsidiary companies , associates and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2020;
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and joint venture company covered under the Act, during the year ended 31st March 2020; and
  - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8th November 2016 to 30th December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

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

**Neeraj Goel**  
Partner

Place: Gurugram Membership No.: 99514  
Date: 28th May 2020 UDIN: 20099514AAAACL9673



## Independent Auditor's Report

### Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of LT Foods Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associates and joint venture as at and for the year ended 31st March 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture company, which are companies covered under the Act, as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and

joint venture company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, its associate companies and joint venture company as aforesaid.

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to

## Independent Auditor's Report

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

### Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, associate companies and joint venture company, the Holding Company, its subsidiary companies, its associate companies and joint venture companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31st March 2020, based on the criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by the ICAI.

### Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to certain subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 127,029.30 lakhs (net of elimination ₹ 98,814.58 lakhs) and net assets of ₹ 31,085.88 lakhs as at 31st March 2020, total revenues of ₹159,973.76 lakhs (net of eliminations ₹ 37,041.03 lakhs) and net cash outflows amounting to ₹ (129.36) lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 117.34 lakhs for the year ended 31st March 2020 in respect of 2 associate companies, which are companies covered under the Act, whose internal financial controls with reference to financial statements have not been audited by us. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies and associate companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary companies and its associate companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies and associate companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

**Neeraj Goel**  
Partner

Place: Gurugram Membership No.: 99514  
Date: 28th May 2020 UDIN: 20099514AAAACL9673

## Consolidated Balance Sheet

as at 31st March 2020 (All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Note	As at 31st March 2020	As at 31st March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2 (i)	54,156.09	50,874.26
Capital work-in-progress	2 (ii)	1,724.96	4,218.05
Right of use assets	3	26,942.30	-
Goodwill	4	7,596.48	7,468.89
Other Intangible assets	4	1,901.46	1,777.58
Investments accounted for using the equity method	5	2,848.09	3,223.43
<b>Financial assets</b>			
Investments	6	487.55	382.72
Loans	7	1,011.23	1,093.70
Other financial assets	8	14,167.06	14,107.09
Deferred tax assets (net)	9	3,376.01	2,076.92
Other non-current assets	10	659.39	773.20
Non-current tax assets	11	3,919.89	3,660.61
<b>Total non-current assets</b>		<b>1,18,790.51</b>	<b>89,656.45</b>
<b>Current assets</b>			
Inventories	12	1,75,022.66	1,89,124.50
<b>Financial assets</b>			
Trade receivables	13	61,963.31	53,487.10
Cash and cash equivalents	14	1,913.61	2,919.52
Other bank balances	15	578.20	847.33
Loans	16	884.40	788.53
Other financial assets	17	1,116.72	2,924.34
Other current assets	18	21,764.22	18,796.88
<b>Total current assets</b>		<b>2,63,243.12</b>	<b>2,68,888.20</b>
<b>Total assets</b>		<b>3,82,033.63</b>	<b>3,58,544.65</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19	3,198.45	3,198.45
Other equity	20	1,44,934.92	1,29,713.74
<b>Equity attributable to owners of LT Foods Limited</b>			
Non-controlling interest	21	1,48,133.37	1,32,912.19
<b>Total equity</b>		<b>1,59,918.27</b>	<b>1,43,454.47</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	22	23,012.23	24,975.17
Other financial liabilities	23	7.00	25.67
Lease liabilities	24	24,920.13	-
Long-term provisions	25	636.07	804.63
Deferred tax liabilities	26	188.38	1,215.07
Other non-current liabilities	27	696.63	382.92
<b>Total non-current liabilities</b>		<b>49,460.44</b>	<b>27,403.46</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	28	1,22,786.96	1,42,063.82
Trade payables	29	26,082.85	28,382.76
Due to micro and small enterprises		589.11	439.92
Due to others		25,493.74	27,942.84
Other financial liabilities	30	9,690.76	12,866.49
Lease liabilities	31	2,887.62	-
Other current liabilities	32	8,447.89	2,185.48
Short term provisions	33	335.95	291.16
Current tax liabilities (net)	34	2,422.89	1,897.01
<b>Total current liabilities</b>		<b>1,72,654.92</b>	<b>1,87,686.72</b>
<b>Total liabilities</b>		<b>2,22,115.36</b>	<b>2,15,090.18</b>
<b>Total equity and liabilities</b>		<b>3,82,033.63</b>	<b>3,58,544.65</b>

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

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

 For **Walker Chandio & Co LLP**  
 Chartered Accountants  
 Firm Registration Number:- 001076N/N500013

 For and on behalf of Board of Directors of  
**LT Foods Limited**
**Neeraj Goel**  
 Partner  
 Membership number:- 099514

**Ashwani Kumar Arora**  
 Managing Director and  
 Chief Financial Officer  
 DIN 01574773

**Surinder Kumar Arora**  
 Managing Director  
 DIN 01574728

 Place : Gurugram  
 Date : 28th May 2020

**Gokul Patnaik**  
 Director  
 DIN 00027915

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

## Consolidated Statement of Profit and Loss

for the year ended 31st March 2020 (All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Note	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue</b>			
Revenue from operations	35	4,14,611.59	3,89,043.22
Other income	36	3,788.19	2,410.11
<b>Total income</b>		<b>4,18,399.78</b>	<b>3,91,453.33</b>
<b>Expenses</b>			
Cost of material consumed	37	2,91,540.00	2,80,129.88
Purchases of stock-in-trade	38	5,471.10	17,143.99
Changes in inventories of finished goods, work in progress and stock in trade	39	9,737.01	(3,457.40)
Employee benefits expense	40	18,034.95	15,188.65
Finance costs	41	13,227.04	13,867.58
Depreciation and amortisation expense	42	9,137.22	6,902.41
Other expenses	43	42,761.05	40,314.31
<b>Total expenses</b>		<b>3,89,908.38</b>	<b>3,70,089.42</b>
<b>Profit before exceptional items, share of loss of investments accounted for using equity method and tax</b>		<b>28,491.40</b>	<b>21,363.91</b>
<b>Share of net loss of associates and joint ventures accounted for using the equity method</b>		(375.34)	(1.19)
<b>Profit before exceptional items and tax</b>		<b>28,116.06</b>	21,362.72
Exceptional items	44	421.37	-
<b>Profit before tax</b>		<b>27,694.69</b>	<b>21,362.72</b>
<b>Tax expense</b>			
Current tax	46	8,823.44	7,023.79
Deferred tax (credit)/ expense		(1,059.24)	592.39
<b>Total tax expense</b>		<b>7,764.20</b>	<b>7,616.18</b>
<b>Profit for the year</b>		<b>19,930.49</b>	<b>13,746.54</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement losses on defined benefit plans		(146.02)	(3.39)
Income tax effect		45.85	1.24
<b>Items that will be reclassified to profit or loss</b>			
Exchange differences on translation of foreign operations		3,771.13	1,476.61
(Loss)/ Gain on cashflow hedge reserve		(5,826.66)	2,221.44
Income tax effect		1,683.34	(776.26)
<b>Other comprehensive income for the year</b>		<b>(472.36)</b>	<b>2,919.64</b>
<b>Total comprehensive income for the year</b>		<b>19,458.13</b>	<b>16,666.18</b>
<b>Net Profit attributable</b>			
Owners of LT Foods Limited		18,450.42	12,653.44
Non-controlling interest		1,480.07	1,093.10
		<b>19,930.49</b>	<b>13,746.54</b>
<b>Other comprehensive income attributable</b>			
Owners of LT Foods Limited		(235.01)	2,919.63
Non-controlling interest		(237.35)	-
		<b>(472.36)</b>	<b>2,919.63</b>
<b>Total comprehensive income for the year</b>			
Owners of LT Foods Limited		18,215.41	15,573.07
Non-controlling interest		1,242.72	1,093.10
		<b>19,458.13</b>	<b>16,666.18</b>
<b>Earning per equity share</b>			
Basic (₹)	45	5.77	3.96
Diluted (₹)	45	5.77	3.96

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

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

 For **Walker Chandio & Co LLP**  
 Chartered Accountants  
 Firm Registration Number:- 001076N/N500013

 For and on behalf of Board of Directors of  
**LT Foods Limited**
**Neeraj Goel**  
 Partner  
 Membership number:- 099514

**Ashwani Kumar Arora**  
 Managing Director and  
 Chief Financial Officer  
 DIN 01574773

**Surinder Kumar Arora**  
 Managing Director  
 DIN 01574728

 Place : Gurugram  
 Date : 28th May 2020

**Gokul Patnaik**  
 Director  
 DIN 00027915

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

## Consolidated Cash Flow Statement

for the year ended 31st March 2020 (All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>27,694.69</b>	<b>21,362.72</b>
Adjustments for:-		
Depreciation and amortisation expense	9,137.22	6,902.40
Unrealised foreign exchange loss	1,081.44	182.35
Loss/(Profit) on sale of property, plant and equipment	11.82	(11.32)
Interest income	(245.69)	(357.96)
Finance charges	13,227.04	13,867.58
Dividend income	-	(0.63)
Gain on fair value of investments	(9.20)	-
Loss on sale of investments	-	22.04
Amounts written back	(43.60)	(188.91)
Trade receivables and other amounts written off	344.96	445.18
Impairment of trade receivables	691.93	33.92
Share of loss in associates and joint venture	375.34	1.19
<b>Operating profit before working capital changes</b>	<b>52,265.95</b>	<b>42,258.56</b>
<b>Adjustments for (increase) /decrease in operating assets:</b>		
Trade Receivables	(10,579.25)	(7,187.69)
Inventories	14,101.84	(16,253.62)
Loan and advances given (current and non current)	(13.40)	409.35
Other financial assets (current and non current)	2,006.14	293.71
Other assets (current and non current)	(2,602.54)	437.69
<b>Adjustments for increase / (decrease) in operating liabilities:</b>		
Trade payables	(2,315.20)	(5,380.08)
Other liabilities (current and non-current)	8,622.71	5,722.57
Other financial liabilities (current and non current)	(5,758.91)	12.01
Provisions	(123.77)	310.88
<b>Cash generated from operations</b>	<b>55,603.57</b>	<b>20,623.38</b>
Income tax paid (net of refunds)	(7,886.03)	(10,368.85)
<b>Net cash generated from operating activities</b>	<b>47,717.54</b>	<b>10,254.53</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (including Intangible assets, CWIP and capital advances)	(8,874.62)	(12,027.14)
Proceeds from sale of property, plant and equipment	425.02	695.52
Interest received	245.69	357.96
Dividend on non current investments	-	0.63
Withdrawal from fixed deposits	269.13	118.42
Investment in fixed deposits	(59.98)	(478.81)
Investment in inter corporate deposit	-	(545.54)
Proceeds from maturity of inter corporate deposits	-	525.97
Purchase of non-current investments	(95.63)	(2,203.07)
<b>Net cash used in investing activities</b>	<b>(8,090.39)</b>	<b>(13,556.06)</b>

## Consolidated Cash Flow Statement

for the year ended 31st March 2020 (All amounts are in ₹ in lakhs unless otherwise stated)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Cash flows from financing activities</b>		
Proceeds from issuance of preference shares (net of transaction cost)	-	3,908.25
Proceeds from long-term borrowings	3,642.46	18,309.24
Repayment of the long-term borrowings	(4,788.11)	(13,774.92)
(Repayment)/ proceeds from of short term borrowings (net)	(21,631.09)	10,330.14
Finance charges paid	(13,092.89)	(13,777.67)
Payment of lease liabilities	(2,003.10)	-
Payment of dividend (including dividend tax)	(2,506.33)	(605.73)
<b>Net cash (used) / generated from financing activities</b>	<b>(40,379.05)</b>	<b>4,389.31</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>(751.91)</b>	<b>1,087.78</b>
Exchange difference on translation of foreign currency cash and cash equivalents	(254.01)	(115.16)
Cash and cash equivalents at the beginning of the year	2,919.52	1,946.90
<b>Cash and cash equivalents at the end of the year</b>	<b>1,913.61</b>	<b>2,919.52</b>

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Components of cash and cash equivalents</b>		
Cash on hand	158.61	340.17
Balances with banks in current accounts	1,755.00	2,579.35
<b>Total cash and cash equivalents</b>	<b>1,913.61</b>	<b>2,919.52</b>

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

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm Registration Number:- 001076N/N500013

**Neeraj Goel**

Partner

Membership number:- 099514

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN 01574773

**Surinder Kumar Arora**

Managing Director

DIN 01574728

**Gokul Patnaik**

Director

DIN 00027915

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

Place : Gurugram  
Date : 28th May 2020

## Consolidated Statement of Changes in Equity

for the year ended 31st March 2020 (All amounts are in ₹ in lakhs unless otherwise stated)

### A. Equity share capital

Particulars	Amount
Balance as at 1st April 2018	3,198.45
Issued during the year	-
<b>Balance as at 31st March 2019</b>	<b>3,198.45</b>
Issued during the year	-
<b>Balance as at 31st March 2020</b>	<b>3,198.45</b>

### B. Other equity

Particulars	Reserves and Surplus			Other Components of Equity			Attributable to owners of the holding	Non-controlling interest	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Share Options Outstanding Amount	Cash flow hedging reserve	Foreign currency translation reserve			
Balance as at 1st April 2018	68,295.71	1,633.22	44,456.10	183.58	-	177.77	1,14,746.38	5,540.93	1,20,287.31
Profit for the year	12,653.45	-	-	-	-	-	12,653.45	1,093.10	13,746.53
Gain on cash flow hedge (net of tax)	-	-	-	-	1,445.18	-	1,445.18	-	1,445.18
Transfer to general reserve from share options outstanding account	-	183.58	-	(183.58)	-	-	-	-	-
Exchange difference arising on translation of foreign operations	-	-	-	-	-	1,476.61	1,476.61	-	1,476.61
Remeasurement of defined benefit obligations (net of tax)	(2.15)	-	-	-	-	-	(2.15)	-	(2.15)
<b>Total Comprehensive Income for the year</b>	<b>12,651.30</b>	<b>183.58</b>	<b>-</b>	<b>(183.58)</b>	<b>1,445.18</b>	<b>1,476.61</b>	<b>15,573.09</b>	<b>1,093.10</b>	<b>16,666.18</b>
Equity component of compound financial instruments	-	-	-	-	-	-	-	3,908.25	3,908.25
Interim dividend	(479.77)	-	-	-	-	-	(479.77)	-	(479.77)
Tax on dividend	(125.96)	-	-	-	-	-	(125.96)	-	(125.96)
<b>Balance as at 31st March 2019</b>	<b>80,341.28</b>	<b>1,816.80</b>	<b>44,456.10</b>	<b>-</b>	<b>1,445.18</b>	<b>1,654.38</b>	<b>1,29,713.75</b>	<b>10,542.28</b>	<b>1,40,256.02</b>
<b>Balance as at 1st April 2019</b>	<b>80,341.28</b>	<b>1,816.80</b>	<b>44,456.10</b>	<b>-</b>	<b>1,445.18</b>	<b>1,654.38</b>	<b>1,29,713.75</b>	<b>10,542.28</b>	<b>1,40,256.02</b>
Profit for the year	18,450.42	-	-	-	-	-	18,450.42	1,480.07	19,930.49
<b>Items of OCI for the year :-</b>									
Exchange difference arising on translation of foreign operations	-	-	-	-	-	3,771.13	3,771.13	-	3,771.13
Loss on cashflow hedge reserve (net of tax)	-	-	-	-	(3,899.61)	-	(3,899.61)	(243.71)	(4,143.32)
Remeasurement of defined benefit obligations (net of tax)	(106.53)	-	-	-	-	-	(106.53)	6.36	(100.17)
<b>Total Comprehensive Income for the year</b>	<b>18,343.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,899.61)</b>	<b>3,771.13</b>	<b>18,215.42</b>	<b>1,242.72</b>	<b>19,458.14</b>
Impact on account of adoption of Ind AS 116 (refer note 3)	(487.88)	-	-	-	-	-	(487.88)	-	(487.88)
Final dividend	(479.77)	-	-	-	-	-	(479.77)	-	(479.77)
Interim dividend	(1,599.22)	-	-	-	-	-	(1,599.22)	-	(1,599.22)
Tax on dividend	(427.34)	-	-	-	-	-	(427.34)	-	(427.34)
<b>Balance as at 31st March 2020</b>	<b>95,690.94</b>	<b>1,816.80</b>	<b>44,456.10</b>	<b>-</b>	<b>(2,454.43)</b>	<b>5,425.51</b>	<b>1,44,934.92</b>	<b>11,784.90</b>	<b>1,56,719.82</b>

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

This is the Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandio & Co LLP**  
Chartered Accountants  
Firm Registration Number:- 001076N/N500013

**Neeraj Goel**  
Partner  
Membership number:- 099514

Place : Gurugram  
Date : 28th May 2020

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN 01574773

**Gokul Patnaik**  
Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN 01574728

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

## Summary of significant accounting policies

for the year ended March 31, 2020

### 1. i) Corporate Information

The consolidated financial statements of LT Foods Limited ('the Holding Group'), together with its subsidiaries (collectively referred to as the 'Group'), associates and jointly controlled entity, having its registered office at Unit No 134, 1<sup>st</sup> Floor, Rectangle-1, Saket District Centre, New Delhi-110017, is primarily engaged in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. LT Foods Limited operations include procurement, storage, processing, packaging and distribution. The Group is also engaged in research and development to add value to rice and rice food products. The Group's rice product portfolio comprises brown rice, white rice, steamed rice, parboiled rice, organic rice, quick cooking rice, value added rice and flavored rice in the ready to cook segment.

### 2. Summary of significant accounting policies

#### i) Overall consideration

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the Group has applied certain accounting policies and exemptions upon transition to Ind AS.

#### ii) Basis of Preparation

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

### iii) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### iv) Basis of consolidation

#### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed

## Summary of significant accounting policies

for the year ended March 31, 2020

to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

### Non-controlling interests ('NCI')

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's Statement of Profit and Loss and net assets that is not held by the Group. Statement of Profit and Loss balance (including other comprehensive income ('OCI')) is attributed to the equity holders of the Holding Group and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

### Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and joint ventures.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## v) Significant accounting policies

### a) Use of estimates

The preparation of the consolidated financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### b) Inventories

Inventories are valued as follows:

#### Raw materials, stores and spares and packing materials

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

Raw material comprising Bardana is valued at net realisable value. Stores and spares having useful life of more than twelve months are capitalised as tangible assets under "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

#### Work in progress

Raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion and also includes interest allocated as carrying cost.

## Summary of significant accounting policies

for the year ended March 31, 2020

### Finished goods

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

### c) Property, plant and equipment

#### Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Statement of Profit or Loss as incurred.

#### Subsequent measurement (depreciation and useful lives)

Depreciation on property, plant and equipment is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 or the management estimate of the useful life of the asset, disclosed separately below. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset.

Based on internal assessment and independent technical evaluation carried out by external valuer, the management has re-estimated the useful life of Silos included in Plant and Machinery from 15 years to 40 years with effect from 1st April 2016. The management believes that the useful life represents the period over which the assets are expected to be used. The useful life of this asset is different from

the useful life as prescribed under part C of Schedule II of the Companies Act, 2013.

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

Depreciation on the following property, plant and equipment of certain subsidiaries is charged on straight line basis, at the rates based on the useful life of the assets as estimated by the management

Assets description	Useful lives
Buildings	3 to 39 and 1/2 years
Plant and machinery	5 to 30 years
Furniture and fixtures	4 to 10 years
Office equipment	3 to 6 years
Vehicles	4 to 10 years

#### De-recognition

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

### d) Intangible assets

#### Recognition and initial measurement

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

Intangible assets with finite lives are amortised over the useful economic life and impairment assessment is done annually. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify

## Summary of significant accounting policies

for the year ended March 31, 2020

the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

### Amortisation

Amortisation of intangible assets is provided on the written down value method arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013 or the management estimate of the useful life of the asset, disclosed separately below.

Amortisation of intangible assets of certain subsidiaries is provided on straight line basis, at the rates based on the useful life of the assets as estimated by the management.

Intangible assets	Useful life in years
Brands	20
Computer software	3
Goodwill	20
Intellectual property rights	7
Non-compete agreement	7
Customer relationships	7

### De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised.

### e) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and borrowing costs (where applicable). Subsequent expenditure is capitalised to the asset's carrying amount only when it

is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

### f) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses of continuing operations are recognised in the Statement of Profit and Loss.

After impairment, depreciation / amortisation is provided on the revised carrying amount of the asset over its remaining useful life.

The impairment assessment for all assets is made at each reporting date to determine whether there is an indication that

## Summary of significant accounting policies

for the year ended March 31, 2020

previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation / amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

### g) Functional and presentation currency

#### Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee ('INR') which is also the functional and presentation currency of the Holding Group.

#### Transactions and balances

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

Foreign currency monetary items are converted to functional currency using the closing rate. Non-monetary items denominated in a foreign currency which are carried at historical cost are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or any other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences arising on monetary items on settlement, or restatement as at reporting date, at rates different from those at which they were initially recorded, are recognised in the Statement of Profit and Loss in the year in which they arise.

### Conversion

Functional and reporting currencies of foreign operations are different from the reporting currency of the Holding Group. For all the foreign operations of the Group, all assets and liabilities (excluding share capital and opening reserves and surplus) are translated into INR using the exchange rate prevailing at the reporting date. Share capital, reserves and surplus are carried at historical cost. Revenues, costs and expenses are translated using the weighted average exchange rate during the reporting period. The resultant currency translation difference is recognised as foreign currency translation reserve under the head 'other equity'.

### Foreign operations

The assets and liabilities of foreign operations (subsidiaries) including goodwill and fair value adjustments arising on acquisition, are translated into INR, the reporting currency of the Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount of exchange differences related to that foreign operation recognised in OCI is reclassified to Statement of Profit and Loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is re-allocated to NCI. When the Group disposes of only a part of its interest in an associate or a joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to Statement of Profit and Loss.

## Summary of significant accounting policies

for the year ended March 31, 2020

### h) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

For the purpose of fair value disclosures, group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- o Disclosures for valuation methods, significant estimates and assumptions
- o Quantitative disclosures of fair value measurement hierarchy
- o Investment in unquoted equity shares
- o Financial instruments

### i) Revenue Recognition

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

## Summary of significant accounting policies

for the year ended March 31, 2020

recognises revenue from the following major sources:

### Sale of goods:

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

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

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

### Satisfaction of performance obligations

The Group revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the products and the fulfillment of the Group's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognised when the Group transfers control at the point in time the customer takes undisputed delivery of the goods.

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

### Payment terms

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

### Rental income

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless the escalation rate does not matches up in line with the increase in the inflation rate.

### Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

### Interest income

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

For all financial assets measured at amortised cost (refer 'l' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

### Service concession arrangements

Revenue related to construction or upgrade services provided under a service

## Summary of significant accounting policies

for the year ended March 31, 2020

concession arrangement is recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Operation or service revenue is recognised in the period in which the services are provided by the Group.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, contract revenue is recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to surveys of work performed. Otherwise, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable.

Contract costs are recognised as expenses as incurred unless they create an asset related to future contract activity. An expected loss on a contract is recognised immediately in profit or loss.

### Recognition and initial measurement

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

### Subsequent measurement (Amortisation and useful lives)

All finite-lived intangible assets, including internally developed intangible assets, are accounted for using the cost model whereby capitalised costs are amortised on a straight line basis over their estimated useful lives. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the liability of the industry, and known technological advances), and the level

of maintenance expenditure required to obtain the expected future cash flows from the asset.

### De-recognition

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is de-recognised

### Income from services:

The Group derives its other operating revenue primarily from service charges and processing charges and the revenue from these services are recognised as revenue when the related services are rendered i.e. on accrual basis in accordance with the terms of the contract entered into in respect thereof.

### j) Borrowing costs

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

### k) Financial instruments

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

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

## Summary of significant accounting policies

for the year ended March 31, 2020

### Financial assets

#### Classification and subsequent measurement

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

#### i. Financial assets at amortised cost -

A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

#### ii. Financial assets at fair value

- Investments in equity instruments - All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Group decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL). The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income (OCI).

There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Dividends on such investments are recognised in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment.

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

- **Mutual funds** - All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).
- **Derivative assets** - All derivative assets are measured at fair value through profit and loss (FVTPL).

### De-recognition of financial assets

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

### Financial liabilities

#### Subsequent measurement

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

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

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

### De-recognition of financial liabilities

A financial liability is de-recognised when the obligation under the liability is discharged



## Summary of significant accounting policies

for the year ended March 31, 2020

or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### Offsetting of financial instruments

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

### Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

## I) Hedge

### Initial and subsequent measurement

The Group uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

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

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

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

## Summary of significant accounting policies

for the year ended March 31, 2020

## m) Retirement and other employee benefits

### Defined Contribution plan

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

### Defined benefit plans

The Group operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to Statement of Profit and Loss in subsequent periods.

### Other employee benefits

#### Compensated absences

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

#### Other short term benefits

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

## n) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## o) Earnings per share

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

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

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

## Summary of significant accounting policies

for the year ended March 31, 2020

### p) Leases

The Group has adopted Ind AS 116-Leases effective from 1st April 2019, using the modified retrospective method. The Group has applied the standard to its leases with the cumulative impact recognised on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Group's lease asset classes primarily consist of leases for plant and machinery. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) the contract involves the use of an identified asset;
- (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease;
- (iii) the Group has the right to direct the use of the asset. At the date of commencement of the lease, the Group recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straight line basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-

line basis over the shorter of the lease term and useful life of the underlying asset.

- (iv) The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.
- (v) A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

### q) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-

## Summary of significant accounting policies

for the year ended March 31, 2020

by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

### r) Taxes

#### Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either

in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

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

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## Summary of significant accounting policies

for the year ended March 31, 2020

### Minimum alternate tax

Ind AS 12 defines deferred tax to include carry forward of unused tax credits. MAT credits are in the form of unused tax credits that are carried forward by the entity for a specified period of time. Accordingly, MAT credit entitlement should be grouped with deferred tax asset (net) in the Balance Sheet, and a separate note should be provided specifying the nature and amount of MAT credit included as part of deferred tax assets.

### s) Government grants and subsidies

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

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments.

### t) Share based payments

The Group operates equity-settled share-based remuneration plans for its employees. None of the Group's plans are cash-settled.

Where employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example profitability and sales growth targets and performance conditions).

All share-based remuneration is ultimately recognised as an expense in profit or loss

with a corresponding credit to equity. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest.

Upon exercise of share options, the proceeds received, net of any directly attributable transaction costs, are allocated to share capital up to the nominal (or par) value of the shares issued with any excess being recorded as share premium.

For transactions between group entities, where the options are granted to employees of any of the group companies, the group shall measure the services received from its employees in accordance with the requirements applicable to equity-settled share-based payment transactions, and recognise a corresponding increase in equity as a contribution from the parent.

### u) Segment reporting

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

#### Identification of segments:

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

## Summary of significant accounting policies

for the year ended March 31, 2020

### Allocation of common costs:

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

### Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

### Segment accounting policies

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

### v) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### w) Cash dividend distribution to equity holders

The Group recognises a liability to make cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### vi) Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the related disclosures.

### Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

#### Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

#### Recognition of deferred tax liability on undistributed profits

The extent to which the Holding Group can control the timing of reversal of deferred tax liability on undistributed profits of its subsidiaries requires judgement.

#### Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

#### Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, medical cost trends, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expense.

#### Significant estimates

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be different.

#### Fair value measurements

Management applies valuation techniques to determine the fair value of financial

## Summary of significant accounting policies

for the year ended March 31, 2020

instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

### Useful lives of depreciable/ amortisable assets

Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, customer relationships, IT equipment and other plant and equipment.

### Inventory

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

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ in lakhs unless otherwise stated)

### 2(i) Property, plant and equipment

Description	Freehold land	Leasehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
<b>Gross carrying value</b>								
<b>As at 1st April 2018</b>								
Additions	5,392.08	615.67	19,738.20	50,529.41	1,609.27	2,479.20	2,725.77	83,089.60
Disposals	363.72	-	1,674.63	7,734.67	52.98	240.25	399.38	10,465.62
Translation adjustment	(25.50)	-	(4.17)	(1,001.79)	(68.59)	(49.58)	(42.20)	(1,191.83)
Other Adjustments**	63.34	-	237.68	(224.09)	33.20	(19.88)	1.55	91.80
<b>As at 31st March 2019</b>	<b>5,793.64</b>	<b>615.67</b>	<b>22,051.08</b>	<b>57,038.20</b>	<b>1,626.86</b>	<b>2,649.98</b>	<b>3,084.49</b>	<b>92,859.94</b>
Additions	2.08	-	2,492.39	5,872.93	124.92	193.32	340.26	9,025.90
Transfer to RoU (Refer Note 3)	-	(271.27)	-	-	-	-	-	(271.27)
Disposals	-	-	-	(1,427.81)	(0.33)	(47.76)	(88.39)	(1,564.30)
Translation adjustment	99.59	-	510.15	1,176.57	51.41	76.83	5.04	1,919.58
<b>As at 31st March 2020</b>	<b>5,895.31</b>	<b>344.40</b>	<b>25,053.62</b>	<b>62,659.89</b>	<b>1,802.86</b>	<b>2,872.37</b>	<b>3,341.40</b>	<b>1,01,969.85</b>
<b>Accumulated depreciation</b>								
<b>As at 1st April 2018</b>								
Charge for the year	-	15.92	5,500.17	26,055.82	1,106.68	1,349.81	2,053.59	36,081.98
Disposals	-	0.69	1,350.41	4,136.05	149.63	274.13	274.32	6,185.21
Translation adjustment	-	-	(1.47)	(356.83)	(62.20)	(47.12)	(40.01)	(507.63)
Other Adjustments**	-	-	21.86	69.81	22.14	6.93	1.73	122.47
<b>As at 31st March 2019</b>	<b>-</b>	<b>16.61</b>	<b>6,974.65</b>	<b>29,904.85</b>	<b>1,216.24</b>	<b>1,583.75</b>	<b>2,289.63</b>	<b>41,985.70</b>
Charge for the year	-	7.96	1,237.00	4,627.08	98.00	323.76	239.26	6,533.06
Transfer to RoU (Refer Note 3)	-	(1.38)	-	-	-	-	-	(1.38)
Disposals	-	-	-	(1,094.44)	(0.29)	(39.27)	(70.86)	(1,204.86)
Translation adjustment	-	-	100.61	328.01	40.95	28.22	3.42	501.20
<b>As at 31st March 2020</b>	<b>-</b>	<b>23.19</b>	<b>8,312.26</b>	<b>33,765.49</b>	<b>1,354.89</b>	<b>1,896.46</b>	<b>2,461.45</b>	<b>47,813.72</b>
<b>Net block</b>								
<b>As at 31st March 2019</b>	<b>5,793.64</b>	<b>599.07</b>	<b>15,076.44</b>	<b>27,133.35</b>	<b>410.62</b>	<b>1,066.24</b>	<b>794.87</b>	<b>50,874.26</b>
<b>As at 31st March 2020</b>	<b>5,895.31</b>	<b>321.21</b>	<b>16,741.36</b>	<b>28,894.39</b>	<b>447.97</b>	<b>975.91</b>	<b>879.94</b>	<b>54,156.09</b>

\*\* The Group's investment property situated at South Ridge, Dubai, United Arab Emirates held for the purpose of capital appreciation was under the cancellable operating lease. During the previous year, the Group started operating the said investment property for the purpose of its business. Consequently, such investment property has been reclassified as building in the schedule of property, plant and equipment.

### A Contractual obligations

Refer note 47(B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

### B Property, plant and equipment pledged as security

Refer note 56 for information on property, plant and equipment pledged as security by the Group.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### C Leased assets

Leasehold land includes the following amount where Group is a lessee under a finance lease.

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Leasehold land</b>		
Cost	269.89	271.27
Accumulated depreciation	-	1.38
Transfer to RoU (Refer Note 3)	269.89	-
<b>Net carrying amount</b>	<b>-</b>	<b>269.89</b>

### 2 (ii) Capital work-in-progress

Particulars	As at 31st March 2020	As at 31st March 2019
Capital work-in-progress	1,724.96	4,218.05
	<b>1,724.96</b>	<b>4,218.05</b>

#### Movement in capital work in progress:

Particulars	Amount
<b>Capital work-in-progress as at 1st April 2018</b>	2,753.91
Add: Additions during the year	3,886.06
Less: Capitalisation during the year	(2,421.92)
<b>Capital work-in-progress as at 31st March 2019</b>	<b>4,218.05</b>
Capital work-in-progress as at 1st April 2019	4,218.05
Add: Additions during the year	1,125.06
Less: Capitalisation during the year	(3,618.15)
<b>Capital work-in-progress as at 31st March 2020</b>	<b>1,724.96</b>

#### Capitalised borrowings cost on property, plant and equipment (including Capital work-in-progress)

The borrowing costs capitalised during the year ended 31st March 2020 was ₹ 73.64 (31st March 2019: ₹ 173.94).

### 3 Adoption of Ind AS 116 "Leases"

The Group has taken lease for laboratory equipment, warehouses and land. With effect from 1st April 2019, the Group has adopted Ind AS 116, 'Leases' retrospectively with the cumulative effect of initially applying the standard, recognised as an adjustment to the opening balance of retained earnings as on the date of initial application (1st April 2019). Accordingly, the Group is not required to restate the comparative information for the year ended 31st March 2019.

'As a result of initially applying Ind AS 116, in relation to the leases that were previously classified as operating leases, on 1st April 2019, the Group has recognised, a lease liability amounting to ₹ 17,024.34 measured at the present value of the remaining lease payments. Correspondingly the Group has also recognised right-of-Use (RoU) asset amounting to ₹ 16,589.08 at its carrying amount as if the standard had been applied since the lease commencement date but discounted using the lessee's incremental borrowing rate as at 1st April 2019, adjusted for the prepaid or accrued lease payment amounting to ₹ 52.61 that existed at the date of transition. This has resulted in an adjustment to the opening balance of retained earnings amounting to ₹ 487.88. As at 31st March 2020 ₹ 26,942.30 of Right-of-use assets and ₹ 27,807.75 of lease liabilities is recognised. Also, in relation to those leases under Ind AS 116, the Group has recognised depreciation and finance cost, instead of operating lease expense. During the year ended 31st March 2020, the Group recognised ₹ 1,982.32 of depreciation charges and ₹ 824.00 of finance costs from these leases.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

The following is the summary of practical expedients elected on initial application:

- Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
- Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

#### Following are the changes in the carrying value of right of use assets for the year ended 31st March 2020

Particulars	Plant and machinery	Building	Leasehold land	Total
	As at 31st March 2020	As at 31st March 2020	As at 31st March 2020	As at 31st March 2020
<b>Leased assets</b>				
Movement during the year				
<b>Balance as at 31st March 2019</b>	-	-	-	-
Recognition of right of use asset as on transition date	328.38	16,260.70	-	16,589.08
Reclassification on account of adoption of Ind AS 116 (Refer note 2 (i))	-	-	269.89	269.89
Additions	-	11,884.76	180.90	12,065.65
Depreciation	52.58	1,920.66	9.09	1,982.32
<b>Net Carrying value as at 31st March 2020</b>	<b>275.80</b>	<b>26,224.80</b>	<b>441.70</b>	<b>26,942.30</b>

#### (i) The following is the break-up of current and non-current lease liabilities as at 31st March 2020

Particulars	As at 31st March 2020
Current lease liabilities	2,887.62
Non-current lease liabilities	24,920.13
<b>Total</b>	<b>27,807.75</b>

The Group has leases for laboratory equipment, warehouses and land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group has considered automatic extension option available for property leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease period.

#### ii) Nature of the Group leasing activities by type of right-of-use asset recognised on balance sheet:

Right to use	Plant and machinery	Building	Leasehold land
Range of remaining lease term	1-2 years	9-16 Years	7 Years
Number of lease with extension options	3	4	2
Number of lease with termination option	-	-	-

On transition to Ind AS 116 the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 was 3.37% p.a. to 11.00% p.a.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### iii) The following is a reconciliation of the financial statement line items from Ind AS 17 to Ind AS 116 at 1st April 2019:

Particulars	Carrying amount at 31st March 2019	Adjustment upon transition to Ind AS 116	Ind AS 116 carrying amount at 1st April 2019
Property, plant and equipment	50,874.26	(269.89)	50,604.37
Right of use asset	-	16,858.97	16,858.97
Lease liabilities	-	(17,024.34)	(17,024.34)
Retained earnings	-	487.88	487.88
Security deposits	-	(52.61)	(52.61)
<b>Total</b>	<b>50,874.26</b>	<b>0.00</b>	<b>50,874.26</b>

### iv) The following are amounts recognised in profit or loss:

Particulars	Year ended 31st March 2020
Depreciation expense of right-of-use assets	1,982.32
Interest expense on lease liabilities	824.00

### v) The following is a reconciliation of total operating lease commitments at 31st March 2019 (as disclosed in the financial statements for the year ended 31st March 2019) to the lease liabilities recognised at 1st April 2019:

Particulars	Amount
Total operating lease commitments disclosed at 31st March 2019	8,750.79
<b>Recognition exemptions:</b>	
Reasonably certain extension option taken	12,403.24
Operating lease liabilities before discounting	21,154.03
Discounted using incremental borrowing rate	4,301.95
<b>Operating lease liabilities</b>	<b>16,852.07</b>
Finance lease obligations	172.27
Total lease liabilities recognised under Ind AS 116 as on 1st April 2019	17,024.34

### vi) Total cash outflow for leases for the year ended 31st March 2020 was ₹ 2,003.10

### vii) Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability for short term leases is ₹ 2,344.59

### vii) Disclosures under Ind AS 17 for the year ended 31st March 2019:

Operating leases - Assets taken on lease	For the year ended 31st March 2019
Minimum lease payments in relation to non- cancellable operating leases are payable as follows:	
Within one year	1,383.76
Later than one year but not later than five years	7,315.00
Later than five years	52.03
<b>Total</b>	<b>8,750.79</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Total lease payments recognised in the Statement of Profit and Loss is ₹ 2048.58

### Disclosures under Ind AS 17 for the year ended 31st March 2019:

Finance leases - Assets taken on lease	Minimum lease payments	Minimum lease payments
	For the year ended 31st March 2019	
Minimum lease payments in relation to non- cancellable operating leases are payable as follows:		
Within one year	2.58	2.29
Later than one year but not later than five years	10.30	6.88
Later than five years	236.91	9.5
<b>Total</b>	<b>249.79</b>	<b>18.67</b>

## 4 Intangible assets

Description	Goodwill	Brand/ Trademarks	Customer relationships	Non compete agreement	Intellectual property	Computer software	Total
<b>Gross carrying value</b>							
As at 1st April 2018	10,025.60	300.00	269.96	881.43	1,310.30	1,142.03	13,929.32
Additions	-	-	-	-	-	0.55	0.55
Disposals	-	-	-	-	-	37.12	37.12
Translation adjustment	738.67	-	111.04	38.74	39.79	-	928.24
<b>As at 31st March 2019</b>	<b>10,764.27</b>	<b>300.00</b>	<b>381.00</b>	<b>920.17</b>	<b>1,350.09</b>	<b>1,105.46</b>	<b>14,820.99</b>
Additions	-	-	-	-	-	11.89	11.89
Disposals	-	-	-	-	-	-	-
Translation adjustment	873.74	-	150.81	49.59	169.80	-	1,243.94
<b>As at 31st March 2020</b>	<b>11,638.01</b>	<b>300.00</b>	<b>531.81</b>	<b>969.76</b>	<b>1,519.89</b>	<b>1,117.35</b>	<b>16,076.82</b>
<b>Accumulated amortisation</b>							
As at 1st April 2018	2,968.48	258.56	61.95	134.73	265.33	920.22	4,609.28
Amortisation for the year	326.89	8.42	39.58	131.21	78.92	132.17	717.18
Disposals	-	-	-	-	-	35.86	35.86
Translation adjustment	-	-	0.30	1.33	282.29	-	283.92
<b>As at 31st March 2019</b>	<b>3,295.38</b>	<b>266.98</b>	<b>101.83</b>	<b>267.26</b>	<b>626.54</b>	<b>1,016.52</b>	<b>5,574.51</b>
Amortisation for the year	326.91	6.87	40.15	133.07	80.05	34.79	621.84
Disposals	-	-	-	-	-	-	-
Translation adjustment	419.24	-	(0.46)	(13.89)	(22.37)	-	382.53
<b>As at 31st March 2020</b>	<b>4,041.53</b>	<b>273.85</b>	<b>141.51</b>	<b>386.45</b>	<b>684.22</b>	<b>1,051.31</b>	<b>6,578.88</b>
<b>Net block</b>							
<b>As at 31st March 2019</b>	<b>7,468.89</b>	<b>33.02</b>	<b>279.17</b>	<b>652.91</b>	<b>723.55</b>	<b>88.94</b>	<b>9,246.47</b>
<b>As at 31st March 2020</b>	<b>7,596.48</b>	<b>26.15</b>	<b>390.30</b>	<b>583.31</b>	<b>835.67</b>	<b>66.03</b>	<b>9,497.94</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 4 Intangible assets (Contd...)

#### Impairment testing of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises, as follows::

-Milling, processing and marketing of branded and non-branded basmati rice CGU

Carrying amount of goodwill allocated to each of the CGUs:

Particulars	31st March 2020	31st March 2019
Milling, processing and marketing of branded and non-branded basmati rice	7,596.48	7,468.89

The recoverable amount of each segment was determined based on value-in-use calculations, covering a detailed three-year forecast, followed by an extrapolation of expected cash flows for the remaining useful lives using a declining growth rate determined by management.

The present value of the expected cash flows of each segment is determined by applying a suitable discount rate reflecting current market assessments of the time value of money and risks specific to the segment.

#### Cash flow assumptions

Management's key assumptions include discount rate and change in profit margins, based on past experience in this market.

For the year 31st March 2019 and 31st March 2020, the Group estimated the recoverable amount for aforesaid operating segment. Such recoverable amount was higher than the carrying value and hence, no impairment was recognised. Apart from the considerations in determining the value-in-use of the segments described above, management is not currently aware of any other probable changes that would necessitate changes in its key estimates.

#### Impairment loss

As a result of the analysis above, management has concluded that there is no impairment in the carrying value of goodwill.

### 5 Investments accounted for using equity method

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Investments carried at cost (unquoted)</b>		
<b>Investments in associates and joint ventures</b>		
<b>a) In associate companies</b>		
-Raghuvesh Warehousing Private Limited 16,00,000 (31st March 2019: 16,00,000) equity shares of ₹10 each	457.85	493.64
-Raghuvesh Agri Foods Private Limited 16,00,000 (31st March 2019: 16,00,000) equity shares of ₹10 each	389.36	470.91
	<b>847.21</b>	<b>964.55</b>
<b>b) In joint venture</b>		
-Daawat Kameda India Private Limited 2,40,56,359 (31st March 2019: 2,40,56,359) equity shares of ₹10 each	2,000.88	2,258.88
	<b>2,000.88</b>	<b>2,258.88</b>
<b>Investments carried at cost</b>	<b>2,848.09</b>	<b>3,223.43</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### 6 Non-current investments

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Investments at fair value through Profit and Loss</b>		
Key man insurance policies	352.29	246.99
Equity instruments - Quoted	0.21	0.68
Equity instruments - Unquoted	135.05	135.05
	<b>487.55</b>	<b>382.72</b>
<b>Details of investment is as follows:</b>		
<b>Investments at fair value through Profit and Loss</b>		
Keyman insurance policies	352.29	246.99
<b>Equity instruments - Quoted</b>		
<b>Fully paid-up equity shares (quoted)</b>		
2,300 (31st March 2019: 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.21	0.68
<b>Equity instruments - Unquoted</b>		
<b>Fully paid-up equity shares (unquoted)</b>		
13,50,000 (31st March 2019: 13,50,000) equity shares of Express Warehousing Limited of ₹ 10 each	135.00	135.00
500 (31st March 2019: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
	<b>135.05</b>	<b>135.05</b>
	<b>487.55</b>	<b>382.72</b>
<b>Aggregate amount of :</b>		
Quoted investments	0.21	0.68
Market value of quoted investments	0.21	0.68
Unquoted investments	487.34	382.04
	<b>487.55</b>	<b>382.72</b>

### 7 Loans

Particulars	As at 31st March 2020	As at 31st March 2019
Security deposits	916.72	1,006.09
Loan to employees (refer note (a) below)	94.51	87.61
	<b>1,011.23</b>	<b>1,093.70</b>

#### Break-up of security details

Particulars	As at 31st March 2020	As at 31st March 2019
Loans considered good-Secured	-	-
Loans considered good-Unsecured	1,011.23	1,093.70
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>1,011.23</b>	<b>1,093.70</b>

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

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 8 Other financial assets

Particulars	As at 31st March 2020	As at 31st March 2019
Derivative asset	0.99	0.99
Receivable from insurance company**	13,410.53	13,410.53
Bank deposits with maturity of more than 12 months*	755.54	695.57
	<b>14,167.06</b>	<b>14,107.09</b>

\*₹ 755.54 (31st March 2019: ₹ 695.57) represents deposits with maturity more than 12 months, held by the Group and are not available for use by the Group, as these are pledged.

\*\*Daawat Foods Limited, Subsidiary company has Insurance claim recoverable (classified into non-current assets) amounting to ₹ 13,410.53 as at 31st March 2020. The claim is attributable to the loss of raw material, incurred by the Subsidiary company, due to major fire which had occurred in the works premises of the company in FY 2014-15. The Subsidiary company had recognized the insurance claim recoverable (asset) amounting to ₹ 17,810.88 in FY 2014-15, based on management's assessment of loss amount and positive outcome in the surveyors' reports then appointed by the Insurance Agency. Later on, the Insurance Agency repudiated the insurance claim vide its order dated 4th February 2016, against which the Subsidiary company had filed a civil suit with District Court of Raipur, Bhopal, the outcome of which is pending. On the basis of developments in the case including the surveyor's report (subsequent to reports submitted by surveyors appointed by the Insurance Agency during the initial phase and which were the basis for the Subsidiary company to recognize such asset), the Subsidiary company had written off claim amounting to ₹ 4,400 in FY 2015-16. The Subsidiary company, based on management's assessment of facts of the case and opinion obtained from the external legal counsel, has concluded that it holds merits and good probability to win the case, as the claim has irregularly been repudiated.

Refer note 49 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 50 - Financial risk management for assessment of expected credit losses.

### 9 Deferred tax assets (net)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>On temporary difference between the book base and tax base</b>		
<b>Deferred tax assets arising on account of</b>		
Property, plant and equipment, investment property and intangible assets	363.27	660.87
Provision for employee benefits	119.46	139.27
Impairment of trade receivables	390.38	116.74
Ind AS 116 impact	59.56	-
Loss on sale of investment	31.33	-
Impairment in value of investment	92.56	67.88
Unrealised foreign exchange loss on forward contracts	591.23	-
Minimum alternate tax	-	3.54
Unabsorbed losses	917.36	-
Others (including unrealised profit)	896.64	1,122.77
	<b>3,461.79</b>	<b>2,111.08</b>
<b>Deferred tax liabilities arising on account of</b>		
Keyman insurance policy	85.78	-
Unrealised foreign exchange gain on forward contracts	-	34.16
	<b>85.78</b>	<b>34.16</b>
<b>Deferred tax assets (net)</b>	<b>3,376.01</b>	<b>2,076.92</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### Movement in deferred tax assets/liabilities (net)

Particulars	1st April 2018	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	31st March 2019
<b>Deferred tax assets arising on account of</b>					
Property, plant and equipment, investment property and intangible assets	(944.12)	1,296.78	-	(318.17)	34.49
Provision for employee benefits	126.70	-	1.24	88.72	216.66
Impairment of trade receivables	3.65	-	-	113.09	116.74
Impairment in value of investment	18.64	-	-	97.00	115.64
Deferred income	6.87	-	-	16.69	23.56
Minimum alternate tax	4.88	-	-	(1.34)	3.54
Others (including unrealised profit)	1,565.89	-	-	(445.97)	1,119.91
	<b>782.50</b>	<b>1,296.78</b>	<b>1.24</b>	<b>(449.95)</b>	<b>1,630.55</b>
<b>Deferred tax liabilities arising on account of</b>					
Keyman insurance policy	79.26	-	-	3.89	83.15
Unrealised foreign exchange gain on forward contracts	46.47	-	500.53	138.55	685.55
	<b>125.73</b>	<b>-</b>	<b>500.53</b>	<b>142.44</b>	<b>768.70</b>
<b>Net Deferred tax assets</b>	<b>656.77</b>	<b>1,296.78</b>	<b>(499.29)</b>	<b>(592.39)</b>	<b>861.85</b>

Particulars	1st April 2019	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	31st March 2020
<b>Deferred tax assets arising on account of</b>					
Property, plant and equipment, investment property and intangible assets	34.49	-	-	140.40	174.89
Provision for employee benefits	216.66	-	45.85	(143.05)	119.46
Impairment of trade receivables	116.74	-	-	273.63	390.38
Ind AS 116 impact	-	-	-	59.56	59.56
Loss on sale of investment	-	-	-	31.33	31.33
Impairment in value of investment	115.64	-	-	(23.08)	92.56
Unrealised foreign exchange loss on forward contracts	-	-	970.29	(379.06)	591.23
Minimum alternate tax	3.54	-	-	(3.54)	-
Unabsorbed losses	-	-	-	917.36	917.36
Others (including unrealised profit)	1,143.47	250.40	-	(497.23)	896.64
	<b>1,630.55</b>	<b>250.40</b>	<b>1,016.14</b>	<b>376.32</b>	<b>3,273.41</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	1st April 2019	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	31st March 2020
<b>Deferred tax liabilities arising on account of</b>					
Keyman insurance policy	83.15	-	-	2.63	85.78
Unrealised foreign exchange gain on forward contracts	685.55	-	-	(685.55)	-
	<b>768.70</b>	-	-	<b>(682.92)</b>	<b>85.78</b>
<b>Net Deferred tax assets</b>	<b>861.85</b>	<b>250.40</b>	<b>1,016.14</b>	<b>1,059.24</b>	<b>3,187.63</b>

### 10 Other non-current assets

Particulars	As at 31st March 2020	As at 31st March 2019
Prepaid expenses	20.16	17.60
Capital advances	639.23	755.60
	<b>659.39</b>	<b>773.20</b>

### 11 Non-current tax assets

Particulars	As at 31st March 2020	As at 31st March 2019
Income tax assets	3,919.89	3,660.61
	<b>3,919.89</b>	<b>3,660.61</b>

### 12 Inventories

Particulars	As at 31st March 2020	As at 31st March 2019
Raw material		
Paddy*	51,304.49	63,709.86
Bardana	3,408.98	3,998.14
Other	202.99	-
Work-in-progress*	164.96	201.55
Finished goods* (including goods in transit of ₹ 6,574.78 (31st March 2019: ₹ 3,051.27))	1,09,616.16	1,12,088.37
Stock in trade	6,510.70	4,634.30
Stores and spares	968.44	1,083.79
Packing material	2,845.94	3,408.49
	<b>1,75,022.66</b>	<b>1,89,124.50</b>

\*Includes interest capitalised during 31st March 2020 of ₹ 2,168.02 (31st March 2019: ₹ 2,990.38)

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### 13 Trade receivables

Particulars	As at 31st March 2020	As at 31st March 2019
Trade receivables*	62,691.68	53,531.46
Less: Allowance for expected credit loss	(728.37)	(44.36)
	<b>61,963.31</b>	<b>53,487.10</b>

#### Break-up of security details

Particulars	As at 31st March 2020	As at 31st March 2019
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	61,963.31	53,487.10
Trade receivables - credit impaired	728.37	44.36
<b>Total</b>	<b>62,691.68</b>	<b>53,531.46</b>
Loss allowance	(728.37)	(44.36)
<b>Total trade receivables</b>	<b>61,963.31</b>	<b>53,487.10</b>

(i) No trade receivables are due from director or other officers of the holding company either severally or jointly with any other persons.

\* Includes receivables from related parties (refer note 52)

Oswal Woollen Mills Limited	11.11	-
Raghuvesh Warehousing Private Limited	0.41	-
Raghuvesh Infrastructure Private Limited	-	92.10
Raam Multisolvexindia private Limited	-	173.31
Daawat Kameda India Private Limited	26.81	-
L T F Food Trading LLC	21.83	45.69

#### Transferred receivables

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

The relevant carrying amounts are as follows:

Particulars	As at 31st March 2020	As at 31st March 2019
Total transferred receivables	1,086.31	-
Associated secured borrowing	1,086.31	-

(i) No trade receivables are due from director or other officers of the Group either severally or jointly with any other persons..

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 14 Cash and cash equivalents

Particulars	As at 31st March 2020	As at 31st March 2019
Balances with banks in current accounts	1,755.00	2,579.35
Cash on hand	158.61	340.17
	<b>1,913.61</b>	<b>2,919.52</b>

Note: There are no repatriation restrictions with respect to cash and bank balances as at the end of the reporting year and comparative year.

### 15 Other bank balances

Particulars	As at 31st March 2020	As at 31st March 2019
Unpaid dividend accounts (earmarked)	38.88	19.07
Deposits with original maturity more than 3 months and less than 12 months	539.32	828.26
	<b>578.20</b>	<b>847.33</b>

(i) ₹ 539.32 (31st March 2019: ₹ 828.26) represents deposits with original maturity more than 3 months and remaining maturity less than 12 months, held by the Group and are not available for use by the Group, as these are pledged.

(ii) Refer note 49 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 50 - Financial risk management for assessment of expected credit losses.

### 16 Loans

Particulars	As at 31st March 2020	As at 31st March 2019
Security deposits	159.37	691.34
Loans and advances*	573.58	-
Loan to employees (refer note (a))	151.45	97.19
	<b>884.40</b>	<b>788.53</b>
*Includes inter corporate deposits recoverable from related parties (refer note 52)		
Raghuvesh Agri Foods Private Limited	328.49	-
Raghuvesh Warehousing Private Limited	245.09	-

#### Break-up of security details

Particulars	As at 31st March 2020	As at 31st March 2019
Loans considered good-Secured	-	-
Loans considered good-Unsecured	884.40	788.53
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>884.40</b>	<b>788.53</b>

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

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### 17 Other current financial assets

Particulars	As at 31st March 2020	As at 31st March 2019
Derivative asset	-	2,168.60
Commission receivable	-	323.68
Advances recoverable in cash	10.73	-
Subvention on interest expense receivable	1.28	15.91
Export incentive recoverable	170.01	206.16
Margin money recoverable	573.44	-
Others	361.26	209.99
	<b>1,116.72</b>	<b>2,924.34</b>

### 18 Other current assets

Particulars	As at 31st March 2020	As at 31st March 2019
Prepaid expenses	3,241.18	2,777.78
Staff advances	975.78	354.75
Balances with government authorities	1,236.90	1,702.87
Advances recoverable in kind	345.91	467.81
Advance to suppliers*	15,964.45	13,493.67
	<b>21,764.22</b>	<b>18,796.88</b>

\* Includes advance to related parties (refer note 52)

Raghuvesh Agri Foods Private Limited	-	328.49
Raghuvesh Warehousing Private Limited	-	245.09

### 19 Share capital

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Authorised</b>		
36,00,00,000 Equity shares of ₹ 1 each (31st March 2019 : 36,00,00,000 equity shares of ₹ 1 each)	3,600.00	3,600.00
<b>Issued, subscribed and paid up</b>		
31,98,44,780 equity shares of ₹ 1 each (31st March 2019 : 31,98,44,780 equity shares of ₹ 1 each)	3,198.45	3,198.45
	<b>3,198.45</b>	<b>3,198.45</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of shares	Amount	No of shares	Amount
Equity shares at the beginning of the year	3,198.45	3,198.45	3,198.45	3,198.45
Changes during the year	-	-	-	-
<b>Equity shares at the end of the year</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

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

The Holding Company has only one class of equity shares having the par value of ₹ 1 per share (31st March 2019: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Holding Company declares and pays dividend in Indian Rupees.

During the year ended 31st March 2020 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 0.65 per share (31st March 2019: ₹ 0.15 per share).

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

### (c) Details of shareholders holding more than 5% shares in the group

Particulars	As at 31st March 2020		As at 31st March 2019	
	No of shares	% holding	No of shares	% holding
Mr. Ashwani Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
Mr. Surinder Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
Mr. Gurucharan Dass Arora	2,12,86,920	6.66%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
Raghuvesh Holdings Private Limited	3,33,49,472	10.43%	3,09,84,130	9.69%
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,12,86,920	6.66%
DSP Investment Managers Private Limited	1,61,73,684	5.06%	1,66,22,340	5.20%
	<b>16,27,57,756</b>	<b>50.91%</b>	<b>15,40,41,070</b>	<b>48.18%</b>

(d) The Holding company has not issued any equity shares pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issues and brought back during the last five years.

## 20 Other equity

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(i) Retained earnings</b>		
Opening balance	80,341.26	68,295.71
Add: Net profit for the current year	18,450.42	12,653.44
- Remeasurements of post-employment benefits obligation (net of taxes)	(106.53)	(2.15)
Impact on account of adoption of Ind AS 116 (refer note 3)	(487.88)	-
Less : Equity dividend	(2,078.99)	(479.77)
Less : Corporate dividend tax	(427.34)	(125.96)
<b>Closing balance</b>	<b>95,690.94</b>	<b>80,341.26</b>
<b>(ii) General reserve</b>		
Opening balance	1,816.80	1,633.22
Transferred from share options outstanding account	-	183.58
<b>Closing balance</b>	<b>1,816.80</b>	<b>1,816.80</b>
<b>(iii) Securities premium reserve</b>		
Opening balance	44,456.10	44,456.10
Change during the year	-	-
<b>Closing balance</b>	<b>44,456.10</b>	<b>44,456.10</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(iv) Share options outstanding amount</b>		
Opening balance	-	183.58
Transferred to general reserve	-	(183.58)
<b>Closing balance</b>	<b>-</b>	<b>-</b>
<b>v) Cash flow hedge reserve</b>		
Opening balance	1,445.18	-
Change during the year	(3,899.61)	1,445.18
<b>Closing balance</b>	<b>(2,454.43)</b>	<b>1,445.18</b>
<b>(vi) Foreign currency translation reserve</b>		
Opening balance	1,654.38	177.77
Change during the year	3,771.13	1,476.61
<b>Closing balance</b>	<b>5,425.51</b>	<b>1,654.38</b>
<b>Total other equity</b>	<b>1,44,934.92</b>	<b>1,29,713.74</b>

### Nature and purpose of other reserves

#### General reserve:

The Group has transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

#### Share options outstanding amount:

During the previous year ended 31st March 2019, no share option were outstanding, there by the amount earlier recognised was transferred to general reserve.

#### Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Statement of Profit and Loss when the net investment is disposed-off.

#### Cash flow hedge reserve

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

## 21 Non-controlling interests

Particulars	As at 31st March 2020	As at 31st March 2019
Opening balance	10,542.28	5,540.93
Equity component of compound financial instruments	-	3,908.25
Share of profit for the year	1,480.07	1,093.10
Share of other comprehensive income for the year	(237.35)	-
<b>Closing balance</b>	<b>11,784.90</b>	<b>10,542.28</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 22 Long term borrowings

Particulars	As at	
	31st March 2020	31st March 2019
<b>Secured:</b>		
<b>Term loans</b>		
From banks	20,499.78	21,504.89
From others	-	1,296.46
<b>Vehicle loans</b>		
From banks	160.01	114.24
From others	13.38	29.61
<b>Unsecured:</b>		
Liability component of compound financial instrument - net of transaction costs *	2,339.06	2,029.97
	<b>23,012.23</b>	<b>24,975.17</b>
Current maturities of long term debts		
Term loans	2,728.38	1,892.53
Vehicle loans	90.14	108.70
	<b>2,818.52</b>	<b>2,001.23</b>
	<b>25,830.75</b>	<b>26,976.40</b>

\* In one of the subsidiary company, Nature Bio Foods Limited, during the previous year the company had issued 2,398,000 number of 0.01% cumulative compulsory convertible preference shares (CCCPS) having face value of ₹ 10 at a premium of ₹ 240 through private placement of shares. Out of the total, 2,374,020 CCCPS were subscribed by India Agri Business Fund II and 23,980 CCCPS were subscribed by Real Trust II, CCCPS carries cumulative dividend of 0.01% p.a. CCCPS shall be converted into equity shares and in any event at the expiry of 8 year from the Tranche I completion date. As at 31st March 2020, ₹ 3,952.90 considered as equity component, ₹ 2,339.06 considered as liability component and ₹ 0.99 considered as derivative component.

Name of the bank	No of installments	Total amount of installment	As at	
			31st March 2020	31st March 2019
<b>a) Rupee term loans</b> (refer point A part (i) and (ii) for interest rate)				
Allahabad Bank (refer point C part (ii) for security)	32 equal quarterly	107.00	-	122.52
Mashreq Bank (refer point C part (iv) for security)	180 equal monthly	6.58	290.34	281.19
Rabobank (refer point C part (iii) for security)	47 equal quarterly	389.09	17,902.67	18,309.24
De Lage Landen Financial services BV (refer point C part (viii) for security)	96 monthly	0.21 Euro monthly till 1st July 2018 and thereafter 0.91 Euro	4,818.94	4,509.72
Hero Fincorp Limited (refer point C part (iv) for security)	20 equal quarterly	43.69	-	185.87
Axis Finance (refer point C part (vii) for security)	Bullet payment	-	-	645.53
STCI Finance Limited (refer point C part (vii) for security)	Bullet payment	-	216.21	639.82

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Name of the bank	No of installments	Total amount of installment	As at	
			31st March 2020	31st March 2019
			<b>23,228.16</b>	<b>24,693.89</b>
<b>b) Vehicle loans</b> (refer point A part (iii) for interest rate and point C part (ix) for security)				
HDFC Bank	36 - 60 equal monthly	8.25	49.37	90.55
HDFC Bank	60 equal monthly	0.69	33.95	-
ICICI Bank	60 equal monthly	1.06	-	1.05
Yes Bank	60 equal monthly	1.04	42.30	-
Toyota Financial Services India Limited	36 equal monthly	0.63	6.59	13.38
Oriental Bank of Commerce	60 equal monthly	1.67	13.20	16.81
Daimler Financial Services India Private Limited	36 - 48 equal monthly	4.05	45.73	93.60
HDFC Bank	37 equal monthly	1.50	47.29	-
Yes Bank	37 equal monthly	0.60	10.21	17.58
Bank of Baroda	48 equal monthly	0.49	14.90	19.58
			<b>263.54</b>	<b>252.54</b>
			<b>23,491.70</b>	<b>24,946.43</b>

### A. Details of interest rate for each type of borrowings

- The interest on above Rupee term loans from banks are linked to the respective banks base rates which are floating in nature. As of 31st March 2020 the interest rates ranges from 10.50% to 12.50% per annum (31st March 2019: 10.50% to 13.15% per annum).
- The interest on above foreign currency term loans from banks are linked to the respective banks base rates which are floating in nature. As of 31st March 2020 the interest rates ranges from LIBOR plus 1.5% to 2.5% per annum (31st March 2019: LIBOR plus 1.5% to 2.5% per annum).
- The interest on above vehicle loans from banks are linked to the respective banks base rates which are fixed in nature. As of 31st March 2020 the interest rates ranges from 7.95% to 11.35% per annum (31st March 2019: 7.95% to 14.00% per annum).

### B. Details of guarantee for each type of borrowings

Guaranteed by directors	As at	
	31st March 2020	31st March 2019
<b>Term loans</b>		
From banks	23,228.16	23,397.42
From others	-	1,296.46
	<b>23,228.16</b>	<b>24,693.88</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### C. Details of security for each type of borrowing :

- (i) Term loan from all banks are secured against first pari passu charge on the existing project assets, excluding assets charged specifically to the term lenders and Second Pari Passu charge on current assets of the Holding Company and personal guarantee of promoters.
- (ii) Term loan from Allahabad Bank amounting to ₹ Nil (previous year: ₹ 122.52) availed by the LT Foods Limited (Holding Company) is secured against first exclusive charge over the entire fixed assets of the Silos project located at Amritsar. Second pari-passu charge over fixed assets of Bahalgarh unit along with equitable mortgage over land and building on pari passu basis to secure entire credit facilities sanctioned by consortium
- (iii) USD Term loan 2.65 million from Rabobank as availed by LT Overseas North America Inc. (Subsidiary Company) is secured by mortgage against Plant and machinery and warehouse.
- (iv) AED Term loan from Mashreq Bank amounting 1.41 (previous year: 1.68 million) availed by LT Foods Middle East DMCC (Subsidiary Company) is secured by office property and undated cheques.
- (v) Rupee term loan from Hero Fincorp Limited amounting to Nil (previous year: ₹ 185.87) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by and Corporate Guarantee of Raghuvesh Holdings Private Limited in which directors are interested and personal guarantee of directors.
- (vi) Term loan from Axis Finance amounting to Nil (previous year : ₹ 645.53) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by and Corporate Guarantee of Raghuvesh Holdings Private Limited in which directors are interested and personal guarantee of directors.
- (vii) Term loan from STCI Finance Limited amounting to ₹ 216.21 (previous year : ₹ 639.82) availed by the Daawat Foods Limited (Subsidiary Company) is secured against pledge of shares held by and Corporate Guarantee of Raghuvesh Holdings Private Limited in which directors are interested and personal guarantee of directors.
- (viii) Euro Term loan 7.3 million from De Lage Laden Financial Services B.V. as availed by LT foods Europe B.V. (Subsidiary Company) is secured by mortgage against machinery in Netherland and Corporate Guarantee of a company in which directors are interested and personal guarantee of directors.
- (ix) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

Refer note 56 for assets pledged as security

### D. Reconciliation of liabilities arising from financing activities:

The changes in the Group liabilities arising from financing activities can be classified as follows:

Particulars	Liabilities from financing activities		Total
	Long term borrowings	Short term borrowings	
<b>Net debt as at 1st April 2018</b>	22,442.08	1,32,357.38	1,54,799.46
Cash movement:			
- Proceeds	18,309.24	10,330.14	28,639.38
- Repayment	(13,774.92)	-	(13,774.92)
<b>Non cash movement</b>			
- Impact of currency restatement	-	(600.43)	(600.43)
- Interest capitalised	-	173.94	173.94
<b>Net debt as at 31st March 2019</b>	<b>26,976.40</b>	<b>1,42,350.94</b>	<b>1,69,327.34</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Lease Liability	Liabilities from financing activities		Total
		Long term borrowings	Short term borrowings	
<b>Net debt as at 1st April 2019</b>	-	26,976.40	1,42,350.94	1,69,327.34
Cash movement:				
- Proceeds	-	3,642.46	(21,631.09)	(17,988.63)
- Repayment	(2,003.10)	(4,788.11)	-	(6,791.21)
<b>Non cash movement</b>				
Addition during the year	29,810.85	-	-	29,810.85
- Impact of currency restatement	-	-	2,314.44	2,314.44
- Interest capitalised	-	-	73.64	73.64
<b>Net debt as at 31st March 2020</b>	<b>27,807.75</b>	<b>25,830.75</b>	<b>1,23,107.93</b>	<b>1,76,746.43</b>

### 23 Other non-current financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Security deposits from distributors	7.00	7.00
Long term maturities of finance lease obligations	-	18.67
	<b>7.00</b>	<b>25.67</b>

### 24 Lease liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Lease liabilities (refer note 3)	24,920.13	-
	<b>24,920.13</b>	<b>-</b>

### 25 Long term provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Provisions for employee benefits		
Provision for gratuity	436.61	411.42
Provision for compensated absences	159.13	167.25
Employee's end of service benefits	40.33	44.50
Others	-	181.46
	<b>636.07</b>	<b>804.63</b>

### (i) Information about individual provisions and significant estimates

For disclosures related to provision for employee benefits, refer note 48- Employee benefit obligations

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### (ii) Movement in provision related to employee's end of service benefits during the financial year:

Particulars	As at 31st March 2020	As at 31st March 2019
<b>As at beginning of reporting period</b>	44.50	36.84
Provision for the year	12.76	7.66
Excess provision reversed during the year	(14.03)	-
Paid during the year	(2.90)	-
<b>As at end of reporting period</b>	<b>40.33</b>	<b>44.50</b>

### 26 Deferred tax liabilities (net)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>On temporary difference between the book base and tax base</b>		
<b>Deferred tax liability arising on account of:</b>		
Property, plant and equipment and intangible assets	188.38	626.38
Key man insurance policy	-	83.15
Unrealised foreign exchange gain on forward contracts	-	651.39
Others	-	2.85
	<b>188.38</b>	<b>1,363.77</b>
<b>Deferred tax asset arising on account of:</b>		
Provision for employee benefits	-	77.39
Investment - impairment	-	47.76
Others	-	23.56
	-	<b>148.71</b>
<b>Deferred tax liabilities (net)</b>	<b>188.38</b>	<b>1,215.07</b>

Refer note 9 - Movement in deferred tax asset/liabilities (net) for complete movement

### 27 Other non-current liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Deferred government grant	286.37	344.57
Deferred rent	410.26	38.35
	<b>696.63</b>	<b>382.92</b>

### 28 Short-term borrowings

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured</b>		
From banks	1,22,786.96	1,42,061.04
<b>Unsecured</b>		
From others	-	2.78
	<b>1,22,786.96</b>	<b>1,42,063.82</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>a) From banks</b>		
The working capital loans are repayable on demand and the interest on the above loans from banks are linked to the respective bank base rates which are floating in nature. The interest ranges from 8.80% to 13.00% per annum (31st March 2019: 8.50% to 12.50% per annum) on rupee working capital loan and 3.18% to 5.50% per annum (31st March 2019: 4.35% to 6.00% per annum) on foreign currency working capital loans.. Working capital loans are secured by hypothecation of inventory and trade receivables of the Group.	1,22,786.96	1,42,061.04

### 29 Trade payables

Particulars	As at 31st March 2020	As at 31st March 2019
Dues to		
Micro and small enterprises	589.11	439.92
Others	25,493.74	27,054.28
Acceptances	-	888.56
	<b>26,082.85</b>	<b>28,382.76</b>
* Includes payable to related parties (refer note 52)		
V K Foods	4.92	4.93
S K Engineering	-	0.51
Super Texfab Private Limited	633.30	557.04
R S Rice & General Mills	27.64	-
Raghuvesh Infrastructure Private Limited	117.29	-
Raghuvesh Agri Foods Private Limited	8.54	-
UIPL Innovations Private Limited	11.15	-
Daawat Kameda India Private Limited	-	9.06

### a) Due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:

Particulars	As at 31st March 2020	As at 31st March 2019
i) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal amount remaining unpaid	585.36	439.92
Interest accrued and remaining unpaid as at year end	3.75	-
ii) Amount of interest paid by the Group to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### a) Due to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below: (Contd..)

Particulars	As at 31st March 2020	As at 31st March 2019
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	-
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
	<b>589.11</b>	<b>439.92</b>

### 30 Other current financial liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Current maturities of long-term debts (refer note 22)	2,818.52	2,001.23
Interest accrued but not due on borrowings	247.33	113.18
Security deposit	11.50	11.50
Unclaimed dividend *	38.88	19.07
Book overdraft	-	7,570.57
Derivative liabilities	1,973.23	-
Other liabilities	4,601.30	3,150.94
	<b>9,690.76</b>	<b>12,866.49</b>

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

### 31 Lease liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Lease liabilities (refer note 3)	2,887.62	-
	<b>2,887.62</b>	<b>-</b>

### 32 Other current liabilities

Particulars	As at 31st March 2020	As at 31st March 2019
Advances from customers	5,810.25	1,117.32
Statutory liabilities	577.99	495.06
Deferred government grant	44.19	57.21
Other liabilities	2,015.46	515.89
	<b>8,447.89</b>	<b>2,185.48</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### 33 Short term provisions

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for employee benefits		
Provision for gratuity	236.52	111.46
Provision for compensated absences	99.43	82.57
Others	-	97.13
	<b>335.95</b>	<b>291.16</b>

### (i) Information about individual provisions and significant estimates

Refer note 48- Employee benefit obligations

### (ii) Movement in provision related to Employees' end of service benefits during the financial year:

Particulars	As at 31st March 2020	As at 31st March 2019
As at beginning of reporting period	97.13	38.73
Adjustment for the year	(97.13)	58.40
As at end of reporting period	<b>-</b>	<b>97.13</b>

### 34 Current tax liabilities (net)

Particulars	As at 31st March 2020	As at 31st March 2019
Provision for income- tax (net)	2,422.89	1,897.01
	<b>2,422.89</b>	<b>1,897.01</b>

### 35 Revenue from operations

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Sale of products</b>		
Rice	3,82,167.74	3,57,103.83
Others	30,777.63	30,140.15
<b>Other operating revenue</b>		
Service charges	656.83	549.38
Processing charges	906.65	1,147.12
Rental income (refer note A)	102.74	102.74
	<b>4,14,611.59</b>	<b>3,89,043.22</b>

A The Holding company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended 31st March 2020 and 31st March 2019 was ₹ 102.74 and ₹ 102.74 respectively. The Holding company has not executed any non-cancellable operating leases.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 36 Other income

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Dividend from non trade investments	-	0.63
Profit on sale of property, plant and equipment	23.37	11.32
Interest on fixed deposits with banks	117.17	99.69
Interest others	128.52	258.27
Net gain on foreign currency transactions and translations	1,924.85	822.77
Government grant income* (refer note 54)	482.24	86.82
Export incentives	183.26	252.07
Amounts written back	43.60	188.91
Rental income	217.83	13.97
Income from fleet lease	108.71	87.61
Miscellaneous receipts	558.64	588.05
	<b>3,788.19</b>	<b>2,410.11</b>

(i) The Group has entered into rent agreements as a lessor for area of premises owned by the Group, which are in the nature of operating lease. Rental income for operating lease for the years ended 31st March 2020 and 31st March 2019 was ₹ 217.83 and ₹ 13.97 respectively. The Group has not executed any non-cancellable operating leases.

\* In one of the subsidiary company, Daawat Foods Limited that includes grant received under scheme of Industrial Promotion Policy, 2014 of Government of Madhya Pradesh amounting to ₹ 411 during the year. (31st March 2019: Nil)

### 37 Cost of material consumed

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Opening stock</b>		
Paddy	63,709.86	54,360.04
Bardana	3,998.14	4,221.19
Packing material	3,408.50	3,176.99
	<b>71,116.50</b>	<b>61,758.23</b>
<b>Add: purchases</b>		
Paddy	1,37,469.64	1,64,338.04
Bardana	231.83	392.90
Packing material	8,994.47	14,451.82
Other	3,499.48	3,199.78
Rice	1,27,990.48	1,07,105.61
	<b>2,78,185.90</b>	<b>2,89,488.15</b>
<b>Less: closing stock</b>		
Paddy	51,304.49	63,709.86
Bardana	3,408.98	3,998.14
Packing material	2,845.94	3,408.50
Other	202.99	-
	<b>57,762.40</b>	<b>71,116.50</b>
	<b>2,91,540.00</b>	<b>2,80,129.88</b>
<b>Consumption details</b>		
Paddy	1,49,875.01	1,54,988.22
Bardana	820.99	615.95
Packing material	9,557.03	14,220.31
Other	3,296.49	3,199.78
Rice	1,27,990.48	1,07,105.61
	<b>2,91,540.00</b>	<b>2,80,129.88</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### 38 Purchases of stock-in-trade

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Rice	-	6,137.30
Others	5,471.10	11,006.69
	<b>5,471.10</b>	<b>17,143.99</b>

### 39 Changes in inventories of finished goods, work in progress and stock in trade

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Opening Stock</b>		
Finished goods	1,12,088.37	1,04,226.05
Work-in-progress	201.55	204.60
Stock in trade	4,634.30	4,785.87
<b>Closing stock</b>		
Finished goods	1,09,616.16	1,12,088.37
Work-in-progress	164.96	201.55
Stock in trade	6,510.70	4,634.30
	<b>632.40</b>	<b>(7,707.70)</b>
<b>Translation reserve</b>	9,104.61	4,250.30
	<b>9,737.01</b>	<b>(3,457.40)</b>

### 40 Employee benefit expense

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Salaries, wages and bonus	16,494.57	13,617.57
Contribution to provident and other fund (refer note 48 for employee benefit obligations)	809.96	821.58
Staff welfare expenses	730.42	749.50
	<b>18,034.95</b>	<b>15,188.65</b>

### 41 Finance cost

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Interest on working capital loans	11,749.47	11,880.73
Interest on term loans	140.33	648.83
	<b>11,889.80</b>	<b>12,529.56</b>
Interest capitalised	(73.64)	(173.94)
Other borrowing cost	1,410.88	1,511.96
	<b>13,227.04</b>	<b>13,867.58</b>

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Holding company general borrowings during the year, in this case 9.10% p.a. (31st March 2019 - 9.52% p.a.)



## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 42 Depreciation and amortisation expense

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Property, plant and equipment	6,533.06	6,185.21
Depreciation of right-of-use-assets	1,982.32	-
Amortisation of intangible assets	621.84	717.18
	<b>9,137.22</b>	<b>6,902.41</b>

### 43 Other expenses

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Warehouse rent (refer note 3)	2,344.59	2,048.58
Wages and other manufacturing expenses	1,939.92	2,670.75
Factory insurance	200.64	171.32
Power and fuel	3,644.74	3,623.45
Security services	370.34	356.95
Repairs		
- Building	74.85	90.44
- Machinery	229.57	239.33
- Others	495.38	464.43
Stores and spares consumed	2,573.55	2,579.22
Packing expenses	800.28	764.29
Advertisement	3,959.87	3,866.55
Insurance	997.46	821.32
Legal and professional charges	2,871.28	2,607.16
Rates and taxes	1,282.11	880.95
Donation and charity	187.00	255.86
Auditors' remuneration (refer point A)	193.13	169.68
Vehicle running and maintenance	461.32	444.05
Commission to selling agents	1,469.72	969.33
Clearing and forwarding charges	10,553.18	10,059.69
Freight outward	4.53	4.31
Travelling and conveyance	2,429.58	2,485.88
Loss on sale of fixed assets (net)	35.19	64.80
Trade receivables and other amounts written off	344.96	445.18
Joint venture losses absorbed	-	194.98
Loss on sales of investments	-	22.04
Business promotion expenses	528.13	435.04
Directors' sitting fees	31.45	26.49
Provision for legal claim	-	31.08
Impairment of trade receivables	691.93	33.92
Other administrative expenses	2,712.78	1,998.84
Other selling expenses	918.14	1,362.26
Miscellaneous expenses	156.00	126.13
Loss on commodity future contracts	259.43	-
	<b>42,761.05</b>	<b>40,314.30</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### A. Auditors' remuneration

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Statutory audit (including fees for limited reviews)	166.19	157.05
Other matters	22.56	7.36
Out of pocket expenses	3.13	5.07
Goods and services tax	1.25	0.20
	<b>193.13</b>	<b>169.68</b>

### 44 Exceptional Items

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Litigation claim*	421.37	-
	<b>421.37</b>	<b>-</b>

\* Foreign Brokerage Firm, M/s FoodTech Solutions, engaged by one of the subsidiary company, Nature Bio Foods Limited (NBFL) had made claim on account of commission on export sales, which were disputed and not accepted by NBFL. Subsequently, the said brokerage firm has invoked the arbitration clause and initiated legal proceedings in International Arbitration Court for recovery of the claim. During the year, in 30th September 2019, the International Arbitration Court, Singapore has awarded a claim amounting to ₹ 422.54 against NBFL vide its order dated 26th September 2019 and accordingly, amount of ₹ 421.37 has been shown as an exceptional item in the consolidated results for the year ended 31st March 2020.

### 45 Earning per share

Particulars	As at 31st March 2020	As at 31st March 2019
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	18,450.42	12,653.44
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS	3,198.45	3,198.45
Weighted average number of equity shares outstanding during the year for calculation of diluted EPS	3,198.45	3,198.45
Nominal value of each equity share (₹)	1.00	1.00
<b>Earnings per equity share</b>		
Earning per share (basic) (₹)	5.77	3.96
Earning per share (diluted) (₹)	5.77	3.96

### 46 Income tax

Particulars	As at 31st March 2020	As at 31st March 2019
<b>The income tax expense consists of the following :</b>		
Current tax expense for the current year	8,816.67	7,016.46
Current tax expense pertaining to previous years	6.77	7.33
Deferred tax (credit) / expense	(1,059.24)	599.72
<b>Total income tax</b>	<b>7,764.20</b>	<b>7,616.18</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% and the reported tax expense in the Statement of Profit or Loss are as follows:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Accounting profit for the period before Share of profit in Associate and Joint venture</b>	28,491.4	21,363.91
Applicable Indian statutory income tax rate of 25.168% (31st March 2019: 34.944%)	7,170.72	7,465.41
Effect of non deductible expenses	-	85.94
Expenses disallowable under the Income-tax Act 1961	82.78	-
Tax pertaining to previous year	6.77	7.33
Tax impact of exempted income	(12.83)	-
Difference in overseas tax rate and other foreign entities adjustments	582.04	167.17
Others adjustments of Indian entities	(24.82)	(58.21)
Impairment of investment	-	14.56
Impact of change in tax rates	(105.02)	4.19
Interest on CCCPS	77.77	-
Government grant income	(12.20)	-
Deduction under section 80 of Income Tax Act, 1961	(1.00)	(70.20)
<b>Total income tax expense</b>	<b>7,764.20</b>	<b>7,616.18</b>

### Unrecognised deferred tax assets

For the year ended 31st March 2020	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	0.61	576.99	3.24	-	580.84
Unabsorbed depreciation	-	-	-	71.85	71.85
Capital losses	-	77.74	69.83	-	147.58
Unused tax Credit	4.86	26.05	33.28	-	64.19

For the year ended 31st March 2019	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	300.68	615.86	65.53	-	982.08
Unabsorbed depreciation	-	-	-	73.74	73.74
Capital losses	-	77.74	-	-	77.74
Unused tax Credit	-	32.66	0.11	-	32.77

No deferred tax asset has been recognised on these unutilized tax losses as there is no evidence that sufficient taxable profit will be available in future against which they can be utilised by the respective entities.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### 47 Contingencies and commitments

Particulars	As at 31st March 2020	As at 31st March 2019
<b>(A) Contingent liabilities</b>		
I Income-tax demands (refer note 1)	2,127.00	2,732.70
II Guarantees given by Group	145.70	2,067.20
III FCI demand for differential price/freight/ taxes	75.69	75.69
IV Claims against the Group	30.77	2,098.57
V Duty saved under EPCG licenses (export obligation outstanding ₹ 2,228.95 (31st March 2019: ₹2,685.02))	307.60	386.52
	<b>2,686.75</b>	<b>7,360.68</b>

### 1 Notes

a) In one of the subsidiary, Daawat Foods Limited (DFL) which had filed appeals in previous years against the order of Assessing Officer (AO) before Commissioner of Income tax (CIT (Appeals)) for the Assessment Year 2007-08 and Assessment Year 2009-10. The CIT (Appeals) has allowed substantial relief to the DFL and after allowing appeal effect of the order of CIT (Appeals) by the AO, the demand has been reduced to ₹59.57 (31st March 2019: ₹ 59.57). The DFL has filed appeals against the order of CIT(Appeals) for the above said assessment year before the Income Tax Appellate Tribunal (ITAT), on issues for which relief has not been given by CIT(Appeals). The matter is still pending with ITAT.

During the financial year 2017-18, the DFL had filed appeals in previous years against the order of Assessing Officer (AO) before Commissioner of Income tax (CIT (Appeals)) for the Assessment Year 2012-13 to Assessment Year 2014-15 w.r.t the total demand of ₹ 746 against which ₹ 131.04 has been deposited under protest. The CIT (Appeals) has allowed substantial relief to the Company thus reducing the demand to ₹ 1.20 for which the company has made provision.

During the financial year 2017-18, the DFL had filed appeals in previous years against the order of Assessing Officer (AO) before Commissioner of Income tax (CIT (Appeals)) for the Assessment Year 2015-16 w.r.t the total demand of ₹ 298.74. The CIT (Appeals) has allowed substantial relief to the Company thus reducing the demand to ₹ 2.70 for which the company has made provision.

During the financial year 2017-18, the DFL has received demands under section 271(1)(c) for the Assessment Year 2010-11 for ₹ 4.08. The Company had filed an appeal before the CIT (Appeals). The CIT (Appeals) has allowed the appeal of the company and delete the demand.

During the financial year 2018-19, the DFL has received demands under section 143(3) for the Assessment Year 2016-17 for ₹ 188.96. The said demand suffers from mistakes apHolding from record and accordingly company had filed an application for rectification of mistake u/s 154 after which the demand will get reduced to ₹ 93.88. Against this demand of ₹ 93.88, the DFL has made provision of ₹ 22.98 and for the balance demand of ₹ 70.89 the Company has filed an appeal before the CIT (Appeals) for which relief has been allowed to the Company.

b) In case of LT Foods Limited (Holding company) has pending appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2007-08 to AY 2014-15 and AY 2016-17 on the matters over which no relief was provided by CIT (Apppeals) amounting to ₹ 1,380.69 (previous year ₹ 2,079.36).

The Holding company's appeal for AY 1990-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹ 213.69 (previous year ₹ 213.69) are pending at various level of appeals.

During the financial year 2019-20, the Holding company has received demands under section 147 for the Assessment Year 2015-16 for ₹ 466.81. The Holding company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

The Holding company has paid ₹ 1,651.26 (previous year ₹ 1,551.26 ) as per the directions of Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/refunded, once the appeals are final.

- c) In case of Nature Bio Foods Limited ('NBFL'), during the assessment year 2010-11 the Income tax department (Department) has added back ₹ 24.43 on account of various reasons to the total income of the NBFL. The department has issued notice of demand u/s 156 of the Income Tax Act, 1961 on 28th March 2013 demanding ₹ 5.15. The NBFL had contested the above before CIT(Appeals) and the Ld. CIT(Appeals) has dismissed the appeal vide order dated 19th May 2016. The NBFL had contested the above order before Hon'ble ITAT. Aforesaid demand is including interest upto 28th March 2013 but excluding interest from 1st April 2013 onwards and penalty.

During the assessment year 2013-14 the department has issued notice of Penalty u/s 271 (1) (c) of the Income Tax Act, 1961 demanding ₹ 1.00. The Company had contested the above before CIT(Appeals).

During the assessment year 2014-15 the department has issued notice of Penalty u/s 271 (1) (c) of the Income Tax Act, 1961 demanding ₹ 0.08. The Company had contested the above before CIT(Appeals).

The management is confident that its position is likely to be upheld in the appeals pending before the various appellate authorities and no liability could arise on the Group on account of these proceedings. Accordingly no adjustment has been made in these financial statements (other than provision considered as mentioned above).

### (B) Commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 1,015.10 (31st March 2019: ₹ 733.47)

### 48 Employee benefit obligations

Particulars	31st March 2020		31st March 2019	
	Current	Non-current	Current	Non-current
Gratuity	236.52	436.61	111.46	411.42
Compensated absences	99.43	159.13	82.57	167.25
<b>Total</b>	<b>335.95</b>	<b>595.74</b>	<b>194.03</b>	<b>578.67</b>

#### A Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination/ other decrements (if any) on account of any accident or disease is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Group makes contributions to recognised funds in India. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### Disclosure of gratuity

##### (i) Amount recognised in the Statement of Profit and Loss is as under:

Description	31st March 2020	31st March 2019
Current service cost	135.81	126.40
Interest cost	41.41	36.55
Adjustments	-	(3.13)
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>177.22</b>	<b>159.82</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

##### (ii) Breakup of actuarial loss/(gain) recognised in other comprehensive income (OCI)

Description	31st March 2020	31st March 2019
Actuarial loss/(gain) on arising from change in demographic assumption	34.83	(0.83)
Actuarial loss on arising from change in financial assumption	108.77	24.21
Actuarial loss/(gain) on arising from experience adjustment	3.73	(27.85)
<b>Remeasurement on plan assets</b>		
Return on plan assets (excluding interest)	(1.31)	7.86
<b>Total actuarial loss/(gain) recognised in OCI</b>	<b>146.02</b>	<b>3.39</b>

##### (iii) Movement in the defined benefit obligation during the year is as under:

Description	31st March 2020	31st March 2019
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>889.28</b>	<b>768.34</b>
Current service cost	135.82	126.40
Interest cost	69.17	61.46
Actuarial loss/(gain) recognised during the year	155.24	(26.13)
Benefits paid	(42.82)	(40.79)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,206.69</b>	<b>889.28</b>

##### (iv) Change in fair value of assets:

Description	31st March 2020	31st March 2019
<b>Fair value of plan assets at the beginning of the year</b>	<b>366.40</b>	<b>365.50</b>
Interest income plan assets	29.19	28.43
Actual contributions	179.47	21.53
Actuarial Gains/(Losses)	1.32	(8.26)
Benefits paid	(42.82)	(40.79)
<b>Fair value of plan assets at the end of the year</b>	<b>533.56</b>	<b>366.40</b>

##### (v) Actuarial assumptions

Description	31st March 2020	31st March 2019
Discount rate	5.74% to 6.78%	7.51% to 7.74%
Retirement age	58 years	58 years
Employee turnover:		
- Upto 30 years	7.00% to 23.00%	10.00% to 12.30%
- From 31 to 44 years		
- Above 44 years		
Rate of increase in compensation	4.00% to 9.00%	5.00% to 7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### (vi) Movement in net liability recognised in balance sheet

Description	31st March 2020	31st March 2019
Defined benefit obligation	1,206.69	889.28
Fair value of plan assets	(533.56)	(366.40)
<b>Liability recognised in the balance sheet</b>	<b>673.13</b>	<b>522.88</b>

### (vii) Sensitivity analysis for gratuity liability

Description	31st March 2020	31st March 2019
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	1,206.69	889.28
- Impact due to increase of 1 %	(46.39)	(45.15)
- Impact due to decrease of 1 %	52.53	50.64
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	1,206.69	889.28
- Impact due to increase of 1 %	48.54	45.35
- Impact due to decrease of 1 %	(45.43)	(41.54)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

### (viii) Maturity profile of defined benefit obligation (undiscounted)

Description	31st March 2020	31st March 2019
Within next 12 months	242.65	92.67
Between 2-5 years	445.54	391.80
Between 6-10 years	434.21	403.59

### (ix) Composition of plan assets

Description	31st March 2020	31st March 2019
The scheme is funded through an 'Approved Trust'. The Trust has taken a Policy from the Life Insurance Corporation of India (LIC) and Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited. The management of the fund is undertaken by the LIC.	533.56	366.40

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### B Compensated absences

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

#### (i) Actuarial assumptions

Description	31st March 2020	31st March 2019
Discount rate	5.74% to 6.78%	7.51% to 7.74%
Future basic salary increase	4.00% to 9.00%	5.00% to 7.00%
Employee turnover/ Withdrawal rate	7.00% to 23.00%	10.00% to 12.30%
Leave availment ratio	2.00%	2.00%
Retirement age	58 years	58 years

#### Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.

### C Provident fund and ESI fund

Contribution made by the Group towards Provident fund during the year is ₹ 311.00 (31st March 2019: ₹ 271.79)

Contribution made by the Group towards Employee state insurance fund during the year is ₹ 39.67 (31st March 2018: ₹ 53.66)

#### 401 (k) Plan

In January 2011, LT Foods Americas, Inc. established a 401 (k) Plan. All employees who meet the age and length of service requirements are eligible to participate in the plan. For the years ended March 31 2020, and 2019, LT Foods Americas, Inc.'s contributed approximately ₹ 110.58 and ₹ 102.04 respectively.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 49 Fair value disclosures

#### i) Financial instruments by category

Particulars	31st March 2020			31st March 2019		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*	487.55	-	-	382.73	-	-
Security deposits	-	-	1,076.09	-	-	1,697.43
Trade receivables	-	-	61,963.31	-	-	53,487.10
Cash and cash equivalents	-	-	1,913.61	-	-	2,919.52
Margin Money recoverable	573.44	-	-	-	-	-
Other bank balances	-	-	578.20	-	-	847.33
Derivative asset	0.99	-	-	2,169.59	-	-
Other financial assets	-	-	15,528.89	-	-	15,046.64
<b>Total</b>	<b>1,061.98</b>	<b>-</b>	<b>81,060.10</b>	<b>2,552.32</b>	<b>-</b>	<b>73,998.02</b>
<b>Financial liabilities</b>						
Borrowings	-	-	1,48,865.04	-	-	1,69,153.40
Trade payable	-	-	26,082.85	-	-	28,382.76
Lease liability	-	-	27,807.75	-	-	-
Derivative liabilities	1,973.23	-	-	-	-	-
Other financial liabilities	-	-	4,658.68	-	-	10,777.74
<b>Total</b>	<b>1,973.23</b>	<b>-</b>	<b>2,07,414.32</b>	<b>-</b>	<b>-</b>	<b>2,08,313.91</b>

\*Investment in equity instrument of Joint venture and associates have been accounted using equity method of accounting and hence, not presented here.

#### ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

31st March 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at FVTPL</b>				
Keyman insurance policies	-	352.29	-	352.29
Equity instruments - Quoted	0.21	-	-	0.21
Equity instruments - Unquoted	-	-	135.05	135.05
Margin Money recoverable	-	573.44	-	573.44
Derivative asset	-	0.99	-	0.99
<b>Total financial assets</b>	<b>0.21</b>	<b>926.72</b>	<b>135.05</b>	<b>1,061.98</b>
<b>Financial liabilities</b>				
Derivative liabilities	-	1,973.23	-	1,973.23
<b>Total financial liabilities</b>	<b>-</b>	<b>1,973.23</b>	<b>-</b>	<b>1,973.23</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

31st March 2019	Level 1	Level 2	Level 2	Total
<b>Financial assets</b>				
<b>Investments at FVTPL</b>				
Keyman insurance policies	-	246.99	-	246.99
Equity instruments - Quoted	0.69	-	-	0.69
Equity instruments - Unquoted	-	-	135.05	135.05
Derivative asset	-	2,169.59	-	2,169.59
<b>Total financial assets</b>	<b>0.69</b>	<b>2,416.58</b>	<b>135.05</b>	<b>2,552.32</b>

#### Valuation process and technique used to determine fair value

- (i) The fair value of investments in government securities and quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
- (ii) In order to arrive at the fair value of unquoted investments, the Group obtains independent valuations. The techniques used by the valuer are as follows:
- Asset approach - Net assets value method
  - Income approach - Discounted cash flows ("DCF") method
  - Market approach - Enterprise value/Sales multiple method
- (iii) Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India, Max New York Life Insurance Company Limited, SBI Life Insurance Company Limited, Star Union Dai-ichi Life Insurance and Canara HSBC OBC Life Insurance which represents surrender value for the investors.

#### Derivative financial assets/liabilities:

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

#### (iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	31st March 2020		31st March 2019	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Security deposit	Level 3	1,076.09	1,076.09	1,697.43	1,697.43
Loan to others	Level 3	573.58	573.58	-	-
Loan to employees	Level 3	151.45	151.45	97.19	97.19
Other financial assets	Level 3	79,258.98	79,258.98	72,203.40	72,203.40
<b>Total financial assets</b>		<b>81,060.10</b>	<b>81,060.10</b>	<b>73,998.02</b>	<b>73,998.02</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	1,48,865.04	1,48,865.04	1,69,153.40	1,69,153.40
Trade payables	Level 3	26,082.85	26,082.85	28,382.76	28,382.76
Lease Liabilities	Level 3	27,807.75	27,807.75	-	-
Other financial liabilities	Level 3	4,658.68	4,658.68	10,777.75	10,777.75
<b>Total financial liabilities</b>		<b>2,07,414.32</b>	<b>2,07,414.32</b>	<b>2,08,313.91</b>	<b>2,08,313.91</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

The management assessed that security deposits, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

### 50 Financial risk management

#### i) Risk management framework

The Group's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Aging analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (₹)	Cash flow forecasting	Forward contract and hedging.
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Group presently does not make any significant investments in equity shares.

The Group's risk management is carried out by a central treasury department (of the Group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

#### A) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

- loans and receivables carried at amortised cost, and
- deposits with banks

#### a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low

B: Medium

C: High

Assets under credit risk –

Credit rating	Particulars	31st March 2020	31st March 2019
A: Low	Loans	1,895.63	1,882.23
	Investments	487.55	382.73
	Cash and cash equivalents	1,913.61	2,919.52
	Other bank balances	578.20	847.33
	Other financial assets	15,283.78	17,031.43
	Trade receivables	61,963.31	53,487.10
C: High	Trade receivables	728.37	44.36

#### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### Trade receivables

The Group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

#### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	31st March 2020			31st March 2019		
	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision	Gross carrying amount	Expected probability of default	Carrying amount net of impairment provision
Cash and cash equivalents	1,913.61	0.00%	1,913.61	2,919.52	0.00%	2,919.52
Other bank balances	578.20	0.00%	578.20	847.33	0.00%	847.33
Loans	1,895.63	0.00%	1,895.63	1,882.24	0.00%	1,882.24
Other financial assets	15,283.78	0.00%	15,283.78	17,031.43	0.00%	17,031.43

### Expected credit loss for trade receivables under simplified approach

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). Trade receivables are subject to credit limits, controls and approvals processes. Based on the historical experience, the risk of default in case of trade receivables is low.

Particulars	0-1 Year	1-3 Year
<b>As at 31st March 2020</b>		
Trade receivables	61,963.31	728.37
Default rate	-	100.00%
Expected credit loss	-	728.37
<b>As at 31st March 2019</b>		
Trade receivables	53,487.10	44.36
Default rate	-	100.00%
Expected credit loss	-	44.36

### Reconciliation of loss allowance

	Trade receivables
Loss allowance on 1st April 2018	10.44
Add (Less): Changes in loss allowances	33.92
<b>Loss allowance on 31st March 2019</b>	<b>44.36</b>
Add (Less): Bad debts written off	(7.92)
Add (Less): Changes in loss allowances	691.93
<b>Loss allowance on 31st March 2020</b>	<b>728.37</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group takes into account the liquidity of the market in which the entity operates.

#### a) Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31st March 2020	31st March 2019
- Expiring within one year (cash credit and other facilities)	30,641.14	22,005.83
- Expiring beyond one year (term loans)	-	-
	<b>30,641.14</b>	<b>22,005.83</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

#### Maturities of financial liabilities (excluding interest)

The tables below analyse the Group's financial liabilities into relevant maturity of Group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

31st March 2020	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	1,25,852.80	7,473.21	15,539.02	1,48,865.04
Security deposit received	11.50	7.00	-	18.50
Lease liabilities	2,887.62	5,387.00	19,533.13	27,807.75
Trade payable	25,870.48	212.37	-	26,082.85
Other financial liabilities	4,473.17	167.01	-	4,640.18
<b>Total</b>	<b>1,59,095.57</b>	<b>13,246.59</b>	<b>35,072.15</b>	<b>2,07,414.32</b>

31st March 2019	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	1,43,690.39	9,184.66	16,278.35	1,69,153.40
Security deposit received	11.50	7.00	-	18.50
Trade payable	28,382.76	-	-	28,382.76
Other financial liabilities	10,759.25	-	-	10,759.25
<b>Total</b>	<b>1,82,843.90</b>	<b>9,191.66</b>	<b>16,278.35</b>	<b>2,08,313.91</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return..

#### a) Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Group's policy is to hedge the risk of changes in foreign currency. The Group uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Group designate both change in spot and forward element of forward contracts and change in spot of PCFCs to hedge exposure in foreign currency risk on highly probable forecast sales.

#### (i) Exposure to currency risk:

The Groups exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows

Particulars	In foreign currency		In ₹	
	31st March 2020	31st March 2019	31st March 2020	31st March 2019
<b>Financial assets</b>				
<b>Trade receivables</b>				
EURO	56.77	50.90	4,716.70	3,954.69
USD	272.80	228.48	20,639.82	15,805.07
GBP	2.37	1.29	221.46	117.10
<b>Foreign exchange derivative contracts</b>				
EURO	(305.44)	(65.00)	(25,377.57)	(5,050.66)
USD	(510.99)	(485.50)	(38,661.70)	(33,582.66)
GBP	(7.00)	-	(654.84)	-
<b>Financial liabilities</b>				
<b>Trade payables</b>				
EURO	5.04	1.62	418.81	125.35
USD	2.72	6.88	205.84	469.98
SGD	0.51	-	25.71	-
<b>Preshipment credit</b>				
USD	457.62	257.66	34,623.42	17,822.87
<b>Bill discounted</b>				
USD	14.86	-	1,124.06	-
<b>Net exposure:</b>				
EURO	(253.71)	(15.72)	(21,079.69)	(1,221.32)
USD	(713.39)	(521.57)	(53,975.21)	(36,070.43)
GBP	(4.63)	1.29	(433.38)	117.10
SGD	(0.51)	-	(25.71)	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	31st March 2020	31st March 2019
EURO	83.09	77.70
USD	75.66	69.17
GBP	93.55	90.48
SGD	50.55	-

#### (a) Disclosure of effects of hedge accounting on financial position

As at 31st March 2020

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
	<b>Cash flow hedge</b>								
Foreign currency risk									
(i) Foreign exchange forward contracts	64,694.12	-	1.90	1,975.13	30th April 2020 - 23th March 2021	1:1	USD: ₹ 74.05 EURO: ₹ 83.40 GBP: ₹ 95.16	(1,973.22)	671.22
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	34,623.42	-	23,473.62	21st April 2020 - 26th February 2021	1:1	USD: ₹ 71.89	684.51	(704.34)



## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### As at 31st March 2019

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	38,633.32	-	1,639.89	-	30th April 2019 - 31st January 2020	1:1	USD: ₹ 72.88 EURO: ₹ 84.22	1,639.89	(1,626.84)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	17,822.87	-	17,822.87	30th April 2019 - 30th September 2019	1:1	USD: ₹ 70.50	526.82	(522.10)

### (b) Disclosure of effects of hedge accounting on financial performance

#### For the year ended 31st March 2020

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Foreign exchange forward contracts	(30.66)	(8.39)	(899.19)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	1,799.48	(5.75)	(481.13)	Revenue and other income

#### For the year ended 31st March 2019

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Foreign exchange forward contracts	1,104.01	0.25	(1,750.26)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	(448.27)	4.72	(2,569.18)	Revenue and other income

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

The Group hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For forward contracts, hedge effectiveness is measured using hypothetical derivative method. Ineffectiveness is measured by comparing the change in the fair value of the actual derivative i.e. forward contracts designated as the hedging instrument and the change in the fair value of a hypothetical derivative representing the hedged item i.e. highly probable forecast sales. Hypothetical derivative matches the critical terms i.e. maturity date, currency and amount of highly probable forecast sales.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arised in the hedges have been disclosed in above table.

### (c) Movements in cash flow hedging reserve

Particulars	Amount
<b>As at 1st April 2018</b>	-
Add: Changes in fair value of forward contracts	(129.25)
Add: Changes in fair value of forward PCFCs	(1,968.75)
Less: Amount reclassified to profit or loss	4,319.43
Less: Tax relating to above (net)	(776.25)
<b>As at 31st March 2019</b>	<b>1,445.18</b>
<b>As at 1st April 2019</b>	<b>1,445.18</b>
Add: Changes in fair value of forward contracts	(1,534.83)
Add: Changes in fair value of forward PCFCs	(1,731.42)
Less: Amount reclassified to profit or loss	(871.54)
Less: Tax relating to above (net)	1,683.34
Change during the year ended 31st March 2020	(3,899.61)
<b>As at 31st March 2020</b>	<b>(2,454.43)</b>

The Outstanding forward exchange contracts in ₹ as at the end of the year entered by the Group for the purpose of hedging its foreign currency exposures are as follows:

Currency	31st March 2020	31st March 2019
EURO	25,377.57	5,506.83
USD	38,661.70	36,984.77
GBP	654.84	-
<b>Total</b>	<b>64,694.12</b>	<b>42,491.60</b>

### Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at 31st March 2020 and 31st March 2019 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Impact on profit after tax		Impact on equity	
	31st March 2020	March 31st 2019	31st March 2020	March 31st 2019
Trade receivables				
EURO sensitivity				
INR/EURO increase by 100 bps (31st March 2019 100 bps)*	35.30	25.73	-	-
INR/EURO decrease by 100 bps (31st March 2019 100 bps)*	(35.30)	(25.73)	-	-
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	154.45	102.82	-	-
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	(154.45)	(102.82)	-	-
GBP sensitivity				
INR/GBP increase by 100 bps (31st March 2019 100 bps)*	1.66	0.76	-	-
INR/GBP decrease by 100 bps (31st March 2019 100 bps)*	(1.66)	(0.76)	-	-
Foreign exchange derivative contracts				
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	-	-	(289.31)	(218.48)
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	-	-	289.31	218.48
EURO sensitivity				
INR/EURO increase by 100 bps (31st March 2019 100 bps)*	-	-	(189.91)	(32.86)
INR/EURO decrease by 100 bps (31st March 2019 100 bps)*	-	-	189.91	32.86
GBP sensitivity				
INR/GBP increase by 100 bps (31st March 2019 100 bps)*	-	-	(4.90)	-
INR/GBP decrease by 100 bps (31st March 2019 100 bps)*	-	-	4.90	-
Trade payables				
EURO sensitivity				
INR/EURO increase by 100 bps (31st March 2019 100 bps)*	3.13	0.82	-	-
INR/EURO decrease by 100 bps (31st March 2019 100 bps)*	(3.13)	(0.82)	-	-
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	1.54	3.06	-	-
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	(1.54)	(3.06)	-	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Impact on profit after tax		Impact on equity	
	31st March 2020	March 31st 2019	31st March 2020	March 31st 2019
SGD sensitivity				
INR/SGD increase by 100 bps (31st March 2019 100 bps)*	0.19	-	-	-
INR/SGD decrease by 100 bps (31st March 2019 100 bps)*	(0.19)	-	-	-
Preshipment credit				
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	-	-	259.09	115.95
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	-	-	(259.09)	(115.95)
Bill discounted				
USD sensitivity				
INR/USD increase by 100 bps (31st March 2019 100 bps)*	8.41	-	-	-
INR/USD decrease by 100 bps (31st March 2019 100 bps)*	(8.41)	-	-	-

\* Holding all other variables constant

### b) Interest rate risk

#### i) Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At 31st March 2020, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits all pay fixed interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	31st March 2020	31st March 2019
Variable rate borrowing	86,035.35	1,04,028.19
Fixed rate borrowing	62,829.69	65,125.21
<b>Total borrowings</b>	<b>1,48,865.04</b>	<b>1,69,153.40</b>

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	31st March 2020	31st March 2019
<b>Total borrowings</b>		
-Impact due to increase of 50 basis points*	(321.91)	(338.38)
-Impact due to decrease of 50 basis points*	321.91	338.38

\*Holding all other variable constant

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### ii) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### c) Price risk exposure

The Group's exposure price risk arises from investments held and classified in the balance sheet as fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

#### Sensitivity

The table below summarises the impact of increases/decreases of the index on the Group's equity and profit for the period:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Key man Insurance</b>	352.29	246.99
Net assets value – increase by 100 basis points (31st March 2019: 100 basis points)	2.64	1.61
Net assets value – decrease by 100 basis points (31st March 2019: 100 basis points)	(2.64)	(1.61)
<b>Unquoted equity instruments</b>	0.21	0.69
Market price – increase by 100 basis points (31st March 2019: 100 basis points)	0.00	0.00
Market price – decrease by 100 basis points (31st March 2019: 100 basis points)	(0.00)	(0.00)

## 51 Capital management

The Group's capital management objectives are

- to ensure the Group's ability to continue as a going concern
- to provide an adequate return to shareholders

The Group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Group's adjusted net debt to equity ratio is as follows:

Particulars	31st March 2020	31st March 2019
Total borrowings	1,48,865.04	1,69,153.40
Less : cash and cash equivalents	1,913.61	2,919.52
<b>Net debt</b>	<b>1,46,951.43</b>	<b>1,66,233.88</b>
Total equity	1,48,133.37	1,32,912.19
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.99</b>	<b>1.25</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### Dividends

Particulars	31st March 2020	31st March 2019
<b>Equity shares</b>		
<b>(i) Final Dividend</b>		
For the year ended 31st March 2019 of ₹ 0.15 per share (excluding tax)	479.77	-
For the year ended 31st March 2018 of ₹ 0.15 per share (excluding tax)	-	479.77
<b>(ii) Interim Dividend</b>		
For the year ended 31st March 2020 of ₹ 0.50 per share (excluding tax)	1,599.22	-
<b>(ii) Proposed Dividend</b>		
For the year ended 31st March 2019 of ₹ 0.15 per share (excluding tax)	-	479.77

This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

## 52 Related party disclosures

The Group's related party transactions and outstanding balances are with its subsidiaries, associates and joint venture, key management and others as described below.

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

#### a) Associates

Raghuvesh Agri Foods Private Limited  
Raghuvesh Warehousing Private Limited  
Raghuvesh Infrastructure Private Limited

#### b) Joint Venture

Genoa Rice Mills Private Limited (upto 27th September 2019)  
Daawat Kameda India Private Limited

### B. Key Management Personnel and their relatives

#### -Key Management Personnel

Name	Designation
Mr. Vijay Kumar Arora	Managing Director
Mr. Surinder Kumar Arora	Managing Director
Mr. Ashwani Kumar Arora	Managing Director
Mr. Ashok Kumar Arora	President-Punjab Operations
Mr. Gokul Patnaik	Director
Mr. Suparas Bhandari	Director
Ms. Neeru Singh	Director (w.e.f 17th March 2020)
Mr. Pramod Bhagat	Director (upto 6th February 2020)
Ms. Radha Singh	Director (upto 6th February 2020)
Mr. Rajesh Kumar Srivastava	Nominee Director

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### -Relatives of Key Management Personnel (with whom transactions have taken place during the year or previous year)

Name	Designation
Mr. Abhinav Arora	Relative of Managing Director
Mr. Aditya Arora	Relative of Key management personnel
Mr. Gursajan Arora	Relative of Joint Managing Director
Mr. Ritesh Arora	Relative of Joint Managing Director
Mr. Anmol Arora	Relative of Joint Managing Director
Ms. Divya Arora	Relative of Key management personnel
Ms. Parvesh Rani	Relative of Key management personnel
Ms. Ranju Arora	Relative of Managing Director
Mr. Vaneet Arora	Relative of Key management personnel
Ms. Sakshi Arora	Relative of Managing Director
Ms. Anita Arora	Relative of Key management personnel
Mr. Munish Kumar Arora	Relative of Key management personnel
Ms. Vandana Arora	Relative of Managing Director

### Entities in which Key Management Personnel have significant influence and with whom transactions have taken place during the year

V K Foods
S K Engineering
R. S Rice & General Mills
Ashok Arora HUF
Raghunath Arora HUF
Super Texfab Private Limited
Raam Multisolvexindia Private Limited
Deva Singh Sham Singh Exports Private Limited
UIPL Innovations Private Limited (from 1st May 2019)
Oswal Woollen Mills Limited
Global Foods Trading Gmbh
L T F Food Trading LLC
Sidhu Food B.V.

### Transactions with key management persons and their relatives and joint ventures

Particulars	31st March 2020	31st March 2019
<b>Sales</b>		
Daawat Kameda India Private Limited	23.47	-
Raam Multisolvexindia Pvt. Ltd	-	447.73
Oswal Woollen Mills Limited	302.75	-
Global Foods Trading Gmbh	6,043.12	-
L T F Food Trading LLC	16.87	-
Sidhu Food B.V.	287.81	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	31st March 2020	31st March 2019
<b>Purchases</b>		
Super Texfab Private Limited	1,914.39	2,345.89
UIPL Innovations Private Limited	136.57	-
Genoa Rice Mills Private Limited	-	1,132.46
Daawat Kameda India Private Limited	63.26	56.15
Raam Multisolvexindia Pvt. Ltd	-	359.70
<b>Transactions with key management personnel</b>		
<b>Directors remuneration (excluding long term employee benefit)</b>		
Mr. Vijay Kumar Arora	273.22	211.61
Mr. Ashwani Kumar Arora	211.21	211.21
Mr. Surinder Kumar Arora	211.21	211.21
Mr. Ashok Kumar Arora	207.80	216.84
<b>Short term benefits</b>	<b>903.44</b>	<b>850.87</b>
<b>Defined benefit obligation for KMP (Gratuity )</b>		
Mr. Vijay Kumar Arora	20.00	20.00
Mr. Ashwani Kumar Arora	15.19	2.21
Mr. Surinder Kumar Arora	0.08	0.99
Mr. Ashok Kumar Arora	-	9.72
<b>Post retirement benefits</b>	<b>35.27</b>	<b>32.92</b>
<b>Compensated absences</b>		
Mr. Vijay Kumar Arora	10.31	9.73
Mr. Ashwani Kumar Arora	4.81	2.23
Mr. Surinder Kumar Arora	6.36	8.76
Mr. Ashok Kumar Arora	6.19	9.36
<b>Long term benefits</b>	<b>27.67</b>	<b>30.08</b>
<b>Relatives of key management personnel</b>		
Mr. Abhinav Arora	425.26	517.18
Mr. Aditya Arora	99.99	113.48
Mr. Anmol Arora	49.03	50.87
Mr. Gursajan Arora	139.01	137.04
Mr. Ritesh Arora	48.74	40.94
Mrs. Divya Arora	38.01	-
<b>Dividend paid</b>		
Dividend paid to key management personnel	587.46	127.72
Dividend paid to relatives of key management personnel	580.33	141.01
<b>Sitting Fee</b>		
Mrs .Ranju Arora	0.40	2.04
<b>Reimbursement of expenses received</b>		
Daawat Kameda India Private Limited	370.72	-
Raghuvesh Infrastructure Private Limited	11.57	-
UIPL Innovations Private Limited	6.43	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	31st March 2020	31st March 2019
<b>Rent expense</b>		
Raghuvesh Agri Foods Private Limited	18.00	18.00
R S Rice & General Mills	20.00	8.00
<b>Rental income</b>		
Daawat Kameda India Private Limited	188.94	-
<b>Interest expense</b>		
Ashok Arora HUF	-	0.28
Raghunath Arora HUF	-	0.14
Ranju Arora	-	1.32
Sakshi Arora	-	0.24
<b>Investment in joint ventures</b>		
Daawat Kameda India Private Limited	-	2,234.79
<b>Interest income on inter-corporate deposits</b>		
Genoa Rice Mills Private Limited	-	64.58
<b>Loan granted</b>		
Genoa Rice Mills Private Limited	-	545.54
Raghuvesh Agri Foods Private Limited	328.49	-
Raghuvesh Warehousing Private Limited	245.09	-
<b>Loan repaid</b>		
Genoa Rice Mills Private Limited	-	1,095.54
<b>Director sitting fees</b>		
Mr. Gokul Patnaik	6.55	4.75
Mr. Supras Bhandari	4.60	3.40
Mr. Pramod Bhagat	8.95	8.75
Ms. Radha Singh	6.95	6.75

Mr. Vijay Kumar Arora, Mr. Ashwini Kumar Arora, and Mr. Surinder Kumar Arora, the Directors have given personal guarantees against borrowings (except vehicles loans) availed by the Group as disclosed under:

Particulars	As at 31st March 2020	As at 31st March 2019
Long-term borrowings	-	1,418.98
Short-term borrowings	93,172.99	1,11,104.35

Particulars	31st March 2020	31st March 2019
<b>Balances at the year-end {(payable)/ receivable}</b>		
Ashok Arora HUF	-	(8.75)
V K Foods	(4.92)	(4.93)
S K Engineering	-	(0.51)
Raam Multisolvexindia Pvt. Ltd	-	173.31
Super Texfab Private Limited	(633.30)	(557.04)
Genoa Rice Mills Private Limited	-	(72.14)
Raghuvesh Infrastructure Private Limited	(117.29)	92.10

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Particulars	31st March 2020	31st March 2019
Raghuvesh Agri Foods Private Limited	319.95	328.49
Raghuvesh Warehousing Private Limited	245.50	245.09
Daawat Kameda India Private Limited	26.81	(9.06)
UIPL Innovations Private Limited	(11.15)	-
R S Rice & General Mills	(27.64)	-
Oswal Woollen Mills Limited	11.11	-
L T F Food Trading LLC	21.83	45.69
Vijay Kumar Arora	(0.14)	(7.27)
Ashwani Kumar Arora	(0.09)	(12.04)
Ashok Kumar Arora	-	0.95
Gursajan Arora	104.56	221.04

### 53 Segment reporting

The business activity of the Group predominantly fall within a single reportable business segment viz. manufacture and storage of rice. There are no separate reportable business segments. As part of reporting for geographical segments, the Group operates in three principal geographical areas of the world, i.e., India, America and other countries (Rest of the world). The aforesaid is in line with review of operating results by the chief operating decision maker.

### Information about products and services

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue from external customers</b>		
Rice	3,82,167.74	3,57,103.83
Others	30,777.63	30,140.15
Other operating revenue	1,666.22	1,799.24
Other income	3,788.19	2,410.11
<b>Total</b>	<b>4,18,399.78</b>	<b>3,91,453.32</b>

### Information about geographical areas

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenues from external customers</b>		
In India	1,46,205.32	1,42,175.36
In America	1,56,701.35	1,36,384.40
Others	1,15,493.11	1,12,893.57

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Non current assets located</b>		
In India	45,053.79	44,132.29
In America	35,364.08	13,896.36
Others	19,392.15	13,997.15

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 54 Deferred government grants

Particulars	31st March 2020	31st March 2019
<b>At the beginning of the year</b>	<b>401.78</b>	<b>488.61</b>
Received during the year	411.02	-
Released to the Statement of Profit and Loss	482.24	86.82
<b>At the end of the year</b>	<b>330.56</b>	<b>401.78</b>

Particulars	31st March 2020		31st March 2019	
	Current	Non-current	Current	Non-current
Government grants	44.19	286.37	57.21	344.57

**55** There are numerous interpretive issues relating to the Hon'ble Supreme Court (SC) judgement dated 28th February 2019 on provident fund on which the Group has obtained legal advice specifically on the retrospective applicability of the same. The Group has started recognising such expenditure/liability on account of enhanced provident fund contributions prospectively. Pending further clarification on the applicability of such ruling and on basis of the legal opinion so obtained, the management is of the view that such ruling is applicable prospectively.

### 56 Assets pledged as security

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Non-current asset</b>		
<b>First charge</b>		
Property, plant and equipments	20,087.42	20,697.41
Other financial assets	600.67	-
<b>Total non-current asset pledged as security</b>	<b>20,688.09</b>	<b>20,697.41</b>
<b>Current assets</b>		
<b>First charge</b>		
<i>Pari-passu</i>		
Inventories	1,59,463.19	1,52,881.03
Trade receivables*	58,211.31	41,712.78
Cash and cash equivalents	440.69	364.80
Other bank balances	117.52	-
Loans	709.87	4.90
Other financial assets	1,016.18	751.50
Other current assets	11,248.48	-
<b>Total current asset pledged as security</b>	<b>2,31,207.24</b>	<b>1,95,715.01</b>
<b>Total assets pledged as security</b>	<b>2,51,895.33</b>	<b>2,16,412.42</b>

Note:- \* Trade receivables amount is after inter company eliminations.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint ventures

Set out below are the associates and joint ventures of the Group as at 31st March 2020 which, in the opinion of the directors, are material to the Group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Particulars	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					As at 31st March 2020	As at 31st March 2019
Raghuvesh Warehousing Private Limited	India	40.00%	Associate	Equity method	457.85	493.64
Raghuvesh Agri Foods Private Limited	India	40.00%	Associate	Equity method	389.36	470.91
Raghuvesh Infrastructure Private Limited	India	30.00%	Associate	Equity method	-	-
Daawat Kameda India Private Limited	India	51.00%	Joint venture	Equity method	2,000.88	2,258.88
<b>Total equity accounted investments</b>					<b>2,848.09</b>	<b>3,223.43</b>

**Note:** During the current year the Company has sold its share in the Joint Venture (JV) Geno Rice Mills Private Limited in September 2019 however the agreement to terminate the JV was entered in the previous year 2018-19. Hence no figures related to the financial figures of the said JV are reportable.

### Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not LT Foods Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Balance sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Non-current assets</b>						
Property, plant and equipment	-	-	0.46	0.12	-	-
Other Intangible Assets	84.62	191.85	216.33	477.94	1,320.82	1,320.82
Financial assets						
Other financial assets	1,311.98	1,525.22	1,311.98	1,525.22	-	-
Income tax assets	108.22	68.22	112.97	86.57	87.54	46.20
Deferred tax assets	112.92	146.49	236.66	228.87	0.02	0.02
<b>Total Non-current assets</b>	<b>1,617.74</b>	<b>1,931.78</b>	<b>1,878.40</b>	<b>2,318.71</b>	<b>1,408.38</b>	<b>1,367.04</b>
<b>Current assets</b>						

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

Balance sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Financial assets</b>						
Trade receivables	135.87	119.22	120.01	136.92	40.56	185.49
Cash and cash equivalents	15.49	12.42	9.09	(0.23)	81.50	19.22
Loans	3.36	4.72	2.08	3.16	6.57	6.57
Other financial assets	213.39	177.99	213.24	177.62	0.37	-
Other assets	72.58	38.11	1.18	9.80	13.06	11.70
<b>Total current assets</b>	<b>440.67</b>	<b>352.47</b>	<b>345.59</b>	<b>327.27</b>	<b>142.07</b>	<b>222.98</b>
<b>Non-current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	394.52	716.94	613.69	923.06	-	-
Other liabilities	-	-	-	-	293.00	427.96
<b>Total non-current liabilities</b>	<b>394.52</b>	<b>716.94</b>	<b>613.69</b>	<b>923.06</b>	<b>293.00</b>	<b>427.96</b>
<b>Current liabilities</b>						
<b>Financial liabilities</b>						
Borrowings	60.00	60.00	50.00	50.00	-	-
Trade payables	0.47	2.12	1.53	8.44	-	-
Other financial liabilities	191.58	58.77	175.96	43.19	371.51	954.69
Other liabilities	267.23	212.30	409.46	444.07	942.84	346.90
<b>Total current liabilities</b>	<b>519.27</b>	<b>333.20</b>	<b>636.96</b>	<b>545.71</b>	<b>1,314.34</b>	<b>1,301.59</b>
<b>Net assets</b>	<b>1,144.63</b>	<b>1,234.11</b>	<b>973.34</b>	<b>1,177.21</b>	<b>(56.91)</b>	<b>(139.53)</b>

Balance sheet	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Private Limited	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Non-current assets</b>				
Property, plant and equipment	-	11.32	1,711.04	6.83
Capital work-in-progress	-	-	-	190.76
Other intangible assets	-	0.16	-	-
Financial assets	-	-	-	-
Loans	-	-	4.24	0.10
Other financial assets	-	-	-	-
Other assets	-	0.44	30.10	407.67
Non current tax assets	-	-	31.35	13.60
<b>Total non-current assets</b>	<b>-</b>	<b>11.92</b>	<b>1,776.73</b>	<b>618.96</b>
<b>Current assets</b>				
Inventories	-	-	54.71	37.82
Financial assets	-	-	-	-
Trade receivables	-	694.66	54.95	20.04
Cash and cash equivalents	-	58.65	419.70	1,412.29

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Balance sheet	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Private Limited	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Other bank balances	-	-	1,641.17	2,613.41
Other financial assets	-	125.30	-	-
Other assets	-	0.40	454.29	87.19
Current tax assets (net)	-	-	-	-
<b>Total current assets</b>	<b>-</b>	<b>879.01</b>	<b>2,624.82</b>	<b>4,170.75</b>
<b>Non-current liabilities</b>				
Financial liabilities	-	-	-	-
Provisions	-	1.64	2.80	-
Other liabilities	-	-	-	-
<b>Total non-current liabilities</b>	<b>-</b>	<b>1.64</b>	<b>2.80</b>	<b>-</b>
<b>Current liabilities</b>				
<b>Financial liabilities</b>				
Borrowings	-	777.40	-	-
Trade payables	-	433.14	16.52	13.25
Other financial liabilities	-	169.12	173.78	101.31
Other current liabilities	-	23.72	56.96	17.91
Provisions	-	0.03	0.15	-
<b>Total current liabilities</b>	<b>-</b>	<b>1,403.41</b>	<b>247.41</b>	<b>132.47</b>
<b>Net assets</b>	<b>-</b>	<b>(514.12)</b>	<b>4,151.34</b>	<b>4,657.24</b>

### Reconciliation to carrying amounts

Summarised balance sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
Opening net assets	1,234.11	1,110.70	1,177.22	1,035.43	(139.53)	(16.64)
Profit/(loss) for the year	(89.48)	123.41	(203.88)	141.79	82.63	(122.89)
Other comprehensive income	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
<b>Closing net assets</b>	<b>1,144.63</b>	<b>1,234.11</b>	<b>973.34</b>	<b>1,177.22</b>	<b>(56.90)</b>	<b>(139.53)</b>
Group's share in %	40%	40%	40%	40%	30%	30%
Group's share in ₹	457.85	493.64	389.36	470.91	(17.07)	(41.86)
Group's share of loss for the year adjusted through investment	(0.00)	-	0.00	0.00	17.07	41.86
<b>Carrying amount</b>	<b>457.85</b>	<b>493.64</b>	<b>389.36</b>	<b>470.91</b>	<b>-</b>	<b>-</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

Summarised balance sheet	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Private Limited	
	As at 31st March 2020	As at 31st March 2019	As at 31st March 2020	As at 31st March 2019
<b>Opening net assets</b>	-	(326.54)	4,657.24	257.58
Increase in equity share capital	-	-	-	4,610.00
Profit for the year	-	(187.58)	(505.90)	(210.34)
Other comprehensive income	-	-	-	-
Dividends paid	-	-	-	-
<b>Closing net assets</b>	-	<b>(514.12)</b>	<b>4,151.34</b>	<b>4,657.24</b>
Group's share in %	-	50%	51%	51%
Group's share in ₹	-	(257.06)	2,117.19	2,375.19
Goodwill	-	257.06	-	-
<b>Carrying amount</b>	-	-	<b>2,117.19</b>	<b>2,258.88</b>

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Revenue</b>						
Revenue from operations	246.86	276.10	244.42	290.64	-	-
Other income	0.80	100.11	0.60	141.98	520.70	352.54
<b>Total income</b>	<b>247.66</b>	<b>376.22</b>	<b>245.02</b>	<b>432.62</b>	<b>520.70</b>	<b>352.54</b>
<b>Expenses</b>						
Costs of services rendered	-	-	-	-	-	-
Purchase of stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	-	-	-	-	-
Employee benefit expense	11.44	13.20	14.47	15.20	85.25	75.45
Depreciation and amortisation expense	107.23	-	268.80	92.17	-	-
Finance costs	59.94	74.86	77.51	0.10	83.67	102.91
Other expenses	124.96	71.12	95.90	87.25	221.03	297.06
<b>Total expenses</b>	<b>303.57</b>	<b>159.18</b>	<b>456.69</b>	<b>194.72</b>	<b>389.95</b>	<b>475.43</b>
<b>Profit before tax</b>	<b>(55.91)</b>	<b>217.04</b>	<b>(211.67)</b>	<b>237.90</b>	<b>130.75</b>	<b>(122.89)</b>
Current tax expense	33.57	21.32	-	16.46	48.12	-
Deferred tax expense	-	72.31	(7.79)	79.65	-	-
<b>Profit/(loss) for the year</b>	<b>(89.48)</b>	<b>123.41</b>	<b>(203.88)</b>	<b>141.79</b>	<b>82.63</b>	<b>(122.89)</b>
<b>Other comprehensive income</b>	-	-	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>(89.48)</b>	<b>123.41</b>	<b>(203.88)</b>	<b>141.79</b>	<b>82.63</b>	<b>(122.89)</b>

**Note:** Loss for Raghuvesh Infrastructure Private Limited has been recognised Nil (31st March 2019: Nil). However, ₹ 82.63 (31st March 2019: ₹ 36.87) has not been recognised, since the Group share of losses exceeds its interest in the associate. Group share of loss for the previous year adjusted through investment.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Summarised Statement of Profit and Loss	Joint Ventures			
	Genoa Rice Mills Private Limited		Daawat Kameda India Private Limited	
	For the year ended 31st March 2020	For the year ended 31st March 2019	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>Revenue</b>				
Revenue from operations	-	6,024.05	55.47	35.55
Other income	-	0.79	187.87	127.30
<b>Total income</b>	<b>-</b>	<b>6,024.84</b>	<b>243.34</b>	<b>162.85</b>
<b>Expenses</b>				
Cost of materials consumed	-	5,070.60	77.99	135.59
Purchase of stock-in-trade	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-	223.74	8.99	(14.84)
Employee benefit expense	-	86.73	135.13	60.40
Depreciation and amortisation expense	-	2.64	8.30	1.56
Finance costs	-	211.72	-	0.09
Other expenses	-	616.99	518.83	190.38
<b>Total expenses</b>	<b>-</b>	<b>6,212.42</b>	<b>749.24</b>	<b>373.19</b>
<b>Profit before tax</b>	<b>-</b>	<b>(187.58)</b>	<b>(505.90)</b>	<b>(210.34)</b>
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
<b>Profit/(loss) for the year</b>	<b>-</b>	<b>(187.58)</b>	<b>(505.90)</b>	<b>(210.34)</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income/(loss)</b>	<b>-</b>	<b>(187.58)</b>	<b>(505.90)</b>	<b>(210.34)</b>

Total share of profits on account of equity accounting of the joint venture under Ind AS:

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Share of profits from associates	(117.34)	106.08
Share of profits from joint ventures	(258.00)	(107.27)
<b>Total share of losses from associates and joint ventures</b>	<b>(375.34)</b>	<b>(1.19)</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 58 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

#### Significant changes in contract assets and liabilities

There has been no significant changes in contract assets/contract liabilities during the year.

#### Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

Description	Year ended 31st March 2020	Year ended 31st March 2019
<b>Advance from customers</b>		
Amounts included in contract liabilities at the beginning of the year	1,117.32	1,064.67
Performance obligations satisfied in current year	(1,117.32)	(1,064.67)
Amount received in the current year having outstanding performance obligations	5,810.25	1,117.32
Amounts included in contract liabilities at the end of the year	5,810.25	1,117.32

Remaining performance obligations as at the reporting date are expected to be recognised over the next year by the Group.

#### Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by segment and type.

Revenue by segment	Year ended 31st March 2020	Year ended 31st March 2019
<b>Revenue from contract with customer</b>		
Revenue from sale of products	4,12,945.37	3,87,243.98
Processing fees	1,563.48	1,696.50

The Group has applied the practical expedient and has not disclosed the transaction price allocated to the remaining performance obligations as the Group does not have any open contract for which the expected duration is more than one year as at the reporting period.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Revenue by time	Year ended 31st March 2020	Year ended 31st March 2019
Revenue recognised over time	-	-
Revenue recognised at point in time	4,14,508.85	3,88,940.48
	<b>4,14,508.85</b>	<b>3,88,940.48</b>

#### Assets and liabilities related to contracts with customers

Description	As at 31st March 2020		As at 31st March 2019	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of goods and services</b>				
Trade receivables	-	61,963.31	-	53,487.10
<b>Contract liability related to sale of goods and services</b>				
Advance from customers	-	5,810.25	-	1,117.32

#### Reconciliation of revenue recognised with contract price

Description	31st March 2020	31st March 2019
Contract price	4,18,365.81	3,91,703.18
Adjustment for:		
Incentives	(3,963.92)	(2,841.89)
Rebate and discounts	(1,456.52)	(1,617.30)
	<b>4,12,945.37</b>	<b>3,87,243.98</b>

### 59 Additional information required by Schedule III

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
<b>Holding</b>								
<b>1 LT Foods Limited</b>								
31st March 2020	54.49%	87,140.50	42.73%	8,516.26	640.88%	(3,027.28)	28.21%	5,488.98
31st March 2019	58.66%	84,152.42	39.64%	5,448.54	42.05%	1,227.67	40.06%	6,676.21
<b>Subsidiaries (Group's share)</b>								
<b>2 Daawat Foods Limited</b>								
31st March 2020	16.66%	26,636.39	25.57%	5,097.01	170.20%	(803.94)	22.06%	4,293.07
31st March 2019	15.58%	22,343.33	25.79%	3,545.25	8.11%	236.75	22.69%	3,782.00
<b>3 Nature Bio Foods Limited</b>								
31st March 2020	8.81%	14,094.30	9.70%	1,933.39	87.91%	(415.23)	7.80%	1,518.16
31st March 2019	8.77%	12,576.15	13.20%	1,814.02	-0.49%	(14.30)	10.80%	1,799.72
<b>4 SDC Foods India Limited</b>								
31st March 2020	0.00%	0.00	1.11%	221.86	0.00%	-	1.14%	221.86
31st March 2019	-0.15%	(221.86)	0.69%	94.83	0.00%	-	0.57%	94.83

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

### 59 Additional information required by Schedule III (Contd..)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
<b>5 LT International Limited</b>								
31st March 2020	0.10%	164.48	-0.04%	(8.75)	0.00%	-	-0.04%	(8.75)
31st March 2019	0.12%	173.24	-0.09%	(11.72)	0.00%	-	-0.07%	(11.72)
<b>6 Raghuvesh Food and Infrastructure Limited</b>								
31st March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>7 Deva Singh Sham Singh Exports Private Limited</b>								
31st March 2020	0.00%	(2.84)	0.16%	31.58	0.00%	-	0.16%	31.58
31st March 2019	-0.02%	(34.42)	0.10%	13.13	0.00%	-	0.08%	13.13
<b>8 Raghunath Agro Industries Private Limited</b>								
31st March 2020	1.53%	2,442.41	0.79%	156.46	-0.63%	2.96	0.82%	159.41
31st March 2019	1.59%	2,283.00	0.83%	114.53	-0.24%	(7.08)	0.64%	107.45
<b>9 LT Agri Services Private Limited</b>								
31st March 2020	0.00%	(1.60)	0.00%	(0.20)	0.00%	-	0.00%	(0.20)
31st March 2019	0.00%	(1.40)	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
<b>10 Expo Services Private Limited</b>								
31st March 2020	0.00%	-	0.00%	-	0.00%	-	0.00%	-
31st March 2019	0.00%	-	1.00%	137.26	0.00%	-	0.82%	137.26
<b>11 Fresco Fruit N Nuts Private Limited</b>								
31st March 2020	-0.07%	(108.22)	0.00%	(0.12)	0.00%	-	0.00%	(0.12)
31st March 2019	-0.08%	(108.10)	-0.01%	(1.20)	0.00%	-	-0.01%	(1.20)
<b>12 Eco Pure Specialities Limited</b>								
31st March 2020	-0.24%	(385.82)	-1.96%	(390.19)	0.00%	-	-2.01%	(390.19)
31st March 2019	0.00%	4.37	0.00%	(0.63)	0.00%	-	0.00%	(0.63)
<b>Foreign Subsidiaries</b>								
<b>13 Sona Global Limited</b>								
31st March 2020	0.89%	1,426.48	-0.12%	(23.85)	-21.32%	100.69	0.39%	76.85
31st March 2019	0.94%	1,349.64	0.06%	8.63	2.63%	76.70	0.51%	85.33
<b>14 LT Food Middle East DMCC</b>								
31st March 2020	0.05%	82.72	-3.80%	(757.32)	-4.87%	22.99	-3.77%	(734.32)
31st March 2019	0.57%	817.04	-2.09%	(286.96)	2.76%	80.62	-1.24%	(206.33)
<b>15 LT Overseas North America, Inc.</b>								
31st March 2020	22.66%	36,234.73	26.87%	5,356.17	-764.56%	3,611.47	46.09%	8,967.64
31st March 2019	20.32%	29,150.24	35.55%	4,887.42	60.13%	1,755.63	39.86%	6,643.04

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March 2020 (All amounts are in ₹ lakhs unless otherwise stated)

Name of the entity in the group	Net Assets, i.e., total assets minus total liabilities		Share in profit and loss		Share in other Comprehensive income		Share in total Comprehensive income	
	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs	As % of consolidated net assets	₹ in lakhs
<b>16 LT Foods International Limited (UK)*</b>								
31st March 2020	0.00%	-	-0.44%	(86.78)	0.00%	-	-0.45%	(86.78)
31st March 2019	1.26%	1,803.89	-1.78%	(244.38)	-6.74%	(196.92)	-2.65%	(441.30)
<b>17 LT Foods Europe BV*</b>								
31st March 2020	0.00%	-	-1.13%	(225.05)	0.00%	-	-1.16%	(225.05)
31st March 2019	1.78%	2,553.83	-15.31%	(2,104.89)	6.50%	189.79	-11.49%	(1,915.10)
<b>18 Nature Bio Foods BV</b>								
31st March 2020	0.75%	906.24	2.92%	582.77	-10.98%	51.88	3.26%	634.64
31st March 2019	0.20%	286.72	2.17%	298.92	-0.42%	(12.20)	1.72%	286.72
<b>19 Nature Bio Foods Inc</b>								
31st March 2020	0.01%	15.13	0.00%	-	0.00%	-	0.00%	-
31st March 2019	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Associates</b>								
<b>20 Raghuvesh Warehousing Private Limited</b>								
31st March 2020	0.29%	457.85	-0.18%	(35.79)	-	-	-0.18%	(35.79)
31st March 2019	0.34%	493.64	0.36%	49.36	0.00%	-	0.30%	49.36
<b>21 Raghuvesh Agri Foods Private Limited</b>								
31st March 2020	0.24%	389.36	-0.41%	(81.55)	-	-	-0.42%	(81.55)
31st March 2019	0.33%	470.91	0.41%	56.72	0.00%	-	0.34%	56.72
<b>Joint ventures</b>								
<b>22 Genoa Rice Mills Private Limited</b>								
31st March 2020	0.00%	-	0.00%	-	-0.00%	0.58	0.00%	0.58
31st March 2019	0.00%	-	0.00%	-	0.02%	0.58	0.00%	0.58
<b>23 Daawat Kameda India Private Limited</b>								
31st March 2020	1.25%	2,000.88	-1.29%	(258.01)	-	-	-1.33%	(258.01)
31st March 2019	1.57%	2,258.88	-0.78%	(107.27)	0.00%	-	-0.64%	(107.27)
<b>24 IntraGroup eliminations</b>								
31st March 2020	-7.24%	(11,574.75)	-0.49%	(97.38)	0.03%	(16.47)	-0.59%	(113.86)
31st March 2019	-11.78%	(16,897.05)	0.26%	35.11	-14.30%	(417.59)	-2.29%	(382.48)
<b>Total</b>								
<b>31st March 2020</b>	<b>100.00%</b>	<b>1,59,918.24</b>	<b>100.00%</b>	<b>19,930.51</b>	<b>100.00%</b>	<b>(472.35)</b>	<b>100.00%</b>	<b>19,458.15</b>
<b>31st March 2019</b>	<b>100.00%</b>	<b>1,43,454.47</b>	<b>100.00%</b>	<b>13,746.56</b>	<b>100.00%</b>	<b>2,919.64</b>	<b>100.00%</b>	<b>16,666.18</b>

\* On 20th September 2019, LT Overseas North America, Inc. entered into share purchase agreement with its holding company to acquire all shares of LT Foods International Limited, UK company, wholly owned subsidiary of the Holding company. LT Foods International Limited has LT Foods Europe BV (Netherlands), as its wholly owned subsidiary. Therefore, Profit/loss till 20th September are disclosed here and profit/loss along with balance sheet items are clubbed in LT Overseas North America, Inc.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31st March (All amounts are in ₹ lakhs unless otherwise stated)

**60** The outbreak of Coronavirus (Covid 19) has disrupted economic activities across the world. However, the Group continued to operate its manufacturing facilities and distribute its products which are covered under the essential commodities category. Though, there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. As the economic environment continues to remain highly uncertain, the management is regularly monitoring the development in countries where it operate or supplies goods and take necessary action to adapt to changing environment.

### 61 Subsequent Events

Saudi Agricultural & Livestock Investment Company has acquired stake in the Daawat Foods Limited ('the Company') through its subsidiary company, United Farmers Investment Company for an amount of USD 172.3 Lakhs. The transaction entailed acquisition of 29.81% holding of India Agri Business Fund, sponsored by Rabobank and 0.1% holding of Real Trust. There has been no impact on the shareholding of LT Foods Limited ('the Holding Company') that continues to hold the balance stake of 70.09%.

### 62 Previous year figures

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

For **Walker Chandiok & Co LLP**  
Chartered Accountants  
Firm Registration Number:- 001076N/N500013

**Neeraj Goel**  
Partner  
Membership number:- 099514

Place : Gurugram  
Date : 28th May 2020

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN 01574773

**Gokul Patnaik**  
Director  
DIN 00027915

**Surinder Kumar Arora**  
Managing Director  
DIN 01574728

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



Devaaya®



LT Foods

**CORPORATE OFFICE**

**LT Foods Limited**

4th Floor, MVL-I Park Sector 15,  
Gurugam -122001, Haryana  
Phone no. 0124-3055100  
[www.ltgroup.in](http://www.ltgroup.in)

**REGISTERED OFFICE**

**LT Foods Limited**

Unit No. 134, 1st Floor, Rectangle-1,  
Saket District Centre, New Delhi-110017  
Phone no. 011-29565344,  
CIN: L74899DL1990PLC041790



Ref-LTF/ SE/ 2020-21/

Date: 03-09-2020

To,

**The Bombay Stock Exchange (BSE Limited )  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001**

**National Stock Exchange of India Ltd.  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai – 400 051**

**Sub: Business Responsibility Report for the financial year 2019-20**

**Ref Code: 532783 Scrip Id: Daawat**

**Dear Sir/ Madam,**

Pursuant to Regulation 34 and other applicable regulations of the SEBI( Listing Obligations & Disclosure Requirements) Regulations,2015, please find enclosed Business Responsibility Report for the financial year 2019-20.

Thanking You,  
Yours truly

**For LT Foods Limited**

*M. Chawla Jaggia*  
**Monika Chawla Jaggia  
Company Secretary  
Membership No. F5150**

# Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended 31st March, 2020 pursuant to Regulation 34(2)(C)(f) of the SEBI( Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI notification no. SEBI/LAD-NRO/GN/2019/45 dated 26th Dec, 2019.

## Section A) General Information About The Company

1. Corporate Identity Number (CIN) of the Company- L74899DL1990PLC041790
2. Name of the Company- LT FOODS LIMITED
3. Registered address- Unit no. 134, Rectangle-1, Saket District Centre, New Delhi-110017
4. Website- www.ltgroup.in
5. E-mail id-ir@ltgroup.in
6. Financial Year reported- 2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)-10612
8. Key products/services that the Company manufactures/provides -Rice, Saute Sauces and Staples
9. Locations where business activity is undertaken by the Company- The Company's business and operations are spread across the Country and in other geographies. Details of plant locations are provided in the Corporate information page.
10. Markets served by the Company - The Company's products are available in India as well as globally in more than 80 Countries,

## Section B) Financial Details of the Company

1. Paid up Capital- Rs. 31.98 Crore
2. Total Turnover - Rs. 2377.78 Crore
3. Total profit after taxes (INR)-Rs. 85.16Crore
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) - c.1%

5. Activities in which expenditure in 4 above has been incurred:-

### Areas listed under Schedule VII to the Companies Act, 2013

Promoting education, including special education and employments enhancing vocational skills specially among children, women, elderly and the differently abled and livelihood enhancement projects  
Rural Development Projects

### Role of LT Foods Limited through Foundations

Education, Vocational training, Livelihood enhancement  
Agri development

## Section C) Other Details

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

The same has not been identified by the Company.

## Section D) BR Information

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number- 01574773
2. Name- Ashwani Kumar Arora
3. Designation- Managing Director& CEO

(b) Details of the BR head

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

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

(a) Details of compliance

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Yes	Yes	Yes	No	Yes	No	No	Yes	No
2	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes		Yes	Yes		Yes	
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Policy is formulated keeping for specific requirements and industry best practices		Policy is formulated for specific requirements and industry best practices		Policy is formulated keeping in mind specific requirements and industry best practices	Yes - Part of our rice sourcing confirms to SRP standards (www.sustainable.ice.org). All factories confirms to national norms on energy, pollution, biodiversity, emission etc		As per the national guideline on CSR	We follow all national/ international norms on individual components of the principal to provide value to the consumer in responsible manner
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes	No. These are various marketing, communication, product development guidelines.	Yes		Yes			Yes	
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	No	Yes		Yes			Yes	

## Statutory Reports

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6	Indicate the link for the policy to be viewed online?	<a href="http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines">http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines</a>		<a href="http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines">http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines</a>  Code of conduct, whistle blower policy etc. We have a detailed HR policy covering wide range of policies		<a href="http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines">http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines</a>  Code of conduct, diversity policy and, Prevention of sexual harassment policy, no child labour and various other policies included in HR policy			<a href="http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines">http://www.ltgroup.in/business-and-investors.html#policies-and-guidelines</a>  CSR policy	
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes		Yes			Yes	
8	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes		Yes			Yes	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes		Yes			Yes	
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	NO	Yes		Yes	Rice grown as per SRP standards is audited by independent third party auditor		Yes	



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

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

**3. Governance related to BR**

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

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

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

No

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

**Yes**

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

**12**

All complaints were duly resolved on prompt basis.

**Section E: Principle-Wise Performance**

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

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

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

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

As a responsible Company, LT Foods provide safe and high quality products to its consumers. The Company makes continuous effort to improve its processes and regularly review new technology development, deployment and commercialization while keeping social, ethical, and environmental considerations at the core.

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

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

**(b) Staples**

**(c) Cuppa Rice**

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

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

~30% reduction in water use in cultivation of Basmati rice with farmers. The respective team is involved with farmers to cater the same.

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

NA

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

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

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

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

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

**LT Foods buys all its paddy from farmers, mostly small and medium, from farms around its production facilities. LT Foods runs a program, as per SRP standards, whereby each farmer enrolled in the program is trained on various agronomic practices, supported with collaterals and equipment and provided digital advisory. Besides, LT Foods provides substantial incentive (about 2%) over the market price for sustainably grown paddy.**

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

**Yes. >10%**

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

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

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

The Company gives special attention on training of its employees based on their job requirements. The HR department prepares annual training plans for its employees through e learning or group training modules.

1. Please indicate the Total number of employees.- 888

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis. 415

3. Please indicate the Number of permanent women employees.-42

4. Please indicate the Number of permanent employees with disabilities - 01

5. Do you have an employee association that is recognized by management.- NO

6. What percentage of your permanent employees is members of this recognized employee association?- NOT APPLICABLE

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	0	0
2	Sexual harassment	0	0
3	Discriminatory employment	0	0

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

- (a) Permanent Employees- 90%
- (b) Permanent Women Employees- 95%
- (c) Casual/Temporary/Contractual Employees- 70%
- (d) Employees with Disabilities- NOT APPLICABLE

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders? Yes/No

**No**

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

**No**

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so

**No**

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

**The Company's Code of Conduct covers guidelines on human rights and the same is applicable to the group as well as its stakeholders.**

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

**The Company did not receive any complaint with respect to human rights violation during the financial year 2019-20.**

**Principle 6: Business should respect, protect and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

**Efforts related to environment and climate change extends to the group and the paddy suppliers (farmers).**

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

**As per SRP standards, we work with farmers to promote sustainable rice cultivation. We are represented by Brig J S Oberoi on the SRP board. (<http://www.sustainablerice.org/assets/docs/SRP%20Board%202019.png>).**

**We are also members of Indo – Dutch partnership on sustainable management of paddy straw.**

**We are a key implementation partner in WAPRO project along with Swiss Development Corporation (SDC), Helvetas, MARS Foods, Jain Irrigation and Partner in Prosperity (<https://www.helvetas.org/en/switzerland/what-we-do/how-we-work/our-projects/global/water-productivity-WAPRO>).**

3. Does the company identify and assess potential environmental risks? Y/N

**Yes, The Company has mechanism to assess potential environment risks. The same is part of our Risk Management Policy. We also work to reduce the use of water in rice cultivation, strive to decrease Green House Gas emission, ensure food safety, use renewable energy in the production process, promote water recycling etc. to control environmental risks.**

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

**Yes, The Company has Clean Development Mechanism in place. Environmental compliance reports for pollution control, waste water recycling and effluence, responsible disposal of factory waste etc are filed with respective agencies.**

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

**Yes, The Company has undertaken initiatives on energy efficiency , renewal energy etc. A**

**significant portion of our power requirement for factories is met by solar energy. All lights have been replaced with energy efficient LED. We treat and recycle all waste water and ensure zero discharge within our facilities.**

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

**Yes, The Emissions, wastes generated by the Company are within the permissible limits given by CPCB, SPCB for the financial year 2019-20.**

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

**Nil**

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Our Company is member of the the following Associations:

- (a) AIREA ( All India Rice Exporters Association)**
- (b) CII**
- (c) FICCI**
- (d) ASSOCHAM**
- (e) FSSAI**

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

**Yes, We are actively working with these industry bodies to enable sustainable rice cultivation, ensure food safety and reduce pesticide residue in rice. Our inputs are also incorporated in the suggestions/ recommendations given by these bodies to the Government.**

**The Company is also working with these chambers and associations for development of Industry.**

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

**Yes, The Company is associated with Foundations/ Associations for education of under privileged Children, vocational skill development, woman empowerment.**

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/ government structures/any other organization?

**Yes, The programmes are undertaken through Partner NGOs or external foundations**

3. Have you done any impact assessment of your initiative?

**Yes**

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

**The contribution to Community development projects is highlighted in the CSR section of the Annual report.**

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

**We provide long term support to community development with educational programs (adoption of school), Women empowerment, Economic assistance to Farming community, Development of tribal farming community etc. (<http://www.ltgroup.in/csr.html>)**

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/ consumer cases are pending as on the end of financial year.

**None**

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks(additional information)

**Yes. The Company displays information on the product label over and above what is mandated as per local laws like nutritional facts, recipes etc,**

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

**No, There was no case filed by any stakeholder against the Company regarding any Unfair trade Practice, anti competitive behavior or irresponsible advertising during last years.**

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

**Yes, The Company regularly conducts consumer survey to understand their feedback on product quality and its acceptance by the people at large.**