

Ref-LTF/ SE/ 2022-23/

Date: 7<sup>th</sup> September, 2022

To,

<b>The Bombay Stock Exchange (BSE Limited)</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street</b> <b>Mumbai- 400 001</b>	<b>National Stock Exchange of India Ltd.</b> <b>Exchange Plaza, C-1, Block G,</b> <b>Bandra Kurla Complex,</b> <b>Bandra (E)</b> <b>Mumbai - 400 051</b>
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**Subject: Notice of the 32nd Annual General Meeting along with Annual Report of the Company for the financial year 2021-22**

**Ref. Code: 532783. Scrip ID: DAAWAT**

Dear Sir / Madam,

The 32nd Annual General Meeting (“AGM”) of the Company will be held on Friday, 30th September, 2022 at 12.00 Noon through Video Conference / Other Audio Visual Means in accordance with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India.

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2021-22 which is being sent through electronic mode to the Members.

The Annual Report containing the Notice is also uploaded on the Company’s website: [www.ltgroup.in](http://www.ltgroup.in)

You are requested to take the same on your record.

Thanking You,

Yours truly,  
**For LT Foods Limited**

**MONIKA**  
**JAGGIA**

Digitally signed by  
MONIKA JAGGIA  
Date: 2022.09.07  
09:25:44 +05'30'

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

Enclosure: As above



**LT FOODS**  
NURTURING GOODNESS



# GROWING responsibly

FOR A PURPOSE-DRIVEN FUTURE



Processes | Products | People | Partnership | Planet

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### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects, among others, 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 overarching purpose is to nurture a world of goodness responsibly. A world where we sustainably unlock the goodness of food for community, country and the planet, thereby creating superior shared value for our stakeholders.

Our purpose is deeply embedded in everything we do at LT Foods. From delighting consumers across generations, geographies, cultures, food preferences to positively impacting the environment and society in which we live.

The global consumption story is gradually gaining momentum, despite pandemic-induced headwinds. Aspirations are rapidly converging between urban and rural India as well, leading to an upswing in the demand for branded packaged food products with emphasis on high quality, taste, safety and nutrition credentials.

We believe, businesses that will act proactively to safeguard the interests of their consumers, stakeholders, environment and society at large will reinforce their market leadership, trust and strengthen the bond they have with consumers.

**As we accelerate our growth trajectory with a renewed focus on nurturing goodness, our culture, purpose, values and commitment give us the inspiration and the hope to build a sustainable future for all with passion and responsibility.**



**ABOUT LT FOODS**

# Nurturing goodness responsibly for decades

LT Foods is into Consumer Food business for the last 70 years, a leading player in Specialty rice and Rice food products, Organic food and ingredient business across the globe.

We are committed to nurturing goodness for people, community and the planet. With nurturing goodness at the heart of everything we do, we deliver the finest quality and winning taste experiences across varied geographies and cultures.

LT Foods, a Global Specialty Food company, we strive to meet our overarching vision through transparent processes and a sustainable business model with complete control on the value chain from 'Farm to Fork' including Sustainable Farming, Strong Procurement Network, Well-Entrenched Distribution network with global supply chain hubs backed by state-of-the-art manufacturing facilities in India, US and Europe and strong brands such as Daawat, Royal, Heritage, Rozana, Gold Seal Indus Valley, 817 Elephant and Ecolife with presence across 60+ countries. We remain committed to the community and the planet to create sustainable value for all stakeholders.

 **Our Vision**

To be a leading food company with global presence in specialty rice, rice-based food, organic food and complementary categories that creates sustainable growth, has a positive impact on the society and generates value for its internal as well as external stakeholders.



**Our Mission**



- Maintaining leadership in our flagship Specialty rice-based business, while striving to deliver finest and consistent food experiences.
- Diversify and innovate into complementary food categories, based on evolving consumer needs.
- Continuously striving to give back to our community in the best way we can.
- Contributing in shared growth of our people and delivering superior value to our stakeholders.



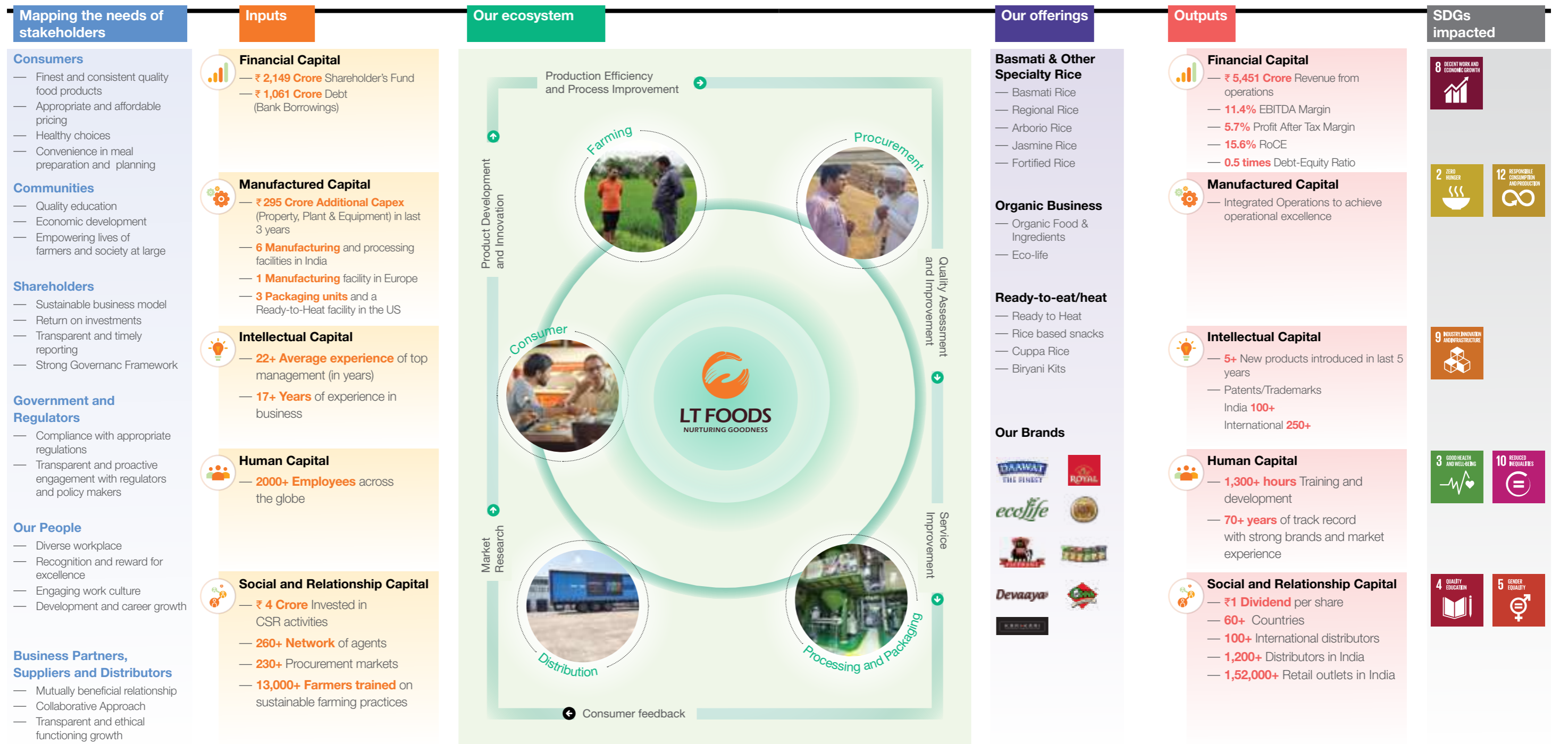
**Core Values**

<div style="background-color: #00a651; color: white; padding: 5px; font-weight: bold; text-align: center;">Consumer Centricity</div> <p style="font-size: 0.9em; margin-top: 10px;">We exist to create delightful meal experiences for the families while strengthening their bonds. We continuously strive to provide them the goodness of nature, nurtured and brought to them through our nutritious, health focused finest meal experiences, quality and organic products.</p>	<div style="background-color: #e67e22; color: white; padding: 5px; font-weight: bold; text-align: center;">Committed To Excellence</div> <p style="font-size: 0.9em; margin-top: 10px;">We are committed to be the best at doing what is right. For us, excellence is a responsibility that we aim to follow every day, ensuring it translates into delightful and sustainable products, processes and overall organisation.</p>	<div style="background-color: #00a651; color: white; padding: 5px; font-weight: bold; text-align: center;">Continuous Innovation</div> <p style="font-size: 0.9em; margin-top: 10px;">We believe continuous innovation that elevates consumer experiences and caters to evolving consumer needs is at the core of our organisation. We are on a journey to innovate at every level across our value chain, from farming, sustainability processes, packaging, products to newer food experiences in line with changing consumer needs.</p>
<div style="background-color: #e67e22; color: white; padding: 5px; font-weight: bold; text-align: center;">Integrity</div> <p style="font-size: 0.9em; margin-top: 10px;">We believe in doing what is right and continuously strive to work towards trust and transparency. By honouring our commitments, we aim to embody our values when working with consumers, partners, team members and other stakeholders.</p>	<div style="background-color: #00a651; color: white; padding: 5px; font-weight: bold; text-align: center;">Respect for People</div> <p style="font-size: 0.9em; margin-top: 10px;">We believe in treating our consumers, partners, team members and other stakeholders with trust and respect. We strive to follow fair practices and nurture fulfilling and amicable relationships with all our stakeholders.</p>	<div style="background-color: #e67e22; color: white; padding: 5px; font-weight: bold; text-align: center;">Responsibility</div> <p style="font-size: 0.9em; margin-top: 10px;">We are responsible for the betterment and growth of our stakeholders and responsive towards addressing consumer issues proactively. We constantly strive to take measures to ensure safety and sustainability in all our processes and systems in line with our ESG (Environment, Social, Governance) goals.</p>

## BUSINESS MODEL

# Progressing responsibly with stakeholder expectations at the core

As a leading Consumer Food Company, we are conscious of the fact that now consumers worldwide are preferring brands that offer them great taste, health benefits and also make a positive impact on environment and society.



**STRATEGIC PRIORITIES**

# Our strategic approach and actions help us grow responsibly

We are committed to achieve higher benchmarks of excellence by actively seeking and leveraging new opportunities and striving to adapt quickly to changing trends to meet and exceed consumer expectations. However, we ensure our value creation approach is aligned to community interests and conservation of the environment.

Growth		
Expanding our product portfolio across all business segments	Widening distribution reach across all channels	Growing market presence and solidifying our position through organic and inorganic routes
Margin Expansion		
Building economies of scale and unlock synergies	Adding efficiencies across the value chain	Driving premiumisation
Investing in Capabilities		
Digital Transformation	Create a Future Ready Organisation	Automation
Being Responsible		
Embedding ESG in the culture of the organisation		





## Nurturing Goodness

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

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

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

From being a renowned Basmati Rice Company to expanding our foray through innovation in Convenience and Health segment, we continuously map evolving consumer needs and preferences. This helps us in developing our portfolio, be it targeted brands or formats, which in turn increases our reach and penetration.

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

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

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



## MANAGEMENT'S COMMUNIQUE

# Crafting a sustainable way forward



We registered a consolidated revenue of ₹ 5,451 crore over ₹ 4,773 crore in FY21, a growth of 14%. Our Gross Profit was up by 14% from ₹ 1,608 crore to ₹ 1,836 crore and gross margin stood at 33.7%.

We ventured into the Ready-to-Heat segment, which has seen the fastest growth in the food industry over the past ten years, due to the added value it provides to the consumer. The Ready-to-Heat business recorded a growth of 40% on a year-on-year basis.

We have embedded the ESG framework in our operational framework.



Dear Stakeholders,

The last two years have fundamentally altered the way we think, live and make sense of the world around us. The magnitude of the pandemic, followed by escalating geopolitical tensions between nations with widespread ramifications, have brought into sharper focus the need for sustainable business practices that takes into cognizance the expectations and concerns of all stakeholders. There is now an urgent need for businesses worldwide to enhance their resilience and focus more on creating value around the core pillars of sustainable Processes, Products, People, Partnerships and Planet.

As a responsible consumer food company with global footprint, we acknowledge our role and responsibility to address the key concerns and priorities of our consumers and stakeholders with a longer-term perspective, across the ebbs and flows of business. With our purpose of nurturing goodness at the heart of all that we do, we are building a more responsible and intelligent enterprise that delivers scale and efficiency with agility.

Notwithstanding macro challenges, our foresight and operational rigour have enabled us to achieve an encouraging overall performance in FY22, supported by better performance from all three business segments — Basmati and Other Specialty Rice, Organic Food and Ingredient Business and Convenience and Health segment.

### Growing across geographies and business segments

In FY22, our India business contributed 32% of the Company's total sales. We have improved our household penetration across channels in India and have strived to expand our business by ramping up our distribution networks across geographies.

In the US business, we achieved a growth rate of 15% over last year. The increase in sales was mostly driven by the Company's flagship brand, Royal. We ventured into the Ready-to-Heat segment, which has seen the fastest growth in the food industry over the past ten years, due to the added value it provides to the consumer. The Ready-to-Heat business recorded a growth of 40% on a year on year basis.

Our foothold in Europe was further strengthened by our flagship brand, Daawat, which contributed to a 87% increase in branded volume. We have dominated the e-commerce arena in the UAE, with our brands accounting for 33% of the market share in that space. The Rest of World segment accounts for 8% of our total revenue.

In FY22, our India business effectively contributed 32% of the Company's total sales.

We have been proactive in entering new markets, investing in brands and expanding our product portfolio to address niches in the consumer sector. Subsequently, we have expanded our market share in countries like Singapore, Australia, New Zealand, Reunion Island, Japan, and Mauritius.

Our organic food ingredients business increased its reach to new geographies such as Mauritius, Denmark and Slovenia during the year. Based on market trends, we continually try to diversify our line of organic products. During the year this business segment has grown by 19%.

On the convenience platform, we have launched rice-based snacks Kari Kari in India in conjunction with Japanese firm Kameda Seika, Ready-to-Heat (Microwave Heat & Eat) rice with a unique combination of spices and seasonings in the US under Royal brand, Instant cooking rice such as Daawat Cuppa Rice, and Daawat Biryani Kits that enable the convenience of creating real Biryani without preservatives and any hassles at home. The overall convenience and health segment witnessed a growth of 53%.

## MANAGEMENT'S COMMUNIQUE

### Delivering on our strategic pillars

During the year, we continued to deliver on our strategic pillars of growth, margin expansion and strengthening our balance sheet. We registered a consolidated revenue of ₹ 5,451 crore over ₹ 4,773 crore, a growth of 14% in FY22. Our Gross Profit was up by 14% from ₹ 1,608 crore to ₹ 1,836 crore and margin to 33.7%. Our PAT increased by 7% to ₹ 309 crore from ₹ 289 crore. Our EBITDA grew by 4% to ₹ 620 crore in FY22 from ₹ 598 crore in FY21. We would like to especially mention of our Convenience and Health segments that crossed a milestone of ₹ 100 crore during the year and has reached to ₹ 121 crore.

On the Balance Sheet front, the Company has generated significant free cash flows amounting to Rs. 373 crore up by 8% driven by strong performance in FY22, that has led to decline in overall debt by 229 crore. This further led to an improvement in debt-equity ratio from 0.7 to 0.5 times. The debt to EBITDA ratio stood at 1.7 times vs. 2.1 times versus last year. Current ratio has also improved significantly to 1.78 from 1.70 last year. The Return on Capital Employed stood at 15.6%. The normalized Return on Capital Employed on account of insurance claim stood at 16.2%. The Return on Equity stood at 14.4%. The Company's continuous focus on working capital optimization, led to reduction in working capital days by 28 days to 207 days in FY22 vs. 235 days last year.

Being a responsible Company, LT Foods has always delivered value in an environmentally responsible and socially conscious manner. Our value system emphasises giving back to society in varied ways. We

have embedded the ESG framework in our operational framework. In FY22 as well, we remained consistent in our ESG initiatives. As a responsible consumer food company, we believe it is imperative to consider the environmental impact of our business.

LT Foods is a founder member of the UN backed Sustainable Rice Production (SRP) programme in India. We work with farmers to grow sustainable and residue-free basmati rice as per the SRP standards under our agricultural programme. During the year under review, we continued to provide training and exposure to more than 13,000 farmers involved in the Company's various outreach programme involving Sustainable Rice Production.

During the year, we collaborated with the Indian Council for Agriculture Research (ICAR) to deliver vital sustainability messages to farmers across India. We will continue to further strengthen our farmer outreach efforts with ICAR, disseminating information, generating awareness and imparting training to promote acceptance of and adherence to various sustainability facets in paddy production.

Gradually shifting to renewable energy is a natural way forward for us. In that direction, we continued increasing the contribution of renewable energy across our operations. We now fulfil 46% of our electricity requirements from renewable sources.

We have also planted 1 lakh trees in the period 2020-22. Besides, we continued to make progress on our water stewardship targets, taking meaningful steps towards water use efficiency improvement through our WAPRO project.

LT Food's pioneering Sustainable Rice Production, watershed management,



**In FY22 as well, we remained consistent in our ESG initiatives. As a responsible consumer food company, we believe it is imperative to consider the environmental impact of our business.**

adoption of villages for livelihood and clean drinking water are already benefiting farmers and communities extensively and these programmes are now being scaled up.

### Enhancing brand equity

Today's consumers show a high level of discernment and consciousness in their consumption decisions, which is why it is essential to inform them about the processes involved in preparing their food. With changing consumer tastes and preferences, our brand communication has evolved too. During the year under review, we extended our 'Banega toh Farq Dikhega' campaign to showcase the extra effort taken by us to handpick the best-in-category products for our consumers. We are happy that the campaign helped us build significant differentiation in our key markets and helped us enhance our brand recall, which was the bedrock of the whole initiative.

### Enablers for next growth

We are now building a business that is not only agile, but intelligent too. A business that integrates all our growth enablers and is a right fit for the evolving consumer needs. Such a strategy will make us smarter and more efficient through data-driven and machine-augmented processes, create platforms and ecosystems that will help deliver differentiated value for all stakeholders.

We are continuously adopting automation and digitalisation to promote efficiency across all our processes and systems. We are creating a future-ready organisation with our digitalisation initiatives straddling both internal and external operational environments. We also strive to recruit the right talent as well as educate our employees through various training programmes to make the organisation future ready.



**During the year under review, we extended our 'Banega toh Farq Dikhega' campaign to showcase the extra effort taken by us to handpick the best-in-category products for our customers.**



### Formulating growth strategies

We aim to grow our portfolio in value-added segments on the strength of innovation, widened distribution network and enhanced brand visibility across all consumer segments. With growing preference of consumers towards organically sourced food, along with more awareness towards healthy diets, we are strengthening our brand equity and presence across segments like Organic Food and Ingredient Business and Convenience and Health segment. We ensure strategic growth by expanding into new territories across the globe through organic, inorganic, and greenfield operations routes.

Our strong brand equity, diversified market presence, balanced portfolio and advanced packaging and processing plants help us serve a wider consumer fraternity

and capitalise on the emerging opportunities of the consumer food business.

### Way forward

We earnestly believe that in order to generate long-term value, we need to care for the entire stakeholder universe — our consumers, customers, team members, shareholders and above all, the planet and society. We will continue to maximise shareholder returns by consistently focusing on profitable growth, expanding our margins and making the organisation future ready by investing on Digitalisation, HR transformation and ESG, which will act as strategic enablers for our next level of growth along with fueling the innovation funnel by launching new products for our consumers.

We believe the brief period of global disruption in economies and businesses is largely behind us, and the future will usher in a new era of refreshing ideas, innovation and renewal. We invite all our stakeholders to help us thrive in the new era of transformation.

We would like to convey our gratitude to our customers, business partners, employees the government and other stakeholders for the confidence and trust they have reposed in us. We would also like to thank our fellow Board members for their strategic role in strengthening the governance framework.

Thanks and Regards,

**Vijay Kumar Arora**  
Chairman

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

## KEY PERFORMANCE INDICATORS

# Building a fully integrated, global, sustainable and profitable consumer business

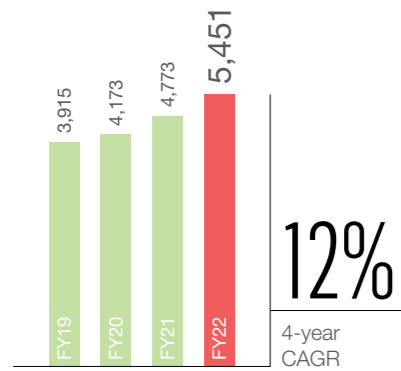
We have delivered on our three strategic pillars of Growth, Margin Expansion and further Strengthening our Financial Metrics.

Our revenue growth is driven by the prominence of our brands, expanding global distribution network, enhanced brand penetration across all consumer segments through product portfolio expansion in Specialty Rice, Organic and Health & Convenience Platforms.

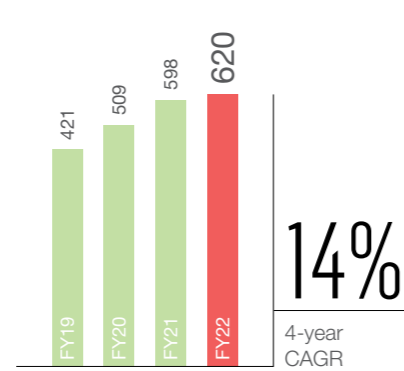
Our Profit After Tax has expanded, aided by growth in EBITDA and reduction in finance cost. We have further strengthened our financial metrics by generating free cash flow from operations year-on-year that has led to a reduction in debt and strengthening our return ratios.

### Profit and loss metrics

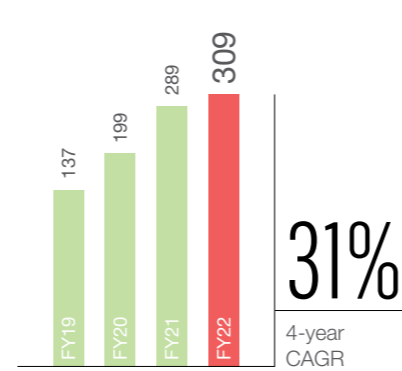
**Revenue from operations**  
(₹ in Crore)



**EBITDA**  
(₹ in Crore)

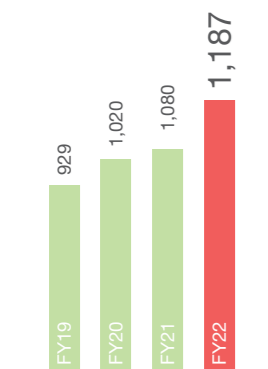


**Profit After Tax**  
(₹ in Crore)

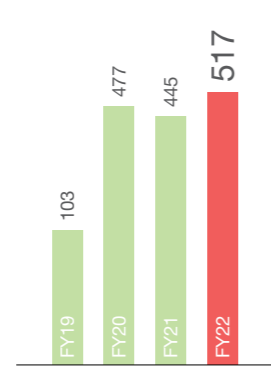


### Balance sheet metrics

**Tangible - Gross Block**  
(₹ in Crore)

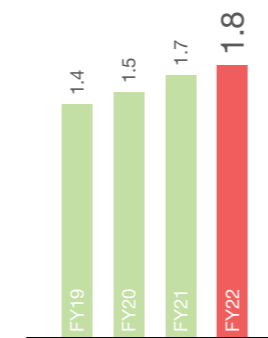


**Cash Flow from Operations**  
(₹ in Crore)

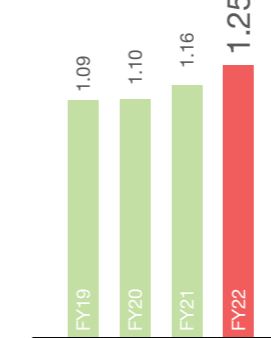


### Key financial ratios reflecting a responsible and robust business

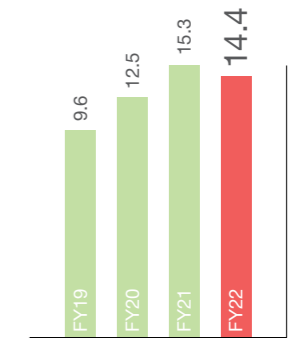
**Current Ratio**  
(in times)



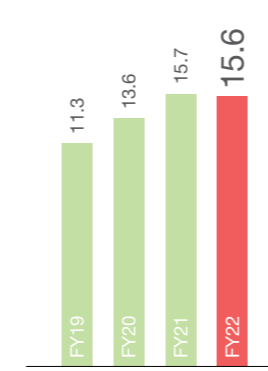
**Asset Turnover Ratio**  
(in times)



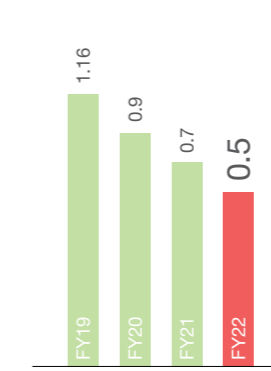
**Return on Net Worth**  
(in %)



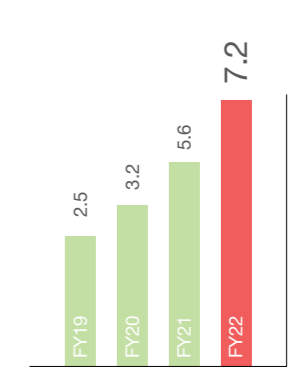
**Return on Capital Employed**  
(in %)



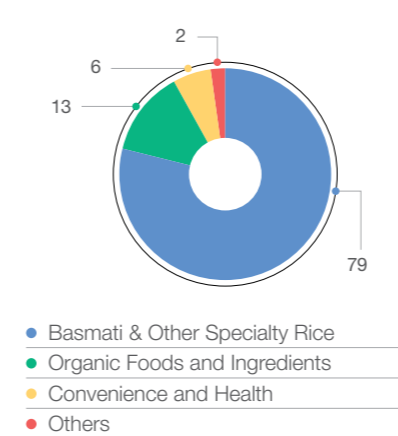
**Debt Equity Ratio**  
(in times)



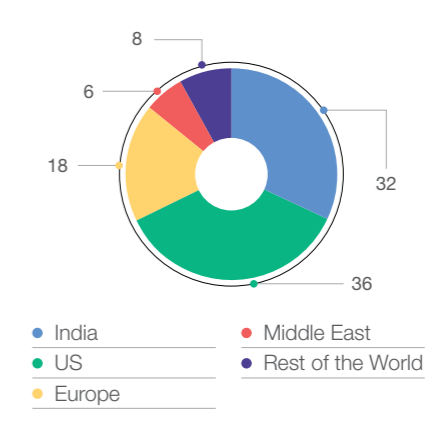
**Interest Coverage Ratio**  
(in times)



### Revenue by business segment (%)



### Revenue by geography (%)



**Food brands are now under intense scrutiny because of their close connect to the consumption of natural resources and the impact of their business on the health and well-being of people.**

Therefore, we make continuous efforts to identify gaps across our value chain; be it **Procurement, Manufacturing, Supply Chain, Product Quality Control** and so on. We take relevant steps to improve operational efficiencies through the adoption of advanced processes and technologies across the value chain. This helps minimise the consumption of energy and natural resources, while maximising production volumes and optimisation of our resources as well. **Our R&D efforts and digital initiatives** have played a significant role in making our business model more consumer focused, sustainable and value driven.



PROCESSES

# Operational Excellence



## Effective procurement process

With industry-first practices of a stringent 'Fourteen Steps' in the cultivation and processing of Basmati rice, we place significant emphasis on quality across our procurement process. The process begins by choosing the ideal farmland, evaluating the seeds, inspecting the produce before and after harvest, and analysing the samples at the procurement centres (mandis). Once the raw material reaches our manufacturing facility, rigorous quality checks are undertaken through a variety of tests, including physico-chemical scanning, microbiology, pesticide residue and heavy metal testing.

Rejection level is nearly

**0.01%**



ISO 9001 : 2015 Certified



## Pre-cultivation stage

Long before the sowing season, farm fields are inspected, tested, and shortlisted in order to choose the ideal ones for the cultivation of Basmati rice. We conduct a proper analysis at this stage to evaluate the soil, groundwater and preceding crop stalks.

The subsequent testing phases begin only when the field has been certified as being suitable for production. We also examine over 550 broad spectrums of pesticide residual molecules, heavy metals, and food contaminants like ochratoxin (one type) and aflatoxin (four varieties). Further, we test for nearly eight different types of heavy metals in baby foods and organic produce.

## Cultivation and procurement stage

Testing seeds for pesticide residue, heavy metals and food pollutants at the pre-harvesting and post-harvesting stages is the next stage of quality control. As one of the largest buyers of paddy at Mandis and auction centres, we start our procurement as soon as the samples have been examined and found to be free of any pesticide residue, toxins, and heavy metals.

## Pre-processing stage

We procure, process, manufacture, pack and distribute our products from our state-of-the-art production facilities in Punjab, Haryana, Madhya Pradesh, US and Europe. We also export to more than 60 countries worldwide.

From the moment raw materials reach our production facilities, we adhere to a strict protocol. Physical inspections are done to check for moisture levels, grain length and breadth, black tips, red grains, green grains, and a number of other parameters. Samples are also taken from each and every bag during stacking and then mixed, homogenised, and tested for mycotoxin.

### Did you know?

**LT Foods is among the very few industry players worldwide that inspect 100% of its raw materials before processing.**

**The process begins by choosing the ideal farmland, evaluating the seeds, inspecting the produce before and after harvest, and analysing the samples at the procurement centres (mandis).**

## PROCESSES

### Manufacturing Excellence

At LT Foods, operational excellence through resource optimisation and efficiency is a fundamental component of sustained growth. To transform raw input resources into high-quality products, we deploy our manufacturing assets and infrastructural capacities across different geographical locations.

Our investments in plant automation and supply chain management over the last few years have resulted in reinforced automation for seamless operations. Our manufacturing excellence ensures uncompromised product quality while adhering to safety, good health, and responsible manufacturing principles.

### Cost optimisation

We adopt a disciplined approach to capital allocation, with prudent cost management aimed at striking the right balance between growth, returns, and raw input costs. We consistently strive to optimise the variables that affect manufacturing cost, which has led

to an overall decrease in our cost of production over the years. With frequent monitoring and budgeting, targets are set in order to achieve favourable outcomes.

### Energy-efficient operations

We maintain a constant focus on energy efficiency and conservation measures, and as a result, we invest in energy-efficient technologies with a lower carbon footprint. Moreover, the overall area-wise energy consumption in our manufacturing plants is monitored regularly. The Company has set up state-of-the-art solar plant that helped reduce energy consumption.

### Continuous upgradations

In order to comply with food safety laws and maintain appropriate throughput, we have ensured regular upgrades and additions. In order to maintain the optimum rejection rate, we have installed new colour sorters in the packaging area. We upgrade de-stoners, pre-cleaners, and other crucial machinery on a regular basis based on their life cycles.

### Optimising capacity utilisation

We have continued to expand our operational footprint in manufacturing. In order to sustain product portfolio expansion, we have switched from manual production planning to a more comprehensive, tool-based production planning. Our machinery is prudently scheduled to calibrate with the available capacities, and we manage our manufacturing assets to maximise throughput.

### Capacity expansion

We regularly undergo capacity expansions after assessing the demand scenario. To fulfil the growing demand of our product offerings from India and International markets, we have strengthened our parboiling capacity. Our packaging machinery is also regularly upgraded in order to synchronise expected demand and capacity.

### Processing and Packaging stage

After two years of ageing, complex process control procedures are carried out during the processing stage. Here, a thorough physical, chemical, and biological analysis is performed on raw materials, semi-finished products, and finished goods. The products are examined for colour, moisture content, and water activity.

Since food safety is the foundation of our business, the in-house laboratories, high-end equipment located within units, and ISO 17025 accredited laboratories were all designed with consideration for regional and international standards. Our modernised testing equipment including mass spectrophotometers, cutting-edge X-rays, and colour sorters to ensure that our end products are free from contamination and foreign particles.

The current method of transporting bulk rice uses permeable tote bags, which helps to control the infestation and promote even fumigant dispersion. Before the completed product is packaged, all food safety measures linked to the packing material, such as migration, specific and heavy metal migration, food grade certification, and physical strength tests, are assessed. The final product conforms to all legal specifications and guidelines established by the respective countries.



### Our Manufacturing Initiatives

- 01

Yield Improvement
- 02

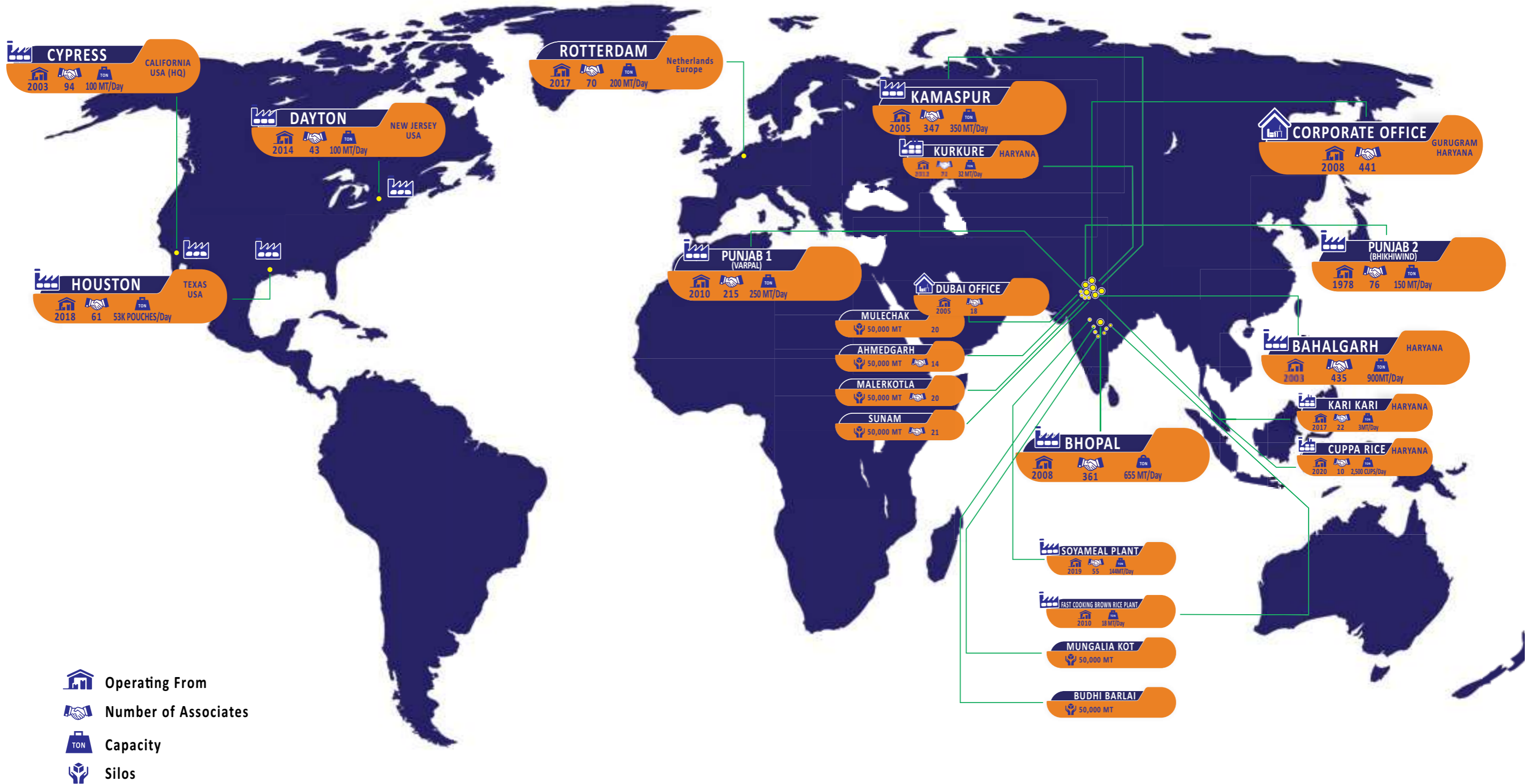
Working Capital Reduction
- 03

Delivery Cost Optimization
- 04

Quality Enhancement
- 05

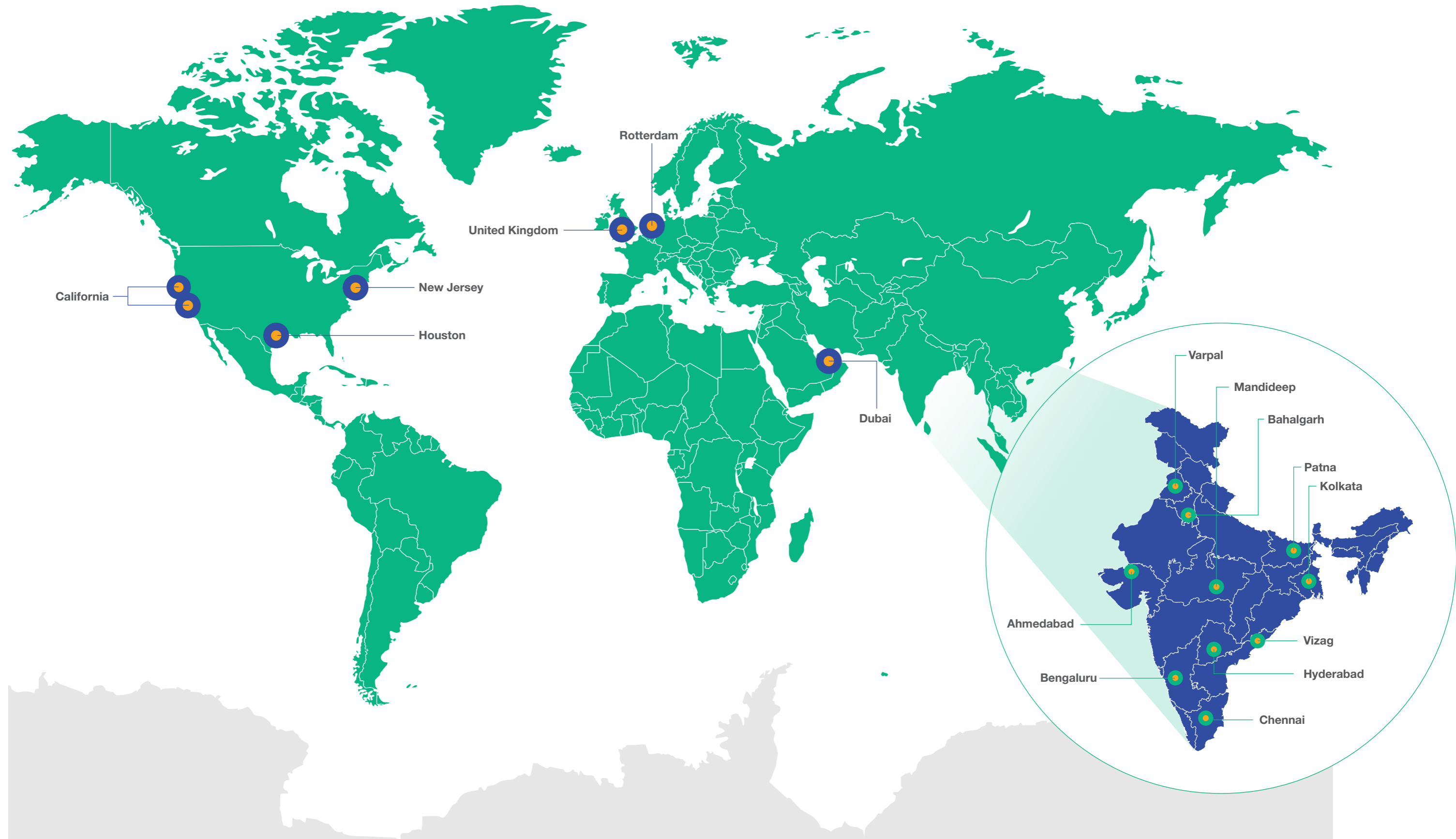
Environment and Safety Initiatives

# OUR MANUFACTURING LOCATIONS



## OUR GLOBAL REACH AND DISTRIBUTION HUBS

● Our presence





# PROCESSES

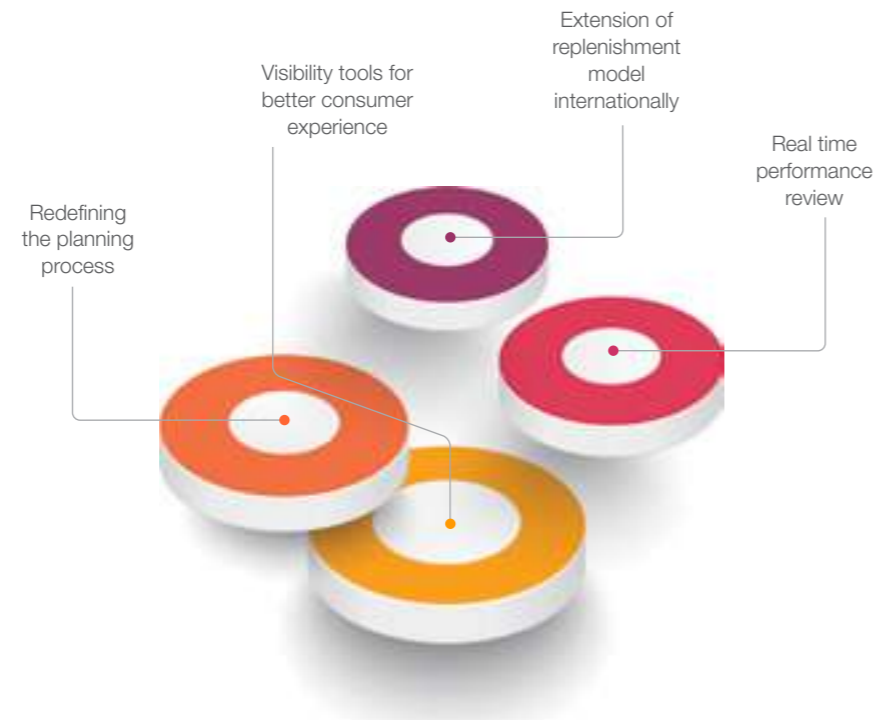
## Supply chain management

The supply chain process at LT Foods has witnessed several transformations in the past few years, progressing from manual planning to specialised software planning. We have recently taken a massive stride forward by digitalising the entire supply chain process, integrating all the functions beginning with procurement, marketing, production and logistics.

## Monitoring key parameters

A supply chain operation that is agile and adaptive to market changes has been made possible by the use of digital tools for production planning and depot replenishment. Additionally, we have installed a Control Tower to monitor key KPIs such as Service Level, Range Availability, Sales Loss, and so on.

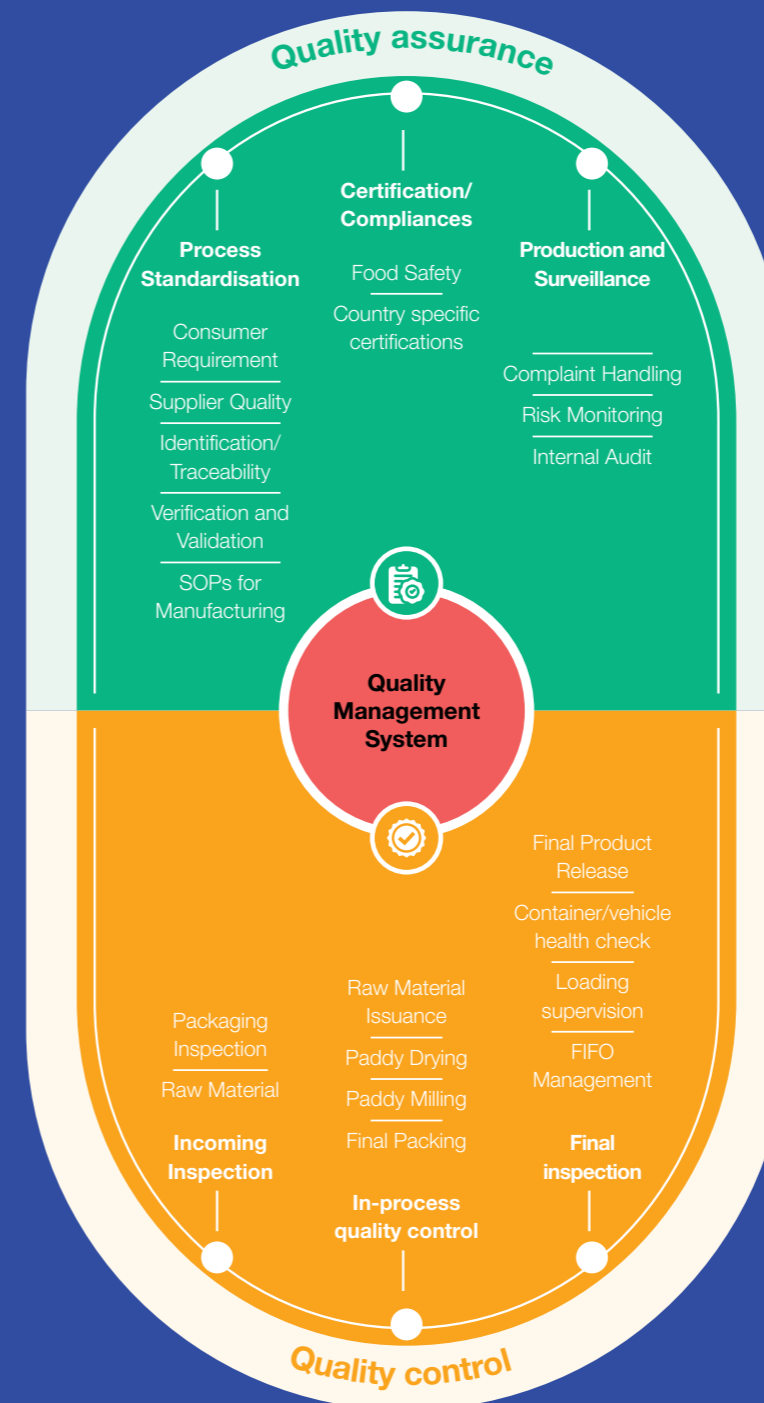
## Outcomes achieved through supply chain efficiency



## Quality first

As a Consumer Food Company, we adhere to the best compliance protocols for food safety. Our primary focus is quality control and assurance in order to provide the highest-quality products to consumers worldwide.

**‘Quality at Reasonable Prices with Consumer Delight’** is the fundamental motto that guides our approach.



## Outcomes achieved through our quality initiatives

Infestation complaints reduced by **50%** in the last fiscal year by adopting the concept of fresh selling

Foreign matter complaints reduced by more than **50%** by adopting Good Manufacturing Practices (GMP)

Gold standard achieved in parboiling products – Golden and 1509 Steam through rigorous R&D

Appreciable growth in Sehat Range as a result of consistent product quality

## PROCESSES

### Well-Entrenched Distribution Network

We have built a strong and resilient distribution channel in existing and new geographies that has allowed us to deepen our reach globally. We are present across all channels including General Trade, Modern Trade, HORECA, e-commerce and we continue to grow our network globally each year. Our distribution network is augmented by technology and automation across distribution centres.

60+

Presence across countries

1,200+

Distributors across countries

100+

International distributors

Our distribution network is augmented by technology and automation across distribution centres.



### Automation in distribution centres

Being in the food business, there is a need for a continuous supply of products in the market to cater to the essential needs of the people. Consequently, a world-class distribution centre has been established next to mother plant, where the products are stored on racks that can be moved by forklifts, reducing the dependency on labour.

17

Distribution centres across globe

# PROCESSES

## Crafting an intelligent digital enterprise

To stay ahead of the curve in an increasingly technologically advanced world, we are deploying sophisticated digital solutions for automating cross-functional workflows, enabling an integrated view of data and consumer insights and streamlining transactional activities. While reducing cyber security threats as our digital footprint grows, we are also enabling prompt and intelligent reporting.

We have developed technologies that integrate diverse sets of data from our suppliers, consumers, media, and financial data to analyse multiple business levers through the integration of data from various internal and external sources. The decision-making process has become much faster and outcome-oriented as a result.



### Benefits to be achieved along the digital transformation journey

Benefits		Key Enablers		
<b>Revenue</b>	<ul style="list-style-type: none"> <li>Increased service levels</li> <li>Improved product mix</li> </ul>	Proactive demand sensing and forecasting	Scenario analysis to tap market opportunities	Inventory optimisation
<b>Cost</b>	<ul style="list-style-type: none"> <li>Reduced operating costs</li> <li>Lower expediting costs</li> </ul>	Supplier reliability visibility and disruption mitigation	Route planning and optimisation	
<b>Resilience</b>	<ul style="list-style-type: none"> <li>Better preparedness for uncertainties and disruptions</li> <li>Faster response with optimal course of action</li> </ul>	Supply Chain Digital Twin	Simulation and What-If Scenarios	
<b>Working Capital</b>	<ul style="list-style-type: none"> <li>Reduced raw materials inventory</li> <li>Lower finished goods inventory</li> <li>Better management of accounts payable and receivable</li> </ul>	Inventory optimisation	Payment terms optimisation	Consumer and supplier visibility and collaboration
<b>Asset Utilisation</b>	<ul style="list-style-type: none"> <li>Improved equipment utilisation</li> <li>Lower overhead absorption</li> </ul>	Real-time production planning and scenario analysis	Logistics Visibility	Route Planning and Optimisation

### Digital platforms

At LT Foods, we aim for efficiency and stay abreast as the world shifts towards increased adoption of technology. From procurement through quality analysis and decision-making, our entire procurement process is centred around technology. The following are the digital platforms that we utilise in our procurement processes:



#### E-Buying Web Portal

We perform all of our seasonal procurement through the web portal. It helps our commission agents to obtain data from all market yards.



#### UD Application

Through this application all activities, such as paddy buying from the market yard to stacking paddy at the factory premises are entirely automated. It supports us in determining the unloading location as well as variety-specific inventory levels.



#### Oryza Application

This mobile-based application facilitates rice purchase from the market. From sample delivery to transaction confirmation, all purchasing-related operations are fully automated.

**We diversify our offerings to**

**remain relevant to our consumers**



**PRODUCTS**

# Enriching the quality of life

We take utmost care to make our products consistently safe, maintain high quality and deliver products based on current food habits and evolving needs to enable our consumers to create delightful food experiences every time and meet their evolving lifestyle needs.

**Extensive Portfolio of Quality and Contemporary Brands**

Over 70 years, LT Foods portfolio has grown from the base basmati to a portfolio consisting of Specialty Rice, Health Foods and Ready-to-Eat and Ready-to-Cook Convenience products.

Basmati remains our core and a superior quality product that we offer across the world. LT Foods is a home to some of the most highly recognised and powerful brands.

Daawat, our flagship brand, is regarded as one of the finest brands which is considered to be among the most innovative product in its category and it offers a chance to strengthen and grow our business across price points across geographies.

Our other flagship brand, Royal, is a top-selling basmati brand in the United States, with a 50% market share. We have harnessed its distribution network in US to expand our product portfolio on the convenience and health platform with Royal Ready-to-Heat that accounts for 50% of our revenue from the convenience and health segment.

Our previously acquired and established brands Heritage, Rozana, Gold Seal Indus Valley, Devaaya and 817 Elephant have flourished regionally across the United States, Canada, Australia, Europe, and the Middle East by catering to large Indian and Middle Eastern ethnic markets. These brands

encompass a diverse customer portfolio, ranging from value to premium product offerings in both Basmati and Other Specialty Rice and Convenience and Health segments.

Twenty-five years ago, LT Foods also recognised a major trend towards organic food and began organic rice cultivation. Today LT Foods has become a highly trusted name for organic food ingredients in US and Europe. Five years ago we started with our organic consumer brand, EcoLife.

We are scaling up our organic foods brand, Ecolife, to leverage the rapidly-growing international organic food market and slowly making inroads in the Indian market as well. Through Ecolife, we intend to cater to the increased affinity of consumers towards hygienically made packaged food products.



**Next Level of Growth**

With the Specialty Rice category serving as our main platform, we are growing constantly and consistently via both organic and inorganic routes across geographies. We are accelerating our growth trajectory with an additional focus on expanding the 'Convenience and Health' platform with the goal that this category contributes 10% of our revenue in the next five years.



# PRODUCTS



**Ensuring focus on Convenience and Health and Fueling the Innovation Funnel**

**Consumer are looking for...**

**Health and Wellness**



**Convenience**

**Variety and Novelty**



**Aligning our innovation with evolving consumer needs...**

**The Convenience and Health segment is expected to make a substantial contribution to our target of building a company that grows faster, is profitable and sustainable.**

## PRODUCTS

### Our product innovation journey

Our innovation journey began with changing consumer behaviour and gaps in its daily food requirements. Change in eating habits globally and strong equity of our brands and our distribution aided us to launch new products that helps us to stay relevant to the consumer.

### Health and Wellness



Our first major success was with Quick Cooking Brown Rice, an innovative technology that delivers genuine brown rice that gets cooked in 15 minutes. Consumer acceptance of this product and its benefits was very high and rapid making this an undisputed market leader since its launch.



We have also increased our product offering in the health food arena with 'Daawat Sehat,' a fortified daily basmati rice, that has been warmly embraced by consumers as it provides a solution for those seeking food with nutritional benefits.



We have been strengthening our portfolio with new products such as Rice Based Snacks in India in conjunction with Japanese company 'Kari Kari,' as well as Ready-to-Heat rice in the United States under the Royal brand.

### Convenience



We are embracing evolving consumer trends around the globe by focusing on convenience with the introduction of the Daawat Cuppa Rice and Royal Ready-to-Heat range to our portfolio, which provides tasty and healthy food in an instant. In this journey, our latest offering is Daawat Biryani Kit which is the finest blend of authenticity with convenience.



# PRODUCTS

## Basmati and Other Specialty Rice Segment



## Organic Food and Ingredient Segment



## Convenience and Health Segment





**PARTNERS AND PEOPLE**

# Collectively making a difference

We believe nurturing goodness responsibly is a continuous and collective journey, undertaken with the support of our internal as well as external stakeholders, who act as enablers of our value creation process.

We keep our partners updated with all the latest developments of the Company so that they can align to our culture, business priorities and operational fabric.

For our internal stakeholders, it has always been the endeavour at LT Foods to provide the best-in-class work culture to our people, while maximising productivity and efficiency for organisational success. The aim is to build an aligned, efficient, engaged and safe organisation by way of deploying competent HR practices, processes and policies throughout the group and providing one-LT experience to our people worldwide.

**2,000+**  
Total employees across globe



**With resilient leadership along with trust, collaboration and empathy, we have been maintaining the status of being a ‘Great Place to Work’ certified Company consecutively for the last three years.**

In FY22 we focused on redesigning a future-ready organisational structure to enable us to realise the vision of becoming a more than one-billion-dollar Company in the next three years. The organisation which is not only efficient and effective but also scalable, adaptable and growing at the same time.

To build capability and make LT Foods a more effective and efficient organisation, we have designed a comprehensive Learning and Development framework (LT University) to create an enabling ecosystem of learning by providing a platform for multidimensional

development for all our employees and foster a culture of continuous learning, development and growth in the organisation.

Technology enablement is our next focus area. We plan to begin our journey towards technologically enabled organisation by adding speed and transparency to the HR processes across LT Foods. The overarching goal behind all these initiatives is to serve the purpose of global integration, scalability and agility, which will subsequently lead to operational excellence across all entities of LT Foods.

## PROFILE OF BOARD



**Mr. Vijay Kumar Arora**  
Chairman and Managing Director

Corporate Social Responsibility & Environment Social and Governance Committee Member

Governance Committee Chairman

Capital Raising Committee Chairman



**Mr. Ashwani Kumar Arora**  
Chief Executive Officer and Managing Director

Stakeholders Relationship Committee Member

Corporate Social Responsibility & Environment Social and Governance Committee Member

Risk Management Committee Chairman

Governance Committee Member

Capital Raising Committee Member



**Mr. Surinder Kumar Arora**  
Managing Director

Stakeholders Relationship Committee Member

Governance Committee Member



**Mr. Abhiram Seth**  
Lead Independent Director

Audit Committee Member

Nomination & Remuneration Committee Chairman

Stakeholders Relationship Committee Member

Corporate Social Responsibility & Environment Social and Governance Committee Member

Risk Management Committee Member



**Mr. Anil Khandelwal**  
Independent Director

Audit Committee Chairman



**Mrs. Neeru Singh**  
Independent Director

Audit Committee Member

Nomination & Remuneration Committee Member

Stakeholders Relationship Committee Chairman

Corporate Social Responsibility & Environment Social and Governance Committee Chairman

Governance Committee Member



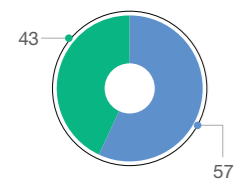
**Mrs. Ambika Sharma**  
Independent Director

Audit Committee Member

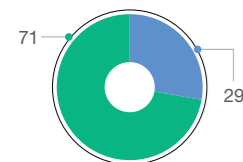
Nomination & Remuneration Committee Member

### Board composition (%)

(%)



● Independent Directors  
● Non-Independent Directors



● Women  
● Men

## NEXT GENERATION LEADERS



**Mr. Abhinav Arora**  
President - LT Foods  
Americas



**Mr. Aditya Arora**  
Director - LT Foods Europe  
B.V.



**Mr. Gursajan Arora**  
Director - LT Foods Middle  
East DMCC



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



**Mr. Rohan Grover**  
Director - NBFL B.V.  
(Organic Business)



**Mr. Anmol Arora**  
Director - Nature Bio Foods  
Limited (Organic Business)

PLANET

# Protecting the Earth for future generations

Our commitment to a sustainable business model has always been at the heart of all we do at LT Foods. We are aware that consumers continue to prioritise sustainability, which is an important metric for gauging the consumer trust in our brands and the Company as a whole.

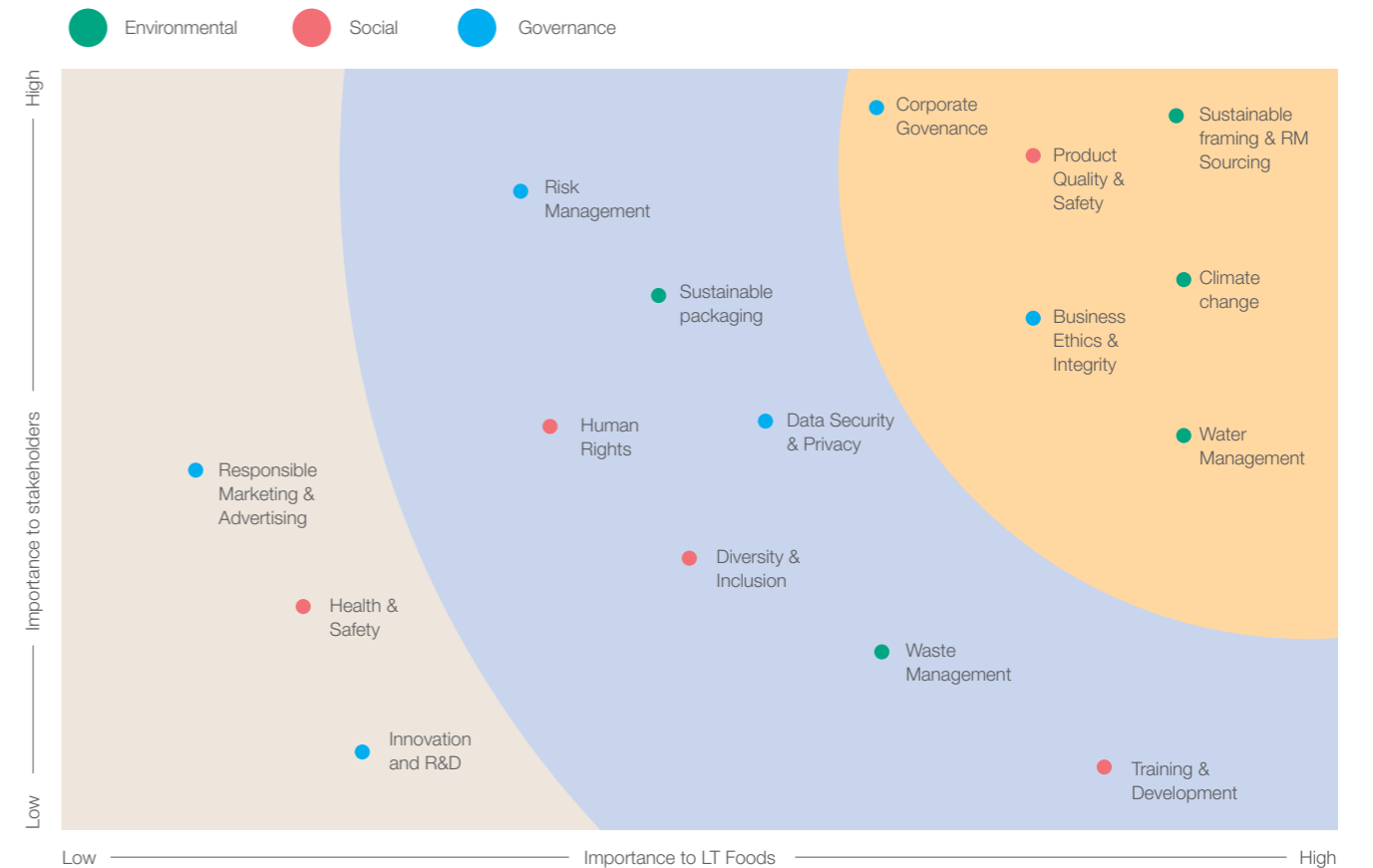
We focus on ethical sourcing and harvesting, while striving to create a positive impact in the lives of the most important asset of our nation — our farmers, by empowering them to implement sustainable farming solutions that not only usher in better yield, but also help preserve the environment for future generations.



## Our ESG Materiality Matrix


We have undertaken an ESG materiality assessment to identify the issues material to our business. Our approach towards the materiality assessment is an interactive and data-driven exercise. We take insights from the best industry practices and our internal and external stakeholders to identify and prioritize the issues and arrive at a practical approach to tailor our ESG strategy.

Our materiality matrix is designed to reflect the primary areas of focus across Environmental, Social, and Governance parameters based on two dimensions – importance to stakeholders and importance to LT Foods.



PLANET

# Our ESG Scorecard



### Sustainable Farming

**47,000**

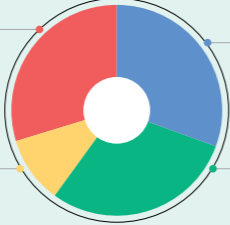
Acres under land laser levelling and AWD (2020 and 2021)

**1.4 L**

Acres of organic certified farming

**13,000**

Farmers trained on sustainable farming practices (2019 to 2022)



26% increase in farmer profitability

9% increase in paddy yield

Reduction in fertilisers cost by 27%

Reduction in pesticides cost by 26%

### Water Conservation

**~113**

Billion litres Water saved over three years through improved farming techniques

**Water Conservation Project**  
covering 12 villages (11 stop dams and 4 ponds)

**Zero water discharge and Rainwater harvesting facility at all factories**

### Sustainable Packaging

**76 MT**

Plastic waste collected and recycled from market during 2021-22

**74%**

Recyclable packaging portfolio

### Climate Change

**46%**

Electricity from renewable sources

**2,500**

Energy efficient cookstoves and solar lamps to rural families

**1 lakh**

Trees planted (2020 to 2022)

**170**

Acres of land destined to biodiversity

**700**

Solar street lights



### Social Indicators

**30+**

ESG certification

**Zero fatality**

At workplace

**20,000+**

Beneficiaries of clean drinking water

**27,000 MT**


Fair trade certified products

### Infrastructure development

For 10 villages (building, roads, drainage, community centre and so on.)

**Awareness for menstrual hygiene and setting up sanitary pad units**

**Adopted 19 schools**  
For improving infrastructure and quality education



### Governance Indicators

**57%**

Independent directors

**2 or less**

Number of directorship of independent directors in other listed companies

**100%**

Board Attendance

**29%**

Gender diversity at the Board

Extending CSR committee to CSR and ESG Committee

Designated Lead Independent Director at Board

**100%**

Independent Audit Committee Nomination and Remuneration Committee

# PLANET

## Sustainable Rice Production

LT Foods is a founder member of the UN backed Sustainable Rice Production (SRP) programme in India. Our SRP programme helps us to achieve the dual objective of achieving economic growth and maintaining ecological health.

### Training and evaluation

All farmers taking part in our numerous outreach initiatives are given training and exposure to every aspect of SRP. A select handful are additionally audited by a qualified third party each season to measure and validate the programme's impact and effectiveness.

### Spreading the sustainability message

In 2022, we collaborated with the Indian Council for Agriculture Research (ICAR) to deliver vital sustainability messages to farmers across India. The ICAR's scientific manpower and infrastructure are helping to carry out the programme titled 'Bridging the gap between conventional and sustainable rice production. To 'Bridge the Gap' and communicate the need for resilience in paddy production, ICAR and LT Foods are employing both physical and electronic methods.

In order to encourage the acceptance of and adherence to key facets of sustainability in the production of paddy, we plan to reach farmers in multiple locations providing information, awareness and training. Farmers of aromatic paddy are the first to benefit from this programme, which is now being implemented in Punjab, Uttar Pradesh, Himachal Pradesh and Jammu and will soon be implemented across other locations.

**10,000+**  
Farmers enrolled in the programme

### Carbon Sequestration

Since land use and agricultural activities account for around 12% of worldwide emissions of greenhouse gases, agricultural land management is a key instrument for reducing climate change. The second-highest source of methane emissions in agriculture comes from rice paddies, where the land is constantly submerged in water that is a foot high.



### Partnering for change

We have a remarkable opportunity to support the global fight against climate change by contributing to the sustainability of the rice crop with the support of partners like Bayer Crop Sciences. We are leveraging the strength of the rapidly developing global carbon markets in order to achieve sustainable rice production.

### Measures for a carbon credit model

Through our project, paddy farmers are encouraged to adopt measures like Direct Seeded Rice (DSR), Conservative Tillage, laser levelling of the ground, and Alternate Wetting and Drying (AWD) that are more water and carbon-efficient. These measures not only decrease water use and, as a result, greenhouse gas emissions in agriculture, but they may also provide farmers with a new source of revenue by compensating them for the carbon credits they generate by changing their farming methods. In this long-term (10-years) project, farmers would have to continue using the recommended measures in order to qualify for the the carbon credit model.

### Way Forward

It is anticipated that the ability to monetise farmers' efforts to reduce GHG emissions and water use through carbon markets will assist the project in generating resources perpetually so that it may grow and sustain its activities.

### Creating meaningful change on the ground

There are various other initiatives being taken in FY 2022 in order to promote our sustainable farming goals. These are:

- Promotion of the use of mat nursery and mechanised transplanting, to improve productivity, reduce labour in weeding and paddy transplanting and also rationalising plant population.
- Introduction of an app for farmers to facilitate training, information exchange and two-way communication.
- Integrated pest management and integrated nutrition management programmes along with Krishi Vigyan Kendra for farmer benefit.
- Rotation of alternative crops with paddy to improve soil health, reduce fertiliser usage and improve farmer incomes.

# PLANET

## Watershed Development

To enact structural transformation, we have been working on various initiatives on water conservation. One such initiative, the WAPRO (Water Productivity) project, has been in the works for three years. Water scarcity has emerged as one of the biggest obstacles to sustainable agricultural growth in India in general and in Haryana in particular. In India, groundwater use for irrigation has grown by more than 70% during the last three decades. We have been attempting to address these challenges of water scarcity along with our partners.

Our project is intended to resolve the issue of water stress through a water stewardship approach. The goals of our farm-level initiatives are to maximise water productivity while sustaining the production of aromatic paddy. These

initiatives consist of direct seeded rice, alternate soaking and drying, and laser levelling, among others. The farmers are encouraged to adopt the SRP standard, and certified sustainable rice is marketed by us and our partners.

### Our Village Adoption Project

We have pursued our Village Adoption Project through our community building initiatives, in which we adopt villages near our operations and work towards their upliftment and transformation. Our initiatives span across the areas of education, health and sanitation, renewable energy and more that result in the overall sustainable development of the communities.

### Promoting education

Educational infrastructure has the potential to elevate the skill and capability of an entire community. We have constructed and rebuilt the school building infrastructure and restrooms to create safe, hygienic and educationally conducive environments for the students across 19+ schools.

**1,200+**

Students benefited

**19+**

Schools adopted



## Improving health and sanitation

We have implemented a number of measures to improve community health, which primarily depends on people's sanitation and hygiene behaviours. In Taparian Village, Panchkula, Haryana, we have completed the renovation and upgradation work of the community health centre. By constructing roads and drainage systems in a village, we are improving the rural infrastructure, while ensuring sanitary conditions.



As part of our Menstrual Hygiene Project, we are also raising awareness about menstrual hygiene and have distributed sanitary pads to all women beneficiaries. Additionally, we have organised village-wide cleanliness drives, awareness campaigns and garbage collection initiatives.



## Ensuring access to clean drinking water

In order to improve access to clean drinking water, we have installed community water filters as well as household water filters. Additionally, we have distributed H2O (Help-2-Others) Water Wheels, which are specifically made drum containers with handles that allow individuals to wheel water from its source rather than carrying it traditionally on their heads. This initiative offers hygienic water storage in addition to hygienic transportation, which will lower the prevalence of illness.

**10+**

Community water filters installed

**300+**

Household water filters installed

**200+**

Water Wheels distributed



In Khairi Village, we also built a pond with a 0.50 square kilometre catchment area, which is expected to save 1.90 billion litres of water annually. Additionally, we have a pond currently under construction in Ricchai Village, which will also contribute towards conservation of water.

### Securing energy supply

We are harnessing the power of solar in rural areas with solar street lights. For rural areas, solar street lights offer an energy-efficient lighting solution and limit the carbon footprint of the areas. We have installed solar street lights across three districts in Raisen, Shrivasti, Chhatarpur. For rural consumers, solar street lights offer a number of advantages:

- Longer business hours in rural areas
- Cleaner, healthier environments, both at work and at home, as compared to those provided by kerosene lamps
- Increased safety for mobility and protection from animals
- Increased ease in walking during evening hours and rainy days
- Availability of quality illumination during power cuts
- Decrease in regular operation cost is associated with conventional street lights

**670+**

Solar street lights installed

## PLANET

### Supporting livelihood interventions

By tackling the many facets of poverty, our livelihood interventions seek to promote sustainable development of communities. We have undertaken several initiatives across different pursuits that evolve around economic activities. On a cost-to-cost basis, we have developed one centre for custom recruiting.

Along with supporting kitchen gardening by supplying agricultural equipment to community households, we also initiated a project involving goat husbandry. Additionally, we have an agreement with Krishi Vigyan Kendra to support projects that are based on best agricultural practices.

# 200

Spray pumps distributed

# 200

Solar insect traps distributed



## CORPORATE INFORMATION

### Board of Directors

#### Vijay Kumar Arora

Chairman and Managing Director

#### Abhiram Seth

Lead Independent Director

#### Surinder Kumar Arora

Managing Director

#### Ashwani Kumar Arora

Managing Director & Chief Executive Officer

#### Neeru Singh

Independent Director

#### Anil Khanelwal

Independent Director

#### Ambika Sharma

Independent Director

### Company Secretary & Compliance Officer

#### Monika Chawla Jaggia

### Key Management Team

#### India

#### Ashok Kumar Arora

President - Punjab Operations

#### Ritesh Arora

CEO - India & Far East Business

#### Amit Mehta

Business Head - Foods

#### Palash Aggrawal

Chief Human Resource Officer

#### Sachin Gupta

Group Financial Controller

#### K.Ganapathy Subramaniam

Head - Marketing

#### Sanjeev Uppal

Head - Operations

#### Manoj Chugh

Head - Procurement

#### Arvind Kumar Yadav

Head - IT

#### Anu Sharma

Head - Legal & Insurance

#### Namit Mehra

Head - Logistics

### LT Foods Americas

#### Abhinav Arora

President

#### Mukesh Aggarwal

Chief Financial Officer

### Andrew W Cops

Senior Vice President - Sales, Marketing & Innovation

### Shankar Satappagol

Senior Vice President - Sales International & Food Service

### Chris Skolmutch

Director - Research & Development

### Shea Levitch

Vice President - Human Resources

### Steve Kline

Director - Quality and Food Safety

### Amol Deshpande

Vice President - Supply

### LT Foods Europe

#### Vikas Magoon

Managing Director

#### Aditya Arora

Director - Operations

#### Anubha Bajaj

Director - Sales

#### Kamal Poplai

Associate Director - Quality and Assurance

#### Mirna Duskan

Head - Human Resource

#### Vishal Aggarwal

Head - Finance

### LT Foods Middle East

#### Gursajan Arora

Director

#### Vivek Kumar

Head - Gulf Business

#### Sandeep Mehndiratta

Financial Controller

#### Bilal Qureshi

Marketing Manager

### Daawat Foods Limited

#### Rajinder Wadhawan

Chief Executive Officer & Chief Financial Officer

#### Anamika Gulati

Head - Quality

#### Vaibhav Srivastava

Financial Controller

### Nature Bio Foods Limited

#### Anmol Arora

Director

#### Rohan Grover

Director, NBFL B.V

### J. S. Oberoi

Chief Executive Officer

### Rajesh Jaswal

Head - Operations

### Rahul Satija

Financial Controller

### Statutory Auditors

MSKA & Associates

### Internal Auditors

Grant Thornton Bharat, LLP

### Secretarial Auditors

D Dixit & Associates

### Production and Packaging Facilities

#### Production Facilities

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

#### Packaging Facilities

Cypress, USA  
Houston, USA  
New Jersey, USA

Kurkure, Kamaspur, Sonapat  
Silos Plant, Punjab  
Silos Plant, Madhya Pradesh

#### Organic Plant

Kamaspur, Sonapat, Haryana,

### Bankers to the Company

Punjab National Bank (Lead Bank)  
State Bank of India  
ICICI Bank Ltd.  
Indusind Bank  
Kotak Mahindra Bank Ltd.  
IDFC First Bank Ltd.  
HDFC Bank Ltd.  
Qatar National Bank Q.P.S.C.  
CTBC Bank Co. Ltd.  
Doha Bank Q.P.S.C.  
KB Kookmin Bank  
Indian Bank  
Union Bank of India  
SBM Bank (India) Ltd  
Bank of Baroda  
Mashreq Bank  
Rabo Bank  
Coöperatieve Rabobank U.A.





# Statutory **Reports**

## MANAGEMENT DISCUSSION AND ANALYSIS

### Global Economy

The recovery in Calendar Year (CY) 2021, which was propelled by high consumer spending, modest investment growth, and trade in goods exceeding pre-pandemic levels, represented the fastest rate of growth in more than four decades. However, by the end of 2021, the pace of expansion had significantly slowed as the effects of monetary and fiscal stimulants started to wear off and significant supply-chain disruptions had materialised. Additional risks to the recovery are being presented by rising inflationary pressures in several economies.

As a result, after contracting by 3.4% in 2020, global GDP grew by 6.1% in CY 2021, the highest growth since 1976<sup>1</sup>. Global headline inflation remained a concern, reaching 5.2% in 2021, almost two percentage points higher than the 10-year average.<sup>2</sup>

Both advanced and developing economies are grappling with multi-decadal inflation. Considering the prevailing high rate of inflation and the rising costs of food and energy, higher expectations of inflation could become more widespread, which could result in further increased prices.

The likelihood of the global economy becoming permanently divided into geopolitical units with their own set of technology standards, international payment protocols, and reserve currencies has increased as a result of the Russia-Ukraine war. Due to the reconfiguration of supply chains and production networks, such a tectonic shift would result in major adjustment costs and long-term efficiency losses.

Vaccination rates have reached critical levels in many affluent countries and emerging economies, lowering COVID-19's worldwide economic and health impact. Consistent consumer spending and moderate investment growth has fuelled economic recovery for several countries. Goods trade has recovered, and is now greater than it was before the outbreak. International trade has expanded as a result of pent-up demand and high commodity prices.

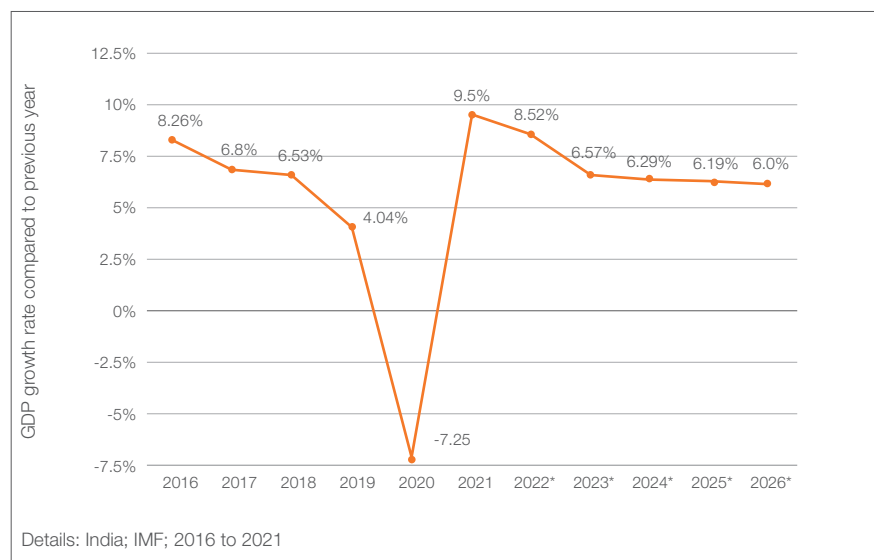
Recent increases in potential output for advanced countries are the result of a re-evaluation of the pandemic's long-term effects as well as the anticipated effects of US public infrastructure investment programmes and EU Next Generation funds. Through infrastructural improvements and technical advancements, notably those related to the transition to green energy, these measures may increase productivity over the medium term.

### Outlook

According to the IMF's economic forecast report, global growth is projected to grow at 3.8% in CY 2023<sup>3</sup>. Demand is projected to rise in the near future as vaccination levels increase further and supply chain bottlenecks become less of an impediment. Many central banks have also started taking initiatives to lower inflation and boost demand. Global headline inflation would fall to 3.8% in CY 2022 and 3.1% in CY 2023 under the baseline scenario, returning to pre-pandemic levels.

### Indian Economy

Since the second wave of COVID-19 in April-June, 2021 had a big impact on health but not on the economy, the economy rebounded in a K - shape in the fiscal year 2021-22. GDP at constant prices, also known as real GDP, grew by 8.7% in FY 2021-22, compared to 7.3% in FY 2020-21. The preliminary GDP



<sup>1</sup> <https://www.un-ilibrary.org/content/books/9789210011839/read>

<sup>2</sup> World Economic Prospectus (January 2022)

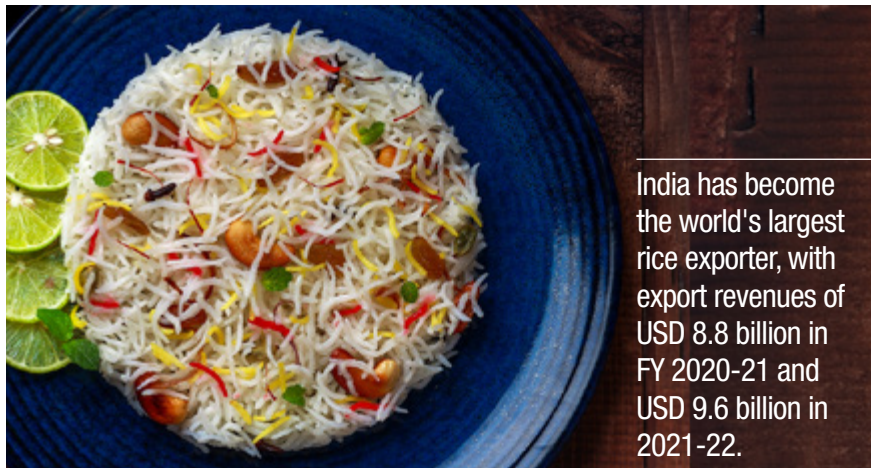
<sup>3</sup> <https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022>

estimate for FY 2020-21 was ₹ 135.13 trillion, however the actual GDP estimate for FY 2021-22 is ₹ 147.72 trillion, up from ₹ 135.13 trillion in the provisional GDP estimate for FY 2020-21.<sup>4</sup>

Total consumption was predicted to rise by 7.0%, in FY 2021-22, with significant contributions from government expenditure. Similarly, as a result of increased public infrastructure spending, Gross Fixed Capital Formation has reached pre-pandemic levels. So far in FY 2021-22, both goods and service exports have been strong, but imports have returned sharply as a result of rising domestic demand and increased international input prices.

With vaccinations covering the majority of the population, the economic growth continues to be on a path of recovery backed by the predicted long-term benefits of supply-side adjustments in the pipeline. The Indian economy growth is expected to remain robust at 8.2% in FY 2022-23<sup>5</sup>. The government's focus on introducing reforms to balance supply-side, including deregulation of multiple industries, process simplification, production linked incentives and the elimination of legacy problems sustain the economic growth.

Even the government's significant increase in capital investment will boost the growth of several downstream sectors. A robust infrastructure would also ease supply-chain bottlenecks, ensuring smooth trade within the country as well as international trade. The robust digital infrastructure has also opened up the possibility to expand businesses. In recent years, e-commerce and online food applications have found acceptance among the consumers, leading to more digital adoption and higher market penetration. 'Atmanirbhar Bharat' and 'Digital India' have been the foundation of the robust drive in digital infrastructure.



India has become the world's largest rice exporter, with export revenues of USD 8.8 billion in FY 2020-21 and USD 9.6 billion in 2021-22.

## Industry Overview

### Rice and Specialty Rice Segment

Rice is a staple food for half of the world's population and one of the most important consumer foods. In 2021, the top five rice exporting nations, India, Thailand, Pakistan, Vietnam, and the United States, accounted for over three-quarters (74.2%) of worldwide rice export value<sup>6</sup>.

The Global Rice market size is expected to reach USD 292.39 billion in 2022 and the market is expected to grow at a compound annual growth rate of 2.2% from 2022 to 2028 to reach USD 334.24 billion by 2028.<sup>7</sup>

In the recent decade, India has become the world's largest rice exporter, with export revenues of \$8.8 billion in FY 2020-21 and \$9.6 billion in FY 2021-22. According to DGCIS data, India exported rice to more than 150 nations in FY 2021-22, demonstrating how the country has diversified its rice export over time.<sup>8</sup>

The past several years have witnessed increase in rice exports as a result of India's focus on improving port handling facilities, developing a value chain incorporating important stakeholders and efforts to seek new markets or

countries for rice export potential.

India's overall rice exports increased by approximately 46% in 2021 compared to the previous year to a record 21.4 million tonnes. The rise resulted from higher imports by Bangladesh, China, and Vietnam.

In FY 2021-2022, India exported 39.47 LMT of Basmati valued at ₹ 26,415.16 crore (\$3.47 billion).<sup>9</sup> The Basmati Export Development Foundation (BEDF), which receives funding from APEDA, has taken creative measures to educate farmers who cultivate Basmati rice in the main growing regions about the adoption of good agricultural practices in order to increase exports of high-quality, aromatic and long-grain Basmati rice. In India, the states of J&K, Himachal Pradesh, Punjab, Haryana, Delhi, Uttarakhand and western Uttar Pradesh produce the majority of the country's basmati rice. In addition to the United States and the European Union, India exports long-grain, aromatic Basmati rice to Saudi Arabia, Iran and other Middle Eastern nations.<sup>10</sup> Further, there has been a shift in the international market towards Indian food, particularly Basmati Rice dishes. Various ethnicities other than Persians, South Asians such as Hispanics and Caucasians have also started consuming Basmati. As a result, there is a significant opportunity for

<sup>4</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=1801835#:~:text=Real GDP or Gross Domestic,2022>.

<sup>5</sup> Indian Economic Survey 2021-22

<sup>6</sup> Rice Exports by Country 2021 (worldstopexports.com)

<sup>7</sup> <https://www.grandviewresearch.com/industry-analysis/rice-market-report>

<sup>8</sup> <https://www.financialexpress.com/economy/indias-rice-exports-to-surge-on-global-crunch/2593190/>

<sup>9</sup> <https://timesofindia.indiatimes.com/city/chandigarh/indias-basmati-export-value-fell-11-5-in-2021-22/articleshow/92216687.cms>

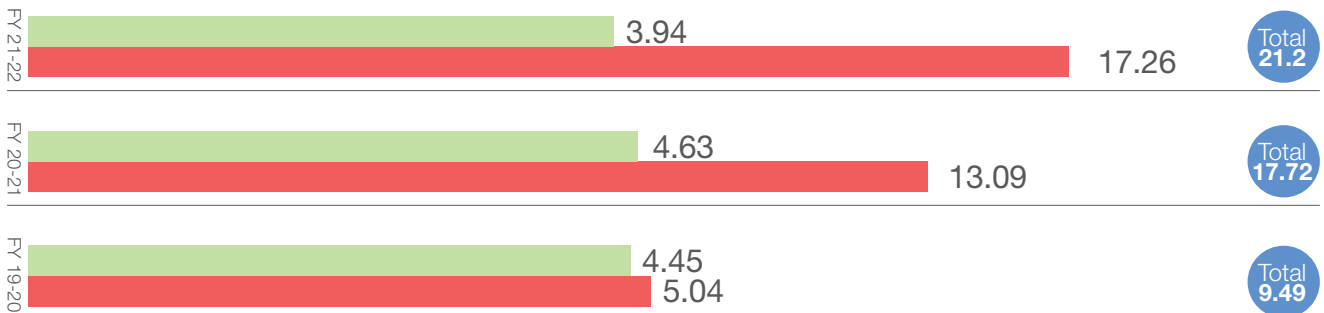
<sup>10</sup> <https://www.financialexpress.com/economy/rice-export-in-2022-23-expected-to-witness-robust-growth/2504565/>

the Basmati Rice category to expand market penetration among various ethnicities across geographies apart from India. The household consumption of specialty rice is increasing as its consumption is steadily growing across geographies.

India shipped more than 17 MT of non-basmati rice out of a total shipment of 21 MT of rice in FY 2021-22, with the remaining volume being aromatic, long-grain Basmati rice. Non-basmati rice exports were the leading forex earner among all agri-commodities in 2021-22, with a 27% increase to USD 6,115 million. Benin, a West

African country, is a major importer of non-basmati rice from India. Nepal, Bangladesh, China, Cote D'Ivoire, Togo, Senegal, Guinea, Vietnam, Djibouti, Madagascar, Cameroon, Somalia, Malaysia, Liberia, U.A.E., among others, are some of the other major export destination countries for non-basmati rice.<sup>11</sup>

**India's rice exports trend**



Source: APEDA, Quantity (million ton) ■ Basmati Rice ■ Non Basmati Rice

**Organic Foods Segment**

Organic food is produced using methods that promote ecological balance and biodiversity conservation. There are no food additives or industrial solvents in these foods. Along with preserving the environment, the global organic food market size is expected to grow from \$120 billion in 2021 to \$137 billion in 2022 at a growth rate of 14%.<sup>12</sup> The organic food market is majorly being driven by rising health concerns due to an increase in the number of chemical poisoning incidents throughout the globe. The organic food markets are majorly being driven by the rise in the number of health-conscious consumers owing to the negative consequences of chemical pesticides in food.

The rising awareness about organic food among the people globally is expected to boost the demand in the coming years. The sector is also driven by the widespread public concern over the use of toxic chemicals in agriculture and farming and their adverse health

consequences on consumers. In addition, the growing prevalence of chronic diseases such as cancer, diabetes and cardiovascular disease, and the rising expenditure on healthcare, are encouraging consumers to embrace organic foods and beverages.<sup>13</sup>

North America was the largest region in terms of sales in the organic food market in 2021, while Western Europe was the second largest region in the global organic foods market. Companies in the organic food market are concentrating their efforts on the

launch of new product categories and variants. New and innovative organic food products are being developed by organic food producers across globe.

The organic food business in India is a niche sector, which is expected to grow in the future years. It is projected to rise at a CAGR of around 20.5% during the forecast period between 2021 and 2026, reaching a value of over USD 2,601 million by 2026.<sup>14</sup> The demand for organic food is expected to surge in the future consumers are more aware and want to opt for clean food.



<sup>11</sup> <https://pib.gov.in/PressReleasePage.aspx?PRID=1818313>  
<sup>12</sup> <https://www.thebusinessresearchcompany.com/report/organic-food-global-market-report>  
<sup>13</sup> <https://www.thebusinessresearchcompany.com/report/organic-food-global-market-report#:~:text=The%20global%20organic%20food%20market.at%20a%20CAGR%20of%2014.0%25>  
<sup>14</sup> <https://www.expertmarketresearch.com/reports/india-organic-food-market#:~:text=India%20Organic%20Food%20Market%20Outlook,USD%202601%20million%20by%202026>

**Convenience and Health Segment**

Convenience and Health food comprises ready-to-eat food, packaged beverages, prepared mixes, canned products and shelf staple products. During the forecasted period of 2022-2029, the Convenience and Health Food Market is estimated to grow at a CAGR of 4.2%.<sup>15</sup> As people relocate to cities, changing consumption patterns have also contributed to the expansion of the convenience food retail business. Increasing demand for ready-to-eat snacks, high demand from emerging countries, expanding disposable income, sedentary lifestyle and development in the working population are driving the convenience food market's growth.

During the forecast period of 2022-2027, it is expected that the global market for ready-to-eat food will grow at a CAGR of 4.89%.<sup>16</sup> Consumers are increasingly demanding food that is locally sourced, sustainable and has simple ingredients. They are increasingly concerned about their health and want to be able to trust where their food is sourced from with the major influencing factors being traceability, safety, transparency, and accessibility.<sup>17</sup>

Ready-to-eat food delivery has emerged as a significant market due to advancement of enticing, user-friendly apps and tech-enabled driver networks, as well as shifting consumer expectations. Early on in the pandemic, lockdowns and physical distance limitations greatly boosted the category. It is anticipated to continue to be a steadfast part of the culinary landscape in the future.<sup>18</sup>

Although urbanisation and changes in lifestyle are the main drivers of processed food consumption in urban regions, semi-urban and rural areas are

also showing an increase in adoption of convenience and health food.

The rise in demand for healthy meals has produced a whole new category of packaged goods, including immunity-boosting foods, whole grains, seeds, and nuts. Several companies have made efforts to include millets in their product lines. Gluten-free foods are also now finding acceptance among the consumers.<sup>18</sup>

**Consumer Megatrends driving Food industry<sup>19</sup>**

**1 Indian middle class will truly come into its own**

India's economy will change from being driven by the lower classes to being driven by the middle classes by the year 2030. By 2030, over 80% of households—an



<sup>15</sup> <https://www.datamintelligence.com/research-report/convenience-food-market>  
<sup>16</sup> <https://www.mordorintelligence.com/industry-reports/ready-to-eat-food-market>  
<sup>17</sup> [https://www.ey.com/en\\_us/consulting/video-how-tech-will-shape-the-future-of-food](https://www.ey.com/en_us/consulting/video-how-tech-will-shape-the-future-of-food)  
<sup>18</sup> <https://www.thehindubusinessline.com/opinion/now-consumers-want-ready-to-eat-health-foods/article35411991.ece>

increase from the current 50%— will have middle-class incomes. In 2030, the middle class will account for 75% of all consumer spending.

## 2 Aspirations are fast converging across urban and rural India and better access will transform this intent into actual spend

The internet and smartphones have greatly reduced the information gap between urban and rural Indian consumers. Beyond the top 40 cities, the income profiles of developed rural and small urban areas are already fairly comparable. Both of these consumer groups are equally at ease with technology-enabled consumption at a given income level and aim for a comparable selection of brands and standards of living. India's rural areas have a considerable desire to consume, but their access to organised retail, power and banking services is still limited. Future initiatives to increase physical and digital connectivity as well as the adoption of creative distribution channels would boost well-being and unleash rural India's actual consumption potential.

## 3 Millennial and Generation Z preferences will significantly shape the market

These consumers will have greater purchasing power and willingness, but they also will have higher standards. In 2030, 77% of Indians will be born in the late 1980s and onwards. Compared to previous generations, consumer's of this generation will have experienced a wider range of product and service possibilities. They already show the propensity to expand their spending over the next ten years, but these younger Indians are also highly discerning about what they view as the 'best in class' products available in every consumption area, from clothing to cars. Richer

and more receptive consumers will be available to businesses, but they will be well-informed and make very specific decisions for themselves and their families.

## 4 India's eternal hunt for value will aid the growth of e-commerce, 'value for money' brands and category extensions

Indian consumers are ready to buy brands that are affordable and have 'just right' features and costs. India's new consumers are spread out over tens of thousands of urban and rural communities, yet they have aspirations to consume more (and the requisite income to fulfil this desire). Asset-light e-commerce models that are supported by offline partnerships and demand aggregators will make it easier for businesses to try out and enter these new markets. Additionally, companies will be able to spend money on brand-new category extensions.

## 5 Ethically-conscious consumers seeking healthy food

As consumers become more aware of the connection between diet and health, they are turning to healthy eating to achieve their wellness objectives. In particular, 40% of young adults between the ages of 18 and 30 follow a clean-eating diet. Foods that are raw and unprocessed will be more in demand from consumers as they avoid foods that are rich in sugar, fat or additives. Consumer trust in companies and their consumption habits are both impacted by social awareness of issues like sustainable supply chains, living wages, animal welfare and food waste.



<sup>19</sup> <https://www.weforum.org/agenda/2019/01/10-mega-trends-for-india-in-2030-the-future-of-consumption-in-one-of-the-fastest-growing-consumer-markets/>

### Company Overview

LT Foods is into consumer food business for the last 70 years, that specialises in Basmati and other speciality rice, organic food and ingredient business, and convenience and health segment.

The Company has complete control over the value chain from farm to fork with a well-entrenched distribution network with supply chain hubs across globe comprising 1,300+ distributors across geographies.

The business is led by its flagship brand Daawat with c.25% market share in India and leadership position in Reunion Island, Israel, Far East, among others and Royal with c.50% market share in North America as well as other regional brands such as Devaaya, Rozana, Gold Seal Indus Valley, 817 Elephant, and EcoLife. Over the years the Company has expanded its product portfolio basis evolving consumer trends.

Additionally, the Company has, over the years, adopted various organic and inorganic routes to strengthen its presence across the globe and

has also delivered on its strategic pillars of growth, margin expansion and strengthening of financial metrics which is evident in the Company's financial performance. The Company demonstrated 4-year Revenue CAGR of 12%, PAT CAGR of 31% and Return on Equity expansion of 480 basis points. The Company has maintained a healthy Debt-EBITA ratio of 1.7 times and has generated consistent free cash flows.

### Business Segments

#### Basmati and Other Specialty Rice Segment

LT Foods is a market leader with a diverse variety of Specialty Rice and Rice food products in India and across geographies.

The Basmati and Other Specialty Rice segment is one of the key businesses of LT Foods and currently contributes 79% to the overall revenue of the business and has recorded a 3 year CAGR of 10%. This business segment has a presence in more than 60 countries under the flagship brands Daawat, Royal and Regional brands like Heritage, 817 Elephant, Gold Seal Indus Valley, Rozana and Devaaya. Its flagship brands Daawat and Royal command leadership position in India and US. Daawat, with other regional brands, also holds leadership position in other geographies as well, such as Israel, Reunion Island, Mauritius, and many more.

The Company is present across all price points from speciality to mid-range to value range, across all the channels such as General Trade, Modern Trade, HORECA, E-Commerce via more than 1,200 distributors in India and 100+ distributors in international markets. The Company is present across more than 1,52,000 retail outlets in India.

This segment has witnessed an overall growth of 9% with a growth in the consumer business by 20%. With an increase in home consumption across geographies, its small pack witnessed a growth of 15% and on account of recovery in the HORECA business the large pack business witnessed a growth



**79%**  
Contribution to revenue

**10%**  
3 year CAGR

of 58%. Apart from basmati rice, Daawat has also introduced regional rice such as Daawat Kolam, Daawat Sona Masoori, Daawat Govind Bhog and so on. This segment is also gaining strength on a year-on-year basis.

**Organic Food and Ingredient Segment**

Organic food consumption has risen sharply in recent years as people’s healthy lifestyle habits are changing. With a diverse range of organic rice, cereal grains, soya-based meals, flour, pulses, oil and oilseeds, nuts, spices, herbs, millets and more, LT Foods focuses on meeting customer demand for organic food and food ingredients.

LT Foods started its organic subsidiary, Nature Bio Foods Limited (NBF), in 1999, offering authentic organic food ingredients to consumers in the US and Europe contributing 11% of the Indian organic food export industry during the year under review. The Company provides a range of organic products, including rice, pulses, beans and ancient grains sourced from Asia. The Company also exports organic soya beans and meal, a nutritious protein supplement sourced from the farms of India and African countries of Togo and Uganda.

With export sales accounting for 90% of total revenue, local subsidiaries have been established to operate in Europe and the US through stock and sell model. During the year, it made



new investments in Europe and started a dedicated organic packaging and cleaning line.

The organic segment accounts for 13% of total revenue, valued at ₹ 705 crores and a 3-year CAGR of 39%. More than 94,000 hectares of certified organic land and 75,000+ farmer families are associated with the Company. In order to assure customer safety and product quality, the production chain is traceable from the field to the packaging.

The Company is among the few in the country to be bestowed with the prestigious CII Food Safety Award.

The Company expanded to new geographies such as Mauritius, Denmark and Slovenia during the year and expanded its product portfolio to include rice syrups, buckwheat, sorghum and sugar. It has been working with agility to expand its organic product portfolio year after year based on market trends and providing safe and healthy organic food ingredients and plans to introduce the brand Ecolife pan-India.

**19%**  
YoY Growth

**70%+**  
Share of Organic Rice exports from India to the World

**39%**  
3 Year CAGR Growth

**85%**  
Share of Organic Flour Exports from India to the World





**Convenience and Health Segment**

Consumer needs have been evolving over a period of time especially with changing lifestyle, increasing globalisation, revolution in technology, and higher level of education (awareness, access to information), and also with impact of recent global crisis like pandemic and geopolitics situation.

Recognising the same, the Company has created a robust mechanism of continuously understanding the emerging consumer needs and trends and developed product on the basis of these trends. We recognised two major trends of health and convenience that the consumer considers while buying kitchen ingredients.

Our first major success was with Daawat Quick Cooking Brown rice on the health platform. It was our first solution in this direction, which is enjoying leadership position since its launch. It is great testimony of our efforts using consumer insights based product innovation, which fulfills the consumer needs. Post the successful

launch of Daawat Quick Cooking Brown Rice, the Company launched Daawat Sehat, the Iron and Vitamin fortified rice on the health platform that has been very well accepted by the consumers.

On the convenience platform, the Company launched various new and innovative products

- ‘Kari Kari’, a Rice-Based Snack in joint venture with Japanese conglomerate Kameda Seika
- Ready-to-Heat (Microwave Heat & Eat) rice with unique blend of spices and seasonings in the US Market under ‘Royal’ brand
- Daawat Cuppa Rice which are delicious Ready-to-eat rice meals
- Daawat Biryani Kits that enables consumers to make authentic biryani under 30 min at home

All these products provide different forms of convenience to consumers and have no preservatives or added colours.

All these products received very good

response in the lead market launches. This validates the direction taken and the process deployed for new product development and innovation. All these products continue to gain momentum and are being expanded to more geographies across the globe.

**2%**  
Contribution to the total revenue

**62%**  
YoY Growth

Today, Convenience and Health Food segment contributes 2% of the overall revenue, and has grown at a 3-year CAGR of 59%. This year, this segment crossed a milestone of ₹ 100 crore and has reached to ₹ 121 crore with a growth rate of 62% on Y-o-Y basis.



**Business Performance by Geography**

**India Business**

The Basmati and other specialty rice business in India are led by LT Foods’ flagship brands, Daawat, Heritage, Devaaya, Chef Secretz, Rozana, among others. These cater to a diverse consumer portfolio, ranging from value to premium consumers.

Daawat has a strong position in the market owing to its high penetration across all channels like general trade, modern trade, HORECA and e-commerce.

**1,52,000+**

**Retail Outlets in India**  
(37,000 new retails outlets added during the year)

**1,200+**

**Distributors in India**

The Company has an existing robust business in India’s rural and urban markets and is striving continuously to increase its business by expanding its distribution networks. It has a strong e-commerce presence, which has helped it generate huge traction.

LT Foods has also witnessed a 13% growth across the e-commerce platforms. The Company is changing its SKU mix in accordance with its focus on enhancing business and is moving from large packs to smaller packs. The Company is planning to further strengthen its supply chain by optimising the system and reducing delivery time. The Company is increasing its visibility through various ad campaigns and strengthening its brand visibility across channels and states.

LT Foods’ Indian division successfully contributed to 32% of the Company’s overall revenue in FY 2021-22. Strong brands, distribution expansion, product range development and the execution



of new Go-To-Market Strategies further augmented the growth of the Company. We have identified the gaps across the value chain till the end consumer and have invested in the new Go-to-Market strategies to reduce the time and cost of delivering the right product at right price to our consumer. The Company has also invested on digitalisation to make these initiatives sustainable.

**32%**

**Contribution to the Total Revenue**

On the strength of improved household penetration and presence across modern trade channels, our India business has witnessed phenomenal growth. Households that consume

basmati rice in India have increased by 13.6%, and we have increased our number of households by 3.4 lakhs on a year-on-year basis.

In the future, our focus will be on boosting overall brand equity across key categories for our complete speciality range by entering new households and increasing the depth in existing ones. We are also increasing frequency and depth of our consumer engagement. Along with efforts to develop new products to address the needs of emerging markets, it is also concentrated on our product-market campaigns aim to drive trials of its Convenience and Health segment products.

**11%**

**Y-o-Y growth in India Specialty Rice Business**

**29%**

**Y-o-Y growth in India Consumer Business**

**Daawat Sehat**

The rationale to launch brand Daawat Sehat was to address malnutrition through fortified rice.



Daawat Sehat is a fortified daily rice enriched with iron, folic acid and vitamins B1, B3, B6, and B12. The brand has a +F logo, which is featured on the FSSI website as well.

During the year, the Company did extensive marketing campaigns such as TVC, outdoor advertising, digital campaigns, and so on, to market this product in India and to emphasise the importance of fortified rice. The product during the year received consumer acceptability, generated a revenue of ₹ 35 crore and witnessed growth of 269% on year-on-year basis.

**269%**  
YoY Growth



**Daawat Cuppa Rice**

Daawat Cuppa rice offers delicious rice meals instantly. These are dehydrated ready-to-eat meals that can be reconstituted in just 10 minutes by adding hot water. It is a healthy and easy alternative for on-the-go consumption because it is simple to prepare and contains all-natural ingredients without preservatives or artificial colours. Daawat Cuppa Rice come in five different variants that have already gained a lot of popularity with consumers.

The product was successfully launched on Amazon, Big Basket and Jiomart along with standalone outlets in Mumbai and Goa with encouraging response from consumers. The Company also conducted promoter activities to create awareness and generate trials. The brand collaborated with influencers for content creation on social media and conducted visibility campaigns across different E-commerce platforms like Amazon and Big Basket.

Daawat Cuppa Rice continued to be the preferred choice for consumers in the Ready-to-Eat category on Amazon. It had featured many times on the list of 'Amazon Hot New Releases' and 'Best Sellers' throughout FY 2021-22. The product also features on Indigo airlines and Air Arabia menu for their in-flight sales. The brand witnessed a growth of 375% on year-on-year basis.

**375%**  
YoY Growth

**Kari Kari**

Daawat-Kameda's Kari Kari snack is an innovative premium Japanese rice based snack whose flavours have been curated as per the Indian palate. This product has been placed in the packaged snacks market which is pegged around ₹ 33,000 Crores and growing at a healthy CAGR of 14-16% as well as in the Healthy and Premium snacks market is pegged around ₹ 900 Crores and growing at 18% CAGR.

**18% CAGR**  
Of Healthy and Premium Snacks Market

This product's sale was hit during the pandemic but this year it bounced back witnessing a growth of 108% on year-on-year basis. The Company rapidly increased its presence across channels and is available in Delhi, Punjab, Haryana, Uttar Pradesh, Maharashtra, Karnataka, Telangana, West Bengal, Assam, Manipur and Sikkim and the plan is to expand it to other states as well in the coming year. Various marketing initiatives to build awareness such as display and search advertisement, sampling, in-store activations, participation in various food forums, and so on were implemented to drive traffic to Kari Kari page and E-commerce platform. The consumer

**108%**  
Growth of year on year basis

response has been very encouraging across 500 modern trade outlets and 250 general trade outlets.

Continuous growth in demand in India market paved the way for expansion of this product in the international

markets. During the year, the Company also started export of Kari Kari to Australia, UAE, North East and Nepal. The launch has been very well accepted by the consumers in these geographies and there have been repeat orders.

During the year, the Company also launched two new flavours — Jalapeno Cheese and Sweet Thai Chilli in addition to the four existing flavours.



**Daawat Biryani Kits**

The production of authentic biryani calls for numerous ingredients and recipe expertise. The word ‘Biryani’ is the most often searched recipe in India, while searches for Chicken Biryani top 100,000 every month. With 115 orders placed every minute on Swiggy and two biryanis being delivered by Zomato every two seconds, it is the most popular meal in India.

Thus, LT Foods with its strong heritage of Daawat, has taken a stride forward by integrating the Daawat MasterChef culinary expertise to create a ‘Rice with Spice’ journey by introducing a range of Ready-to-Cook Biryani Kits.

Biryani Kit includes everything needed to make the finest and most authentic biryani in just 30 minutes. These recipes are packed with carefully selected, high quality natural ingredients that are free of preservatives and artificial colours and are true to their origin in just the right proportions. Biryani Kit is available in three regional variants: Hyderabadi, Kolkata, and Lucknowi.

The Biryani kit is the perfect combination of authenticity and ease. This is another milestone in the Company’s journey to constantly grow its product portfolio on convenience and health platforms through innovation

and user insights. The Company is thereby fulfilling the consumer need statement of ‘how to cook fresh authentic biryani at home with convenience.’

The Company formulated phase wise go to market strategy and has launched its product in E-commerce and modern

retail. The product has a potential in export market as well, with main focus on ethnic consumers in the Middle East, Far East, Australia, UK and US.

**₹ 250-300 Crores**  
Potential market



### International Business

Our International business contributes 68% to the overall revenue driven by growth across our flagship brands Daawat, Royal and other regional brands—817 Elephant, Rozana, Gold Seal Indus Valley and Devaaya. The Company has presence across all channels including reputed super market chains and price points in various countries aided by a robust global supply chain network with 100+ distributors in international markets. The Company has over the years also expanded its product offerings in the organic and convenience and health segment apart from Basmati and Other Specialty Rice segment. Increase in the demand of aromatic rice and speciality rice products from different ethnicities in global markets has led to an increase in our international business by 11% on year-on-year basis.

# 11%

YoY Growth

### Americas Region

In FY 2021-22, the Company's US business witnessed a rewarding year in terms of growth, margin expansion and improving financial metrics. It delivered a growth rate of 15% versus last year. Unprecedented demand surge occurred in FY 2021-22 as a result of fewer competitive basmati imports as well as COVID scares, which encouraged rice stockpiling. Increased prices made it possible to partially offset inflation and rising costs across a range of inputs.

The boost in sales was mostly driven by the Company's flagship brand, Royal. Due to robust demand and pricing, the consumer business witnessed a growth of 13% on a year-on-year basis. The Royal business increased by almost 50% throughout this time. With a 42.4% market share, Royal is the leading brand of Basmati rice in the US.

The business has expanded across all channels and across all ethnic groups. The Company has also taken proactive steps to assure the availability

of key products and has been able to increase consumer home penetration. Factors like multi-tiered initiatives to raise knowledge, recognition and trial of Ready to Heat, along with expansion into new distribution channels and aggressive marketing, contributed to the Company's success.

The **Club Channel** recorded the highest ever revenue which was driven by the competitively constrained quantities of Basmati coming into the U.S and the growth of Organic Basmati at Costco Bay Area and Costco Los Angeles. The growth was augmented by the continued choice of Club by the U.S consumers for its unrivalled value .

In the **Retail Channel** (grocery, mass, and specialty), strong base sales of dry and Ready to Heat rice and more than 23,100 new points of distribution across all outlets drove growth. Ready to Heat Rice performed particularly well and witnessed a growth of 40% on year on year basis adding almost 14,400 new distribution points.

# 23,100

New points of distribution

Walmart, with its enhanced Royal 5lb store count and fresh distribution of two new Ready to Heat products in over 1,000 stores, was the main driver of consumer growth. The retail channel has a positive business forecast going forward, with new business at various stores serving as major growth drivers.

The **Ecommerce channel** grew at 33% in Amazon along with a strong presence in other e-commerce platforms. The expansion of the product portfolio, dedicated team, enhanced advertising investments and various digital campaigns contributed to the rise of the e-commerce business. This year,



the inclusion of the 817 Elephant brand enabled to further boost the presence.

The **Foodservice channel** evolved as consumers and chain restaurants were introduced to the portfolio of a growing consumer base. Broadline food distributors demonstrated strong growth over the previous year.

**European Region**

The market for Basmati rice in Europe was approximately 5.0 lakh metric tonnes and increased by 9% in the year under consideration. This expansion was accompanied by a change in food consumption habits that was attributable to COVID and favoured in-home food consumption.

Additionally, this year marked the first full year following the UK's departure from the European Union (Brexit), which took effect on January 1, 2021. LT Foods Europe had re-engineered its supply chain strategy during the year to serve the UK market in response to the new tariff regulations. The European Market accounted for 20% of the Company's total revenue.

Despite hurdles caused by several COVID-19 lockdowns in relevant markets, the Company has further bolstered the position in its flagship brand Daawat and strategic private label business.

Particularly, the 'Daawat' brand had grown tremendously, contributing to a 87% growth of brand volume. Several brands and line extensions were introduced, including Daawat Golden Sella, Basant, Indus Valley and Daawat Atta.

In Ireland and UK, the Company increased its customer base. The whole drive and the efforts are in line with the strategic intent of Company to make the business more sustainable that resulted in increase share of retail segment to 35%.



low resolution image



### Middle East Region

The Middle East has the largest basmati rice consuming population as it accounts for almost 80% of total basmati consumption worldwide.

The Middle East market includes nations bordering the Persian Gulf, such as Oman, the United Arab Emirates, Qatar, Bahrain, Kuwait, Saudi Arabia, Iraq, and Yemen. With active consumer interaction across all demographics, LT Foods witnessed growth in the premium basmati rice category in the region. Although, the retail sales were muted due to the COVID impact on stockpiling of inventories as well as socio-geopolitical conflict, the Company increased its footprint during the year across all Gulf-based online retail platforms, with the UAE, Kuwait and Qatar being the key targeted countries. Additionally, the Company focused on delivering online customers a superior user experience with premium content and product specifications. Throughout the year, the Company enhanced its presence on key assets of e-commerce platforms, especially during the major buying cycles, to achieve greater prominence.

The Company ensured the availability of the best product offerings across all price points in the Basmati rice category. In addition, the Company

integrated social media with presence on various Ecommerce platforms such as Noon.com, Amazon.com in UAE, Tawseel in Kuwait and TalabatMart, Lulu webstore and Carrefour webstore across UAE, Kuwait and Qatar. LT Foods has dominated the Ecommerce space in the UAE, with its brands capturing 33% of the market share in the Ecommerce space (as per data received from Ecommerce platforms).

The acquisitions have been performing in line with our expectations and have helped us strengthen our foothold in this region. Gold Seal Indus Valley and Rozana have been growing at a CAGR of 9% since acquisition and witnessed a growth of 12% in the year under review and the Middle East segment constitutes 6% overall revenue of the Company.

With no prior presence, the Company has been able to penetrate and establish itself in countries like Oman, Qatar and Bahrain owing to the acquisition of Gold Seal Indus Valley and Rozana. It will also broaden our portfolio of high-recall-value brands. Gaining from the synergies of supply chain management and back end processing, it will enable to leverage the distribution networks of the brands acquired in the relevant market which would lead to an improved margin profile.

### Rest of World

The Rest of World segment contributes 8% to the overall revenue. The Company was quite proactive in entering new areas, investing in brand, and increasing the product line at the same time to fill up the gaps in the consumer space. It has increased its market share in countries such as Singapore, Australia, New Zealand, Reunion Island, Japan, and Mauritius.

Several marketing strategies were undertaken by the Company in order to boost consumer preference for the brand. In addition, the Company's product portfolio in the Basmati and Other Specialty category, Organic category and Convenience and Health category, has been enhanced. In Australia, Kari Kari snacks were introduced and were positively embraced by consumers.

Over the past few years, there has been a consistent growth of 10-15% YoY in Basmati rice segment. In Israel, Daawat Persian rice had been launched in the year under review which received a remarkable consumer response. The 817 Elephant brand continues to dominate in the Israel market. There were several marketing initiatives launched during the year involving TV shows and celebrity chefs along with collaborative advertisements

in magazines and food blogs that contributed to the growth of the Daawat brands in Israel.

In Mauritius, the brands Daawat, Devaaya and Heritage are being strengthened to leverage growth. The new products introduced such as the Daawat Cuppa rice and Eco-life have had a resounding positive response from the consumers in the region. The Company is continuously diversifying its portfolio and expanding its presence across all channels.

In Reunion Island, the brand Rozana continued to reign dominant with its 48% market share. The success of new products that were introduced in previous year was visible during this fiscal year. With exceptional brand recall and acceptability by consumers, the Company is capable to reach across consumer segments at different price points.

**Operations Review**

**Integrated Farm to Fork**

The Company has an integrated ‘Farm to Fork’ model and has presence across all aspects of the value chain. To establish an integrated business model and stay relevant to consumers, the Company has made investments across the value chain, including Sustainable Farming, Procurement, Manufacturing Facilities and Supply Chain, Distribution, Sales and Marketing, People, Processes, and Digitalisation.

The Company aims to provide a consistent experience to its consumers through its integrated business approach and finest food products. The Company operates across the value chain with a constant focus on quality, efficiency, economies of scale, optimum utilisation of capital, and human capital.

**Sustainability**

LT Foods is dedicated to supporting the farming community and is a founding member of India’s Sustainable Rice Production (SRP) scheme. In order to ensure that all its associated farmers receive training and exposure



to every facet of SRP, the Company engages them in a variety of outreach programmes.

To encourage acceptance of and adherence to important aspects of sustainability in the production of paddy, LT Food has also partnered with the Indian Council for Agriculture Research. This collaboration will aid in reaching this year 10,000+ additional farmers in several regions with information, awareness, and training.

Water conservation has also been a priority for LT Foods and therefore it has promoted measures at the farm level aimed at increasing water use productivity while continuing to enhance the output of fragrant paddy. These measures include laser levelling, directly

sown rice, and alternate wet and dry production methods.

The Company has implemented a number of other initiatives in 2022 to support its sustainable farming goals, including the involvement of Krishi Vigyan Kendra and initiatives for integrated pest management and integrated nutrition management for farmer benefit. It has backed efforts to promote the use of mechanised transplanting and mat nurseries to boost output, lessen the need for labour-intensive jobs like weeding and paddy transplanting, and manage plant

**10,000+**  
Farmers enrolled in the programme





populations. In order to boost farmer income, improve soil health, and use less fertilisers, the Company has also advocated focused crop rotation with paddy.

**Procurement**

In order to provide consumers with the finest farm to fork products possible, LT Foods collaborates with farmers, commission agents, and other stakeholders. The cornerstones to effective procurement that are followed by LT Foods are quality, cost-effective purchasing, and purchase timing.

The procurement network has undergone complete expansion across

four states; Haryana, Uttar Pradesh, Punjab, Rajasthan, Jammu and Madhya Pradesh. Its extensive network of 260+ commission agents, located in different states, delivers products of differing quality and rates, which has led to a tailored procurement strategy that takes into account all of the aspects. To check quality and acquire paddy at affordable prices, the Company taps into its network of farmers and commission agents brokers dispersed 230+ government-approved mandis.

Technology serves as the foundation for every phase of the procurement process, from paddy purchase to quality analysis to decision-making.

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

The Company has a widespread reach throughout all basmati-growing regions, and its field team members are skilled and experienced. At every stage, strict quality controls are made to guarantee the highest level of quality in order to meet client expectations. The Company also has a specialised procurement team that assures consistent quality, cleanliness, and safety at all times for its organic produce.

A preliminary demand and supply analysis, assessment and future

**260+**  
Network of agents

**230+**  
Procurement markets



projections is carried out at the start of every season. The quantitative data acquired is then analysed further to estimate supply and demand of international markets. Furthermore, during the purchasing process, logistical accessibility, the ideal buying time, according to variety wise crop availability and demand are taken into account.

**Supply Chain and Distribution**

In order to assure a steady supply of its products and enhance consumer experience, the Company has developed a global supply chain network.

There are five state-of-the-art manufacturing facilities in India, three modern production facilities in the United States and one in Europe. In terms of distribution we have four distribution centres in United States, one in Europe, one in United Kingdom, one in Middle East and ten in India to serve variety of national and international customers. It has optimised its operational performance with the focus on strengthening key areas that were considered as

an improvement area with special emphasis on milling yield improvements and overall efficiency.

Supply chain improvements have been centred on automating processes and reducing delivery times. The Company switched to a palletisation method, reducing its reliance on manual labour. A world-class distribution centre has been built close to the main manufacturing units to allow for faster cargo deployment using VNA trucks (Very Narrow Aisle Trucks) and forklifts. The Company implemented a new narrow aisle racking systems, which allows to increase storage of finished goods by nearly 45% with a versatility to operate through narrow aisle forklifts. This maximises storage capacity and increases productivity, saves time and costs.

The Company has streamlined its supply chain and has completely digitised the entire planning process from forecasting to replenishment of stocks to the distribution centres. LT Foods has operational depots in the country which helps them replenish their modern retail chains, e-commerce chains efficiently and also help distribute to smaller towns through smaller distributors.

The Company has also setup a supply chain control tower to enhance their capability to deliver better service to end consumers and improve the visibility in the entire value chain. The Company tracks the stock availability and service levels internally to reduce the lead time and be more agile to deliver fresh products to consumers which has led to 50% improvement in the reduction of delivery time.

This year LT Foods Europe has also successfully initiated an automation drive to enhance productivity, become data-driven and provide real-time services throughout the value chain. Inventory management is being improved with the implementation of extended warehouse management resulting in maximisation of resources, reduction of warehouse costs and standardisation of warehouse procedures.

**50%**  
Improvement in the reduction of delivery time



**Marketing**

**India**

The Company's marketing strategy in India was focused on maintaining continuous relationships with the consumers, expanding its reach and building brand equity. The Company has launched various campaigns across the platforms to reach the relevant consumers. TV campaigns, Youtube campaigns, OTT platforms, Dealer board, Cinemas and Radio are the channels used by the Company with more than 20.9 lakh reach and more than 70 lakh views.

As a brand, the Company is concentrating on reaching out to its



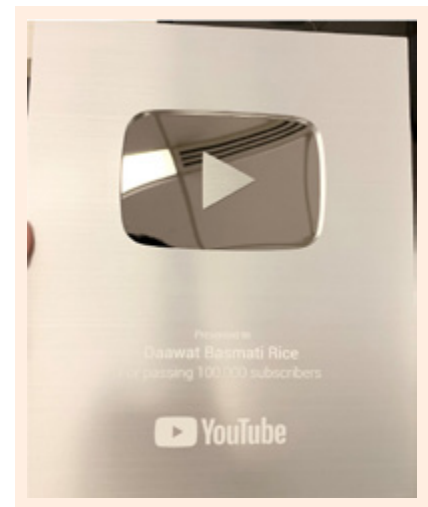
**17L**  
Views on Brand TVC

Brown Digital Campaign targeting relevant audience through true view

consumers through different platforms with its 360-degree approach and digital being the most sought after medium

today, the Company has increased its presence on this platform.

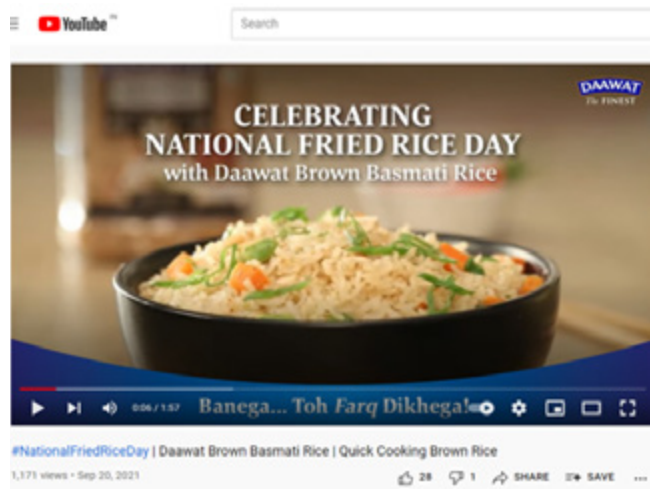
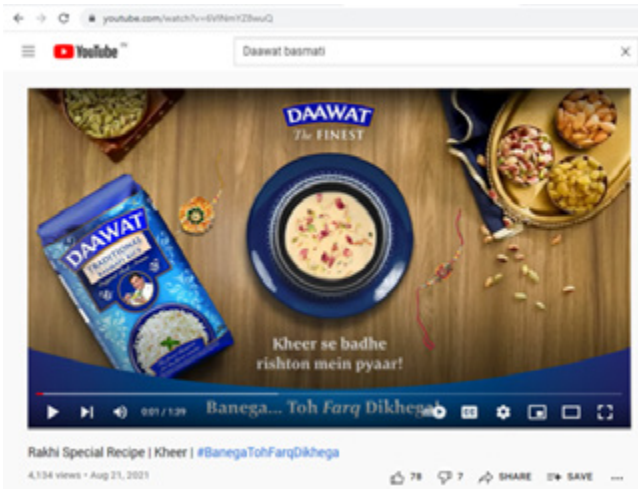
**Launch of New TV Campaign across all relevant platforms**



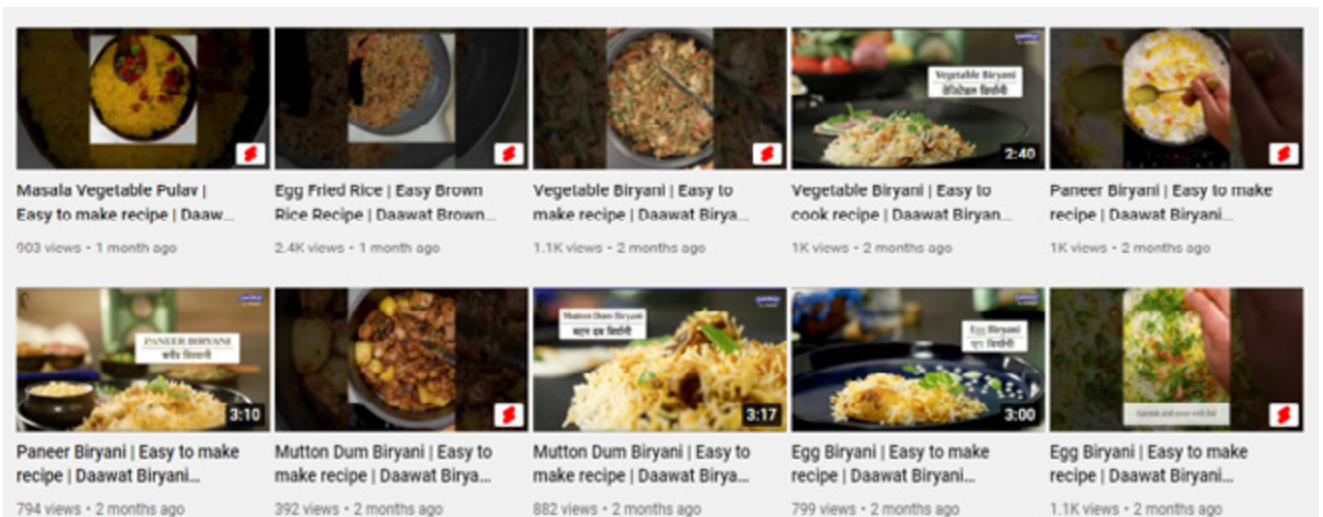
Brand received Silver button from YouTube as the acknowledgement for achieving 1L + subscribers Current we have 1.8L subscribers



Content creation on basis of different topical events



Short Format Videos to build engagement

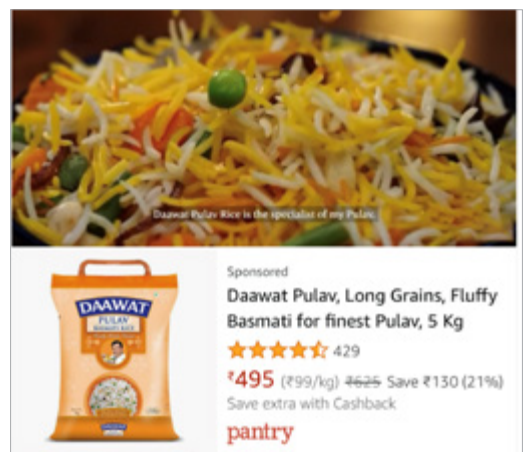
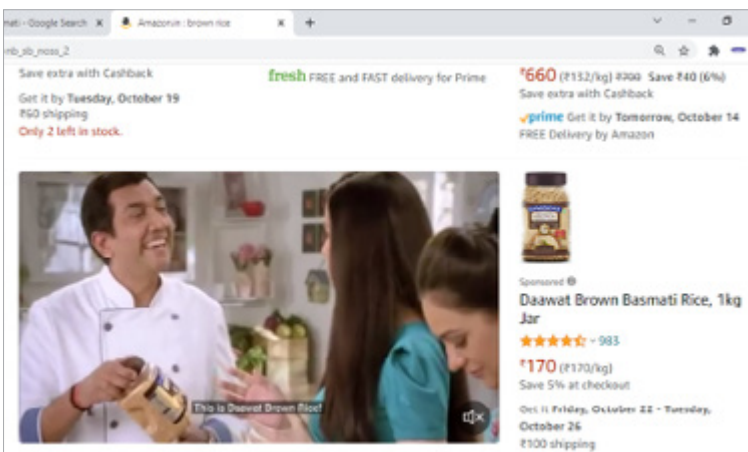
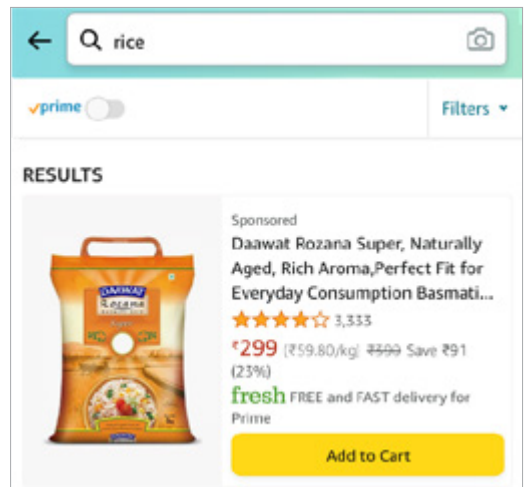
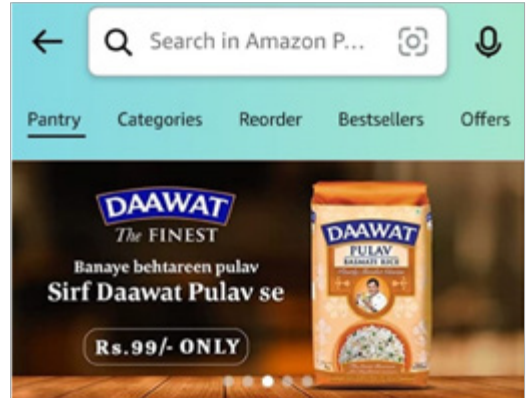


Launch of new campaign across different platforms



Participation in GPL Gujarat by Radio City





**Marketing**

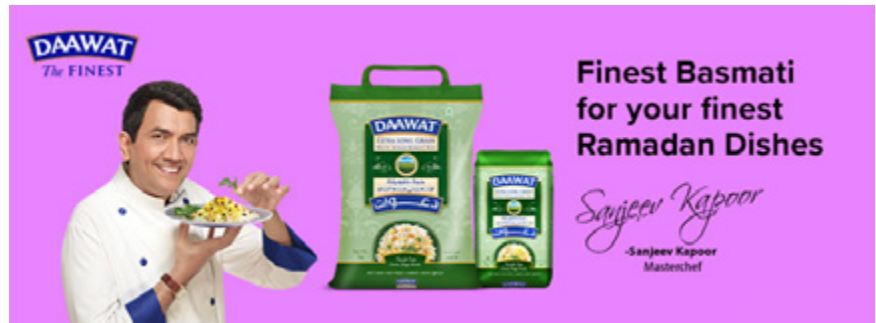
**International**

The Company has implemented geography-specific marketing strategies, taking into account the ethnicities, current brand share, and target brand share in the individual geographies.

In the United States, marketing campaigns aimed to boost the brand equity of Royal brand through print and digital advertising and in-store demonstrations. The Company conducted 10 major campaigns with five campaigns targeted towards reaching the South Asian and Middle Eastern diaspora and other five campaigns created with the pursuit of driving household penetration amongst the gen-pop millennial foodies.

The Company's carefully curated campaigns for special occasions included Ramadan (Chef's Secret), Biryani (Chef's Secret), Summer (Daawat), Onam (SMR), Diwali (Royal), Spring Forward (RTH), Summer (RTH), Back to School (RTH), Diwali (Royal) and New Year New You (RTH). The digital campaign offering 'quick, flavourful meal inspiration' during back-to-school exceeded the industry benchmarks. The Onam campaign focused on driving cultural awareness through the South Indian Regional network and digital display and integrations. The Company increased awareness by reaching new and existing consumers through YouTube advertising and programmes.

Digital marketing initiatives were initiated in Europe and Rest of the World as well to strengthen the brand position and create awareness about the brand. The Company used TV, radio, and digital platforms to raise brand recognition among this population as part of its marketing activities in Europe to develop traction for the Daawat brand among the ethnic market. The Company continues to pursue its goal of consumer expansion through additional listings with well-known grocery chains and mainstream consumers.



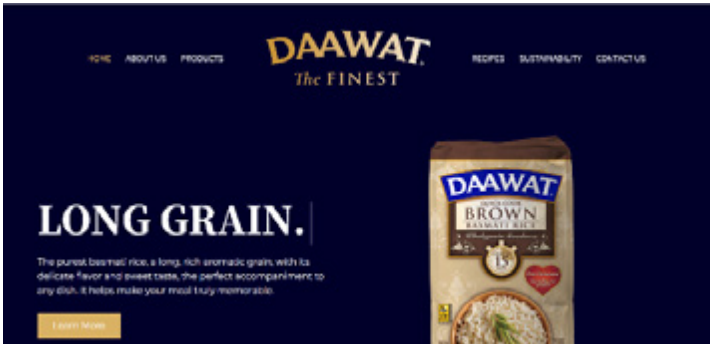
The Company adopted a strategy of client expansion through new listings with well-known supermarket chains including Picnic and Jumbo and mainstream consumers. The Company has also strategically entered the fast-growing home-delivered food subscription business model as a supplier of basmati rice to major players.

In the Middle East, the marketing initiatives were targeted to attract local consumers. LT Foods was highly active during the notable buying periods in the GCC region such as during Eid, Back to school, Diwali, Yellow Friday, Singles Day and Ramadan.

Consumer engagement in LT Foods advertisements has been high, with category-beating views and click through rates. All of the campaigns had high return on advertising spend (ROAS), which demonstrated that consumers were highly accepting of the quality of the content and offerings deployed during these campaigns.

The products included Kari Kari, Ecolife, Daawat Cuppa Rice and Daawat Basmati and Specialty Rice were displayed in stores, super markets and many such public outlets. The marketing strategy aimed to improve the reach of products by ensuring better visibility at stores.











### World's First Biryani Day

By designating July 3rd, 2022 as the World's First Biryani Day around the world, LT Foods has established a special event for Biryani enthusiasts everywhere.

All Biryani enthusiasts now have the chance to express their affection for this dish, which has distinctly Indian flavours but is still popular worldwide. On this day, Biryani lovers all around the world are encouraged to celebrate this outstanding meal by savouring it with their friends and family in their own unique ways and perpetuating the Biryani fervour.

LT Foods celebrated the World's First Biryani Day on July 3rd, 2022, with 1500+ underprivileged children in Sonipat, Haryana and Chhatarpur, Madhya Pradesh. The Biryani was well received by both students and teachers. Some of the pupils had their first taste of Biryani, and they fell in love with it straightaway.

The Company believes that Biryani is more than a product, it is celebration of being together. Biryani is truly universal, spanning countries and cultures and transcending all age ranges.

Daawat Basmati Rice conducted a comprehensive 360-degree multi-country digital campaign to raise awareness of the World Biryani Day, which was accompanied by a television and radio campaign, an outdoor campaign, and an influencer marketing initiative on both a national and regional level.



Influencers



Outdoor

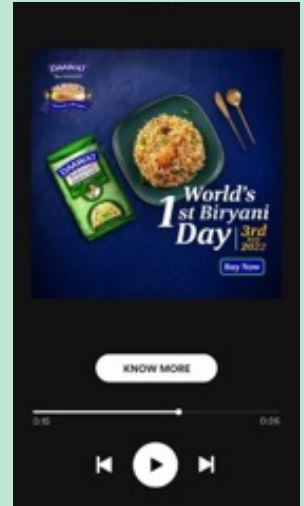
15 cities      40+ hoardings      8Cr+ Impressions in Digital



7 cities



Radio



Digital



**DAAWAT**  
The FINEST



\* Daawat-e-Biryani \*

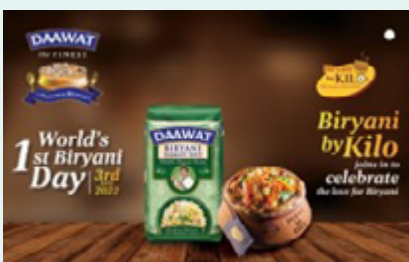
**1st World's Biryani Day** | 3rd July 2022

TV

Collaboration



Neck tags; Influencers; Social Collab post; Discount Coupons



**Food Safety and Certifications**

LT Foods' works on the principle of Quality first and strives for farm to fork experience even before the transplanting of paddy in a designed scientific approach is in place. Soil, water and preceding crops are analysed for pesticides residues, heavy metal and other food contaminant. The basmati paddy seeds are also tested for all food contaminants before it is provided to the farming community. The Company aims to provide best scientific solution to the farming community through sustainable rice platform and work for the compliant quality produced by analysing the paddy crop in its entire sowing cycle. The paddy is analysed at pre-harvest to post-harvest stage and also at farmers farm storage level to mandi and auction centre to procure the best basmati paddy from the farmers and at the same time provide compliant basmati rice to the buyer, exporters and consumers. LT group, through its vision for green and safe environment, also recommends to farming community to use various

green chemistry, biomolecules, bio inoculants and work for integrated pest management (IPM) and integrated nutrition management (INM) through various modes of green molecules, nano technology, and products which are naturally and organically farmed and produced. This molecules work for better soil health, reduces soil pollution, air pollution, water pollution and at the same time provide chemical residue free crop. The Company focuses on adding best value to consumer experience and consumers' delight.

LT protocol also focuses on analysing the basmati paddy and rice for various food contaminant like for pesticides residues, heavy metal, mycotoxins, NOTS and various microbiological parameters along with best organoleptic sensory and cooking attributes with robust physico-chemical analysis. All analysis are based on high end scientific approach with science in the inner core of the group where Assurance Lab analyses the major food contaminants with its world-class facility setup at Bahalgarh

unit as per ISO 17025, ILAC MRA and accreditation from NABL, EIC, APEDA and FSSAI. Assurance Laboratory is an independent testing facility which maintains confidentiality and impartiality in all its functions established by LT Foods to ensure food safety from farm to fork. The laboratory is a state-of-the-art facility in the region and specialises in rice and cereals testing encompassing complete characterisation of its physical, nutritional and chemical parameters. The centre for excellence has received international recognition and accreditation which includes prestigious ILAC-MRA (International Laboratory Accreditation Cooperation-Mutual Recognition Arrangement) that allows the laboratory to expand its businesses globally in all those economies where ILAC-MRA is registered.

The laboratory maintains traceability of results to its highest level by working with NMI-UK known as LGC by participating in various proficiency testing programmes and procuring all its certified reference material and reference materials from them which are ISO 17034:2016 compliant. We also joined hands with National Meteorological Institute of India - National physical laboratory for organising proficiency testing programmes among referral and testing laboratories across India.

Metal speciation to determine toxicity levels of Arsenic (its various species like mono methyl Arsenic, dimethyl Arsenic, Arsenobetaine) and methyl Mercury at sub ppb levels in baby food, RTE and other food matrices.



**Our certifications**

**LT Foods Limited Sonapat, Haryana**

- BRC Global Standard for Food Safety (Issue 8: August 2018)
- IFS Version 7, October 2020
- SQF Food Safety Code for Manufacturing, Edition 8.1
- HACCP
- HALAL
- KOSHER (OU)
- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO/IEC 17025:2015 Accredited Laboratory
- Approved by EIC (Export Inspection Council of India)
- Registered Processing Unit by NPPO (National Plant Protection Organisation) for China.
- Registered under USFDA
- SA 8000:2014

### LT Foods Limited Varpal, Amritsar

- BRC Global Standard for Food Safety Issue 8
- FSSC 22000 (ISO 22000:2018, ISO/TS 22002-1:2009)

### Daawat Foods Limited Mandideep, Madhya Pradesh

- BRCGS Global Standard for Food Safety issue 8 + Costco Addendum
- Food Safety Modernisation Act as per USFDA
- IFS Food Safety Version 7
- FSSC 22000 V5.1(inclusive ISO 22000 & ISO /TS 22002-1)
- HACCP
- Kosher Certification (OU)
- Halal
- ISO 9001 : 2015
- ISO 14001 : 2015
- ISO 45001 : 2018
- Kosher (OU)
- Social Certification
- Sedex
- SA 8000
- Registered under Processing Unit NPPO
- Registration of Rice Mill for China & USA
- Approved by EIC (Export council of India)
- Vegetarian certificate of product – whole plant scheme
- APEDA registration cum member certificate
- Sustainable Rice Platform (SRP)
- Food Safety Standards Authority of India

### Nature Bio Foods Limited (Organic Division)

- FSSC V 5.1
- BRCGS Issue 8
- IFS
- HALAL
- KOSHER (JK + OU)
- SMETA
- SA 8000
- ISO-14001
- Certificate of Manufacturer's Registration for Export to USA (NPPO) and China
- National Programme for Organic Production Standards
- National Programme for Organic Production (NPOP), India and the National Organic Program (NOP) technical standards (USA)
- Naturland
- Demeter
- Biosuisse
- EU Organic
- Fairtrade

### Raghnath Agro Industries Private Limited, Amritsar, Punjab

- FSSC 22000 (ISO 22000:2018, ISO/TS 22002-1:2009)
- FDA

### LT Foods Americas

- FSSC 22000 v.5
- Food Safety System Certification – recognises as a core standard within the Global Food Safety Initiative (GFSI)
- Certified Organic – USDA NOP – National Organic Program (NJ and CA Facilities)
- Non-GMO Project Verified
- Kosher – Orthodox Union
- C-TPAT (Customs Trade Partnership Against Terrorism at all LTFA facilities)
- US-OSHA and Cal-OSHA Compliance (Occupational Health & Safety)
- US-FDA, State, County, and Local Health Department Registration
- US-FDA LACF Compliance (Low-Acid Canned Food Regulations) - (RTH and Texas Facility)
- CFIA (Canadian Food Inspection Agency)

**LT Foods Europe**

- BRC Grade A
- SKAL
- SRP
- IFS
- Fairtrade
- GMP+

**Daawat Kameda (India) Private Limited**

- FSSAI

**Growth Enablers**

**Digital Transformation**

Digitisation is high on the agenda of LT Foods. As part of our global digital transformation program, we have kicked off the Digital Transformation journey for the next few years. The program objective would be leading to such business benefits for e.g.

- More Sales & Top Line
- More Opportunities
- Increase Customer Base
- Expand Profit Margins
- Better Market Position
- Gain Credibility
- Strong Brand Value
- Strong Compliance

To start as first steps, some of the key initiatives which we have shortlisted are Finance Transformation and HR Transformation across all our operating geographies. The next round of transformation would be around Customer & Supplier experience solutions.

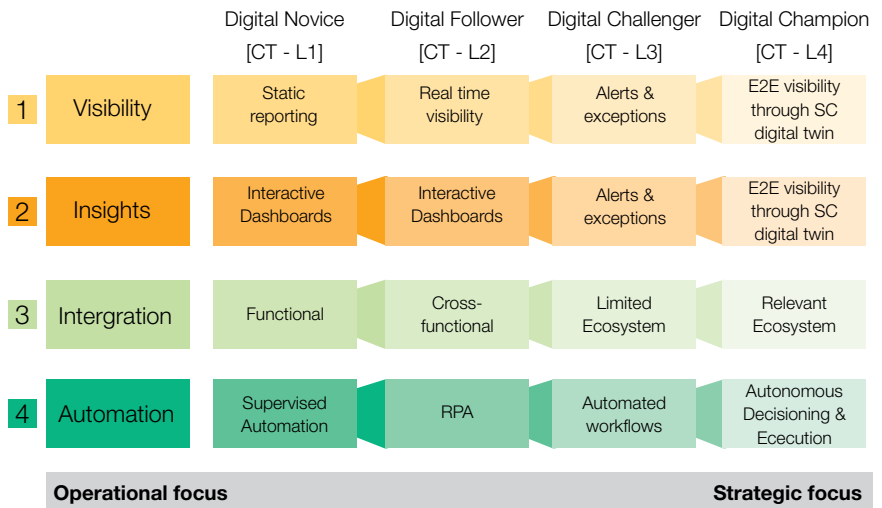
The use of Digital solutions offers a variety of opportunities for us to realize both significant efficiency gains and more resilient and compliant processes.

The overall program is structured across 4 guiding principles

- Bring Visibility
- Gather insights
- Integrated working model
- Intelligent automation

**Human Resource**

LT Foods Ltd is proud of its work culture and the journey it has covered from a close knit family run organisation to a professionally run organisation. Promoters are being supported by professionals with relevant experience to take organisation to next level of



its growth. It principally reinforces its dedication to providing equal opportunity, respect, and fairness to all employees. It enables people to truly have a sense of ownership, learn and develop as individuals, and perform to their highest potential while growing the business in a symbiotic relationship.

The Company has long believed in giving internal talent opportunity for leadership roles and its talent management programme ensures that talent is prepared for such opportunities when they arise. The Company launched an HR Transformation

journey two years back as part of its commitment to continuously enhance its people strategies. The goal is to create a future-ready organisation that can support the Company's next phase of expansion.

The Company focuses on identifying, developing, and managing high potential talent in order to meet the demand for generating tomorrow's leaders and to complement the Succession Planning initiative. Succession planning ensures that the key positions of the Company have a viable stream of internal talent. Through



its 'Campus to Corporate' initiative, the Company lays the foundation of recruitment of new talent into the organisation.

To promote holistic learning among its employees, LT Foods' L&D framework - LT University has multiple academies that include self-paced e-learning courses, sponsored programs, training on newly implemented organisational changes, Leadership Development, Skill-Based Programmes, and programmes tailored to specific cohorts such as Sales and Operations Academies. The Company collaborates with premier business and engineering institutes to recruit Management and Engineer trainees, which enhances employer branding among future talent.

The Performance Management System was reviewed and revised for the year under review to make it more enabling and objective. Goal Alignment, Meritocracy and Differentiation, Culture of Continuous Feedback, Focus on Potential and Performance, and Strong Governance are the main pillars on which the new PMS architecture is based. For all employees across all sites, training and awareness sessions on the new PMS structure are being conducted. The new PMS is anticipated to improve role clarity and boost levels of accountability and ownership.

The Company introduced a new platform to the collection of several other ongoing engagement programmes with the goal of improving employee connection and engagement even further. Amber, an AI-based employee engagement tool, is also being introduced to employees in sequential phases to connect and engage with them.

The technology offers an anonymous platform for reaching out to employees on a regular basis in order to capture real-time employee sentiments.

To nurture the Company's growth, the Company has a committed team of 2,000+ team members globally, including India.

### Environment, Social and Governance

The value system of the Company places a priority on giving back

to society in various ways. It has consistently carried out measures to achieve its ESG goals and integrated the ESG framework into its operating framework. The Company is committed to ethical sourcing and harvesting and works to improve the lives of farmers by enabling them to employ sustainable farming practices that also preserve environment for future generations. The Company also upholds the highest governance standards across its operations.

### Financial Overview

With a 14% increase in revenue and a noteworthy strengthening of the balance sheet in FY 2021-22, the Company continues to achieve on all of its strategic pillars, namely growth, margin expansion, and further strengthening the financial metrics.

The rise was nevertheless widespread, with Basmati and other specialty rice growing by 9%, organic food and ingredient revenues by 19%, and the convenience and health sector by 62%. The Convenience and Health category contributed to about 2% of the total revenue and achieved ₹ 121 crore after surpassing the ₹ 100 crore milestone.

The Gross Profit was up by 14% from ₹ 1,608 crore to ₹ 1,836 crore and the margins stood at 33.7%.

The Company did an additional investment in brands up by 50 bps and also there was an increase in the freight cost by 180 bps that led to an increase in the other expenses which were up by 139 bps compared to last year.

The EBITDA was up by 4% to ₹ 620 crore from ₹ 598 crore in FY 2021-22. The normalised EBITDA margins on

account of increased freight cost was 13.6% compared to 12.5% on Y-o-Y basis.

The Company has generated significant free cash flows amounting to ₹ 373 crore up by 8% driven by strong performance in FY 2021-22, that has led to decline in overall debt by 229 crore. The Finance cost was reduced by 21% and the overall fund cost was down from 5.2% to 4.8%.

The PBT was up by 6.5% to ₹ 428 crore from ₹ 402 crore.

The PAT was up by 7% to ₹ 309 crore from ₹ 289 crore. The Earnings per Share stood at ₹ 9.13 up by 7%.

The Cash profit was up by 9% from ₹ 432 crore to ₹ 398 crore.

On the Balance Sheet front, the debt-equity ratio improved from 0.7 to 0.5 times as the overall debt of the Company was down by ₹ 229 crore to ₹ 1,061 crore on yearly basis. The debt to EBITDA ratio stood at 1.7 times vs. 2.2 times. Current ratio has also improved significantly to 1.78 from 1.70 last year. The Return on Capital Employed stood at 15.6%. The Normalised Return on Capital Employed on account of insurance claim stood at 16.2%. The Return on Equity stood at 14.4%.

On account of Company's continuous focus on working capital optimisation, its net working capital has reduced by 28 days to 207 days in FY22 vs. 235 days last year.





**Standalone Financial Performance (₹ in Crores)**

	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>Y-o-Y Growth (%)</b>
Revenue	2,864	2,405	19
Gross Profit	660	552	20
EBITDA	204	205	-1
EBIT	172	179	-4
PBT	149	146	2
PAT	112	106	5
EPS	3.5	3.3	5
Cash Profit	145	132	9
Net Worth	1,044	966	8

**Consolidated Financial Performance (₹ in Crores)**

	<b>FY 2021-22</b>	<b>FY 2020-21</b>	<b>Y-o-Y Growth (%)</b>
Revenue	5,451	4,773	14
Gross Profit	1,836	1,608	14
EBITDA	620	598	4
EBIT	497	490	2
PBT	428	402	6
PAT	309	289	7
EPS	9.13	8.57	7
Cash Profit	432	398	9
Net Worth	2,149	1,890	14

**Key Ratios**

<b>Ratios</b>	<b>FY 2021-22</b>	<b>FY 2020-21</b>
Debtors Turnover (no. of days)	41	38
Inventory Turnover (no. of days)	238	256
Interest Coverage Ratio (in times)	7.2	5.6
Current Ratio (in times)	1.8	1.7
Debt Equity Ratio (in times)	0.5	0.7
Operating Profit Margin (in %)	9.1%	10.3%
Net Profit Margin (in %)	5.7%	6.1%
Return on Net Worth (in %)	14.4%	15.3%

On a standalone and consolidated basis, the Company saw a significant increase of 41% and 29% respectively in the interest coverage ratio on account of increase in EBIT and reduction in debt and finance cost due to better operational performance. The Debt-Equity Ratio also improved on account of reduction in debt by ₹ 229 crore. There was a reduction in Return on Net Worth Ratio as the increase in Net Worth was more than the increase in PAT.

**Key Ratios**

Inventory Turnover (no. of Days)

256	238	
FY 2020-21	FY 2021-22	

Working Capital (no. of Days)

235	207	
FY 2020-21	FY 2021-22	

Book Value Per Share (₹)

59.1	67.2	
FY 2020-21	FY 2021-22	

Interest Coverage Ratio (in times)

5.6	7.2	
FY 2020-21	FY 2021-22	

Current Ratio (in times)

1.7	1.8	
FY 2020-21	FY 2021-22	

Debt Level (₹)

1,290	1,061	
FY 2020-21	FY 2021-22	

Debt-EBITDA (in times)

2.2	1.7	
FY 2020-21	FY 2021-22	

Debt-Equity (in times)

0.7	0.5	
FY 2020-21	FY 2021-22	

## Risk Management

Type of Risk	Description	Mitigation Plan	Stakeholders Impacted
<b>Strategic Risk</b>			
Changing Consumer Preferences	Changes in consumer tastes may have a negative impact on demand. Given the growth and popularity of social media, consumer preference is dynamic	In order to obtain consumer insights and adjust to shifting consumer preferences, the R&D team of the Company works in tandem with the strategy team. The Company also tracks and actively monitors social media trends to quickly identify shifting consumer wants and provide cutting-edge products.	● ●
Perception	The majority of the Company's revenue comes from the sale of basmati rice, and it is still viewed as a commodities player.	Over the past seven decades, the Company has transformed from a rice trader to a consumer food Company wherein more than 80% of our business comes from our own brands that enjoy strong equity around the world, an integrated 'Farm to Fork' approach, a well-established distribution network, global supply chain hubs, automated state-of-the-art processing units strategically located in India, the US, and Europe, and a strong distribution network with more than 1300 distributors worldwide. By demonstrating year on year sustainable growth and margins, the Company has been able to position itself as a Consumer Food Company to an extent.	● ●
Competition	As other companies diversify into more consumer food offerings, it poses threat to business expansion	The Company has invested in several brand-building initiatives worldwide and holds a market leadership position in countries like India, the US, the Far East, Europe, and so on. Its market share have grown year after year across several geographies owing to ongoing brand promotion and superior quality product.	● ●
Moderate growth for new products introduced	A consumer food Company's accomplishments are exclusively based on its ability to offer new items successfully at regular intervals while adapting to shifting consumer preferences. Since the new products may not be well-received by consumers or may fall short of sales goals, new product launches in the consumer market have a relatively low success rate.	The Company seeks for and makes investments in high-value new concepts in expanding categories where it can make use of its solid brand equity and distribution system.  Prior to releasing a new product onto the market, the Company follows a strict procedure with well-defined stage gate process from conceptualisation to execution. This thorough procedure evaluates the product's market demand, commercial feasibility, return on investment, potential future demand, and so on. Each product is initially tested in a limited market before being released on a bigger scale with the necessary expenditure in marketing and brand-building initiatives. LT Foods has introduced a number of items on the marketplace for convenience and health.	● ●
Private Labels	Private label business also exists in this segment	The Company makes investments in brand-building initiatives to increase consumer brand memory and the value chain to provide a dependable experience for consumers and enters only into strategic private label business.	● ●

● Consumers   ● Shareholders   ● Value Chain Partners   ● Investors  
 ● Government Body   ● Suppliers   ● Employees   ● Community

Type of Risk	Description	Mitigation Plan	Stakeholders Impacted
<b>Operational Risk</b> Increase in use of pesticides exceeding MRL (Minimum Residue Levels)	The performance of a Company's operations might be threatened by frequent changes in a nation's MRLs.	<ul style="list-style-type: none"> <li>In order to assure residue-compliant paddy that meets both international requirements and the farmers' revenue, LT Foods has been working closely with farmers on the back end to teach them how to utilise pesticides.</li> <li>The business has instructed more than 13,000 farmers to plant residue-free paddy as part of the SRP (Sustainable Rice Production) initiative.</li> <li>The Company is a key participant in the Sustainable Rice Platform (SRP), a project of the UN Environment and the International Rice Research Institute, and it is the first Company worldwide to get the Sustainable Rice Platform (SRP) ecolabel's highest level of certification, L3. The highest degree of verification for rice growing that is sustainable is the L3 SRP certification.</li> </ul>	● ● ●
Volatility in raw material prices	Any unexpected shift in raw material costs brought on by unfavourable weather, pricing, or supply dynamics may have an effect on the Company's business operations and profit margins.	<ul style="list-style-type: none"> <li>The Company has an integrated procurement process in place, collaborating with the farmers for prompt procurement of quality paddy at affordable pricing. Further the strength of its brands substantially works as a shock absorber in case of any fluctuation in the raw material costs and pass the same to its consumers to an extent.</li> <li>To guarantee a steady supply of raw materials to meet future business requirements, the Company has implemented and developed a number of programmes and makes use of improved technology. Initiatives are also being done to put in place an efficient procurement strategy that aids in adapting to shifting supply patterns and price volatility in various places.</li> <li>The Company's Inventory Policy specifies that raw materials must be purchased in accordance with the needs of the business.</li> </ul>	● ●
Political Instability in Operating Geographies	Political upheaval and instability in the regions where the Company works might have a negative influence on the Company's financial performance.	The Company has an insurance strategy in place to hedging all insurable risks. LT Foods has a well-defined policy in place to select countries that are politically stable in nature, have future growth opportunities for business expansion, and also where the consumption of the product category is increasing.	● ●
Scarcity of Raw Material supply due to unavoidable reasons	An unexpected scarcity of raw material supply due to unavoidable circumstances	The Company carries sufficient amount of stock against its confirmed orders to avoid any such disruption on this account. Further, it has diversified procurement hubs to mitigate the said risk.	● ●

● Consumers ● Shareholders ● Value Chain Partners ● Investors  
 ● Government Body ● Suppliers ● Employees ● Community

Type of Risk	Description	Mitigation Plan	Stakeholders Impacted
<b>Operational Risk</b>			
Non-Compliance with various Regulatory requirements	Any account of non-compliance might subject the business to legal repercussions, resulting in financial loss and penalties. The Company's reputation may potentially suffer as a result of the same.	The vast digital-led global compliance tool invested by LT Foods ensures necessary compliances mapped across regions and is regularly monitored using a two-step verification for each completed compliance. All offices and manufacturing sites regularly hold training to underline the value of the compliance framework and how non-compliance may negatively affect the organisation's reputation.  To keep the team members and management up to date with the changing legal requirements, regular training are also held. The Company communicates on a regular basis to emphasise the significance of compliances.	● ●
Violation of Code of Conduct	Any violation of the Company's Code of Conduct can have a negative effect on both the Company's reputation and the success of its operations.	The Code of Conduct at LT Foods defines the Company's dedication to morality and honesty. It is signed by any new hires and is also a requirement for new hire orientation. To maintain the document current with evolving governance standards, it is regularly reviewed with the Board of Directors. Additionally, the business has a whistleblower policy that enables all stakeholders to alert the authorised Ombudsman to any fraud or unethical behaviour.	●

Type of Risk	Description	Mitigation Plan	Stakeholders Impacted
<b>Liquidity and Financial Risk</b>			
Foreign Currency Risk	Due to the Company's operations in more than 60 countries, currency fluctuations might result in reduced profits.	The Company has put in place a regulated hedging programme that reduces any possible risk brought on by currency fluctuation that might have an effect on the Company's finances. To make sure there are no deviations, the policy is reviewed often.	●
Volatility in Interest Rates	A risk exists in obtaining finance to operate a firm profitably due to changes in the interest rate regime, rising borrowing costs, and difficulties with liquidity at lending institutions.	<ul style="list-style-type: none"> <li>The Company continues to diversify its risk by obtaining money from a group of banks at competitive interest rates.</li> <li>Over the past few years, the Company has decreased borrowing costs, increased interest coverage ratios, and enhanced cash flow from operations. The Company has generated significant free cash flows amounting to ₹ 373 crore up by 8% driven by strong performance in FY 2021-22, that has led to decline in overall debt by ₹ 229 crore. A robust improvement in cost of borrowing and improved interest coverage ratio from 5.6 times to 7.2 times, led to the credit rating improving from 'CRISIL A' to 'CRISIL A - Positive.'</li> </ul>	●

● Consumers ● Shareholders ● Value Chain Partners ● Investors  
 ● Government Body ● Suppliers ● Employees ● Community

Type of Risk	Description	Mitigation Plan	Stakeholders Impacted
<b>Liquidity and Financial Risk</b>			
Cyber and Data Security	The loss of crucial information as a result of cyberattacks may have a negative impact on the Company's operations. This may also have an effect on the Company's reputation and financial success.	A grievance office has been established in accordance with the Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2021. The Company has identified critical IT systems to ensure identification and implementation of preventative controls to ensure smooth operation of the business. The Company has implemented the latest cyber security technologies to prevent loss of sensitive information due to unauthorised access.	● ● ●

Type of Risk	Description	Mitigation Plan	Stakeholders Impacted
<b>Social Risk</b>			
Failure to meet product quality and safety requirements	As a Consumer Food Company, any failure to meet quality and safety standards for its products can result in reputational risk, loss of consumer trust, and legal ramifications.	<ul style="list-style-type: none"> <li>The Company conducts product quality and safety checks at each stage of the value chain.</li> <li>Prior to incorporating their supplies into the value chain, all suppliers and vendors must pass stringent quality checks.</li> <li>There is also a proper feedback mechanism in place for consumers to contact the Company at any time.</li> <li>A strict compliance system is in place to ensure regulatory compliance, with dedicated quality personnel at each manufacturing unit.</li> </ul>	● ● ●
Talent Acquisition and Retention	The Company's ability to pursue its growth strategy may be compromised due to a talent acquisition and retention mismatch.	The Human Resources department ensures that the talent acquired is in line with the needs of the organisation and that they understand the Company's strategic goals. The Company also ensures that its talent has a growing, challenging, ethical, enriching, and fulfilling career, as well as a culture of openness and transparency. It also ensures that the workforce has access to appropriate training and development tools in order to increase productivity at all levels. The Company holds regular town hall meetings around the world to keep team members up to date on any new developments about the Company and to make them feel proud. These sessions also provide them with a framework/open platform to share their ideas and opinions.	●

- Consumers   ● Shareholders   ● Value Chain Partners   ● Investors
- Government Body   ● Suppliers   ● Employees   ● Community

Type of Risk	Description	Mitigation Plan	Stakeholders Impacted
<b>Environmental Risk</b>			
Disruption due to climatic changes	Any alteration in the pattern of precipitation might negatively affect the health of the crop, which can have an effect on business operations in terms of crop quality.	<ul style="list-style-type: none"> <li>It is a fallacy that Basmati is a crop that is dependent on rainfall and that its output would suffer from an unreliable pattern of precipitation. Most regions where basmati is produced are not dependent on rainfall and have access to various irrigation methods, such as canal and groundwater.</li> <li>The Company monitors climatic changes to guarantee that there is little to no impact on the Company as a result of climatically linked changes.</li> <li>The Company keeps a careful eye on the execution of environmental policies as well as any modifications made to them.</li> </ul>	
Energy and Water Scarcity	Any shortage of water or electricity may cause operations to be disrupted.	<ul style="list-style-type: none"> <li>Strengthening the ESG Framework in the organisation across the value chain to ensure business continuity</li> <li>Initiatives for energy and water conservation, as well as sustainable packaging, are being implemented.</li> <li>In keeping with the global transition and to strengthen its sustainability programme, the Company has established a carbon neutral, renewable energy plant at its Haryana manufacturing facility. Green energy plants will be built in its other manufacturing units as well.</li> <li>Utilising rainwater harvesting throughout plant life</li> </ul>	

● Consumers  
 ● Shareholders  
 ● Value Chain Partners  
 ● Investors  
● Government Body  
 ● Suppliers  
 ● Employees  
 ● Community

**Outlook**

With a 14% increase in revenue and a further strengthening of the balance sheet in FY 2021-22, the Company continues to deliver on all of its Strategic Pillars, namely, growth, margin expansion, and further strengthening of financial metrics.

The Company continued to work on its strategic pillars despite some of the challenges faced by the FMCG industry with regard to input cost inflation and increase in logistic costs.

The rise was nevertheless widespread, with Basmati and other specialty rice growing by 9%, organic food and

ingredient revenues by 19%, and the convenience and health sector by 62%. The Convenience and Health category made about 2% of the total revenue and achieved ₹ 121 crore after surpassing the ₹ 100 crore milestone.

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 network across the globe by expanding its product offerings based on evolving consumer trends. To drive margin expansion, it plans to modify its product mix with products that assure higher margins, increase efficiency and drive cost synergies.

The Company endeavours to achieve this through solidifying leadership position across geographies via organic and inorganic routes and grow via product portfolio expansion through continuous innovation across business segments, such as Basmati and Other Specialty Rice, Organic Food and Ingredient business and Convenience and Health segment. It is consciously investing in growing in politically stable countries to strengthen its business across geographies. It aims to drive its agenda of margin expansion via building economies of scale and unlock synergies, adding efficiencies across the value chain and driving premiumisation. Going forward, the Company will

continue to focus on its strategic goal to create progressive, sustainable, profitable and growing business to create value for its stakeholders. Digitalisation, HR Transformation, Innovation and ESG will act as enablers for this next level of growth.

For the Company's Strategy refer to page number 08 of the Report.

## Opportunities and Threats

The industry overview section and mega trends in the food industry on page 64 provide a comprehensive review of opportunities across businesses, highlighting emerging opportunities for the Company. The corresponding threats have been included in the risk mitigation section of the report on page 94, documenting risks and potential mitigation action plans.

## Governance and Audit

The Company is committed to sustaining the highest standards of integrity, transparency, and accountability in order to gain the trust of consumers, shareholders, workers, suppliers, distributors, local community, and other stakeholders. The Company is cognizant of the importance of a corporate governance model

that is continuously strengthened, with consistent efforts being made to accomplish this objective. The engagement of MSKA & Associates as Group Statutory Auditor will reinforce the framework for monitoring compliance throughout the Company's extensive geographic operational presence during the year under review.

## Internal Control Systems and Their Adequacy

LT Foods has a well-established system of internal controls and procedures aligned with the size and scope of its activities. Internal audits of the Company's operations, premises, and stockyards are conducted on a regular basis to verify that the established processes are being adhered to. The Audit Committee examines internal auditor reports and assesses the internal control systems' operational effectiveness. The Committee then makes recommendations to the Board of Directors for changes to the Company's business processes, systems, and internal controls. The Company has established an in-house team that persistently works on changes offered by Grant Thornton Bharat, LLP, a renowned team of auditors. Internal auditors collaborate with the Audit Committee to develop

annual internal audit plans. To automate the internal control environment and keep track of operations and performance, the Company deployed SAP, the world's top ERP system.

## Cautionary Statement

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



## DIRECTORS' REPORT

To  
The Members

Your Directors take pleasure in presenting the 32nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2022.

### 1. Financial Summary or Highlights

The Board's Report is prepared based on the standalone financial statements of the Company. The Company's financial performance for the year under review alongwith previous year's figures are given hereunder:

(₹ in Lakhs)

Particulars	Standalone	
	2021-22	2020-21
Gross Income	2,86,358.37	2,40,453.93
Profit Before Finance Cost, Depreciation & Amortization	20,400.79	20,525.03
Finance Cost	2,278.55	3,363.67
Gross Profit	66,045.28	55,246.37
Provision for Depreciation	3,246.54	2,586.48
Profit Before Tax	14,875.70	14,574.88
Profit After Tax	11,224.60	10,648.10
Balance of Profit brought forward	48,200.11	40,758.13
Balance available for appropriation	56,155.68	48,200.11
Interim Dividend on Equity Shares	3,198.44	3,198.47
Tax on Interim Dividend	-	-
Transfer to General Reserve	NIL	NIL
Surplus carried to Balance Sheet	56,155.68	48,200.11

### 2. Brief Description of the Company's Working During the Year/ State of Company's Affairs

The **Consolidated** revenue for FY, 22 was up by 14% at ₹ 5,451 crore vs. ₹ 4,773 crore in FY21 on account of increased sales from all three business segments – Basmati & Other Specialty Rice, Organic food and ingredient business and Convenience and Health segment.

The Gross Profit was up by 14% from ₹ 1,608 crore to ₹ 1,836 crore and the margins stood at 33.7%. An additional investment was made in brands up by 50 bps and also there was an increase in the freight cost by 180 bps that led to an increase in the Other expenses which were up by 139 bps versus last year.

The EBITDA was up by 4% to ₹ 620 crore from ₹ 598 crore in FY22. The normalized EBITDA margins on account of increased freight cost was 13.6% Vs. 12.5% on Y-o-Y basis.

The Company has generated significant free cash flows amounting to ₹ 373 crore up by 8% driven by strong performance in FY22, that has led to decline in overall debt by 229 crore. The Finance cost reduced by 21% and the overall fund cost was down from 5.2% to 4.8%.

The PBT was up by 6% to ₹ 428 crore from ₹ 402 crore. The PAT was up by 7% to ₹ 309 crore from ₹ 289 crore. The Earnings per Share stood at ₹ 9.13 up by 7%. The Cash profit was up by 9% from ₹ 432 crore to ₹ 398 crore.

The debt-equity ratio improved from 0.7 to 0.5 times as the overall debt of the Company was down by ₹ 229 crore to ₹ 1,061 crore on yearly basis. Majority of the debt is from working capital debt due of the nature our business and our focus is to maintain the debt to EBITDA ratio between 2 to 3 times which stood at 1.7 times vs. 2.1 times. Current ratio has also improved significantly to 1.78 from 1.70 last year. The Return on Capital Employed stood at 15.6%. The normalized Return on Capital Employed on account of insurance claim stood at 16.2%. The Return on Equity stood at 14.4%.

Due to continuous focus on working capital optimization, net working capital has reduced by 28 days to 207 days in FY22 vs. 235 days last year.

Our **Standalone** revenue for FY22 was increased by 19% at ₹ 2,864 Crores vs. ₹ 2,405 crore last year.

The Gross Margins expanded by 1 bps to 33.7% due to change in product mix and lower input cost.

The EBITDA margins decreased by 116 bps to 11.4% vs. 12.5% last year and was up by 4% from ₹ 598 Crores to ₹ 620 crore.

### 3. Highlights of performance of Subsidiaries, Associates, Joint Ventures and their contribution to the overall performance of the Company

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

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

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

### 4. 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-I**. Performance and financial position of each of the subsidiaries, associates and joint venture companies is included in the Consolidated financial statements.

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

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

No new Company, Subsidiary, Joint Venture or Associate was incorporated during the year. Further, there are no companies which have become or ceased to be Subsidiary and / or Associate of the Company during the financial year 2021-22.

### 6. Share Capital

There was no change in share capital of the Company during the financial year 2021-22.

### 7. Reserves

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

### 8. Dividend

The Company has paid Re 0.50 per share as interim dividend for the financial year 2021-22 and decided to retain back the remaining earnings.

### 9. Material changes and commitments, if any, affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of the Report

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

### 10. Change in the nature of business

During the financial year 2021-22, there has been no major change in the nature of business.

### 11. Details of Directors or Key Managerial Personnel including those who were appointed or have resigned during the year

Mr. Anil Khandelwal, and Mr. Abhiram Seth were appointed as Additional Directors (in Independent Directors category) of the Company through circular resolution passed on 22nd July, 2021. Further, Shareholders in their Annual General Meeting held on 30th September 2021 have approved the appointment of Mr. Anil Khandelwal & Mr. Abhiram Seth as Independent Director for a term of five consecutive years respectively.

Mr. Anil Khandelwal is Director & CEO of YogicSecrets Healthcare Private Limited, engaged in the space of functional medicines, nutraceuticals addressing preventive healthcare and reversal of chronic diseases. He also represents as India partner of Volitan Global, Turkey – engaged in health and technology. He is Fellow member of Institute of Chartered Accountant of India, Associate Member of Certified Internal Auditors from Institute of Internal Auditors Inc. USA, Life member of International Society for Training & Development.

He has worked across various sectors in India and overseas with multiple corporates including International MNCs, namely Hindustan Sanitaryware, Rollatainers, GlaxoSmithKline, Arcelor Mittal, Ranbaxy, Havells India, LT Foods, spanning over 36+ years.

Mr. Abhiram Seth is the Founder of Aquagri, an enterprise focused on promoting Aqua Agriculture through self help groups, amongst the coastal communities. Until March 2008, he was the Executive Director – Exports and External Affairs for PepsiCo India. Starting in 1993, he led Pepsico's exports and agricultural development efforts in India. He graduated in Economics from Delhi University and did his Masters in Management Studies from Jamnalal Bajaj Institute, Bombay University with a specialization in marketing. He has Chaired the Water Committee of FICCI, the Food Regulatory Committee of CII, and has also been the President of Confederation of Indian Food Trade & Industry (CIFTI). He is also actively associated in the Foreign Trade and Agriculture/Food Processing work of various apex bodies of Chambers of Commerce.

With regard to integrity, expertise and experience of the Independent Directors appointed/re-appointed during the Financial year 2021- 22, the Board of Directors have taken on record the declarations and confirmations submitted by the independent Directors and is of the opinion that all the Independent Directors are persons of integrity and possesses relevant expertise and experience and their continued association as Directors will be of immense benefit and in the best interest of the Company. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the institute, as notified under Sub-Section (1) of Section 150 of the Act, the Board of Directors have taken on record the declarations submitted by Independent Directors that they are exempt from appearing in the test or that they will comply with the applicable law within the prescribed time.

Mr. Rajesh Kumar Srivastava resigned from the Nominee Directorship of the Company with effect from 14th April 2021 due to personal reasons.

Mr. Suparas Bhandari and Mr. Gokul Patnaik resigned from the Directorship of the Company with effect from 22nd July 2021 due to pre-occupation and personal reasons respectively.

Mr. Ashok Kumar Arora was appointed as Additional Director & Managing Director in the Board Meeting with effect from 26.05.2021. However, Shareholders did not approve the resolution proposing appointment of Mr. Ashok Kumar Arora as Managing Director. so, he ceased to hold Directorship since 30th September 2021.

## 12. Number of Meetings of the Board of Directors

During the Financial Year, four Board Meetings were held, on 26th May, 2021, 30th July 2021, 29th October 2021 and 31st January 2022.

A resolution was passed through circulation on 3rd May 2021 to reconstitute Committees of the Board. Further, a

resolution was passed through circulation on 22nd July 2021 to appoint Mr. Anil Khandelwal and Mr. Abhiram Seth as Additional Directors on the Board of the Company.

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

## 13. Directors' Responsibility Statement

Pursuant to Section 134(3)(c) of the Companies Act, 2013, the Directors to the best of their knowledge hereby state and confirm that:

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

## 14. Declaration by Independent Director(s) and reappointment, 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.

## 15. Nomination and Remuneration Policy of Directors, Key Managerial Personnel and other Employees

In adherence of Section 178(1) of the Companies Act, 2013, the Board of Directors of the Company has approved a policy on appointment and removal of Directors, Key

Managerial Personnel and Senior Management including to evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.

The broad parameters covered under the Policy are – Preamble, Objectives, Definitions, Role of Committee, Membership, Terms / Tenure, Chairmanship, Frequency of Meeting, Committee member Interest, Secretary, Voting, Nomination Duties, Remuneration Structure & Components, Remuneration Duties and Minutes of Committee Meeting.

The Policy is also available in the Investor Relations section, under the “Policies & Guidelines” tab, on the website of the Company and can be accessed at the weblink: <http://ltgroup.in/pdf/LT-Foods-Remuneration-Policy.pdf>

## 16. Performance Evaluation

In pursuance of Section 178 of the Companies Act, 2013 read with Regulation 4(2), 17(10) and 19(4) read with Schedule II Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Secretarial Standards-I, the Nomination and Remuneration Committee has framed the evaluation process and the performance evaluation of Independent Directors, Executive Directors and of the Board as a whole as well as working of its Committees has been carried out during the financial year 2021-22.

### (a) Performance Evaluation of Individual Directors & Chairman

The Independent Directors of the Company met separately on 28th January 2022 without the presence of Non-Independent Directors and inter-alia reviewed the performance of the members of management, Non-Independent Directors, Board as a whole, performance of the Chairman of the Company and the Committees after taking into consideration the views of Executive and Non-Executive Directors.

### (b) Performance evaluation of the Board and Committees

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

### (c) Evaluation Outcome

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

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

## 17. Web address for Annual Return

Pursuant to the requirements of Section 92(3) of the Companies Act, 2013, the annual return is available at [http://ltgroup.in/pdf/Annual\\_Return\\_2022.pdf](http://ltgroup.in/pdf/Annual_Return_2022.pdf)

## 18. Statutory Auditors

M/s MSKA & Associates were appointed as Statutory Auditors for a period of five years in 30th Annual General Meeting held on 30th September 2020.

### Statutory Auditors' Report

The Independent Auditors' report for the financial year ended 31st, March, 2022 on the Standalone financial statements of the Company forms part of the Annual report. The said report was issued by Statutory Auditors and doesn't contain any qualification, reservation, adverse remark.

The Independent Auditors' report for the financial year ended 31st, March, 2022 on the Consolidated financial statements of the Company also forms part of the Annual report. The said report was issued by Statutory Auditors with an “Emphasis of Matter” Paragraph with an unmodified opinion and doesn't contain any qualification, reservation, adverse remark.

During the year under audit, the Auditors have not reported any fraud under Section 143(12) of the Act and

therefore no details are required to be disclosed under Section 134(3)(ca) of the Companies Act, 2013.

## 19. Cost Auditors

The Company is not required to appoint Cost Auditor under Section 148(3) of the Company Act, 2013 read with Rule 3 and Rule 4 of The Companies (Cost Records and Audit) Rules, 2014.

### Cost Records:

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.

## 20. Secretarial Auditors

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.

### Secretarial Audit Report

The report of the Secretarial Auditors is enclosed as **Annexure – II** to this report.

The observations made by the Secretarial Auditors in their Audit report are as follows:

- 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.

Reply: Company has duly noted the observations and will be more vigilant in future for the same.

- 2) As per section 124(6) of the Companies Act 2013, read with Rule 6 of Investor Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF within 30 days of such shares becoming due to be transferred to the fund. However, on inspection of records, it was observed that some of such shares due to be transferred to the Fund in financial year 2020-21 were actually transferred to the fund in financial year 2021-22.

Reply: This was purely inadvertent mistake and company has already taken necessary steps before the Secretarial pointed the same. Company will be more vigilant in future for the same.

- 3) Some of the Designated employees has violated the code of Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015. They traded in shares during the period of window closure and have

not taken pre clearance from the Compliance officer to conduct such trading.

Reply: Company had issued warning letter to the concerned designated employees and also taken steps to strengthen internal control system for avoidance of such act in future.

- 4) According to information and Explanation and verification of forms and returns maintained by Company, FLA for the Financial Year 2020-21 was filed on 18th August, 2021. However, the Company had made an application to RBI for extension, which was considered and RBI granted the extension to the Company till 10.09.2021. Although, the due date for filing was 15th July, 2021.

Reply: Company has duly noted the observation.

- 5) 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.

Reply: Company has duly noted the observations and will be more vigilant in future for the same.

- 6) 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.

Reply: Company has duly noted the observations and will be more vigilant in future for the same.

- 7) As per sub-section (3A) Section 7 of The Payment of Gratuity Act, 1972 "If the amount of gratuity payable under sub-section (3) is not paid by the employer within the period specified in sub-section (3), the employer shall pay, from the date on which the gratuity becomes payable to the date on which it is paid, simple interest at such rate, not exceeding the rate notified by the Central Government from time to time for repayment of long-term deposits, as that Government may, by notification specify. On verification of records, it was found that, though there was delay in payment of gratuity, no payment of simple interest was made to the employee.

Reply: Company has duly noted the observations and will be more vigilant in future for the same.

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

Reply: Company has duly noted the observations and will be more vigilant in future for the same.

### Corporate Governance Certificate

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 as **Annexure – III**.

## 21. Internal Auditor

In terms of compliance of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Board of Directors in their meeting appointed Grant Thornton, Bharat LLP as its Internal Auditors for reporting year.

## 22. Internal Audit & Controls

During the year, the Company appreciated their suggestions and recommendations to improve the control environment. Their scope of work includes review of processes for safeguarding the assets of the Company, review of operational efficiency, effectiveness of systems and processes, statutory compliances, and assessing the internal control strengths in all areas. Internal Auditors findings were discussed with the process owners and suitable corrective actions were taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

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

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

## 23. Vigil Mechanism

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for Directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy can be found on the link at: [http://ltgroup.in/pdf/Whistle-Blower%20Policy\\_August%202021.pdf](http://ltgroup.in/pdf/Whistle-Blower%20Policy_August%202021.pdf) on the website of the

Company. In terms of amendment in regulation 9A(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015, which requires a listed Company to have a whistle-blower policy and to make employees aware of such policy to enable them to report instances of leak of unpublished price sensitive information. Since the Company has already in place policy on Whistle Blower formulated in terms of Listing Regulations and thereby informed the employees through internal circular, about their right to report any instance of leak or suspected leak of UPSI under the guard of the said policy in place.

## 24. Risk Management Policy

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

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

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

## 25. Particulars of Loans, Guarantees or Investments under Section 186

The particulars of loans given, investments made and guarantees provided by the Company, under Section 186 of the Companies Act, 2013, as at 31st March, 2022, are furnished in **Annexure – IV** and forms part of this Report.

## 26. Particulars of contracts or arrangements with Related Parties

The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in Form No. AOC-2 in **Annexure – V** and forms part of this Report

## 27. Contribution to Tax Authorities

The Company is regular in payment of taxes and other duties to the Government. During the financial 2021-22 your Company's current tax is ₹ 3768.31 lakhs towards Corporate Income Tax as compared to ₹ 3646.81 lakhs during the last financial year.

## 28. Details relating to deposits covered under Chapter V of the Companies Act, 2013

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

## 29. Corporate Social Responsibility (CSR)

Details of the policy developed and implemented by the company on CSR initiatives taken during the year and other disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 related to CSR activities is detailed in **Annexure - VI**.

## 30. 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.

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

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

The Company has a well-placed internal financial control system which ensures that all assets are safeguarded

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

## 32. 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.

## 33. Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

## 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. A number of programs that provide focused people attention are currently underway. The Company's thrust is on the promotion of talent internally through job rotation and job enlargement. The Company maintains healthy, cordial and harmonious industrial relation at all level. The enthusiasm of employee has enabled the Company to maintain its leader position in the industry.

## 35. Details pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Pursuant to rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, The information required are as follows.

1.	Ratio of remuneration of each Director to median remuneration of employees	1:42
2.	Percentage increase in remuneration of each Director and KMPs	
	Vijay Kumar Arora	Nil
	Ashwani Kumar Arora	Nil
	Surinder Kumar Arora	Nil
	Monika Chawla Jaggia	5%
3.	Percentage increase in the median remuneration of employees	7.5%
4.	Number of permanent employees (on Standalone basis)	1077
5.	Average percentile increase in salary of employees, other than managerial personnel, comparison with percentile increase in managerial remuneration and justification	7.5%
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes.

As per rule 5(2) and (3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the employees who draw salary not less than ₹ 1.02 crore is as follows:

Name	Designation	Remuneration (in crore)	Nature of employment	Qualification	Experience	Age	Last employment	% of shares held
Vijay Kumar Arora	Managing Director	2.15	Permanent	B.Sc.	46	64	N.A.	7.19
Ashwani Kumar Arora	Managing Director	2.11	Permanent	B.Com	34	55	N.A.	7.19

### 36. Employees Stock Option/ Purchase Plans

No Employees Stock Option/ Purchase Plans were given during the financial year 2021-22.

### 37. Credit Ratings

The long term credit rating of the Company is CRISIL A/ Positive and short term credit rating is CRISIL A1.

The details on credit ratings are also available on the website of the Company at: [http://ltgroup.in/pdf/Credit\\_Rating\\_Intimation\\_CRISIL\\_17.02.2022.pdf](http://ltgroup.in/pdf/Credit_Rating_Intimation_CRISIL_17.02.2022.pdf)

### 38. Corporate Governance

The Company is committed to highest corporate governance standards by applying the best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

Parameters of Statutory compliances evidencing the standards expected from a listed entity have been duly observed and a Report on Corporate Governance as well as the Certificate from M/s D Dixit & Associates, Practising Company Secretary confirming compliance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of Annual Report.

Further, the Management Discussion and Analysis Report and CEO/CFO Certificate as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are also presented in separate sections forming part of Annual Report.

### 39. Environment, Health and Safety

During the financial year 2022 which was still reeling under the shadow of the pandemic, LT Foods continued to focus on the aspects of Environment, Social and Governance (ESG) that would work towards an inclusive society, which was stronger and more resilient. For LT Foods, Environment, Health and Safety (EHS) is an integral part of the larger ambit of Sustainability umbrella and is fully

committed to run its operations including allocation of resources using principles of sustainable deployment to curtail the impact on the environment and communities.

### 40. Transfer to Investor Education and Protection Fund

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, your Company has transferred ₹ 5,08,766 during the year to the Investor Education and Protection Fund.

These amounts were lying unclaimed/ unpaid with the Company for a period of 7 (Seven) years after declaration of Final Dividend for financial year ended 2013-14.

#### Transfer of Unpaid Dividend

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

Further the amount of Dividend unclaimed/unpaid for the financial year 2014-15 to 2020-21 lies in the respective unpaid dividend account and can be claimed from Company's Registrar and Share Transfer Agent i.e. Big Share Services Private Limited, before the due date for transfer of the same in IEPF account.

The dividend declared for the financial year 2014-15, is due to be transferred to IEPF account in the financial year 2022-2023.

#### Transfer of Shares underlying Unpaid Dividend

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, 2021 with the Ministry of Corporate Affairs.



#### Shares lying in unclaimed suspense account in electronic mode

There are no shares in Unclaimed Suspense Account.

#### 41. Listing of shares

The equity shares of the Company are listed on the National Stock Exchange of India Ltd. (NSE) and BSE Limited (BSE). The listing fee for the year 2022-23 has already been paid to the credit of both the Stock Exchanges.

#### 42. Details of Application made under Insolvency and Bankruptcy Code, 2016

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

#### 43. Obligation of Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

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

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

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

##### (a) Conservation of Energy

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

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

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

Particulars	2021-22	2020-21
ELECTRICITY		
Through Purchases		
Units	6,545,202	22,040,635
Total Amount (₹)	55,959,126	170,734,839
Rate/Unit (₹)	8.55	7.75
Through Diesel Generator		
Units generated	251,605	770,639
TOTAL AMOUNT (₹)	6,252,938	15,459,400
Cost/Unit (₹)	24.85	20.06
Through Turbine		
Units generated	17,719,016	-
TOTAL AMOUNT (₹)	105,533,893	-
Cost/Unit (₹)	5.96	-

## Power & Fuel Consumption (Varpal Plant)

Particulars	2021-22	2020-21
<b>ELECTRICITY</b>		
Through Purchases		
Units	3,091,751	4,852,000
Total Amount (₹)	23,188,133	34,330,157
Rate/Unit (₹)	7.50	7.08
Through Solar System		
Units generated	519,055	63,300
TOTAL AMOUNT (₹)	3,892,913	3,221,504
Cost/Unit (₹)	7.50	50.89
Through Solar System		
Units generated	599,017	63,300
TOTAL AMOUNT (₹)	4,492,628	3,221,504
Cost/Unit (₹)	7.50	50.89
Through Diesel Generator		
Units generated	53,900	63,300
TOTAL AMOUNT (₹)	2,335,393	3,221,504
Cost/Unit (₹)	43.33	50.89

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

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

#### 1. Bringing Control into System by Process Automation

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

partner. Banks are also integrated with SAP. Integration of SAP with GST portal for E-waybill and e-invoicing is also there.

#### 2. Remote Data capturing using Mobile Device

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

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

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

### (c) Foreign Exchange Earnings and Outgo

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

Particulars	31-03-2022	31-03-2021
Value of imports on CIF basis		
Capital goods	96.44	113.63
Stores and spares	14.71	36.62
Packing Material	20.86	37.05
Other	-	-
Other Food Items	-	-
<b>Total</b>	<b>132.01</b>	<b>187.30</b>

Particulars	31-03-2022	31-03-2021
Expenditure in foreign currency		
Legal & Professional	16.79	13.70
Interest and other charges to bank	267.87	747.98
Clearing & Forwarding Expense	5,968.80	2,498.28
Sales promotion	187.12	76.51
Commission on export sales	284.92	171.98
Others	107.31	19.21
<b>Total</b>	<b>6,832.80</b>	<b>3,527.66</b>
Earnings in foreign currency		
FOB value of exports		
Rice	118,787.69	102,555.56
<b>Total</b>	<b>118,787.69</b>	<b>102,555.56</b>

#### 45. Business Responsibility Report (BRR)

LT believes in communicating its ESG performance in a transparent manner and in line with global standards to our stakeholders. Continuing with this philosophy, we are presenting our Business Responsibility Report (BRR) as an **Annexure - VII**.

#### 46. Acknowledgements

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

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

**Vijay Kumar Arora**

Chairman and Managing Director  
DIN: 00012203

Gurugram, 29th July, 2022

## ANNEXURE INDEX

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## ANNEXURE – I to Directors Report for the year ended 31st March, 2022

### AOC 1 DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

#### Part “A” : Subsidiaries

Statement containing certain financial information of subsidiaries, associate companies and joint ventures of LT Foods Limited as at March 31, 2022

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

(in lacs unless otherwise stated)

S. No	Name of the subsidiary	Reporting currency	Date of acquisition of Subsidiary	Financial year ended on	Share capital	Reserve & surplus	Total assets	Total liabilities	Investments	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation & prior period adjustment	Profit/(loss) after tax expenses and prior period adjustment
1	LTO North America, Inc. USA (Wholly Owned Subsidiary)	USD **	02.11.2007	31.03.22	67.70	(62.22)	148.91	143.44	29.66	-	(0.00)	(0.40)	0.40
2	LT Foods Americas, Inc. (Fellow Subsidiary)	USD **	22.09.2010	31.03.22	1.00	757.00	1,544.78	786.78	-	2,422.94	204.01	65.46	138.56
3	LT Foods USA LLC (Wholly Owned Subsidiary)	USD **	21.10.2007	31.03.22	-	(8.37)	57.80	66.17	-	-	(1.28)	(0.38)	(0.89)
4	LT Foods Middle East DMCC (Fellow Subsidiary)	AED **	17.04.2013	31.03.22	10.00	32.18	309.32	267.13	-	829.88	5.57	-	5.57
5	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	AED **	19.03.2005	31.03.22	65.20	5.49	70.84	0.15	10.00	1.92	(0.00)	-	(0.00)
6	Daawat Foods Limited (Subsidiary)	INR	04.05.2005	31.03.22	1,915.53	36,635.83	83,707.27	45,155.92	272.20	1,03,048.43	7,925.85	2,075.48	5,850.37
7	Nature Bio Foods Limited (Wholly Owned Subsidiary)	INR	25.11.2005	31.03.22	200.10	17,013.84	35,619.40	18,405.46	1,514.02	39,290.71	1,928.94	603.73	1,325.21
8	LT Agri Services Private Limited (Fellow Subsidiary)	INR	27.04.2009	31.03.22	1.00	(1.00)	-	-	-	-	-	-	-
9	Raghunath Agro Industries Private Limited	INR	20.07.2015	31.03.22	424.79	2,657.06	9,439.48	6,357.63	-	24,793.99	492.16	123.87	368.29
10	LT Foods International Limited	USD **	24.06.2016	31.03.22	0.76	23.60	150.08	125.71	77.84	122.46	(0.16)	(0.09)	(0.08)
11	LT Foods Europe BV	USD **	06.09.2016	31.03.22	0.00	67.94	733.86	665.92	-	903.94	13.59	2.04	11.56

(in lacs unless otherwise stated)

S. No	Name of the subsidiary	Reporting currency	Date of acquisition of Subsidiary	Financial year ended on	Share capital	Reserve & surplus	Total assets	Total liabilities	Investments	Turnover (including other income)	Profit/(loss) before taxation	Provision for taxation & prior period adjustment	Profit/(loss) after tax expenses and prior period adjustment
12	Deva Singh Sham Singh Export Private Limited	INR	12.04.2017	31.03.22	1.00	57.91	220.60	161.69	-	3,616.75	80.74	20.38	60.36
13	Nature Bio-Foods B.V.	EURO	06.11.2017	31.03.22	0.00	31.56	109.78	78.22	0.90	230.42	16.20	3.80	12.39
14	Ecopure Specialities Limited	INR	01.11.2017	31.03.22	362.14	1,874.60	13,776.99	11,540.25	-	39,671.24	87.87	16.51	71.36
15	Nature Bio Foods Inc	USD	01.08.2020	31.03.22	1.00	6.19	37.98	30.79	-	58.90	6.53	1.63	4.90

**Profit & Loss Items dealt with:-**

**	1 USD (US Dollar)	₹ 74.5049
**	1 AED (United Arab Emirates Dirham)	₹ 20.2971
**	1 EURO (European Currency)	₹ 86.6476

**Balance Sheet Items dealt with:-**

**	1 USD (US Dollar)	₹ 75.8071
**	1 AED (United Arab Emirates Dirham)	₹ 20.6836
**	1 EURO (European Currency)	₹ 84.6599

Note :- 1. Name of the subsidiaries which are yet to commence operations:- Not Applicable

2. Name of the subsidiaries which have been liquidated or sold during the year: Nil

**Part "B" : Associates and Joint Ventures**

Sl. No.	Name of Associates or Joint Ventures	Raghuvesh Agri Foods Private Limited (Associate)	Raghuvesh Warehousing Private Limited (Associate)	Raghuvesh Infrastructure Pvt. Ltd. (Associate)	Daawat Kameda India Private Limited (Joint Venture)
1.	Last Audited Balance Sheet date	31/03/2022	31/03/2022	31/03/2022	31/03/2022
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	2405.636
	Extent of holding (in percentage)	40	40	30	51
4.	Description of how there is significant Influence	Holding More than 20% of Total Share Capital of the Company			
5.	Reason why the associate/joint venture is not Consolidated	Not Applicable			
6.	Net worth attributable to shareholding as per latest audited balance sheet	904.65	1,130.74	203.15	2,303.21
7.	Profit or Loss for the year				
	(i) Considered in consolidation	10.79	1.48	51.69	(484.74)
	(ii) Not Considered in consolidation	16.19	2.23	120.60	(465.73)

1. Names of associates or joint ventures which are yet to commence operations: None

2. Names of associates or joint ventures which have been liquidated or sold during the year: None

**ANNEXURE – II to Directors Report for the year ended 31st March, 2022****Form No. MR-3****SECRETARIAL AUDIT REPORT****For the Financial Year ended 31st March, 2022**

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

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

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

Based on my verification of the **LT Foods Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

**PARA ONE**

I have examined the books, papers, minute books, forms and returns filed and other records maintained by LT Foods Limited ("the Company") for the financial year ended on 31st March, 2022 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
- (18) Sexual Harassment of Women at Workplace(Prevention, Prohibition and Redressal)Act 2013

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

- a) 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.
- b) As per section 124(6) of the Companies Act 2013, read with Rule 6 of Investor Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, all the shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company in the name of IEPF within 30 days of such shares becoming due to be transferred to the fund. However, on inspection of records, it was observed that some of such shares due to be transferred to the Fund in financial year 2020-21 were actually transferred to the fund in financial year 2021-22.

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

Some of the Designated employees has violated the code of Conduct framed under SEBI (Prohibition of Insider Trading) Regulations, 2015. They traded in shares during the period of window closure and have not taken pre clearance from the Compliance officer to conduct such trading.

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

According to information and Explanation and verification of forms and returns maintained by Company, FLA for the Financial Year 2020-21 was filed on 18th August, 2021. However, the Company had made an application to RBI for extension, which was considered and RBI granted the extension to the Company till 10.09.2021. Although, the due date for filing was 15th July, 2021.

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

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

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

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

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

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

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

The Company has not reconstituted the Internal Committee as required under section 4(3) of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. The presiding officer and other members of the

Internal Committee are holding office in the Internal Committee exceeding three years, from the date of their nomination.

## PARA SECOND

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

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

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

I further report that 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, 2021
  - (a) Ordinary resolution passed for regularization of appointment of Mrs ambika Sharma as Independent

Director for a term up of 5 consecutive years with effect from her date of appointment.

- (b) Ordinary resolution passed for regularization of appointment of Mr. Abhiram Seth as Independent Director for a term up of 5 consecutive years with effect from his date of appointment.
- (c) Ordinary resolution passed for regularization of appointment of Mr. Anil Khandelwal as Independent Director for a term up of 5 consecutive years with effect from his date of appointment.
- (d) Ordinary resolution to approve material related party transactions for the financial year 2021-22.
- (e) Shareholders have not approved the resolution proposing appointment of Mr. Ashok Kumar Arora as Managing Director of the Company in the Annual General Meeting.

2. Taken approval of following resolution through Postal Ballot –

- a) Approval of Material Related Party Transactions with Daawat foods Limited for the financial year 2022-23.
- b) Approval of Material related Party Transactions of the subsidiaries of LT Foods Limited with LT Americas Inc (wholly owned subsidiary of LT foods Limited)

**For D Dixit and Associates**  
Company Secretaries

**CS Debasis Dixit**

FCS No. 7218, CP No.: 7871  
UDIN- F007218D000702550  
PR-1823/2022

Place: New Delhi  
Date: 28.07.2022

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



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

The Members

**LT Foods Limited**

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

Date: 28.07.2022

Place: New Delhi

## **ANNEXURE – III to Directors Report for the year ended 31st March, 2022**

### **Corporate Governance Certificate**

[Pursuant to Regulation 27 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015]

### **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, 2022 as stipulated in applicable Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

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

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

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

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

#### **For D Dixit & Associates**

Company Secretaries

#### **Debasis Dixit**

FCS-7218, CP-7871  
UDIN- F007218D000702737  
PR-1823/2022

Date:- 28th July 2022

Place:- New Delhi

**ANNEXURE – IV** to Directors Report for the year ended 31st March, 2022**Particulars of Loans, Guarantees or Investments under Section 186****Details of Loans, Guarantees or Investments**

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

**(a) Details of Loans:**

S No.	Date of loan	Name of the Company	Amount in ₹ Lakhs	Purpose for which loan was given	Date of Board Meeting / Management Committee Meeting	Rate of Interest Charged
NIL						

**(b) Details of Investments:**

S No.	Date of Investment	Details of Investee	Amount	Purpose for which the proceeds from investment is proposed to be utilized by the recipient	Date of Board Resolution	Date of Special Resolution	Expected rate of return
NIL							

**(c) Details of Guarantee / Security provided during the financial year 2021-22**

S No.	Date of recipient	Amount in ₹ Lakhs	Purpose for which the security /guarantee is proposed to be utilized by the recipient
1.	Ecopure Specialities Limited	21,821.31	Working Capital Loan
2.	Nature Bio Foods Limited	8,995.89	Working Capital Loan
3.	Raghunath Agro Industries Private Limited	4,344.46	Working Capital Loan

**ANNEXURE – V to Directors Report for the year ended 31st March, 2022****AOC 2 PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

(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 arm's length transaction under third proviso thereto.

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

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

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

(Amount in Lakhs)

S No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
1.	Daawat Foods Limited (Subsidiary Company)	Sales / Purchase / Rent / Reimbursement of expenses received/corporate guarantee charges/Business Support Service/Sale of Fixed Assets/ Corporate Guarantee Given	01.04.21 - 31.03.22	61,414.73	26.05.2021, 30.07.2021, 29.10.2021 and 31.01.2022	NIL
2.	Nature Bio Foods Limited (Subsidiary Company)	Transport income/Purchases/ Rental income / Fumigation Income/ Reimbursement of Expenses/ Processing Charges Income/ Corporate Guarantees given / Corporate Guarantee charges	01.04.21 - 31.03.22	6,079.48	-do-	NIL
3.	LT Foods Americas Inc. (Wholly Owned Subsidiary Company)	Sales/ Dividend income	01.04.21 - 31.03.22	43,697.91	-do-	NIL
4.	LT Foods Middle East DMCC (Subsidiary Company)	Sales	01.04.21 - 31.03.22	13,067.93	-do-	NIL

(Amount in Lakhs)

S No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
5.	Raghunath Agro Industries Private Limited (Subsidiary Company)	Corporate Guarantee charges income /Insurance Income / Corporate Guarantees given/ Reimbursement of Expenses / Purchases /Sales	01.04.21 - 31.03.22	14,037.46	-do-	NIL
6.	Raghuvesh Agri Foods Private Limited (Associate Company)	Payment received against loan/ interest income	01.04.21 - 31.03.22	107.05	-do-	NIL
7.	Super Texfab Private Limited (Entities of KMP)	Purchase	01.04.21 - 31.03.22	1,503.12	-do-	NIL
8.	Raghuvesh Warehousing Private Limited (Associate Company)	Payment Received against Loan/ interest income	01.04.21 - 31.03.22	142.57	-do-	NIL
9.	Deva Singh Sham Singh Exports Private Limited (Wholly Owned Subsidiary)	Sales /Processing Charges paid / Reimbursement of expenses	01.04.21 - 31.03.22	572.34	-do-	NIL
10.	LT Foods Europe B.V. (Subsidiary Company)	Sale/Purchase	01.04.21 - 31.03.22	13,292.16	-do-	NIL
11.	Daawat Kameda India Private Limited (Joint Venture)	Purchases/ Sales/ Rental Income/ Reimbursement of Expenses/	01.04.21 - 31.03.22	820.89	-do-	NIL
12.	Raghuvesh Infrastructure Private Limited (Associate Company)	Reimbursement of expenses	01.04.21 - 31.03.22	3.82	-do-	NIL
13.	Eco Pure Specialities Limited (Subsidiary Company)	Corporate guarantee given / Corporate Guarantee charges, Reimbursement of expenses	01.04.21 - 31.03.22	2,359.29	-do-	NIL
14.	Global Foods Trading Gmbh (Entities of KMP)	Sales/ Reimbursement of Expenses	01.04.21 - 31.03.22	2,299.00	-do-	NIL
15.	Global Foods Trading Ltd. (Entities of KMP)	Sales/ Reimbursement of Expenses	01.04.21 - 31.03.22	641.40	-do-	NIL

(Amount in Lakhs)

S No.	Name of the Related Party & Nature of relationship	Nature of Contracts/ Arrangements/Transaction	Duration of the Contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of Approval by the Board	Amount paid as advances, if any
16	Global Foods Trading Spain S.L (Entities of KMP)	Sales/ Reimbursement of Expenses	01.04.21 - 31.03.22	701.05	-do-	NIL
17	Global Foods Trading France Sarl (Entities of KMP)	Sales/ Reimbursement of Expenses	01.04.21 - 31.03.22	919.14	-do-	NIL

All material transactions were approved by shareholders through Postal ballot on 31st March 2022.

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

Sd/-

**Vijay Kumar Arora**

Chairman & Managing Director

DIN: 00012203

Place: Gurugram

Date: 29th July, 2022

**ANNEXURE – VI to Directors Report for the year ended 31st March, 2022****ANNUAL REPORT ON CSR ACTIVITIES PURSUANT TO RULE 8 OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014****1. Brief outline on CSR Policy of the Company.**

In adherence to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors upon the recommendation of CSR Committee, in its Meeting held on 26th May, 2021, approved a Revised CSR Policy of the Company.

**Objective of CSR Policy of the Company:**

- (I). To set a guiding principles for carrying out CSR activities.
- (II). To set up the process of execution, implementation 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.

The Corporate Social Responsibility Policy of the Company is available on the website of the Company <http://ltgroup.in/pdf/LT-Foods-CSR-Policy-2021.pdf> in the 'Policies & Guidelines Section'.

**2. Composition of CSR Committee:**

S No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Neeru Singh	Chairperson (Independent Non-Executive Director)	3	2
2	Vijay Kumar Arora	Member, Executive Director	3	3
3	Ashwani Kumar Arora*	Member, Non-Executive Director	3	1
4	Abhiram Seth*	Member, Non-Executive Director	3	1
5	Mr. Gokul Patnaik**	Member, Non-Executive Director	3	2

\*Mr. Ashwani Kumar Arora & Mr. Abhiram Seth were appointed as the member of the Committee with effect from 30th July 2021.

\*\*Mr. Gokul Patnaik ceased to be member of the Committee due to resignation from the Directorship with effect from 22nd July 2021.

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

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

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

N.A.

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

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

**6. Average net profit of the Company as per section 135(5): ₹ 11480.74 Lakhs**

**7. (a). Two percent of average net profit of the company as per section 135(5): ₹ 229.61 Lakhs**

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

(c). Amount required to be set off for the financial year: N.A.

(d). Total CSR obligation for the financial year (7a+7b- 7c): ₹ 229.61 Lakhs

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

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
₹ 229.61 Lakhs	NIL	-	N.A.	-	-

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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District						Name	CSR Registration number.
1.	UdayanShalini Fellowship	Promoting Education	No	Uttarakhand	Haridwar	More than 1 Financial Year	₹ 6.30 Lakhs	₹ 6.30 Lakhs	Nil	No	Udayan Care	CSR00000619
2.	Project Parivartan and Green Glow	Rural development projects	Yes	Madhya Pradesh	Chhatarpur and Raisen	More than 1 Financial Year	₹ 163.31 Lakhs	₹ 163.31 Lakhs	Nil	No	Fair Farming Foundation	CSR00001426
<b>Total</b>							<b>₹ 169.61 Lakhs</b>	<b>₹ 169.61 Lakhs</b>				



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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of implementation - Direct (Yes/No).	(8) Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	COVID-19 Relief	Promoting health care including preventive health care	Yes	Punjab	Amritsar	₹ 50 Lakhs	No	Maharaj Jagat Singh Medical Relief Society	CSR00010195
2.	COVID-19 Relief	Promoting health care including preventive health care	Yes	Haryana	Sonipat	₹ 10 Lakhs	No	Deputy Commissioner Office	
<b>TOTAL</b>						<b>₹ 60 Lakhs</b>			-

**(d).** Amount spent in Administrative Overheads: NIL**(e).** Amount spent on Impact Assessment, if applicable: N.A.**(f).** Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 229.61 Lakhs**(g).** Excess amount for set off, if any: NIL

S. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per Section 135(5)	₹ 229.61 Lakhs
(ii)	Total amount spent for the Financial Year	₹ 229.61 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or Programs or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

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

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1.	2020-21	-	₹171.77 Lakhs	N.A.	-	N.A.	NIL
2.	2019-20	-	₹ 69.77 Lakhs	N.A.	-	N.A.	₹ 59.32 Lakhs
3.	2018-19	-	₹ 52.98 Lakhs	N.A.	-	N.A.	₹ 44.11 Lakhs
<b>TOTAL</b>							

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

(1) Sl. No.	(2) Project ID.	(3) Name of the Project	(4) Financial Year in Which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (in ₹)	(7) Amount spent on the project in the reporting Financial Year(in ₹)	(8) Cumulative amount spent at the end of reporting Financial Year. (in ₹)	(9) Status of the project -Completed /Ongoing
NOT APPLICABLE								

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

- (a). Date of creation or acquisition of the capital asset(s). N.A.
- (b). Amount of CSR spent for creation or acquisition of capital asset. N.A.
- (c). Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. N.A.
- (d). Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). N.A.

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

Sd/-

**Ashwani Kumar Arora**  
(Chief Executive Officer)  
DIN: 01574773

Sd/-

**Neeru Singh**  
(Chairman CSR Committee)  
DIN: 06987939

**ANNEXURE – VII to Directors Report for the year ended 31st March, 2022****BUSINESS RESPONSIBILITY REPORT (BRR)**

The Directors present the Business Responsibility Report of the Company for the financial year ended 31st March, 2022 pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

**SECTION A: GENERAL INFORMATION ABOUT THE COMPANY**

Sl. No.	Particulars	Details
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	2021-22
7	Sector(s) that the Company is engaged in (industrial activity code-wise)	10612
8	List three key products/services that the Company manufactures/provides	Rice, Staples, Rice Food Products
9	Total number of locations where business activity is undertaken by the Company:	The Company's business are spread across the Country and other geographies. Details of plant locations are provided in the Corporate information page.
10	Markets served by the Company	The Company's products are available Pan India as well as globally in more than 60 Countries.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

Sl. No.	Particulars	Details
1.	Paid-up Capital (INR)	₹ 31.98 Crores
2.	Total Turnover (INR)	₹ 2,864 Crores
3.	Total Profit/ (Loss) After Taxes (INR)	₹ 112 Crores
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%)	₹ 229.61 Lacs (2% of average profit)
5.	List of activities in which expenditure in 4 above has been incurred	Promoting Education, Promoting Healthcare, Environmental Sustainability.

**SECTION C: OTHER DETAILS**

Sl. No.	Particulars	Details
1.	Does the Company have any Subsidiary Company / Companies?	Yes
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Yes, two subsidiaries of the Company i.e. Daawat Foods Limited and Nature Bio Foods Limited participate in BR initiatives of LT Foods Limited.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	The same has not been identified by the Company.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

#### (a) Details of the Director/Director responsible for implementation of the BR Policy/Policies

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	01574773
2.	Name	Ashwani Kumar Arora
3.	Designation	Managing Director & CEO

#### (b) Details of the BR head

Sl. 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 (Reply in Y/N)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	Does the policy conform to any national / international standards?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ Owner/ CEO/ appropriate Board Director?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6.	Indicate the link for the policy to be viewed online?	LT Foods ( <a href="http://ltgroup.in/">http://ltgroup.in/</a> )								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8.	Does the Company have in-house structure to implement the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	No	No	No	No	No	No	No	No	No

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

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
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									
6.	Any other reason (please specify)									

Not Applicable as we have all required policy.

### 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 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?

Yes. The Company publish Business Responsibility Report on annual basis and is a part of Annual Report. The same will also be available on the website of the Company under "Investor Updates" Section at: <http://ltgroup.in/business-and-investors.html#annual-report>

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

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. The Company holds the highest standards of integrity and behaviour, ensuring compliance and adherence to the law and internal regulations. The Company has zero tolerance for corruption and violations of the principles of fair competition. Suppliers have to sign a code of conduct before transacting with the Company that they will not engage in unethical behaviour and will not bribe or attempt to bribe Company officials.

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.

There were no complaints from the Shareholders and Customers on ethics, transparency or accountability during the financial year 2021-22.

#### Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their lifecycle

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

- (a) Speciality and Basmati Rice  
(b) Organic Rice  
(c) Biryani Kit

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

Refer ESG scorecard section in annual report for various sustainability related initiatives undertaken by company for resource use benefit. (Page No. 52)

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

Refer ESG scorecard section in annual report for various sustainability related initiatives undertaken. (Page No. 52)

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

Company is extensively working on rice varieties which use less water. Company has launched Fast Cooking Brown Rice in this direction.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, company is providing extensive training to farmers on sustainable farming practices and promoting adoption of SRP standards. After due verification and audit process farmers are certified as per SRP ([www.sustainableice.org](http://www.sustainableice.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? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

LT Foods buys a small quantity of its paddy from farmers, mostly small and medium, from farms around its production facilities. LT Foods runs a program, as per SRP standards, whereby each farmer enrolled in the program is trained on various agronomic practices, supported with collaterals and equipment and provided digital advisory.

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.

70 Metric tonnes plastic waste was collected from market for recycling and safe disposal. All waste water in factories is recycled and used for various purposes including landscape irrigation.

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

The Company 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.

In order to develop and manage high potential talent, 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: 1077
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.: 396
3. Please indicate the Number of permanent women employees.: 51
4. Please indicate the number of permanent employees with disability: NIL
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?: NO
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.

Sl. 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: 57%
- (b) Permanent Women Employees: 0.8%
- (c) Casual/Temporary/Contractual Employees: 43%
- (d) Employees with Disabilities: NIL

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the Company mapped its internal and external stakeholders? Yes/No  
Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable and 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 has not received any complaint with respect to human rights violation during the financial year 2021-22.

**Principle 6: Businesses 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?

The Company's Environment, Health & Safety (EHS) Policy extends to cover the Company and all its relevant Stakeholders.

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.

Refer ESG scorecard section in annual report for various sustainability related initiatives undertaken by company climate change and other environmental aspects.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes. "We have undertaken an ESG materiality assessment to identifying material issues relevant to our internal and external stakeholders. It provides us with a practical approach to tailor our organisation's ESG strategy and rank our priorities. Our materiality matrix is designed to reflect the primary areas of focus across Environmental, Social, and Governance parameters based on two dimensions – importance to stakeholders and importance to LT Foods."

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. All our factory sites are having zero liquid discharge. 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. Refer ESG scorecard section in annual report for various sustainability related initiatives undertaken.

6. Are the Emissions /Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. Emissions, waste generated by the Company are within the permissible limits given by CPCB, SPCB for the financial year 2021-22.

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.

- (a) AIREA (All India Rice Exporters Association)
- (b) CII
- (c) FICCI
- (d) Progress, Harmony and Development Chamber of Commerce and Industry (India)
- (e) ASSOCHAM
- (f) FSSAI

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good?

Yes/No. If yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)

Yes. We are actively working with these industry bodies to enable sustainable rice production, ensure food safety and reduce pesticide residues in rice. Our inputs are also incorporated in the suggestions/ recommendations given by these bodies to the Government.

The Company has partnered with Indian Council for Agricultural Research to help the farmers with information, awareness and training.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the Company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. The Company from its very inception has been involved with a host of philanthropic and social activities. Recognizing communities as the key success factors for business prosperity, the Company remains committed to their development. The CSR initiatives of the Company ensures its commitment to operate in socially and environmentally sustainable manner, and in the best interest of all the stakeholders.

2. Are the programs/projects undertaken through in-house team/own foundation/external NGO/ Government structures/any other organization?

Yes. The Company's CSR activities are undertaken by Partner NGO and also through external foundations. The Company partners with Non- Governmental Organizations (NGOs) for design and implementation of selected projects.

3. Have you done any impact assessment of your initiative?

Yes. Impact assessment is being done internally.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the financial year ended March 31, 2022, the Company has spent a total amount of ₹ 229.61 Lacs towards various CSR projects. A brief summary thereof is as under:

Sl. No.	Vertical	Amount in INR
1.	Promoting Education	6.30 Lacs
2.	Promoting Healthcare	50.00 Lacs
3.	Promoting Healthcare	10.00 Lacs
4.	Environmental Sustainability	163.31 Lacs
<b>TOTAL</b>		<b>229.61 Lacs</b>

5. Have your Company taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

During the financial year ended March 31, 2022, the Company has supported many community development programmes like village maintenance, environment sustainability, promotion of education etc. The details are regularly posted at: <http://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?

NIL

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 unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five 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

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

Sd/-

**Vijay Kumar Arora**

Place: Gurugram

Date: 29th July, 2022

Chairman & Managing Director

DIN: 00012203



## CORPORATE GOVERNANCE REPORT

In terms of Regulation 34(3) read with Section C of SCHEDULE V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a Report on Corporate Governance for the year ended 31st March, 2022 is presented below:

### (1). A Brief Statement on LT Food's Philosophy on Code of Governance:

The Company has always believed in and followed the best business practices, and has been compliant with all the laws, exercised fairness and integrity in all its dealings, thereby reiterated its commitment to enhance Stakeholders' value. The Company has a defined set of guidelines for its internal governance based on business ethics, legal compliance and professional conduct.

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

We have prepared this Corporate Governance Report on the basis of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and the report contains details of Corporate Governance systems and procedures followed within our Company. Our approach towards enhancing shared value is steered by strong principles and ethics established by our Board of Directors.

### (2). Board of Directors:

The Board of Directors has an optimum combination of Executive and Non-Executive Independent Directors. On March 31, 2022, Our Board consisted of Seven Directors, three of whom are Executive, four are Non-Executive Independent Directors including two Women Directors. The Board of the Company is diverse in terms of qualification, competence, skills and expertise which enables it to ensure long term value creation for all the Stakeholders. Board is functioning under the Chairmanship of Mr. Vijay Kumar Arora, an Executive Director.

The Board has Eight Committees i.e. Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee, Governance Committee, Capital Raising Committee and Management Committee.

On 26th May 2021, the Company has constituted Risk Management Committee in pursuance of SEBI (Listing Obligation and Disclosure Requirements) Second Amendment Regulations, 2021. Board of Directors in its meeting dated 30th May, 2022, extended the scope of the Corporate & Social Responsibility Committee and included Environment, Social & Governance as a part of it, and rename the Corporate Social Responsibility Committee as Corporate Social Responsibility and Environment, Social and Governance Committee.

(a) Composition and Category of Directors (e.g. Promoter, Executive, Non-Executive, Independent Non-Executive, Nominee Director - Institution represented and whether as lender or as equity investor):

As at 31st March, 2022, the composition of the Board of Directors of the Company was as follows:

Sl. No.	Name	Promoter/ Nominee/ Independent/Professional	Designation
1.	Mr. Vijay Kumar Arora	Promoter	Chairman and Managing Director
2.	Mr. Ashwani Kumar Arora	Promoter	Managing Director
3.	Mr. Surinder Kumar Arora	Promoter	Managing Director
4.	Mr. Anil Khandelwal	Independent	Non-Executive Independent Director
5.	Mr. Abhiram Seth	Independent	Non-Executive Independent Director
6.	Mrs. Ambika Sharma	Independent	Non-Executive Independent Director
7.	Mrs. Neeru Singh	Independent	Non-Executive Independent Director

### (b) Attendance of each Director at the Meeting of the Board of Directors and the last Annual General Meeting:

Sl. No.	Name	Attendance in Board Meetings held on				Attendance at Last AGM held on
		May 26, 2021	July 30, 2021	Oct. 29, 2021	Jan. 31, 2022	Sep. 30, 2021
1.	Mr. Vijay Kumar Arora	Yes	Yes	Yes	Yes	Yes
2.	Mr. Ashwani Kumar Arora	Yes	Yes	Yes	Yes	Yes

Sl. No.	Name	Attendance in Board Meetings held on				Attendance at Last AGM held on
		May 26, 2021	July 30, 2021	Oct. 29, 2021	Jan. 31, 2022	Sep. 30, 2021
3.	Mr. Surinder Kumar Arora	Yes	Yes	Yes	Yes	Yes
4.	Mr. Ashok Kumar Arora	N.A.	Yes	N.A.	N.A.	Yes
5.	Mr. Anil Khandelwal	N.A.	Yes	Yes	Yes	Yes
6.	Mr. Abhiram Seth	N.A.	Yes	Yes	Yes	Yes
7.	Mrs. Ambika Sharma	Yes	Yes	Yes	Yes	Yes
8.	Mrs. Neeru Singh	Yes.	Yes	Yes	Yes	Yes
9.	Mr. Gokul Patnaik	Yes	N.A.	N.A.	N.A.	N.A.
10.	Mr. Suparas Bhandari	Yes	N.A.	N.A.	N.A.	N.A.
11.	Mr. Rajesh Kumar Srivastava	N.A.	N.A.	N.A.	N.A.	N.A.

**Note:**

- (i). Mr. Anil Khandelwal and Mr. Abhiram Seth were appointed as Additional Directors vide Circular Resolution dated July 22, 2021.
- (ii). Shareholders in their Annual General Meeting held on 30th September 2021 has approved the appointment of Mrs. Ambika Sharma, Mr. Abhiram Seth & Mr. Anil Khandelwal as Independent Directors for a term of five consecutive years.
- (iii). Mr. Ashok Kumar Arora was appointed as Additional Director & Managing Director in the Board Meeting with effect from 26.05.2021 subject to approval of Shareholders, However, Shareholders did not approve the resolution proposing appointment of Mr. Ashok Kumar Arora as Managing Director. Therefore, he ceased to hold Directorship since 30th September 2021.
- (iv). Due to pre-occupation and personal reasons, Mr. Suparas Bhandari and Mr. Gokul Patnaik resigned from the Directorship of the Company with effect from 22nd July 2021.
- (The outgoing directors confirmed that there was no other material reason for the resignation other than their pre-occupation or personal reasons.)
- (v). Due to personal reasons, Mr. Rajesh Kumar Srivastava resigned from the Nominee Directorship of the Company with effect from 14th April 2021.

**(c) Number of other Board of Directors or Committees in which a Director is a Member or Chairperson as on 31st March, 2022:**

Sl. No.	Name of the Director	No of Directorships in other Board of Directors	Membership of Committees of other Boards*	Chairmanship of Committees of other Boards*
1.	Mr. Vijay Kumar Arora	9	0	0
2.	Mr. Ashwani Kumar Arora	13	1	0
3.	Mr. Surinder Kumar Arora	7	1	0
5.	Mr. Anil Khandelwal	6	1	1
6.	Mr. Abhiram Seth	6	2	0
7.	Mrs. Ambika Sharma	2	1	0
8.	Mrs. Neeru Singh	2	2	1

\* Committee Memberships/ Chairmanships are reported for listed and unlisted public companies put together (including LT Foods Limited) in terms of Regulation 26(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Committee Memberships include Chairmanship, if any. Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 viz. Audit Committee and Stakeholders' Relationship Committee.

Names of the Listed entities where the person is a Director and the Category of Directorship as on 31st March, 2022:

Sl. No.	Name of the Director	Name of Listed Entity in which Director	Category of Directorship
1.	Mr. Vijay Kumar Arora	NA	NA
2.	Mr. Ashwani Kumar Arora	NA	NA
3.	Mr. Surinder Kumar Arora	NA	NA
4.	Mr. Anil Khandelwal	NA	NA
5.	Mr. Abhiram Seth	ION Exchange (India) Limited	Independent Non-executive Director
6.	Mrs. Ambika Sharma	NA	NA
7.	Mrs. Neeru Singh	NA	NA

- (i). The count for the number of listed entities on which a person is a Director / Independent Director is of only those whose equity shares are listed on a Stock Exchange.
- (ii). Data presented above is after taking into account the disclosures furnished by the Directors till the first Board Meeting of the Company held during the Financial Year 2022-23.

**(d) Number of Meetings of the Board of Directors held and dates on which held:**

During the year, four (4) meetings of the Board members were held. These were on May 26, 2021, July 30, 2021, October 29, 2021, January 31, 2022. The maximum gap between any two Board Meetings held during the year was not more than 120 days. The following matters were approved by the Board through Circular resolution:

- (i). Circular Resolution passed on 3rd May 2021 to reconstitute Committees of the Board.
- (ii). Circular Resolution passed on 22nd July 2021 to appoint Mr. Anil Khandelwal and Mr. Abhiram Seth as Additional Directors.

**(e) Disclosure of relationships between directors inter-se:**

Mr. Vijay Kumar Arora, Mr. Ashwani Kumar Arora, Mr. Surinder Kumar Arora and Mr. Ashok Kumar Arora are related to each other. However, there is no inter se relationship between the Independent Directors.

**(f) Number of shares and convertible instruments held by Non-Executive Directors:**

The Non-Executive Directors do not hold any convertible instruments in the Company.

**(g) Web link where details of familiarisation programmes imparted to Independent Directors is disclosed:**

The Company familiarizes the Independent Directors with industry outlook, business strategy, Company's operations, their roles and responsibilities, etc. at the time of induction. Thereafter, at every Board Meeting, the concerned Senior Management Personnel of the Company presents to the Directors, overall business performance covering all business verticals of the Company and its subsidiaries. The Independent Directors are also apprised with latest developments and related aspects from time to time. They are given full opportunity to interact with Senior Management Personnel and are provided with all the documents required and/or sought by them to have a good understanding of the Company, its business model and various operations and the industry of which it is a part. The initiatives undertaken by the Company in this respect has been disclosed on the website of the Company at <http://ltgroup.in/pdf/familiarization-programme-for-independent-directors.pdf>

**(h) Skills/Expertise/Competence of the Board of Directors including the areas as identified by the Board in the context of the Company's Business:**

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	Mrs Neeru Singh	Mrs. Ambika Sharma	*Mr. Anil Khandelwal	*Mr. Abhiram Seth
Corporate Strategy & Planning	✓	✓	✓	×	✓	✓	✓
Entrepreneurship	✓	✓	✓	×	✓	✓	✓
Brand Building	✓	✓	×	✓	×	×	✓
Financial & Accounting	✓	✓	✓	×	×	✓	✓

Skills, Expertise and Competencies	Mr. Vijay Kumar Arora	Mr. Ashwani Kumar Arora	Mr. Surinder Kumar Arora	Mrs Neeru Singh	Mrs. Ambika Sharma	*Mr. Anil Khandelwal	*Mr. Abhiram Seth
Corporate Governance, Risk & Compliance	✓	✓	✓	✓	✓	✓	✓
Supply Chain Management	✓	✓	✓	✓	×	×	✓

\*Mr. Anil Khandelwal and Mr. Abhiram Seth were appointed as Additional Directors with effect from July 22, 2021.

- (i) Board opinion confirming that Independent Directors fulfill the conditions specified in these Regulations and are independent of the management.

Based on the declaration received from the Independent Directors of the Company at the beginning of the Financial Year 2022-23 and on the basis of available documents and information, the Board of Directors are of the opinion that all the Independent Directors appointed by the Company fulfils the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 and are independent of the management.

- (j) **Detailed reasons for the resignation of the Independent Director who resigns before the expiry of his tenure along with a confirmation by such director that there are no other material reasons other than those provided:**

During the year under review, Mr. Suparas Bhandari and Mr. Gokul Patnaik resigned from the Independent Directorship of the Company with effect from 22nd July 2021 due to pre-occupation and personal reasons respectively. Both the directors have confirmed that there are no other material reasons other than those disclosed in their resignation letter.

#### Separate Meeting of the Independent Directors:

The Independent Directors met separately on January 28th, 2022 without the presence of Non-Independent Directors and the Members of Management and discussed, inter-alia, the performance of Non-Independent Directors and Board as a whole and that of the Chairman of the Company, after taking into consideration the views of Executive and Non-

Executive Directors.

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

- Performance of non-Independent Directors and Board of Directors as a whole.
- Performance of the Chairperson of the Company.
- Quality, Quantity and Promptness of flow of information between the Company Management and the Board.

The Independent Directors were satisfied with all the matters under consideration.

### (3). Audit Committee:

- (a) **Brief description of terms of reference:**

The terms of reference, powers and role and of the Committee are in accordance with the requirements of Section 177 of the Companies Act, 2013 read with the rules made thereunder and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (b) **Composition, Name of Members and Chairperson:**

The Audit Committee comprises of 4 (Four) Non- Executive Independent Directors as Members. All Members are financially literate and possess sound knowledge of accounts, finance and audit matters. The Company Secretary of the Company acts as Secretary to the Audit Committee. The Internal/Statutory Auditors of the Company attend the Meetings of the Audit Committee on invitation of the Chairman of the Committee.

The Composition of Audit Committee as on 31st March,

2022, is given below:

Sl. No.	Name	Category and Designation	Designation
1.	Mr. Anil Khandelwal	Non-Executive Independent Director	Chairman
2.	Mr. Abhiram Seth	Non-Executive Independent Director	Member
3.	Mrs. Ambika Sharma	Non-Executive Independent Director	Member
4.	Mrs. Neeru Singh	Non-Executive Independent Director	Member

**(c) Meetings and attendance during the year:**

Sl. No.	Name	Attendance in Audit Committee Meetings held on			
		May 26, 2021	July 30, 2021	Oct. 29, 2021	Jan. 31, 2022
1.	Mr. Anil Khandelwal	N.A.	Yes	Yes	Yes
2.	Mr. Abhiram Seth	N.A.	Yes	Yes	Yes
3.	Mrs. Ambika Sharma	N.A.	Yes	Yes	Yes
4.	Mrs. Neeru Singh	Yes	Yes	Yes	Yes
5.	Mr. Gokul Patnaik	Yes	N.A.	N.A.	N.A.
6.	Mr. Suparas Bhandari	Yes	N.A.	N.A.	N.A.

Note:

- Mr. Suparas Bhandari and Mr. Gokul Patnaik ceased to be Members of the Committee due to resignation from the Directorship with effect from 22nd July 2021.
- Mr. Anil Khandelwal and Mr. Abhiram Seth were appointed as Members of the Committee with effect from 22nd July, 2021.
- Audit Committee were re-constituted on 30th July, 2021 with Mr. Anil Khandelwal, Chairman and Mr. Abhiram Seth, Mrs. Ambika Sharma and Mrs. Neeru Singh as Members of the Committee.
- Mr. Anil Khandelwal was present at the 31st Annual General Meeting of the Company to answer the queries of Shareholders.

**(4). Nomination and Remuneration Committee:****(a) Brief description of terms of reference:**

The Nomination and Remuneration Committee determines on behalf of the Board, the Company's policy governing remuneration payable to the Managing Director and Whole-time Directors as well as the nomination and appointment of Directors.

The terms of reference of the Nomination and Remuneration Committee are as per the governing provisions of the Companies Act, 2013 (Section 178) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (specified in Part D of Schedule II).

Further, in terms of the SEBI (Share Based Employee Benefits) Regulations, 2014, the Nomination and Remuneration Committee also supervises the various ESOP/ ESPS Plans of the Company.

**(b) Composition, Name of Members and Chairperson:**

The Nomination and Remuneration Committee comprises of 3 (Three) Non-Executive Independent Directors. The Company Secretary of the Company acts as Secretary to the Nomination and Remuneration Committee.

The Composition of Nomination and Remuneration Committee as on 31st March, 2022, is given below:

Sl. No.	Name	Category and Designation	Designation
1.	Mr. Abhiram Seth	Non-Executive Independent Director	Chairman
2.	Mrs. Ambika Sharma	Non-Executive Independent Director	Member
3.	Mrs. Neeru Singh	Non-Executive Independent Director	Member

**(c) Meeting and attendance during the year:**

Sl. No.	Name	Attendance in Nomination & Remuneration Committee Meetings held on		
		May 25, 2021	July 29, 2021	Jan. 28, 2022
1.	Mr. Abhiram Seth	N.A.	Yes	Yes
2.	Mrs. Ambika Sharma	Yes	Yes	Yes
3.	Mrs. Neeru Singh	Yes	Yes	Yes
4.	Mr. Gokul Patnaik	Yes	N.A.	N.A.

Note:

- (1). Mr. Gokul Patnaik ceased to be Member of the Committee due to resignation from the Directorship with effect from 22nd July 2021.
- (2). Mr. Abhiram Seth were appointed as Member of the Committee with effect from 22nd July, 2021.
- (3). Nomination & Remuneration Committee were re-constituted on 30th July, 2021 with Mr. Abhiram Seth, Chairman, Mrs. Ambika Sharma and Mrs. Neeru Singh as Members of the Committee.

**(d) Performance evaluation criteria for Independent Directors:**

The Nomination and Remuneration Committee of the Board has laid out the evaluation criteria for performance evaluation of the Board, its Committees and all the individual directors, in adherence of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has in place a Board Evaluation Policy.

The performance of every Director and the Board as a whole was evaluated by the Nomination and Remuneration Committee and the Board, seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee members.

Performance Evaluation criteria for all the Directors have been laid down and posted on the Company's website. It is available on <http://ltgroup.in/pdf/LT-Foods-Board-evaluation.pdf>

**(5). Stakeholders Relationship Committee:**

The terms of reference and powers of Stakeholders Relationship Committee are as per the governing provisions of Section 178 the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The status of shareholder correspondences, queries, grievances etc. are endeavoured to be addressed with in due time by the secretarial department and status thereof is also placed before the Stakeholders Committee.

**(a) Name of Non-Executive Director heading the Committee:**

The Stakeholders Relationship Committee comprises of 4 Directors. The Committee composition was as per below table. The Committee is headed by Ms. Neeru Singh, Non-executive Independent Director of the Company. The Company Secretary of the Company acts as Secretary to the Stakeholders Relationship.

The Composition of Stakeholders Relationship Committee as on 31st March, 2022, is given below:

Sl. No.	Name	Category and Designation	Designation
1.	Mrs. Neeru Singh	Non-Executive Independent Director	Chairman
2.	Mr. Abhiram Seth	Non-Executive Independent Director	Member
3.	Mr. Ashwani Kumar Arora	Executive Director	Member
4.	Mr. Surinder Kumar Arora	Executive Director	Member

**(b) Name and designation of Compliance Officer:**

Mrs. Monika Chawla Jaggia, Vice President – Finance & Strategy is the Company Secretary & Compliance Officer of the Company.

**(c) Number of shareholders' complaints received so far:**

The number of shareholders' complaints received and resolved during financial year 2021-22 is given below:

Number of shareholders' complaints received: 2

Number of shareholders' complaints resolved: 2

**(d) Number not solved to the satisfaction of shareholders:**

None.

**(e) Number of pending complaints:**

As at 31st March, 2022, no complaint was pending unresolved.

**(f) Meetings and attendance during the year:**

Sl. No.	Name	Attendance in Stakeholder's Relationship Committee Meetings held on		
		May 25, 2021	July 29, 2021	Oct. 28, 2021
1.	Mrs. Neeru Singh	N.A.	Yes	Yes
2.	Mr. Abhiram Seth	N.A.	Yes	Yes
3.	Mr. Ashwani Arora	N.A.	Yes	Yes
4.	Mr. Surinder Arora	N.A.	Yes	Yes
5.	Mr. Suparas Bhandari	Yes	N.A.	N.A.
6.	Mr. Gokul Patnaik	Yes	N.A.	N.A.
7.	Mrs. Ambika Sharma	Yes	N.A.	N.A.

Note:

- Mr. Gokul Patnaik and Mr. Suparas Bhandari ceased to be Members of the Committee due to resignation from the Directorship with effect from 22nd July 2021.
- Stakeholder Relationship Committee was re-constituted on 30th July, 2021 with Mrs. Neeru Singh, Chairman, Mr. Abhiram Seth, Mr. Ashwani Arora and Mr. Surinder Arora as Members of the Committee.

**(6). Risk Management Committee:****(a) Brief description of terms of reference:**

The role of the Risk Management Committee is to identify the risks impacting the Company's business and formulate and administer policies/ strategies aimed at risk minimisation and risk mitigation as part of risk management.

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.

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>

**(b) Composition, Name of Members and Chairperson:**

The Composition of Risk Management Committee as on 31st March, 2022, is given below:

Sl. No.	Name	Category and Designation	Designation
1.	Mr. Ashwani Kumar Arora	Executive Director	Chairman
2.	Mr. Ashok Kumar Arora	President – Punjab Operations	Member
3.	Mr. Abhiram Seth	Non-Executive Independent Director	Member

**(c) Meeting and attendance during the year:**

Sl. No.	Name	Attendance in Risk Management Committee Meetings held on	
		Nov. 30, 2021	March 30, 2022
1.	Mr. Ashwani Kumar Arora	Yes	Yes
2.	Mr. Ashok Kumar Arora	Yes	Yes
3.	Mr. Abhiram Seth	Yes	Yes

- Risk Management Committee was re-constituted on 30th July, 2021 with Mr. Ashwani Kumar Arora, Chairman, Mr. Ashok Kumar Arora and Mr. Abhiram Seth as Members of the Committee.

**(7). Remuneration of Directors:****(a) All pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the listed entity:**

No pecuniary relationship or transaction happened between the Non-Executive Directors vis-à-vis the Listed entity, during the financial year ended March 31, 2022, except for the sitting fees for attending meetings of the Board and other Committees.

**(b) Criteria of making payments to Non-Executive Directors:**

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

**Disclosures with respect to Remuneration:**

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, 2022.

Name of the Director	(₹ In Lakhs)
Name of the Director	Sitting fees paid
Mr. Abhiram Seth	4.25
Mr. Anil Khandelwal	3.05
Mrs. Ambika Sharma	4.45
Mrs. Neeru Singh	5.60
Mr. Gokul Patnaik	1.75
Mr. Suparas Bhandari	1.15

The Executive Directors have been appointed for a period of five years commencing from their respective dates of appointment. The details of remuneration paid to the Executive Directors for the financial year ending March 31, 2022 are as under:

Name of Director	Vijay Kumar Arora	Ashwani Kumar Arora
(Amount in ₹)		
<b>Salary Components</b>		
Salary	1,65,39,600	1,61,21,424
Benefits (perquisites)	NIL	NIL
Bonuses	NIL	NIL
Stock Option	NIL	NIL
Pension	NIL	NIL
Fixed Component	NIL	NIL
Fixed Commission	50,00,000	50,00,000
Service Contract	As per terms and conditions of appointment.	As per terms and conditions of appointment.
Notice Period	As per terms and conditions of appointment.	As per terms and conditions of appointment.
Severance Fee	NIL	NIL
Stock Option details	NIL	NIL

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

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

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

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



**(8). Corporate Social Responsibility and Environment, Social and Governance Committee:****(a) Brief description of terms of reference:**

The Corporate Social Responsibility Committee was formed pursuant to Section 135 of the Companies Act, 2013, as amended, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act, to recommend the amount of expenditure to be incurred on such activities, action plan and to monitor the Corporate Social Responsibility Policy of the Company from time to time. Board of Directors in its meeting dated 30th May, 2022, extended the scope of the Corporate & Social Responsibility Committee and included Environment, Social & Governance as a part of it, and rename the Corporate Social Responsibility Committee as Corporate Social Responsibility and Environment, Social and Governance Committee.

The Corporate Social Responsibility Policy of the Company ("CSR Policy") is available on the website of the Company under "Policies & Guidelines" in the Investor's Update section and can be accessed at: <http://ltgroup.in/pdf/LT-Foods-CSR-Policy-2021.pdf>

The details of the Corporate Social Responsibility Policy of the Company have also been disclosed in the Directors' Report section of the Annual Report.

**(b) Composition, Name of Members and Chairperson:**

The Composition of Corporate Social Responsibility Committee as on 31st March, 2022, is given below:

Sl. No.	Name	Category and Designation	Designation
1.	Mrs. Neeru Singh	Non-Executive Independent	Chairman
2.	Mr. Vijay Kumar Arora	Executive Director	Member
3.	Mr. Ashwani Kumar Arora	Executive Director	Member
4.	Mr. Abhiram Seth	Non-Executive Independent	Member

**(c) Meeting and attendance during the year:**

Sl. No.	Name	Attendance in Corporate Social Responsibility Committee Meetings held on		
		April 27, 2021	May 25, 2021	Oct. 28, 2021
1.	Mrs. Neeru Singh	Yes	Yes	N.A.
2.	Mr. Vijay Kumar Arora	Yes	Yes	Yes
3.	Mr. Ashwani Kumar Arora	N.A.	N.A.	Yes
4.	Mr. Abhiram Seth	N.A.	N.A.	Yes
5.	Mr. Gokul Patnaik*	Yes	Yes	N.A.

\* Mr. Gokul Patnaik ceased to be Member of the Committee due to resignation from the Directorship with effect from 22nd July 2021.

**(9). General Body Meetings:****(a) Location and time, where last three Annual General Meetings held:**

Financial Year	General Meeting	Location	Date	Time
2020-2021	31st AGM	Audio Visual Means	30.09.2021	12:00 Noon
2019-2020	30th AGM	Audio Visual Means	30.09.2020	12:00 Noon
2018-2019	29th AGM	Siri Fort Auditorium, August Kranti Marg, New Delhi-110049	30.09.2019	12:00 Noon

**(b) Whether any special resolutions passed in the previous three Annual General Meetings:**

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

Financial Year	General Meeting	Particulars of Special Resolution(s) passed
2020-2021	31st AGM	No Special resolution was passed
2019-2020	30th AGM	Continuation of directorship of Mr. Suparas Bhandari (DIN:0159637), Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
2018-2019	29th AGM	Appointment of Mr. Parmod Bhagat as an Independent Director Appointment of Mrs. Radha Singh as Independent Director Reappointment of Mr. Vijay Kumar Arora as Managing Director of the Company

**(c) Whether any special resolution passed last year through postal ballot – details of voting pattern:**

No special resolution is proposed to be passed through postal ballot.

**(d) Person who conducted the postal ballot exercise:**

Two Ordinary resolutions relating to Related Party Transactions were passed through Postal ballot on 31st March 2022. The resolution so passed were:

- (1). Approval of Material Related Party Transactions with Daawat Foods Limited for the Financial Year 2022-23.
- (2). Approval of Material Related Party Transactions of the Subsidiaries of LT Foods Limited with LT Foods Americas Inc. (Wholly Owned Subsidiary of LT Foods Limited) for the Financial Year 2022-23.

CS Debasis Dixit, a Practicing Company Secretary was appointed as the Scrutinizer for the postal ballot exercise.

**(e) Whether any special resolution is proposed to be conducted through postal ballot:**

No Resolution requiring Postal Ballot as required by the Companies (Passing of Resolution by Postal Ballot) Rules, 2011, has been placed for Shareholder's approval at forthcoming Annual General Meeting.

**(f) Procedure for postal ballot:**

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the resolutions as specified in the Notice of the Postal Ballot dated 31st January, 2022 (as specified above) were transacted through Postal Ballot / e-voting.

The postal ballot notice along with the postal forms was mailed electronically to the members who had registered their emails with the depositories on 2nd March 2022. As

exempted under MCA Circulars, physical ballots were not dispatched.

The Company had engaged the services of NSDL for providing e-voting facility to the members.

In respect of the Postal Ballot Notice dated 31st January, 2022, the members holding shares as on the cut-off date of Friday, 18th February, 2022 were provided the option of exercising their right to vote on the said resolution(s) through postal ballot / e-voting during the period commencing from Wednesday, 2nd March, 2022 at 9.00 A.M. to Thursday, 31st March, 2022. Upon completion of the voting period, the scrutinizer completed the scrutiny of votes cast and submitted his report to the Managing Director. The results of the voting were declared on Friday, 1st April, 2022 on the website of the Stock Exchanges, Company and NSDL.

**(10). Means of communication:****(a) Quarterly results:**

The Company publishes limited reviewed un-audited standalone & consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone & consolidated for the complete financial year.

**(b) Newspapers wherein results normally published:**

The quarterly and annual results were generally published in the Economic Times, Financial Express and Jansatta.

**(c) Any website, where displayed:**

The quarterly results are also displayed on the website of the Company i.e., www.ltgroup.in, and is available on the website of BSE and NSE.

**(d) Whether it also displays official news releases:**

Yes, the Company regularly publishes an information update on its financial results and also displays official news releases in the investors update section.

**(e) Presentations made to institutional investors or to the analysts:**

The Company holds analysts calls in each quarter, to apprise and make public the information relating to the Company's working and future outlook.

**(11). General Shareholder information:****(a) Annual General Meeting - date, time and venue:****Thirty Second Annual General Meeting**

Date and Time	30th September, 2022 at 12.00 Noon
Venue	Video Conferencing/ Audio Visual means

**(b) Financial year:**

Financial Calendar for the Year 2022-23:	April 01, 2022 to March 31, 2023
Tentative Calendar for approval of Financial Results:	Q1 FY 23: 4th Week of July, 2022 Q2 FY 23: 4th Week of October, 2022 Q3 FY 23: 4th Week of January, 2023 Q4 FY 23: 4th Week of May, 2023
Book Closure	Friday, September 23, 2022 to Friday, September 30, 2022, both days inclusive

**(c) Dividend payment date:**

The Board of Directors of your Company declared an interim dividend of ₹ 0.50 per equity share of ₹1/- each i.e. @50% during the financial year 2021-22. Payment of dividend was done within 30 days from date of declaration i.e. 1st March, 2022.

**(d) Name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s):**

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
Phiroze Jeejee bhoy 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

The annual listing fee for the financial year 2022-23 has been paid by the Company to both the stock exchanges within the stipulated time.

**(e) Stock Code & ISIN:**

NSE	BSE	ISIN
DAAWAT	532783	INE818H01012

**(f) Market price data- high, low during each month in last financial year:****Bombay Stock Exchange**

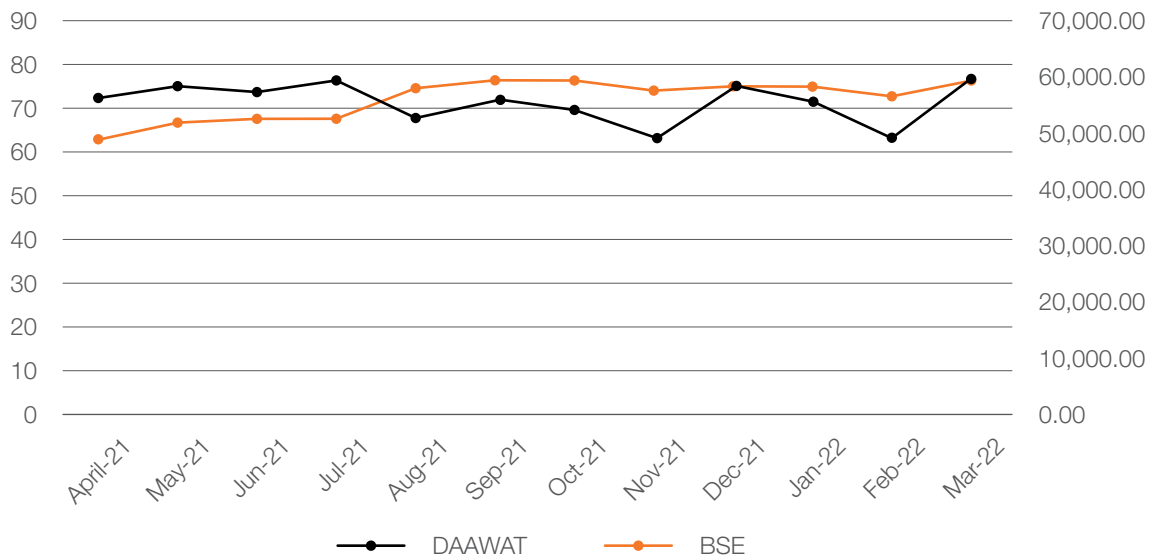
Month	High	Low	Close	Volume	S&P BSE Sensex
Apr-21	75.80	58.30	72.55	79,09,197	48,782.36
May-21	90.40	69.00	74.90	11916221	51,937.44
Jun-21	79.80	72.5	74.05	6574145	52,482.71
Jul-21	84.35	73.75	76.00	7832519	52,586.84
Aug-21	77.00	61.50	67.25	3948035	57,552.39
Sep-21	74.95	64.00	72.10	5332979	59,126.36
Oct-21	75.75	67.30	69.50	3472411	59,306.93
Nov-21	75.25	61.30	62.90	2389496	57,064.87
Dec-21	85.20	62.65	74.95	7553668	58,253.82
Jan-22	82.75	67.30	71.35	4998975	58,014.17
Feb-22	73.95	58.75	62.65	2676339	56,247.28
Mar-22	79.70	61.00	78.10	5515278	58,568.51

## National Stock Exchange

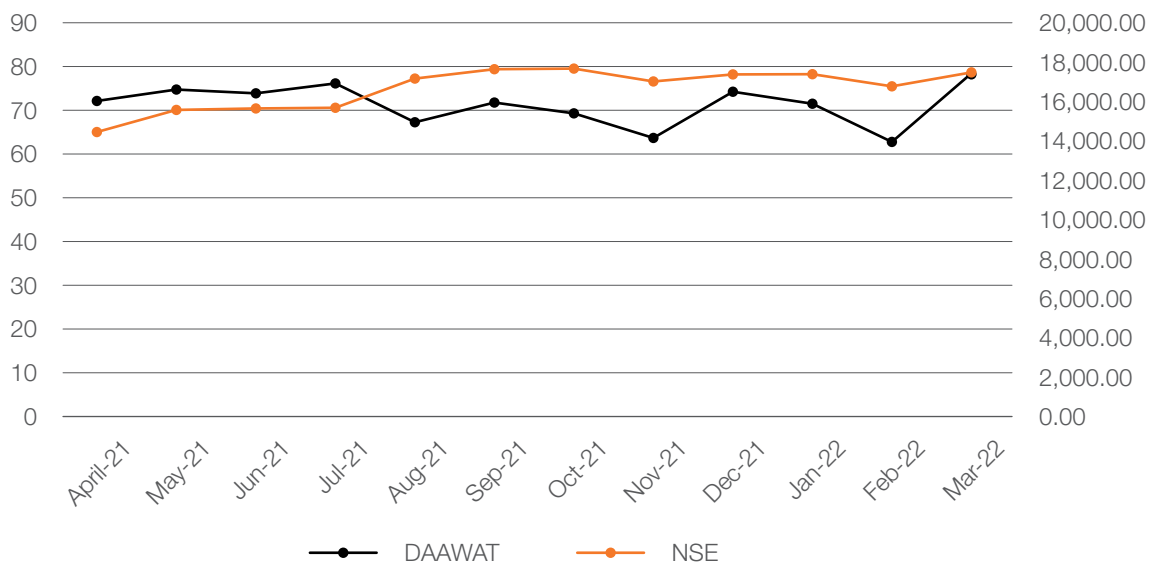
Month	High	Low	Close	Volume	NSE
Apr-21	75.90	58.30	72.55	8,17,25,584	14631.10
May-21	90.50	72.00	75.05	9,81,79,994	15582.80
Jun-21	79.95	72.55	73.95	4,37,40,200	15721.50
Jul-21	84.30	73.80	75.95	5,90,78,814	15763.05
Aug-21	77.10	61.65	67.20	2,27,12,056	17132.20
Sep-21	75.00	63.90	72.05	5,05,34,059	17618.15
Oct-21	75.80	67.20	69.50	3,07,02,313	17671.65
Nov-21	75.25	61.50	63.35	1,92,53,992	16983.20
Dec-21	85.25	63.05	74.95	7,43,85,701	17354.05
Jan-22	82.80	69.35	71.35	4,11,85,875	17339.85
Feb-22	73.75	58.35	62.65	1,71,55,167	16793.90
Mar-22	79.75	61.20	78.10	3,26,91,126	17464.75

## (g) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL Index etc.:

## DAAWAT Vs BSE



## DAAWAT Vs NSE



**(h) In case the securities are suspended from trading, the directors report shall explain the reason thereof.:**

Not applicable.

**(i) Registrar to an issue and share transfer agents:**

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

**(j) Share transfer system:**

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.

Further SEBI Vide its circular dated 25th January, 2022 has directed that the Company while processing the below-mentioned requests also, shall issue the securities in dematerialised form only: (i). Issue of duplicate securities certificate; (ii). Claim from Unclaimed Suspense Account; (iii). Renewal / Exchange of securities certificate; (iv). Endorsement; (v). Sub-division / Splitting of securities certificate; (vi). Consolidation of securities certificates/ folios; (vii). Transmission; (viii). Transposition

Shareholders intending to lodge any of the above said request are mandatorily required to do so in the specific Form specified by SEBI in this regard (Form ISR-4) along with the documents / details specified therein. The Form can be obtained from Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company. Shareholders are also requested to keep record of their specimen signature before lodgment of shares with the Company to avoid probability of signature mismatch at a later date.

**(k) Distribution of shareholding as on dated March 31, 2022:****(A) Distribution of Shareholding by Ownership**

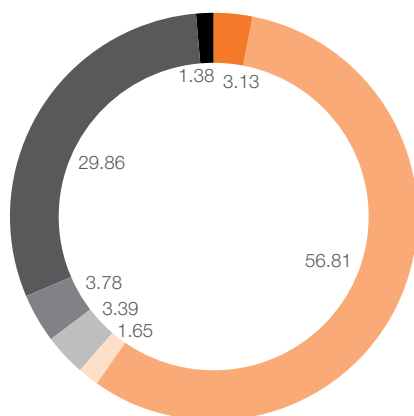
Category	Total Shareholders	% Of Shareholders	Voting Strength	%
CLEARING MEMBER	164	0.09	1450437	0.45
CORPORATE BODIES	381	0.21	12087729	3.78
DIRECTORS	5	0.0028	91947680	28.75
EMPLOYEE	60	0.03	3341369	1.04
FOREIGN PORTFOLIO INVESTOR	38	0.02	4421129	1.38
GROUP COMPANIES	2	0.00	33384472	10.44
NON NATIONALISED BANKS	1	0.00	7	0.02
NON RESIDENT INDIANS	1917	1.07	5289440	1.65
OVERSEAS CORPORATE BODIES	1	0.00	500000	0.00
PROMOTERS	14	0.00	56384470	17.63
PUBLIC	175899	98.55	99668884	31.16
TRUSTS	2	0.00	4000	0.00
MUTUAL FUND	1	0.00	10829080	3.39
IEPF	1	0.0006	536083	0.17
<b>TOTAL</b>	<b>178486</b>	<b>100</b>	<b>319844780</b>	<b>100.00</b>

**(B) Distribution of Shareholding by Size as on 31st March 2022**

SHAREHOLDING	OF NOMINAL	NUMBER OF SHAREHOLDERS	% TO TOTAL	SHARES	% TO TOTAL
1	500	156789	87.8439	14206662	4.4417
501	1000	9775	5.4766	8118183	2.5382
1001	2000	5501	3.082	8333888	2.6056
2001	3000	1941	1.0875	5039712	1.5757
3001	4000	978	0.5479	3536719	1.1058
4001	5000	909	0.5093	4316276	1.3495
5001	10000	1340	0.7508	10174392	3.181
10001	999999999	1253	0.702	266118948	83.2025
		178486	100.0000	319844780	100.0000

**(C) Top ten Shareholders as on March 31,2022**

Sl. No.	Name	Shares	Percentage
1.	RAGHUVESH HOLDINGS PRIVATE LIMITED	33384472	10.44
2.	ASHOK KUMAR ARORA	22986920	7.19
3.	VIJAY KUMAR ARORA	22986920	7.19
4.	ASHWANI KUMAR ARORA	22986920	7.19
5.	SURINDER KUMAR ARORA	22986920	7.19
6.	GURUCHARAN DASS ARORA	21286920	6.66
7.	DSP SMALL CAP FUND	10829080	3.39
8.	VANDANA ARORA	8396500	2.63
9.	SAKSHI ARORA	8371500	2.62
10.	RANJU ARORA	7738160	2.42
	<b>TOTAL</b>	181954312	56.89

**Shareholding Pattern as on 31st March, 2022:**

- PROMOTERS
- NRI
- MUTUAL FUNDS
- BODY CORPORATE
- PUBLIC
- FOREIGN PORTFOLIO INVESTOR
- OTHERS

**(l) Dematerialization of shares and liquidity:**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As at 31st March, 2022, 31,88,02,171 Equity shares out of 31,98,44,780 Equity Shares of the Company, forming 99.67% of the Company's paid-up capital is held in the dematerialised form. Majority of demat shares are with National Securities Depository Limited. The Company's shares are liquid and actively traded on the NSE and BSE.

**(m) Outstanding Global depository receipts or American depository receipts or Warrants or any convertible instruments, conversion date and likely impact on equity:**

There are no GDRs/ADRs/Warrants outstanding as on 31st March, 2022.

**(n) Commodity price risk or foreign exchange risk and hedging activities:**

Your Company has a robust framework and governance mechanism in place to ensure that the organisation is

reasonably protected from the market volatility in terms of price and availability.

Your Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The details of foreign exchange exposures as on 31st March, 2022 are disclosed in Notes to the standalone financial statements.

**(o) Plant locations:**

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

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

**(p) Address for 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

**(q) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.:**

The long term credit rating of the Company is CRISIL A/ Positive and short term credit rating is CRISIL A1.

The details on credit ratings are also available on the website of the Company at Credit Rating under the Investors Update section.

**(12). Other Disclosures:**

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large:**

During the financial year 2021-22, there was no materially significant related party transaction that may have potential conflict with the interests of the Company at large other than the disclosed transactions. For reference, the details of related party transactions in accordance with IND AS-24 are given in Note No. 51 of Notes on Accounts of the Annual Report. 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 disclosed on the website of the Company at weblink: <http://www.ltgroup.in/pdf/LT-Food-Related-Party-Transactions-2021.pdf> under the investors section.

**(b) Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the Board or any statutory authority, on any matter related to capital markets, during the last three years:**

NSE has imposed fine for non-compliance under regulation 17(1) of SEBI (Listing of Disclosure Requirements) Regulations, 2015 pertaining to the composition of the Board including failure to appoint Women Director during the financial year 2020-21.

**(c) Details of establishment of vigil mechanism /whistle blower policy, and affirmation that no personnel has been denied access to the audit committee:**

The Company has adopted a Whistle Blower Policy to alert or vigilant empowering any person associated with the organisation to file a grievance if he/ she notices any irregularity. The functioning of the vigil mechanism is evaluated by the Audit Committee from time to time. No person has been denied access to the Audit Committee for any grievance. Whistle Blower Policy is available on the website of the Company at : [http://ltgroup.in/pdf/Whistle-Blower%20Policy\\_August%202021.pdf](http://ltgroup.in/pdf/Whistle-Blower%20Policy_August%202021.pdf)

**(d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

The Company has fully complied with the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**(e) Web link where policy for determining 'material' subsidiaries is disclosed:**

The policy for determining 'material' subsidiaries is available on the website of the Company under "Policies & Guidelines" section and can be accessed at: <http://ltgroup.in/pdf/LT-Foods-Material-Subsidiary-Policy-2021.pdf>

**(f) Web link where policy on dealing with related party transactions:**

The policy on dealing with related party transactions is available on the website of the Company under "Policies & Guidelines" section and can be accessed at: <http://ltgroup.in/pdf/LT-Food-Related-Party-Transactions-2022.pdf>

**(g) Disclosure of commodity price risks and commodity hedging activities:**

Your Company has a robust framework and governance mechanism to ensure that it is sufficiently protected from market volatilities. Your Company manages foreign exchange risk with appropriate hedging activities consistent with the policies of the Company. The details of foreign exchange exposures as on 31 March 2022 are disclosed in the Notes to the Standalone financial statements.

**(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

The Company did not raise any funds through preferential allotment or qualified institutions placement during the year.

**(i) A certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

**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 as on 31st March 2022.

For D Dixit & Associates  
Company Secretaries

**Debasis Dixit**

FCS-7218, CP-7871  
UDIN- F007218D000702660  
PR-1823/2022

Date:-28th July 2022

Place:- New Delhi



- (j) Where the Board had not accepted any recommendation of any committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof:

**Provided that the clause shall only apply where recommendation of / submission by the committee is required for the approval of the Board of Directors and shall not apply where prior approval of the relevant committee is required for undertaking any transaction under these Regulations.**

The Board accepted the recommendations of its Committees, wherever made, during the year under review.

- (k) **Total fees for all services paid by the listed entity 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.**

The details of total fees for all 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, are as follows:

Type of Service(s)	Amount (₹ in Lakhs)
Audit Fee	47.00
Tax Audit Fee	Nil
Other Certification Fee	Nil
Reimbursement of expenses	1.68
<b>TOTAL</b>	<b>48.68</b>

- (l) **Details of Loans and advances in the nature of loans to firms/companies in which directors are interested**

Neither the company nor any of its subsidiary has sanctioned any loan or any advances in the nature of loans to firms/companies in which directors are interested.

- (m) **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

- (a) Number of complaints filed during the financial year.- Nil
- (b) Number of complaints disposed of during the financial year.-Nil
- (c) Number of complaints pending as on end of the financial year.-Nil

During the year 2021-22, no complaints were received by the Company. As such, there are no complaints pending as at the end of the financial year.

- (13). Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed:**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- (14). The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted:**

(a) **The Board:** As the Chairman of the Company is an Executive Chairman, hence the provision on entitlement of chairperson's office at the expense of the Company in case of a non-executive chairperson is not applicable.

(b) **Shareholder Rights:** Quarterly financial statements are published in leading newspapers and uploaded on Company's website <http://ltgroup.in/> under Financial Results Section.

(c) **Modified opinion(s) in audit report:** Auditors have raised no qualification on the financial statements.

(d) **Separate posts of Chairperson and CEO:** Mr. Vijay Kumar Arora is the Chairman and Managing Director of the Company whereas, Mr. Ashwani Kumar Arora, is the CEO of the Company.

(e) **Reporting of Internal Auditor:** The Company appointed Grant Thornton Bharat as the Internal Auditors for conducting the internal audit for the financial year 2021-22, representatives whereof report to the Chief Financial Controller and has direct access to the Audit Committee.

- (15). The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 shall be made in the section on corporate governance of the annual report:**

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub – regulation (2) of Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Declaration signed by the Chief Executive Officer stating that the Members of Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations and with the highest standards of business ethics. LT Foods Ltd.' Code of Ethics is intended to provide guidance and help in recognizing and dealing with ethical issues, mechanisms to report unethical conduct and to help foster a culture of honesty and accountability.

The Board has adopted a Code of Ethics for Code of Conduct for Board of Directors and Senior Management Personnel (SMP) of the Company.

The Code is available on the website of the Company under "Codes & Policies" in the Corporate Governance section and can be accessed at: <http://ltgroup.in/pdf/LT-Food-Code-of-Conduct.pdf>

**Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

All Board Members and Senior Management Personnel have affirmed compliance with the code of ethics for the financial year ended 31st March, 2022.

Gurugram  
July 29, 2022

**Ashwani Kumar Arora**  
CEO

### **(16). Disclosures with respect to demat suspense account/ unclaimed Suspense Account:**

There are no shares in Unclaimed Suspense Account.

### **(17). Disclosures with respect to Demat Suspense Account/ Unclaimed Suspense Account:**

The listed entity shall disclose the following details in its annual report, as long as there are shares in the demat suspense account or unclaimed suspense account, as applicable:

- (a) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year: Nil
- (b) Number of shareholders who approached listed entity for transfer of shares from suspense account during the year: Nil
- (c) Number of shareholders to whom shares were transferred from suspense account during the year: Nil
- (d) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year: Nil
- (e) That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares: Nil

### **(18). Other important Shareholder's Communique:**

The Shareholders who have not encashed their dividend warrants for the year 2020-21 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 2014-15 will due to be transferred to IEPF account on 25th Oct, 2022. The shareholders who have not claimed their dividend are requested to contact our Registrar and Share Transfer Agent Bigshare Services Private Limited.

### **(19). KYC Updation:**

SEBI vide its Circular dated 3rd November, 2021, has laid down common and simplified norms for processing

investor's service and effective from 01.01.2022, instructed the Registrar & Transfer Agent to not process any service requests or complaints received from either the security holder(s) or the claimant(s), till PAN, KYC and Nomination documents/details are received.

Therefore, it is mandatory for all holders of physical securities to furnish their: (i). PAN (ii). Nomination (iii). Bank Details (iv). Complete Postal address with PIN (v). Email (vi). Mobile No. and (vii). Signatures to the Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company in respect of all concerned Folios and the Folios wherein even any one of the said details are not available on or after April 01, 2023, shall be frozen by the Registrar and Share Transfer Agent.

SEBI has prescribed standardised Forms for updation of all the abovesaid details and the same can be obtained from the RTA of the Company.

Nomination is compulsory and in case a security holder does not wish to nominate, then a specific declaration for opting out of nomination has to be furnished in the prescribed Form.

Shareholder(s) holding shares in dematerialised form are requested to notify change in their bank details / address / email Id etc. directly with their respective Depository Participants.

Updation of Email address enables the Company to better service shareholder correspondence.

### **(20). Dividend Encashment:**

The shareholders are advised to encash their dividend promptly to avoid hassles of revalidation or losing right to claim dividend owing to transfer of unclaimed dividends beyond seven years to the Investor Education and Protection Fund.

### **(21). Unclaimed Dividend and Shares:**

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid/ unclaimed for a period of 7 (Seven) years have to be statutorily transferred to the Investor Education and Protection Fund (IEPF) and such shares in respect of which dividend entitlements remained unclaimed for 7 (Seven) consecutive years or more are also required to be transferred by the Company to the Investor Education and Protection Fund, administered by the Central Government.

To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

Unclaimed Dividend in respect of the financial year 2014-15 and the shares in respect of which dividend entitlements remain unclaimed for 7 (Seven) consecutive years will be due for transfer to the IEPF on 25th October,

2022 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividends in respect of the financial year ended 31st March, 2015 or any subsequent year(s) are requested to lodge their claims with the Company.

A separate communication in this regard has already been sent to the Shareholders of the Company who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same.

In respect of Final Dividend for the financial year ended 31st March, 2015, it will not be possible to entertain claims which are received by the Company after 31st August, 2022.

Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof.

However, members may apply for the same with the IEPF authority by making an application in the prescribed Web Form No. IEPF-5.

Financial Year	Dividend Type	Dividend per Share (₹)	Date of Declaration	Due Date for transfer to IEPF
2014-15	Final	₹ 2.00 per share of ₹ 10/- each	18.09.2015	25.10.2022
2015-16	Final	₹ 1.50 per share of ₹ 10/- each	21.09.2016	28.10.2023
2016-17	Final	₹ 0.15 per share of ₹ 1/- each	19.09.2017	25.10.2024
2017-18	Final	₹ 0.15 per share of ₹ 1/- each	24.09.2018	30.10.2025
2018-19	Final	₹ 0.15 per share of ₹ 1/- each	30.09.2019	05.11.2026
2019-20	Interim	₹ 0.50 per share of ₹ 1/- each	12.02.2020	21.03.2027
2019-20	Final	₹ 0.50 per share of ₹ 1/- each	30.09.2020	05.11.2027
2020-21	Interim	₹ 0.50 per share of ₹ 1/- each	29.01.2021	06.03.2028
2020-21	Final	₹ 0.50 per share of ₹ 1/- each	30.09.2021	05.11.2028
2021-22	Interim	₹ 0.50 per share of ₹ 1/- each	31.01.2022	08.03.2029

## (22). Email Id. / Folio No. / DP ID No. Quote:

Shareholders are also requested to quote their E-mail IDs, Contact / Fax numbers for prompt reply to their correspondence.

Shareholders / Beneficial Owners are requested to quote their Folio Nos. / DP ID Nos., as the case may be, in all correspondence with the Company.

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

Gurugram  
July 29, 2022

**Vijay Kumar Arora**  
Chairman and Managing Director  
DIN: 00012203

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## 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) Regulations, 2015

I 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 2022 and in our opinion and to the best of our information

- A. I 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: 12.05.2022

Place: Gurugram

## INDEPENDENT AUDITOR'S REPORT

To the Members of **LT Foods Ltd.**

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of LT Foods Limited ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2022, Standalone Statement of Profit and Loss (including other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, total comprehensive income (comprising of its profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Statements" section of our report (Refer Annexure 'A'). We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in

our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p>Revenue recognition – Sale of goods</p> <p>Refer Note 1 of standalone financial statements with respect to the accounting policies followed by the Company for recognizing revenue from sale of products.</p> <p>The Company recognised revenues amounting to ₹ 2,83,999.61 lakhs for the year ended March 31, 2022, as disclosed in Note 31 and Note 54 to the standalone financial statements.</p> <p>Revenue comprises of sale of manufactured goods (rice), traded goods and by products – which is recognized when control of such goods is transferred to the customers and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates, trade discounts etc.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly, occurrence</p>	<p>Our audit work included, but not limited to, the following procedures -</p> <ul style="list-style-type: none"> <li>• Understood the business process of revenue and receivables process for evaluating the design effectiveness of internal financial controls;</li> <li>• Validated the operating effectiveness of internal financial controls in revenues and receivables process;</li> <li>• Assessed the appropriateness of the accounting policies relating to revenue recognition by ensuring their compliance with Ind AS 115 ("Revenue from Contracts with Customers");</li> <li>• Performed substantive analytical procedures on revenue which includes margins analysis (corroboration between revenues and costs for current year and its comparison with last year), analysis for key customers etc.;</li> <li>• Evaluated the terms and conditions of the Key contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the Indian Accounting Standards;</li> <li>• Performed substantive testing on test check basis for revenue transactions recognised during the year by testing their underlying documents which include purchase orders from customers, proof of deliveries (bill of lading for export sales and lorry receipts etc for domestic sales), invoices and collection of money from the customers (as applicable).</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>of revenue is a key focus area on account of multiple channels for sales, transactions with subsidiaries and the volume of the sales made to them.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>Considering different categories of customers, the nature of documents supporting accuracy and occurrence of transactions varies. Our testing methodology was designed and implemented considering these facts and circumstances;</p> <ul style="list-style-type: none"> <li>• Reviewed reconciliation of revenues between books and revenues disclosed in statutory returns (i.e., GST returns);</li> <li>• Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors; and</li> <li>• Assessed the adequacy and appropriateness of the disclosures made in financial statements in compliance with the requirements of Ind AS 115 - 'Revenue from contracts with customer'.</li> </ul>
2	<p><b>Inventory – existence and valuation</b></p> <p>Refer Note 1 to the standalone financial statements which includes the accounting policies followed by the Company for valuation of inventory.</p> <p>The Company's inventory is valued at the lower of cost and Net Realizable Value (NRV). The Company is engaged in the business of manufacturing and selling rice and the Company's inventory primarily comprises of raw material i.e., paddy, semifinished rice, finished rice, stores and spares and packing material. Such inventory is stored in plant, rented warehouses, silos and storage bags. Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy and natural ageing process followed by the Company for getting desired level of quality. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.</p> <p>The valuation of raw material, semi-finished and finished rice is a comprehensive exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> <li>• Allocable overheads and their absorption rates;</li> <li>• Determination of net realisable value of by-products;</li> <li>• Capitalisation of borrowing costs to paddy, semi-finished and finished rice, given significant holding period between acquisition and production.</li> <li>• Period and rate of finance costs to be capitalised.</li> </ul>	<p>Our audit procedures in respect of this area, among others, included the following -</p> <p><b>Existence:</b></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the accounting policies relating to valuation of Inventory by ensuring their compliance with Ind AS 2 ("Inventories") and Ind AS 23 ("Borrowing Costs");</li> <li>• Obtained inventory reports (retrieved from SAP) and results of management conducted count and reviewed reconciliation of differences, if any, between management physical count and inventory records. Tested the necessary adjustments, if any, made in the inventory records by the management;</li> <li>• Reviewed reconciliation of inventory quantitative details in valuation workings with inventory reports obtained from the management, as retrieved from SAP i.e., the integrated ERP used by the Company. Understood and tested the reconciling items, if any;</li> <li>• Obtained independent confirmations, on sample basis, for inventory lying with third parties as at year-end;</li> <li>• Observed physical verification done by the management as at year-end and also, independently verified few items physically on sample basis for locations scoped-in, basis materiality of stock lying at such locations to overall inventory balance of the Company as at year-end;</li> <li>• Corroborated the results of our physical verification procedures, on sample basis, with valuation workings obtained from the management; and</li> <li>• Presented our approach and results of physical verification, including but not limited to scoped-in locations, methodology followed for verification of inventory stored in bags and silos and confirmation procedures, to the audit committee.</li> </ul> <p><b>Valuation:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management process of inventory valuation;</li> <li>• Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;</li> <li>• Verified inputs into the valuation process from source documents/ general ledger accounts on test check basis;</li> <li>• Verified, on test check basis, quantitative reconciliation of opening inventory, purchase/ production, sales and year-end inventory to</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>Accordingly, existence and valuation of the year-end inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant attention owing to the complexity and judgement involved in the process of physical count and valuation.</p> <p>Hence, we have identified Inventory Valuation as a key audit matter.</p>	<p>validate the rice yield during the year and to identify any abnormal production loss. Compared the yield between current year and prior year to identify abnormalities, if any;</p> <ul style="list-style-type: none"> <li>• Compared basis of key estimates, including those involved in computation of allocable overheads and borrowing costs, to prior year and enquired reasons for any significant variations;</li> <li>• Verified net realisable value of by-products from supporting documents and arithmetical accuracy of valuation calculations; and</li> <li>• Assessed the adequacy and appropriateness of the disclosures made in the standalone financial statements with respect to Inventory in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial

performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance



## INDEPENDENT AUDITOR'S REPORT

but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the standalone financial statements.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
  - e. On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 42 to the Standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2022.
  - iv. a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing

## INDEPENDENT AUDITOR'S REPORT

- or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause iv(a) and iv(b) contain any material misstatement; and
  - v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Rahul Aggarwal**

Partner

Membership No. 505676

UDIN: 22505676AJWFEK8614

Place: Gurugram

Date: May 30, 2022

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

#### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has internal financial controls with reference to standalone 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 22505676AJWF EK8614

Place: Gurugram  
Date: May 30, 2022

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. (a) A. The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
    - B. The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a regular program of physical verification of its Property, Plant and Equipment under which Property, Plant and Equipment 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 nature of its assets. In accordance with this program, certain Property, Plant and Equipment were verified during the year and no material discrepancies were noticed on such verification.
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the standalone financial statements are held in the name of the Company.
  - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Accordingly, the reporting under paragraph 3(i)(d) of the Order is not applicable to the Company.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceeding has been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii. (a) The inventory (except for goods in transit and stock lying with third parties) has been physically verified by the management during the year. In respect of inventory with third parties, written confirmations have been obtained by the management. In our opinion, the coverage and procedure of such verification is reasonable. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
    - (b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limit in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. The quarterly revised returns and statements filed by the Company with such banks and financial institutions on aggregate basis are, except for few immaterial differences, in agreement with the unaudited books of account of the Company.
  - iii. (a) According to the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or given guarantee, or provided security to any other entity.
    - (A). The Company has given guarantee to its subsidiary companies during the year amounting to ₹ 9,014.00 lakhs and the balance outstanding of such guarantees given as at March 31, 2022 amounts to ₹ 57,802.68 lakhs (March 31, 2021: ₹ 54,828.68 lakhs). Further, the Company has provided loans to its associate companies amounting to ₹ Nil during the year and the outstanding balance of such loans provided as at March 31, 2022 amounts to ₹ 229.64 lakhs (March 31, 2021: ₹ 423.97 lakhs).
    - (B). According to the information and explanation provided to us, in relation to entities other than subsidiaries, joint ventures and associates, the Company has not provided any loans, guarantees or securities or advances in the nature of loans, except advance paid to suppliers against procurement of material amounting to ₹ 4,937.87 lakhs during the year, which got settled against supply of such material during a period ranging from 180 days to 220 days. These advances have been substantially adjusted against procurement of material during the year

## INDEPENDENT AUDITOR'S REPORT

and the corresponding balance outstanding as at March 31, 2022 is ₹ 145.51 lakhs.

- (b) In relation to loans granted and guarantees given, according to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions of the loans granted and guarantees given are not prejudicial to the interest of the Company. Regarding advances against supply of material (advances in the nature of loans) granted by the Company to other entities during the year, considering interdependence between various factors which are proprietary in nature including period of advance and its impact on pricing, if any, availability of wide variety of similar material and volumes, we are unable to comment whether the terms and conditions of such advances are prima facie prejudicial to the interest of the Company.
- (c) In case of the loans, schedule of repayment of principal and payment of interest have been stipulated and the borrowers have been regular in the payment of the principal and interest. Regarding supplier advances, the advances are granted interest-free and delivery terms are specified in the agreement against each advance given.
- (d) There are no amounts overdue for more than ninety days in respect of the loan granted to Company/ Firm/ LLP/ Other Parties.
- (e) According to the information and explanation provided to us, the loan or advance in the nature of loan granted has fallen due during the year. As mentioned in clause (a) above, the suppliers' advances were settled within a period ranging between 180 days to 220 days which were generally beyond stipulated supply terms in the purchase orders and constitute most of the population of such advances during the year.
- (f) According to the information and explanation provided to us, the Company has granted loans and / or advances in the nature of loans during the year. These are not repayable on demand / have stipulated the schedule for repayment of principal and interest/ delivery terms. Hence, the requirements under paragraph 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the directors is interested, accordingly provision of Section 185 of the Act are not applicable to the Company. Further, in our opinion, the Company has complied with the provisions of Section 186 of the Act.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under. Accordingly, provisions stated in paragraph 3(v) of the Order are not applicable to the Company.
- vi. The provisions of sub-section (1) of Section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3(vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and income tax, through there has been slight delay in few cases, and is regular in depositing undisputed statutory dues including sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other statutory dues, as applicable, were outstanding, at the year end, for a period of more than six months from the date they became payable.

## INDEPENDENT AUDITOR'S REPORT

- (c) According to the information and explanations given to us and the records of the Company examined by us. The particulars of statutory dues referred to in sub-clause(a) as at March 31, 2022 which have not been deposited on account of dispute, are as follows:

Name of the statute	Nature of dues	Gross Amount Rs. (in ₹ lakhs)	Amount paid under dispute (in ₹ lakhs)	Unpaid Amount (in ₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Penalty	36.27	36.27	-	1998-99	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	57.54	-	57.54	2002-03	Assessing Officer
Income tax Act, 1961	Income tax demand	4.84	-	4.84	2006-07	Assessing Officer
Income tax Act, 1961	Income tax demand	327.62	327.62	-	2007-08	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	235.95	223.95	12.00	2008-09	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	346.01	103.39	242.62	2009-10	Income Tax Appellate Tribunal
Income tax Act, 1961	Penalty	177.42	10.00	167.42	2009-10	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax demand	142.68	19.50	123.18	2011-12	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	175.62	108.15	67.47	2012-13	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	90.43	90.43	-	2013-14	Income Tax Appellate Tribunal
Income tax Act, 1961	Income tax demand	466.81	100.00	366.81	2014-15	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax demand	599.12	-	599.12	2016-17	Commissioner of Income Tax (Appeals)

- viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in tax assessments of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account.
- ix. (a) In our opinion, and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.

## INDEPENDENT AUDITOR'S REPORT

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint venture or associate companies.
- x. (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3(x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.
- xi. a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company nor on the Company has been noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in Clause 3(xi)(c) of the Order are not applicable to the Company.
- xii. In our opinion, and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in Clause 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion, the Company has not entered into non-cash transactions with directors or persons connected with its directors during the year and hence, provisions of Section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in Clause 3(xv) of the Order are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions stated in Clause 3(xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Accordingly, the reporting under Clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us during the course of audit, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- xvii. According to the information explanation provided to us, the Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, the provisions stated in Clause 3(xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing and expected date of realisation of financial assets and payment of financial liabilities, other information accompanying

## INDEPENDENT AUDITOR'S REPORT

the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exists as on the date of audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- xx. The Company has during the year spent the amount of Corporate Social Responsibility as required under sub-section (5) of Section 135 of the Act. Accordingly, reporting under Clause 3(xx) of the Order is not applicable to the Company.

- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 22505676AJWFEK8614

Place: Gurugram  
Date: May 30, 2022



## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED MARCH 31, 2022

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

#### Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of LT Foods Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance

Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### Meaning of Internal Financial Controls with reference to Standalone Financial Statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

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## INDEPENDENT AUDITOR'S REPORT

### Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to

standalone financial statements and such internal financial controls were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Rahul Aggarwal**

Partner

Membership No. 505676

UDIN: 22505676AJWFEK8614

Place: Gurugram

Date: May 30, 2022

# STANDALONE BALANCE SHEET

as at March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	22,095.08	19,639.29
Capital work-in-progress	2	1,142.47	2,222.34
Right of use assets	2	379.08	188.62
Goodwill	3	0.27	0.33
Other intangible assets	3	106.71	162.22
<b>Financial assets</b>			
Investments	4	12,349.30	12,614.16
Loans	5	257.44	234.41
Other financial assets	6	695.80	710.38
Other non-current assets	8	478.46	159.80
Non-current tax assets	9	3,097.16	3,203.30
<b>Total non-current assets</b>		<b>40,601.77</b>	<b>39,134.85</b>
<b>Current assets</b>			
Inventories	10	1,14,926.04	94,945.46
<b>Financial assets</b>			
Trade receivables	11	23,525.03	12,931.14
Cash and cash equivalents	12	1,275.31	515.19
Bank balances other than cash and cash equivalents	13	647.11	920.99
Loans	14	134.61	299.80
Other financial assets	15	916.04	787.20
Other current assets	16	6,987.71	7,497.69
<b>Total current assets</b>		<b>1,48,411.85</b>	<b>1,17,897.47</b>
<b>Total assets</b>		<b>1,89,013.62</b>	<b>1,57,032.32</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	3,198.45	3,198.45
Other equity	18	1,01,226.31	93,387.19
<b>Total equity</b>		<b>1,04,424.76</b>	<b>96,585.64</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	187.94	118.22
Lease liabilities	21	201.75	-
Other financial liabilities	20	-	6.50
Provisions	22	819.72	629.63
Deferred tax liabilities (net)	7	51.12	338.99
Other non-current liabilities	23	123.22	175.01
<b>Total non-current liabilities</b>		<b>1,383.75</b>	<b>1,268.35</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	24	28,904.47	37,950.91
Lease liabilities	27	181.24	136.08
Trade payables	25		
Due to micro and small enterprises		1,452.95	733.66
Due to others		48,816.12	17,020.66
Other financial liabilities	26	1,686.71	1,727.10
Other current liabilities	28	1,664.13	1,445.76
Provisions	29	259.41	149.46
Current tax liabilities (net)	30	240.08	14.70
<b>Total current liabilities</b>		<b>83,205.11</b>	<b>59,178.33</b>
<b>Total liabilities</b>		<b>84,588.86</b>	<b>60,446.68</b>
<b>Total equity and liabilities</b>		<b>1,89,013.62</b>	<b>1,57,032.32</b>
<b>Statement of significant accounting policies</b>	1		

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the standalone financial statements.

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

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration Number:- 105047W

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

**Rahul Aggarwal**  
Partner  
Membership Number: 505676

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN: 01574773

**Surinder Kumar Arora**  
Managing Director  
DIN: 01574728

Place : Gurugram  
Date : May 30, 2022

**Anil Khandelwal**  
Independent Director  
DIN: 03473632

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

**STANDALONE STATEMENT OF PROFIT AND LOSS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	31	2,83,999.61	2,38,293.13
Other income	32	2,358.76	2,160.80
<b>Total income</b>		<b>2,86,358.37</b>	<b>2,40,453.93</b>
<b>Expenses</b>			
Cost of materials consumed	33	1,64,073.14	1,77,794.80
Purchases of stock-in-trade	34	54,435.78	19,947.44
Changes in inventories of semi-finished goods, finished goods and stock-in-trade	35	1,804.17	(12,534.68)
Employee benefits expense	36	7,801.54	6,578.77
Finance costs	37	2,278.55	3,363.67
Depreciation and amortization expense	38	3,246.54	2,586.48
Other expenses	39	37,842.95	28,142.57
<b>Total expenses</b>		<b>2,71,482.67</b>	<b>2,25,879.05</b>
<b>Profit before tax</b>		<b>14,875.70</b>	<b>14,574.88</b>
<b>Tax expenses</b>			
Current tax	40	3,768.31	3,646.81
Deferred tax (credit)/ charge	40	(227.21)	212.72
Tax pertaining to prior years	40	110.00	67.25
<b>Total tax expense</b>		<b>3,651.10</b>	<b>3,926.78</b>
<b>Profit for the year</b>		<b>11,224.60</b>	<b>10,648.10</b>
<b>Other comprehensive income</b>			
1) Items that will not be reclassified to Statement of Profit and Loss			
Remeasurements of net defined benefit plans		(93.80)	(10.23)
Tax on above	7	23.21	2.58
2) Items that will be reclassified to Statement of Profit and Loss			
(Loss)/ gain on cash flow hedge reserve		(155.61)	2,676.87
Tax on above	7	39.16	(673.71)
<b>Other comprehensive (loss)/ income for the year</b>		<b>(187.04)</b>	<b>1,995.51</b>
<b>Total comprehensive income for the year</b>		<b>11,037.56</b>	<b>12,643.61</b>
<b>Earning per equity share</b>			
-Basic and diluted	41	3.51	3.33
<b>Statement of significant accounting policies</b>	1		

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the standalone financial statements.

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

Place : Gurugram

Date : May 30, 2022

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Anil Khandelwal**

Independent Director

DIN: 03473632

For and on behalf of Board of Directors of

**LT Foods Limited**

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

## STANDALONE CASH FLOW STATEMENT

for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities:</b>		
<b>Net Profit before tax</b>	<b>14,875.70</b>	<b>14,574.88</b>
Adjustments for:-		
Depreciation and amortisation expense	3,246.54	2,586.48
Profit on sale of property, plant and equipment	(42.68)	(36.31)
Unrealised foreign exchange loss/(gain)	170.11	(697.54)
Trade receivables and other amounts written off	93.59	39.95
Finance charges	2,278.55	3,363.67
Interest income	(76.49)	(254.78)
Loss on sale of investments	-	153.88
Dividend income	(915.46)	(216.81)
Liabilities written back	-	(167.46)
Provision for doubtful debts	129.08	35.61
Fair valuation of investments	(12.51)	(18.83)
Impairment in value of investments	320.01	-
<b>Operating profit before working capital changes</b>	<b>20,066.44</b>	<b>19,362.74</b>
<b>Adjustments for (increase)/decrease in operating assets</b>		
Trade receivables	(10,932.81)	11,690.82
Inventories	(19,980.58)	(10,511.00)
Other financial assets (current and non-current)	(333.64)	(13.31)
Other Assets (current and non-current)	459.21	3,855.89
<b>Adjustments for increase/(decrease) in operating liabilities</b>		
Trade payables	32,513.26	6,634.97
Other liabilities (current and non-current)	372.80	699.77
Other financial liabilities (current and non-current)	1.84	(441.28)
Cash generated from operations	<b>22,166.52</b>	<b>31,278.60</b>
Income taxes paid (net of refunds)	(3,545.08)	(3,967.27)
<b>Net cash generated from operating activities (A)</b>	<b>18,621.44</b>	<b>27,311.33</b>
<b>Cash flow from investing activities</b>		
Payment for Purchase of property, plant and equipment (including CWIP and capital advances)	(4,803.44)	(3,899.42)
Proceeds from sale of property, plant and equipment	253.24	73.25
Purchase of non-current investments	(42.64)	(24.74)
Interest received	101.40	254.78
Proceeds from sale/maturity of investments	-	26.08
Withdrawal/(Investment) in fixed deposits	268.91	(228.11)
Dividends received	1,108.27	24.00
<b>Net cash used in investing activities (B)</b>	<b>(3,114.26)</b>	<b>(3,774.16)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	226.41	87.14
Repayment of long-term borrowings	(133.06)	(21.96)
Repayment of short term borrowings (net) [Refer note 24]	(9,086.59)	(16,637.20)
Finance charges paid	(2,326.31)	(3,513.78)
Payment of lease liabilities	(244.92)	(110.84)
Dividends paid on equity shares	(3,182.59)	(3,193.08)

## STANDALONE CASH FLOW STATEMENT for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>Net cash generated/(used) from financing activities (C)</b>	C	<b>(14,747.06)</b>	<b>(23,389.72)</b>
<b>Net (decrease)/ increase in cash and cash equivalents (A + B + C)</b>	A + B + C	<b>760.12</b>	<b>147.45</b>
Cash and cash equivalents at the beginning of the year		515.19	367.74
<b>Cash and cash equivalents at the end of the year</b>		<b>1,275.31</b>	<b>515.19</b>
<b>Components of cash and cash equivalents (Refer note 12)</b>			
Cash on hand		66.65	74.00
Balances with banks			
- on current accounts		1,208.66	441.19
<b>Total cash and cash equivalents</b>		<b>1,275.31</b>	<b>515.19</b>

Statement of significant accounting policies (Refer note 1) 1

The accompanying summary of significant accounting policies and other explanatory notes are an integral part of the standalone financial statements.

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

Place : Gurugram

Date : May 30, 2022

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Anil Khandelwal**

Independent Director

DIN: 03473632

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

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

**STANDALONE STATEMENT OF CHANGES IN EQUITY** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**A. Equity share capital (Refer note 17)**

Particulars	Amount
<b>Balance as at April 01, 2020</b>	3,198.45
Changes during the year	-
<b>Balance as at March 31, 2021</b>	<b>3,198.45</b>
Changes during the year	-
<b>Balance as at March 31, 2022</b>	<b>3,198.45</b>

**B. Other equity**

Particulars	Reserves and surplus				Total
	Retained earnings	General reserve	Securities premium reserve	Cash flow hedge reserve	
<b>Balance as at April 01, 2020</b>	<b>40,758.13</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>(1,754.40)</b>	<b>83,942.05</b>
Profit for the year	10,648.10	-	-	-	10,648.10
<b>Items of OCI for the year :-</b>					
Gain on cash flow hedge (net of tax)	-	-	-	2,003.16	2,003.16
Remeasurement of defined benefit obligations (net of tax)	(7.65)	-	-	-	(7.65)
<b>Total Comprehensive Income for the year</b>	<b>10,640.45</b>	<b>-</b>	<b>-</b>	<b>2,003.16</b>	<b>12,643.61</b>
<b>Transaction with owners</b>					
Interim dividend	(3,198.47)	-	-	-	(3,198.47)
<b>Balance as at March 31, 2021</b>	<b>48,200.11</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>248.76</b>	<b>93,387.19</b>
<b>Balance as at April 01, 2021</b>	<b>48,200.11</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>248.76</b>	<b>93,387.19</b>
Profit for the year	11,224.60	-	-	-	11,224.60
<b>Items of OCI for the year :-</b>					
Loss on cash flow hedge (net of tax)	-	-	-	(116.45)	(116.45)
Remeasurement of defined benefit obligations (net of tax)	(70.59)	-	-	-	(70.59)
<b>Total Comprehensive Income for the year</b>	<b>11,154.01</b>	<b>-</b>	<b>-</b>	<b>(116.45)</b>	<b>11,037.56</b>
<b>Transaction with owners</b>					
Interim dividend	(3,198.44)	-	-	-	(3,198.44)
<b>Balance as at March 31, 2022</b>	<b>56,155.68</b>	<b>1,698.31</b>	<b>43,240.01</b>	<b>132.31</b>	<b>1,01,226.31</b>

This is the Standalone Statement of changes in equity referred to in our report of even date.

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

Place : Gurugram

Date : May 30, 2022

For and on behalf of Board of Directors of

LT Foods Limited

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Anil Khandelwal**

Independent Director

DIN: 03473632

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 1. i) Corporate Information

LT Foods Limited (the 'Company') is a public company with its registered office in 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 standalone financial statements ('financial statements') of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, as amended from time to time and other relevant provisions of the Act.

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 standalone 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 non current liabilities, as the case may be.

\*Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### iii) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### iv) Significant Accounting Policies

#### a) Inventory

Inventories are valued as follows:

##### Raw materials, stores and spares and packing materials

Raw materials, stores and spares and packing material are valued at lower of cost and net realisable value. Cost of raw materials, stores and spares and packing material is determined on a 'First in First Out' basis and includes freight costs, interest expense where such materials are stored for a substantial period of time and other expenditure incurred in bringing such inventories to their present location and conditions.

Stores and spares having useful life of more than twelve months are capitalized as tangible assets under "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

##### Work in progress

Work in progress is valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion and interest expense where such materials are stored for a substantial period of time.

##### Finished goods

Finished goods is valued at lower of cost and net realisable value. Cost includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition and also includes interest as a carrying cost of goods where such goods are stored for a substantial period of time.

#### b) Property, Plant and Equipment

##### *Recognition and initial measurement*

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, taxes (against which input has not been availed), borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates

are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits attributable to such subsequent cost associated with the item will flow to the Company. All other repair and maintenance costs are recognized in Statement of Profit or Loss as incurred.

##### *Subsequent measurement (depreciation and useful lives)*

Depreciation on Property, plant and equipment is provided on the written down value arrived on the basis of the useful life prescribed under Schedule II of the Companies Act, 2013.

The residual values, useful lives and method of depreciation of are reviewed at each financial year end and adjusted prospectively, if appropriate.

##### *De-recognition*

An item of Property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of profit and loss when the asset is derecognized.

#### c) Intangible assets

##### *Recognition and initial measurement*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any.

##### *Subsequent measurement (amortization and useful lives)*

All finite-lived intangible assets are accounted for using the cost model whereby capitalized costs are amortized over their estimated useful lives. Residual values and useful lives are reviewed at each reporting date and any change in the same is accounted for prospectively. The following useful lives are applied:

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Intangible assets	Useful life (in years)
Brand	20
Software	03

### *De-recognition*

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

### **d) Capital Work in Progress**

Capital work in progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises purchase cost, related acquisition expenses and other direct expenses.

### **e) 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 recognized in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### **f) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest calculated using the effective interest rate (EIR) that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **g) Functional and presentation currency**

The financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency.

### Foreign Currencies

#### Transactions and balances

##### *Initial recognition*

Transactions in foreign currencies are initially recorded by the Company at its functional currency spot rates at the date the transaction first qualifies for recognition.

##### *Subsequent measurement*

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognized in Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

### **h) Leases**

Where the Company is the lessee

#### Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company enters into leasing arrangements for various assets. 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

- (ii) the Company obtains substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

### Recognition and initial measurement

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the Standalone balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

### Subsequent measurement

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in standalone statement of profit and loss on a straight-line basis over the lease term.

### Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

### i) Fair value measurement

The Company measures financial instruments, such as derivatives and certain investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

**Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period or each case.

### j) Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes taxes and duties collected on behalf of the government. The Company recognizes revenue from the following major sources:

#### Sale of goods:

Revenue from sale of goods is recognized when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from the customers exceed revenue recognized to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

Customer has a right to return for defective goods. Since the quantity of goods returned has been minimal for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur.

In order to determine if it is acting as a principal or as an agent, the Company assesses whether it has exposure to the significant risks and rewards associated with the rendering of logistics services. Revenue from rendering of logistic services provided to its customer after the transfer of control of underlying goods is recognized on net basis i.e. after deducting the amount contractually payable to transporters out of the total consideration received and is recognized once the facilitation of such service is done as the Company does not assume any performance obligation.

#### Satisfaction of performance obligations

The Company's revenue is derived from the single performance obligation to transfer primarily rice and other products under arrangements in which the transfer of control of the products and the fulfillment of the Company's performance obligation occur at the same time. Therefore, revenue from the sale of goods is recognized when the Company transfers control at the point in time the customer takes undisputed delivery of the goods.

Whether the customer has obtained control over the asset depends on when the goods are made available to the carrier or the buyer takes possession of the goods, depending on the delivery terms. Revenue is measured at the transaction price of the consideration received or receivable, the amount the Company expects to be entitled to.

#### Payment terms

The sale of goods is typically made under credit payment terms differing from customer to customer and ranges between 0-180 days. No element of financing is deemed present as the sales are made with a credit term of 180 days, which is consistent with market practice.

#### Rental income:

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

#### Interest income:

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

For all financial assets measured at amortized cost, interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets.

### k) Financial instruments

Financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

If the Company determines that the fair value at initial recognition differs from the transaction price, the Company accounts for that instrument at that date as follows:

- at the measurement basis mentioned above if that fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets. The Company recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Company recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

#### Financial assets

##### Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

i. **Financial assets at amortized cost** – a financial instrument is measured at amortized cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest method.

ii. **Investments in equity instruments of subsidiaries, associates and joint venture** - Investments in equity instruments of subsidiaries, associates and joint venture are accounted for at cost less accumulated impairment in accordance with Ind AS 27 Separate Financial statements.

iii. **Financial assets at fair value**

- Investments in equity instruments other than above – All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are generally classified as at fair value through profit and loss (FVTPL). For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVOCI) or fair value through profit and loss (FVTPL).

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- Derivative assets - All derivative assets are measured at fair value through profit and loss (FVTPL).

#### De-recognition of financial assets

A financial asset is primarily de-recognised when the contractual rights to receive cash flows

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

from assets have expired or the Company 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 amortized cost using the effective interest method.

Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortization is included as finance costs in the Statement of Profit and Loss.

**Derivative liabilities** - All derivative liabilities are measured at fair value through profit and loss (FVTPL).

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when and only when, the Company obligations are discharged, cancelled or they expire.

### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Impairment of financial assets

- The Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the weighted -average of difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109. Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

- Other financial assets:**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

### l) Hedge accounting

#### Initial and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

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.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognized in Other Comprehensive Income ("OCI") and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk associated with recognized liabilities in the financial statements.

### When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the standalone statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the standalone statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity

are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the standalone statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

### m) Investment in subsidiaries, associates and joint venture

Investments in subsidiaries, associates and joint venture are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of these investments, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

### n) 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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

### Defined benefit plans

The Company operates a defined benefit gratuity plan in India. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognized directly in the other comprehensive income in the period in which they arise. Gratuity fund is administered through Life Insurance Corporation of India.

### Other Employee Benefits

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date out of which the obligations are expected to be settled with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to Statement of profit and loss in the period in which they occur. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

### Other short term benefits

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

### o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that

an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of profit and loss net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The increase in the provision due to the passage of time is recognized as interest expense.

### p) 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.

### q) 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.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

### r) Government grants and subsidies

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it

is recognized as income in equal amounts over the expected useful life of the related asset

### s) Segment reporting

In terms of Paragraph 4 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented in the consolidated financial statements.

### t) 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.

### u) Cash and cash equivalents

Cash and cash equivalent in the standalone 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.

### v) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

### v) Significant management judgement in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

that may have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

- a. Impairment of trade receivables** – The impairment for trade receivables reflects management's estimate of losses inherent in its credit portfolio. This allowance is based on Company's estimate of the losses to be incurred, which derives from past experience with similar receivables, current and historical past due amounts, write-offs and collections, the careful monitoring of portfolio credit quality and current and projected economic and market conditions. Should the present economic and financial situation persist or even worsen, there could be a further deterioration in the financial situation of the Company's debtors compared to that already taken into consideration in calculating the allowances recognized in the financial statements.
- b. Defined benefit obligation (DBO)** – Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.
- c. Evaluation of indicators for impairment of assets** – The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.
- d. Recognition of deferred tax assets** - The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilized.
- e. Contingent liabilities** – The Company is the subject of legal proceedings and tax

issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Company often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business, management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

- f. Inventory** – The valuation of finished rice involves estimations around determination of overhead absorption rates, rice yield from paddy and quantum of purchased rice and manufactured rice forming part of closing inventory. The production process also involves ageing the paddy/ rice to achieve the desired quality of rice and thus calculation of holding period and determination of weighted average borrowing cost involves management estimation. Further, management estimates the net realisable values of inventories including by- products, taking into account the most reliable evidence available at each reporting date.
- g. Impairment of Investments**- The Company estimates the value in use of the investments based on the future cash flows after considering current economic conditions and trends, estimated future operating results and growth rates and anticipated future economic and regulatory conditions. The estimated cash flows are developed using internal forecasts. The cash flows are discounted using a suitable discount rate in order to calculate the present value. Further details of the Company's impairment review and key assumptions are set out in note 3 of accompanying financial statements.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**2 (i) Property, plant and equipment**

Particulars	Freehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Grand Total
<b>Gross carrying value</b>							
As at April 01, 2020	3,543.44	12,552.25	25,620.64	970.26	1,030.86	1,854.65	45,572.10
Additions	-	653.16	1,090.17	14.05	57.34	193.58	2,008.30
Disposals	-	(3.44)	(285.22)	-	(7.49)	(152.57)	(448.72)
<b>As at March 31, 2021</b>	<b>3,543.44</b>	<b>13,201.97</b>	<b>26,425.59</b>	<b>984.31</b>	<b>1,080.71</b>	<b>1,895.66</b>	<b>47,131.68</b>
Additions	278.51	1,614.70	2,940.14	75.21	162.43	500.33	5,571.33
Disposals	(6.62)	-	(274.55)	-	(99.68)	(310.42)	691.27
<b>As at March 31, 2022</b>	<b>3,815.33</b>	<b>14,816.67</b>	<b>29,091.18</b>	<b>1,059.52</b>	<b>1,143.46</b>	<b>2,085.57</b>	<b>52,011.73</b>
<b>Accumulated depreciation</b>							
As at April 01, 2020	-	4,644.67	17,741.20	717.84	860.31	1,454.67	25,418.69
Charge for the year	-	636.87	1,572.75	64.91	63.49	147.47	2,485.49
Disposals	-	-	(260.49)	-	(7.10)	(144.20)	(411.79)
<b>As at March 31, 2021</b>	<b>-</b>	<b>5,281.54</b>	<b>19,053.46</b>	<b>782.75</b>	<b>916.70</b>	<b>1,457.94</b>	<b>27,492.39</b>
Charge for the year	-	649.17	1,932.67	49.48	85.12	188.55	2,904.99
Disposals	-	-	(165.28)	-	(95.74)	(219.71)	480.73
<b>As at March 31, 2022</b>	<b>-</b>	<b>5,930.71</b>	<b>20,820.85</b>	<b>832.23</b>	<b>906.08</b>	<b>1,426.78</b>	<b>29,616.65</b>
<b>Net carrying value as at March 31, 2021</b>	<b>3,543.44</b>	<b>7,920.43</b>	<b>7,372.13</b>	<b>201.56</b>	<b>164.01</b>	<b>437.72</b>	<b>19,639.29</b>
<b>Net carrying value as at March 31, 2022</b>	<b>3,815.33</b>	<b>8,885.96</b>	<b>8,270.33</b>	<b>227.29</b>	<b>237.38</b>	<b>658.79</b>	<b>22,095.08</b>

**a. Contractual obligations**

Refer note 42(B) for disclosure of capital commitments for the acquisition of property, plant and equipment.

**b. Property, plant and equipment pledged as security**

Refer note 46 for information on property, plant and equipment pledged as security by the Company.

**c. Following are the changes in the carrying value of right of use assets for the year ended March 31, 2022**

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	188.62	275.79
Addition	475.03	-
Amortisation	(284.57)	(87.17)
<b>Net carrying value</b>	<b>379.08</b>	<b>188.62</b>

**(ii) Capital work-in-progress**

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	1,142.47	2,222.34

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### Movement in capital work in progress:

Particulars	Amount
<b>Balance as at April 01, 2020</b>	520.24
Additions during the year	2,159.74
Capitalisation during the year	(457.64)
<b>Balance as at March 31, 2021</b>	<b>2,222.34</b>

Particulars	Amount
<b>Balance as at April 01, 2021</b>	2,222.34
Additions during the year	852.32
Capitalisation during the year	(1,932.19)
<b>Balance as at March 31, 2022</b>	<b>1,142.47</b>

CWIP as on March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	342.77	799.70	-	-	1,142.47
Projects temporarily suspended	-	-	-	-	-
	342.77	799.70	-	-	1,142.47

CWIP as on March 31, 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,181.98	40.36	-	-	2,222.34
Projects temporarily suspended	-	-	-	-	-
	2,181.98	40.36	-	-	2,222.34

### 3 (i) Intangible assets

Particulars	Goodwill	Brand	Software	Grand Total
<b>Gross carrying value</b>				
<b>As at April 01, 2020</b>	12.11	310.28	1,102.08	1,424.47
Additions	-	-	83.04	83.04
<b>As at March 31, 2021</b>	<b>12.11</b>	<b>310.28</b>	<b>1,185.12</b>	<b>1,507.51</b>
Additions	-	-	1.41	1.41
<b>As at March 31, 2022</b>	<b>12.11</b>	<b>310.28</b>	<b>1,186.53</b>	<b>1,508.92</b>
<b>Accumulated Amortization</b>				
<b>As at April 01, 2020</b>	11.71	279.94	1,039.49	1,331.14
Charge for the year	0.07	5.59	8.16	13.82
<b>As at March 31, 2021</b>	<b>11.78</b>	<b>285.53</b>	<b>1,047.65</b>	<b>1,344.96</b>
Charge for the year	0.06	4.54	52.38	56.98
<b>As at March 31, 2022</b>	<b>11.84</b>	<b>290.07</b>	<b>1,100.03</b>	<b>1401.94</b>
<b>Net carrying value as at March 31, 2021</b>	<b>0.33</b>	<b>24.75</b>	<b>137.47</b>	<b>162.55</b>
<b>Net carrying value as at March 31, 2022</b>	<b>0.27</b>	<b>20.21</b>	<b>86.50</b>	<b>106.98</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**4 Investments - Non-current**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments carried at cost</b>		
(i) In subsidiary companies		
- in Equity instruments	7,577.07	7,657.07
- in Preference instruments	2,000.00	2,000.00
(ii) In associate companies	321.50	321.50
(iii) In joint ventures	2,405.64	2,405.64
Less: Impairment in value of investment in equity instrument of subsidiary company/ Joint venture	(319.01)	(80.00)
	<b>11,985.20</b>	<b>12,304.21</b>
<b>Investments at fair value through Statement of Profit and Loss</b>		
Key man insurance policies	363.84	309.69
Equity instruments - Quoted	0.21	0.21
Equity instruments - Unquoted	0.05	0.05
	<b>364.10</b>	<b>309.95</b>
<b>Total Investments</b>	<b>12,349.30</b>	<b>12,614.16</b>
<b>Aggregate amount of</b>		
Quoted investments	0.21	0.21
Unquoted investments	12,668.10	12,693.95
Less: Impairment in value of investment	(319.01)	(80.00)
<b>Total</b>	<b>12,349.30</b>	<b>12,614.16</b>

**Details of investment is as follows:**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments carried at cost</b>		
<b>Equity instruments - Unquoted</b>		
<b>(i) in subsidiary companies</b>		
- Nature Bio Foods Limited		
2,000,000 (March 31, 2021: 2,000,000) fully paid up equity shares of ₹10 each	200.00	200.00
- Sona Global Limited		
65,200 (March 31, 2021: 65,200) fully paid up equity shares of AED 100 each	907.73	907.73
- Daawat Foods Limited		
13,249,944 (March 31, 2021: 13,249,944) fully paid up equity shares (with voting rights) of ₹10 each	1,324.99	1,324.99
250,050 (March 31, 2021: 250,050) fully paid up equity shares (without voting rights) of ₹10 each	25.01	25.01
- SDC Foods India Limited		
800,000 (March 31, 2021: 800,000) fully paid up equity shares of ₹10 each	-	80.00
Less: Impairment in value of investment of SDC Foods India Limited (subsidiary)	-	(80.00)
- LT Overseas North America, Inc		
338,500 (March 31, 2021: 338,500) shares fully paid up equity shares of USD 20 each	2,822.31	2,822.31
- Raghunath Agro Industries Private Limited		
4,078,020 (March 31, 2021: 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 (March 31, 2021: 10,000) shares fully paid up equity shares of ₹ 10 each	1.00	1.00
<b>Total (A)</b>	<b>7,577.07</b>	<b>7,577.07</b>
<b>Investment in subsidiary company carried at cost</b>		
<b>Preference shares - Unquoted</b>		
- Daawat Foods Limited		
1,562,500 (March 31, 2021: 1,562,500) 10% Non cumulative redeemable preference shares fully paid of ₹ 10 each	2,000.00	2,000.00
<b>Total (B)</b>	<b>2,000.00</b>	<b>2,000.00</b>
<b>(ii) In associate companies</b>		

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 4 Investments - Non-current (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
- Raghuvesh Warehousing Private Limited 1,600,000 (March 31, 2021: 1,600,000) equity shares of ₹10 each	160.00	160.00
- Raghuvesh Agri Foods Private Limited 1,600,000 (March 31, 2021: 1,600,000) equity shares of ₹10 each	160.00	160.00
- Raghuvesh Infrastructure Private Limited 15,000 (March 31, 2021: 15,000) equity shares of ₹10 each	1.50	1.50
<b>Total (C)</b>	<b>321.50</b>	<b>321.50</b>
<b>(iii) In joint ventures</b>		
- Daawat Kameda India Private Limited 24,056,359 (March 31, 2021: 24,056,359) equity shares of ₹10 each	2,405.64	2,405.64
Less: Impairment in value of investment of Daawat Kameda India Private Limited	(319.01)	-
<b>Total (D)</b>	<b>2,086.63</b>	<b>2,405.64</b>
<b>Total investments carried at cost (A + B + C + D)</b>	<b>11,985.20</b>	<b>12,304.21</b>
<b>Investments at fair value through statement of profit and loss</b>		
Key man insurance policies	363.84	309.69
<b>Equity instruments - Quoted</b>		
2,300 (March 31, 2021: 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.21	0.21
<b>Equity instruments - Unquoted</b>		
500 (March 31, 2021: 500) equity shares of India International Marketing Limited of ₹ 10 each fully paid up	0.05	0.05
<b>Total</b>	<b>364.10</b>	<b>309.95</b>
<b>Total investments - non-current</b>	<b>12,349.30</b>	<b>12,614.16</b>

\*The Company has long-term investments in subsidiaries, associates and joint ventures which are measured at cost less accumulated impairment. During the year ended March 31, 2022, the Company considered indicators of impairment such as operational losses in previous years, changes in outlook of future profitability for its investment in Daawat Kameda India Private Limited.

The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment in the carrying value of the investments. In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available. The fair value less costs of disposal is determined using the market approach. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money. The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions. During the year ended March 31, 2022, the performance of joint venture along with the relevant economic and market indicators and uncertainties arising from continued impact of Covid-19, supply chain challenges and unprecedented rise in commodity prices resulted in indicators of impairment.

The estimated value in use is based on the future cash flows using annual growth rate ranging from 15% to 97% for future period of 8 years, weighted average cost of capital is 17% and the terminal growth rate of 5%.

Accordingly, the Company determined the recoverable amount of its investment in joint venture and other exposures related to this entity and recorded a provision of ₹ 319.01 lakhs (March 31, 2021: ₹ Nil) for the year ended March 31, 2022.

Impact of possible changes in key assumptions

If the weighted average cost of capital applied to the cash flow projections of this investment had been 1% higher than management's estimates (18% instead of 17%) with all other variables held constant, the Company would have had to recognise an additional impairment loss of ₹ 246.19 lakhs.

If the terminal growth rate applied to the cash flow projections of this investment had been 1% lower than management's estimates (4% instead of 5%) with all other variables held constant, the Company would have had to recognise an additional impairment loss of ₹ 136.95 lakhs.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**5 Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances to related parties*	179.64	198.97
Loan to employees	77.80	35.44
	<b>257.44</b>	<b>234.41</b>

**Break-up of security details**

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good -Secured	-	-
Loans considered good -Unsecured	257.44	234.41
Loan which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
	<b>257.44</b>	<b>234.41</b>
*Includes loans given to related parties (refer note 51)		
Raghuvesh Agri Foods Private Limited	179.64	185.45
Raghuvesh Warehousing Private Limited	-	13.52

**6 Other financial assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits	695.80	690.44
Bank deposits with maturity of more than 12 months (refer note below)	-	19.94
	<b>695.80</b>	<b>710.38</b>

(i) Nil (March 31, 2021: ₹ 19.94 lakhs) represents deposits with maturity more than 12 months, held by the entity and are not available for use by the Company, as these are pledged.

**7 Deferred tax assets/liabilities (net)**

Particulars	As at March 31, 2022	As at March 31, 2021
On temporary difference between the book base and tax base		
Deferred tax liability arising on account of :		
Property, plant and equipment and intangible assets	(298.75)	(369.04)
Key man insurance policy	(91.57)	(77.94)
Unrealised foreign exchange gain on forward contracts	(44.95)	(82.40)
	<b>(435.27)</b>	<b>(529.38)</b>
Deferred tax asset arising on account of :		
Provision for employee benefits	112.85	79.00
Impairment of trade receivables	56.35	23.86
Impairment in value of investment	74.32	-
Lease Liabilities	96.39	34.25
Others	44.24	53.28
	<b>384.15</b>	<b>190.39</b>
<b>Deferred tax asset/(liabilities) (net)</b>	<b>(51.12)</b>	<b>(338.99)</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**7 Deferred tax assets/liabilities (net) (Contd..)****Movement in deferred tax assets/(liabilities) (net)**

Particulars	As at April 01, 2021	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at 31 March 2022
<b>Deferred tax liabilities arising on account of:</b>				
Property, plant and equipment and intangible assets	(369.04)	-	70.29	(298.75)
Key man insurance policy	(77.94)	-	(13.63)	(91.57)
Unrealised foreign exchange gain on forward contracts	(82.40)	37.45	-	(44.95)
	<b>(529.38)</b>	<b>37.45</b>	<b>56.66</b>	<b>(435.27)</b>
<b>Deferred tax assets arising on account of:</b>				
Provision for employee benefits	79.00	23.21	10.64	112.85
Impairment of trade receivables	23.86	-	32.49	56.35
Impairment in value of investment	-	-	74.32	74.32
Lease Liability	34.25	-	62.14	96.39
Others	53.28	-	(9.04)	44.24
	<b>190.39</b>	<b>23.21</b>	<b>170.55</b>	<b>384.15</b>
<b>Net Deferred tax liabilities</b>	<b>(338.99)</b>	<b>60.66</b>	<b>227.21</b>	<b>(51.12)</b>

Particulars	As at April 01, 2020	Recognised in other comprehensive income	Recognised in statement of profit and loss	As at 31 March 2021
<b>Deferred tax liabilities arising on account of</b>				
Property, plant and equipment and intangible assets	(332.86)	-	(36.18)	(369.04)
Key man insurance policy	(66.36)	-	(11.58)	(77.94)
Unrealised foreign exchange gain on forward contracts	282.38	(364.78)	-	(82.40)
	<b>(116.84)</b>	<b>(364.78)</b>	<b>(47.76)</b>	<b>(529.38)</b>
<b>Deferred tax assets arising on account of</b>				
Provision for employee benefits	62.86	2.58	13.56	79.00
Impairment of trade receivables	178.15	-	(154.29)	23.86
Impairment in value of investment	18.30	-	(18.30)	-
Loss on sale of investment	31.33	-	(31.33)	-
Lease liabilities	59.56	-	(25.31)	34.25
Others	2.57	-	50.71	53.28
	<b>352.77</b>	<b>2.58</b>	<b>(164.96)</b>	<b>190.39</b>
<b>Net Deferred tax (liabilities) / asset</b>	<b>235.93</b>	<b>(362.20)</b>	<b>(212.72)</b>	<b>(338.99)</b>

**8 Other non-current assets**

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	22.19	14.08
Capital advances (considered good -Unsecured)	456.27	145.72
	<b>478.46</b>	<b>159.80</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 9 Non-current tax assets

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets (Net of provision)	3,097.16	3,203.30
	<b>3,097.16</b>	<b>3,203.30</b>

### 10 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw material* (Refer Note (a) below)	45,028.24	21,270.74
Semi-finished goods* (Refer Note (a) below)	53,649.62	56,762.56
Finished goods* [including goods in transit of ₹ 2,889.40 lakhs (March 31, 2021: ₹ 6,979.29 lakhs)]	9,939.35	11,921.39
Traded goods	2,808.05	1,932.26
Stores and spares	686.00	508.13
Packing material		
Bardana	1,028.79	1,091.98
Others	1,785.99	1,458.40
	<b>1,14,926.04</b>	<b>94,945.46</b>

\*The interest capitalised as at March 31, 2022 is ₹ 2,023.60 lakhs (March 31, 2021 ₹ 2,233.09 lakhs).

Note (a):- Includes Inventory lying with third parties ("Suppliers") on behalf of the company ₹ 20,770.00 (March 31, 2021: ₹ 3,567.43) under agency relationship against which the Company had paid advance amounting to ₹ 8,364.80 (March 31, 2021: ₹ 866.20) and remaining amount of ₹ 12,405.20 (March 31, 2021: ₹ 2,701.23) is classified under trade payables as at March 31, 2022 and March 31, 2021 respectively.

### 11 Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables*	23,748.92	13,025.95
Less: Allowance for expected credit loss	(223.89)	(94.81)
	<b>23,525.03</b>	<b>12,931.14</b>

#### Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	23,525.03	12,931.14
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	223.89	94.81
<b>Total</b>	<b>23,748.92</b>	<b>13,025.95</b>
Less: Loss allowance	(223.89)	(94.81)
<b>Total trade receivables</b>	<b>23,525.03</b>	<b>12,931.14</b>

**Note:-** No trade receivables are due from directors or other officers of the Company either severally or jointly with any other persons or from the companies in which Directors hold directorship other than below.

The Company's exposure to customers is diversified and no single customer other than subsidiaries, contributes more than 10% of the outstanding receivables as at March 31, 2022 and March 31, 2021.

\*Includes receivables from related parties (refer note 51)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
LT Foods Americas Inc.	7,045.51	2,961.22
LT Foods Middle East DMCC	-	1,496.92
LT Foods Europe B.V.	3,307.36	1,560.39
Ecopure Specialities limited	-	5.69
Deva Singh Sham Singh Exports Private Limited	2.82	411.71
LT Foods International Limited	20.20	19.77
Nature Bio Foods Limited	138.79	199.75
Global Foods Trading Gmbh	951.08	-
Global Foods Trading Ltd.	246.43	-
Global Foods Trading Spain S.L	400.05	-
GFT France SARL	508.18	-

### Ageing of Trade Receivables

March 31, 2022

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	16,716.46	6,695.87	92.12	20.58	-	-	23,525.03
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	187.47	17.81	18.61	223.89
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	(187.47)	(17.81)	(18.61)	(223.89)
	-	16,716.46	6,695.87	92.12	20.58	-	-	23,525.03

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	10,353.76	1,903.12	484.14	152.53	37.59	-	12,931.14
(ii) Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	49.39	45.42	94.81

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years years	2-3 years	More than 3 years	
(iv) Disputed Trade Receivables—considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	-	-	(49.39)	(45.42)	(94.81)
	-	10,353.76	1,903.12	484.14	152.53	37.59	-	12,931.14

Refer Note 49 for expected credit loss

**12 Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks on current accounts	1,208.66	441.19
Cash on hand		
In Indian currency	64.30	71.60
In foreign currencies	2.35	2.40
	<b>1,275.31</b>	<b>515.19</b>

**13 Bank balances other than cash and cash equivalent**

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend accounts (earmarked)	27.77	33.51
Deposits with original maturity more than 3 months and less than 12 months	619.34	887.48
	<b>647.11</b>	<b>920.99</b>

- (i) ₹ 619.34 lakh (31 March 2021: ₹ 887.48) represents deposits with maturity more than 3 months but less than 12 months as at year end, held by the entity and are not available for use by the Company, as these are pledged.
- (ii) Refer note 48 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 49 - Financial risk management for assessment of expected credit losses.

**14 Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
Loan receivable considered good - Unsecured	50.00	225.00
Loans to related parties* (refer note 51)	50.00	225.00
Loan to employees	84.61	74.80
	<b>134.61</b>	<b>299.80</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### Break-up of security details

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good- Secured	-	-
Loans considered good- Unsecured	134.61	299.80
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>134.61</b>	<b>299.80</b>
*Includes loans given to related parties (refer note 51)		
Raghuvesh Agri Foods Private Limited	46.35	100.00
Raghuvesh Warehousing Private Limited	3.65	125.00

### 15 Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative assets	174.45	324.76
Insurance claim recoverable	7.02	74.76
Security deposits	82.38	143.29
Export incentive recoverable	630.00	-
Others	22.19	244.39
	<b>916.04</b>	<b>787.20</b>

### 16 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	2,863.83	1,072.30
Balances with government authorities	317.81	27.83
Advance to suppliers*	3,806.07	6,397.56
	<b>6,987.71</b>	<b>7,497.69</b>
*Includes advances given to related parties (refer note 51)	-	-
Raghunath Agro Industries Private Limited	3,422.71	-
Daawat Foods Limited	-	1,132.27

### 17 Share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
360,000,000 Equity shares of ₹ 1 each (March 31, 2021 : 360,000,000 equity shares of ₹ 1 each)	3,600.00	3,600.00
<b>Issued, subscribed and paid up</b>		
319,844,780 Equity shares of ₹ 1 each (March 31, 2021 : 319,844,780 equity shares of ₹ 1 each)	3,198.45	3,198.45
	<b>3,198.45</b>	<b>3,198.45</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year**

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	-	-	-	-
Equity shares at the end of the year	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>

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

The Company has only one class of equity shares having the par value of ₹ 1 per share (March 31, 2021: ₹1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2022 the amount of per share dividend recognised as distributions to equity shareholders was ₹1 per share (March 31, 2021: ₹1 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 March 31, 2022		As at March 31, 2021	
	No of shares	% holding	No of shares	% holding
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Ashwani Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Surinder Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Gurucharan Dass Arora	2,19,20,260	6.85%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Raghuvesh Holdings Private Limited	3,33,84,472	10.44%	3,33,84,472	10.44%
	<b>14,72,52,412</b>	<b>46.05%</b>	<b>14,66,19,072</b>	<b>45.86%</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.

**(e) Details of promoters holding in the Company**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% holding	No of shares	% holding
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Ashwani Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Surinder Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Gurucharan Dass Arora	2,19,20,260	6.85%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Ms. Vandana Arora	83,96,500	2.63%	83,96,500	2.63%
Ms. Sakshi Arora	83,71,500	2.62%	83,71,500	2.62%
Mr. Munish Kumar Arora	6,43,660	0.20%	6,43,660	0.20%
Ms. Anita Arora	76,11,500	2.38%	76,11,500	2.38%
Mr. Vaneet Arora	1,60,000	0.05%	1,60,000	0.05%
Ms. Ranju Arora	77,38,160	2.42%	77,38,160	2.42%
Mr. Aditya Arora	6,33,340	0.20%	6,33,340	0.20%
Mr. Abhinav Arora	6,33,340	0.20%	6,33,340	0.20%
Mr. Gursajan Arora	1,26,660	0.04%	1,26,660	0.04%
Mr. Ritesh Arora	41,700	0.01%	41,700	0.01%
Mr. Anmol Arora	1,07,850	0.03%	1,07,850	0.03%
Raghuvesh Holdings Private Limited	3,33,84,472	10.44%	3,33,84,472	10.44%
	<b>18,17,16,622</b>	<b>56.83%</b>	<b>18,10,83,282</b>	<b>56.64%</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 18 Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(i) Retained earnings</b>		
Opening balance	48,200.11	40,758.13
Add: Net profit for the year	11,224.60	10,648.10
<b>Add : Other comprehensive income (OCI)</b>		
- Remeasurements of post-employment benefits obligation (net of taxes)	(70.59)	(7.65)
Less : Equity dividend	(3,198.44)	(3,198.47)
<b>Profit available for appropriation</b>	<b>56,155.68</b>	<b>48,200.11</b>
<b>(ii) General reserve</b>		
<b>Opening balance</b>	1,698.31	1,698.31
Change during the year	-	-
<b>Closing balance</b>	<b>1,698.31</b>	<b>1,698.31</b>
<b>(iii) Securities premium reserve</b>		
<b>Opening balance</b>	43,240.01	43,240.01
Change during the year	-	-
<b>Closing balance</b>	<b>43,240.01</b>	<b>43,240.01</b>
<b>(iv) Cash flow hedging reserve</b>		
<b>Opening balance</b>	248.76	(1,754.40)
Change during the year	(116.45)	2,003.16
<b>Closing balance</b>	<b>132.31</b>	<b>248.76</b>
<b>Total other equity</b>	<b>1,01,226.31</b>	<b>93,387.19</b>

### Nature and purpose of other reserves

#### General reserve:

The Company had transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

#### Securities premium reserve:

Securities premium reserve represents premium received on issue of shares. The reserve is to be utilized in accordance with the provisions of the Companies Act.

#### Cash flow hedging reserve:

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

### 19 Long-term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
Vehicle loans		
From banks	74.20	118.22
From Others	113.74	-
	<b>187.94</b>	<b>118.22</b>
Current maturities of long-term borrowings (Refer note 24)		
Vehicle loans	65.09	41.46
From banks	43.27	41.46
From Others	21.82	-
	<b>65.09</b>	<b>41.46</b>
	<b>253.03</b>	<b>159.68</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Details of borrowings are as follows:

Name of the bank / financial institution	Repayments*	Total amount of installment	As at March 31, 2022	As at March 31, 2021
<b>a) Vehicle loans (Refer point A part (i) for interest rate and point B part (i) for security)</b>				
HDFC Bank	36 - 60 months	1.41	24.79	39.22
Yes Bank	60 months	1.04	23.51	33.32
ICICI Bank	60 months	1.99	90.99	87.14
BMW Financial Services India	60 months	2.52	113.74	-
			<b>253.03</b>	<b>159.68</b>

\*From the date of disbursement

### A. Details of interest rate for each type of borrowings

- i. The interest on above vehicle loans from banks are fixed in nature. As at March 31, 2022 the interest rates ranges from 7.35% to 8.88% per annum (March 31, 2021: 8.00% to 8.88% per annum).

### B. Details of security for each type of borrowing :

- i. Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.  
Refer note 46 for assets pledged as security

### C. Reconciliation of liabilities arising from financing activities:

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Liabilities from financing activities			
	Lease Liability	Long-term borrowings	Short-term borrowings	Total
<b>Net debt as at April 01, 2020</b>	226.99	94.50	56,485.92	56,807.41
Cash movement:				
- Proceeds	-	87.14	1,13,546.54	1,13,633.68
- Repayment	(105.39)	(21.96)	(1,30,183.74)	(1,30,311.09)
- Interest paid	-	(12.44)	(3,501.34)	(3,513.78)
<b>Non cash movement</b>				
- Impact of currency restatement on PCFC (gain)	-	-	(1,774.68)	(1,774.68)
- Interest expense	14.48	12.44	3,336.75	3,363.67
<b>Net debt as at March 31, 2021</b>	<b>136.08</b>	<b>159.68</b>	<b>37,909.45</b>	<b>38,205.21</b>

Particulars	Liabilities from financing activities			
	Lease Liability	Long-term borrowings	Short-term borrowings	Total
<b>Net debt as at April 01, 2021</b>	136.08	159.68	37,909.45	38,205.21
Cash movement:				
- Proceeds	-	226.41	1,00,646.89	1,00,873.30
- Repayment	(244.92)	(133.06)	(1,09,733.48)	(1,10,111.46)
- Interest paid	-	(23.79)	(2,302.52)	(2,326.31)
<b>Non cash movement</b>				
- Addition during the year	475.03	-	-	475.02
- Impact of currency restatement on PCFC/WCDL (Loss)	-	-	81.09	81.09
- Interest expense	16.81	23.79	2,237.95	2,278.55
<b>Net debt as at March 31, 2022</b>	<b>382.99</b>	<b>253.03</b>	<b>28,839.38</b>	<b>29,475.40</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 20 Other non-current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits from distributors	-	6.50
	-	6.50

### 21 Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (Refer note 2)	201.75	-
	201.75	-

#### i) The following is the break-up of current and non-current lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	181.24	136.08
Non-current lease liabilities	201.75	-
<b>Total</b>	<b>382.99</b>	<b>136.08</b>

#### The following is the movement in lease liabilities:

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Balance at the beginning of the year</b>	136.08	226.99
Add: Additions	475.02	-
Add: Finance cost accrued during the year	16.81	14.49
Less: Payment of lease liabilities	(244.92)	(105.39)
<b>Balance at the end of the year</b>	<b>382.99</b>	<b>136.08</b>

The Company has lease for laboratory equipments and building. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment. The Company has considered automatic extension option available for laboratory equipment in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period.

#### ii) Nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:

Right to use	Laboratory equipments	Building
Number of right-of-used assets leased	3	7
Range of remaining lease term	21 months	26 to 33 months
Average of remaining lease term	21 months	28 months
No. of lease with extention options	0	7
No. of lease with options to purchase	0	0
No. of lease with variable payments linked to an index	0	0
No. of lease with termination option	3	7



**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**iii) The following are amounts recognised in profit or loss:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amortisation expense of right-of-use assets	284.57	87.17
Interest expense on lease liabilities	16.81	14.48

iv) Total cash outflow for leases for the year ended March 31, 2022 was ₹ 244.92 lakhs (March 31, 2021: ₹ 105.39 lakhs)

**22 Long-term provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for employee benefits		
Provision for gratuity	590.48	431.12
Provision for compensated absences	229.24	198.51
	<b>819.72</b>	<b>629.63</b>

Refer note 47 on Employee benefit obligations

**23 Other non-current liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred government grant	123.22	175.01
	<b>123.22</b>	<b>175.01</b>

Refer note 45 on Deferred government grant

**24 Short-term borrowings**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
-Rupee working capital loans	25,073.40	5,056.83
-Packing credit in foreign currency	5.95	24,018.85
-Foreign currency loans	3,760.03	8,833.77
-Current maturities of long-term borrowings	65.09	41.46
	<b>28,904.47</b>	<b>37,950.91</b>

i) Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) Rupee working capital loans</b>		
The rupee working capital loans are secured by hypothecation of all current assets, personal guarantee of Directors of the Company and their relatives and First Pari-Passu Charge over the office property at Gurugram, factory land and building at Bahalgarh and Varpal, lien of cash deposit of ₹ 524.52 lakhs (March 31, 2021: ₹ 437 lakhs) with Punjab National Bank (previously Oriental Bank of Commerce) for and on behalf of the consortium and on entire moveable fixed assets of the Company except vehicle financed.	25,073.40	5,056.83
The rupee working capital loans are repayable on demand and interest on the above loans from banks are linked to the respective bank MCLR/Repo/T-Bills/CD Rate which are floating in nature. The interest rate ranges from 5.25% to 10.00% (March 31, 2021: 8.10% to 12.55%) on rupee working capital loans.		

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**24 Short-term borrowings (Contd..)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>b) Packing credit in foreign currency</b>		
The packing credit in foreign currency loans are secured by hypothecation of all current assets, personal guarantee of Directors of the Company and their relatives and First Pari-Passu Charge over the office property at Gurugram, factory land and building at Bahalgarh and Varpal, lien of cash deposit of ₹ 524.52 lakhs (March 31, 2021: ₹ 437 lakhs) with Punjab National Bank (previously Oriental Bank of Commerce) for and on behalf of the consortium and on entire moveable fixed assets of the Company except vehicle financed.	5.95	24,018.85
The interest rate ranges from Libor + 125 basis points to Libor + 325 basis points (March 31, 2021: Libor + 190 basis points to Libor + 325 basis).		
<b>c) Foreign currency loans</b>		
The foreign currency loans are secured by hypothecation of all current assets, personal guarantee of Directors of the Company and their relatives and First Pari-Passu Charge over the office property at Gurugram, factory land and building at Bahalgarh and Varpal, lien of cash deposit of ₹ 524.52 lakhs (March 31, 2021: ₹ 437 lakhs) with Punjab National Bank (previously Oriental Bank of Commerce) for and on behalf of the consortium and on entire moveable fixed assets of the Company except vehicle financed.	3,760.03	8,833.77
The interest rate on the above loans from banks are linked to the respective Libor/MCLR which are floating in nature. The interest rate ranges from 1.60% to 4.16% (March 31, 2021: 2.75% to 4.81%) in case of foreign currency loans.		

ii) Refer note 46 for assets pledged as security

**25 Trade payables**

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to		
Micro and small enterprises	1,452.95	733.66
Others*	48,816.12	17,020.66
	<b>50,269.07</b>	<b>17,754.32</b>
*Includes payable to related parties (refer note 51)		
Daawat Foods Limited	10,637.83	-
Raghunath Agro Industries Private Limited	-	339.97
Daawat Kameda India Private Limited	228.93	55.69
Ecopure Specialities limited	20.95	-
Super Texfab Private Limited	353.75	129.78
UIPL Innovations Private Limited	-	64.54

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:

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 25 Trade payables (Contd..)

Particulars	As at March 31, 2022	As at March 31, 2021
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	1,452.95	733.66
- Interest accrued and remaining unpaid as at year end	-	1.40
ii) Amount of interest paid by the Company to the suppliers in terms of section 16 of the Act	-	-
iii) Amount paid to the suppliers beyond the respective due date.	-	60.99
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	0.20
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	-	1.60
vi) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	1.60	-

#### March 31, 2022

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,261.29	191.66	-	-	-	1,452.95
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	47,079.44	1,727.49	5.97	2.61	0.61	48,816.12
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	48,340.73	1,919.15	5.97	2.61	0.61	50,269.07

#### March 31, 2021

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	567.88	152.69	13.09	-	-	733.66
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	16,724.83	31.86	227.03	16.24	20.70	17,020.66
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	17,292.71	184.55	240.12	16.24	20.70	17,754.32

### 26 Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	32.65	97.22
Unclaimed dividend*	61.77	51.65
Other liabilities	1,592.29	1,578.23
	<b>1,686.71</b>	<b>1,727.10</b>

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

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**27 Lease liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 21)	181.24	136.08
	<b>181.24</b>	<b>136.08</b>

**28 Other current liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	1,153.18	1,178.94
Statutory liabilities	401.64	115.01
Deferred government grant (Refer note 45)	51.43	36.63
Other liabilities	57.88	115.18
	<b>1,664.13</b>	<b>1,445.76</b>
*Includes advances from related parties (refer note 51)		
LT Foods Middle East DMCC	122.94	-

**29 Short-term provisions**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for employee benefits</b>		
Provision for gratuity	202.91	105.62
Provision for compensated absence	56.50	43.84
	<b>259.41</b>	<b>149.46</b>

Refer note 47 on Employee benefit obligations

**30 Current tax liabilities (net)**

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for taxation (Net of advance tax)	240.08	14.70
	<b>240.08</b>	<b>14.70</b>

**31 Revenue from operations**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of products*</b>		
Export	1,12,734.38	99,953.05
Domestic	1,15,915.02	1,14,080.37
<b>Sale of traded goods *</b>		
Export	16,263.83	6,018.55
Domestic	36,956.08	17,453.10
<b>Other operating revenue</b>		
Service charges	945.74	606.68
Processing charges	18.67	18.67

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 31 Revenue from operations (Contd..)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rental income (refer note A below)	102.74	102.74
Export Incentives	1,026.16	-
Government grant income (refer note 45)	36.99	59.97
	<b>2,83,999.61</b>	<b>2,38,293.13</b>

#### \*Details of products sold

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of products</b>		
Rice	2,13,210.10	2,04,978.94
By products	5,779.14	4,950.95
Paddy	6,674.95	3,179.59
Bardana	369.75	407.39
Others	2,615.46	516.55
<b>Sale of traded goods</b>		
Rice	52,953.26	22,046.46
Others	266.65	1,425.19
	<b>2,81,869.31</b>	<b>2,37,505.07</b>

A. The Company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2022 and March 31, 2021 was ₹ 102.74 and ₹ 102.74 respectively. The Company has not executed any non-cancellable operating leases.

### 32 Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Liabilities written back	-	167.46
Rental income (refer note A below)	153.46	195.89
Dividend from non trade investments	915.46	216.81
<b>Interest income on:</b>		
Fixed deposits with banks	45.25	55.75
Advances	-	169.82
Others	31.24	29.21
Corporate service charges	228.51	220.23
Corporate guarantee charges	393.96	438.18
Gain from sale of property, plant & equipment (net)	42.68	36.31
Gain on investments carried at fair value through profit and loss	12.51	18.83
Net gain on foreign currency transactions	81.52	-
Miscellaneous income	454.17	612.31
<b>Total other income</b>	<b>2,358.76</b>	<b>2,160.80</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 March 31, 2022 and March 31, 2021 was ₹ 153.46 and ₹ 195.89 respectively. The Company has not executed any non-cancellable operating leases.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**33 Cost of material consumed**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening stock</b>		
Raw Material	20,118.34	25,115.66
Bardana	1,091.98	1,320.61
Packing material	1,458.40	1,650.44
	<b>22,668.72</b>	<b>28,086.71</b>
<b>Add: purchases</b>		
Raw Material	95,321.43	69,382.94
Bardana	461.28	396.61
Packing material	8,408.06	6,546.47
Rice	64,286.67	96,050.79
	<b>1,68,477.44</b>	<b>1,72,376.81</b>
<b>Less: closing stock</b>		
Raw Material	24,258.24	20,118.34
Bardana	1,028.79	1,091.98
Packing material	1,785.99	1,458.40
	<b>27,073.02</b>	<b>22,668.72</b>
	<b>1,64,073.14</b>	<b>1,77,794.80</b>
<b>Consumption details</b>		
Raw Material	91,181.53	74,380.26
Bardana	524.47	625.24
Packing material	8,080.47	6,738.51
Rice	64,286.67	96,050.79
	<b>1,64,073.14</b>	<b>1,77,794.80</b>

**34 Purchases of stock in trade**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rice	52,935.04	18,619.10
Others	1,500.74	1,328.34
	<b>54,435.78</b>	<b>19,947.44</b>

**35 Changes in inventories of semi-finished goods, finished goods and stock- in- trade**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening Stock</b>		
Semi-finished goods	54,347.54	41,409.52
Finished goods	11,921.39	11,977.14
Traded goods	1,932.26	2,279.85
<b>Closing stock</b>		
Semi-finished goods	53,649.62	54,347.54
Finished goods	9,939.35	11,921.39
Traded goods	2,808.05	1,932.26
	<b>1,804.17</b>	<b>(12,534.68)</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**36 Employee benefit expense**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, bonus and other allowances	6,966.04	6,002.50
Contribution to provident and other fund (Refer note 47)	406.17	309.73
Staff welfare expenses	429.33	266.54
	<b>7,801.54</b>	<b>6,578.77</b>

**37 Finance cost**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on working capital loans	1,783.54	2,706.25
Interest on term loans	23.79	12.44
Interest on delay in payment of statutory liabilities		6.08
	<b>1,807.33</b>	<b>2,724.77</b>
Other borrowing costs	471.22	638.90
	<b>2,278.55</b>	<b>3,363.67</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 7.39% p.a. (March 31, 2021 - 7.54% p.a.). Also refer note 10.

**38 Depreciation and amortization expense**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation on property, plant and equipment	2,904.99	2,485.49
Amortization of right-of-use-assets	284.57	87.17
Amortization of intangible assets	56.98	13.82
	<b>3,246.54</b>	<b>2,586.48</b>

**39 Other expenses**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Warehouse rent (Refer note A)	878.97	836.60
Wages and other manufacturing expenses	1,273.60	1,244.32
Factory insurance	332.22	447.99
Power and fuel	859.81	2,066.70
Security services	263.31	266.72
Packing expenses	630.67	514.03
<b>Repairs &amp; maintainence to:</b>		
- Plant and machinery	159.54	112.14
- Building	92.97	53.10
- Others	104.73	91.21
Stores and spares consumed	1,743.64	1,552.09
Advertisement	3,737.03	1,930.88
Insurance	292.19	125.78
Legal and professional charges	1,789.03	1,448.62
Rates and taxes	532.46	424.26
Donation and charity	85.36	87.61

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**39 Other expenses (Contd..)**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Corporate social responsibility expense (refer note C)	229.61	171.77
Directors' sitting fees	20.25	14.00
Auditors' remuneration (refer note B)	48.68	50.70
Vehicle running and maintenance	194.46	197.49
Travelling and conveyance	937.34	523.51
Commission to selling agents	552.84	453.33
Clearing, forwarding and freight charges	13,172.87	7,430.09
Impairment of trade receivables	180.00	35.61
Freight Outward	7,090.97	5,573.88
Write off/ impairment in the value of investment	320.01	153.88
Amounts written off	42.67	39.95
Business promotion expenses	182.44	130.98
Net loss on foreign currency transactions	-	0.46
Other selling expenses	1,141.33	1,290.10
Other administrative expenses	953.95	874.77
	<b>37,842.95</b>	<b>28,142.57</b>

A. The Company has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of short-term leases. These leases has been accounted for applying Paragraph 6 of Ind AS 116 - Leases and accordingly recorded as an expense amounting to ₹ 878.97 lakhs and ₹ 836.60 lakhs for the years ended March 31, 2022 and March 31, 2021 respectively.

**B. Auditors' remuneration (exclusive of applicable goods and service tax)**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statutory audit (including fees for limited reviews)	47.00	47.00
Out of pocket expenses	1.68	3.70
	<b>48.68</b>	<b>50.70</b>

**C. Corporate social responsibility expenditure**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013	229.61	167.56
(ii) Amount spent (in cash) during the year on:		
-Construction/acquisition of an asset	-	-
-on purpose other than above	229.61	171.77

**40 Tax expense**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>The income tax expense consists of the following :</b>		
Current tax expense for the current year	3,768.31	3,646.81
Current tax expense pertaining to previous years	110.00	67.25
Deferred tax (credit)/ expense	(227.21)	212.72
<b>Total income tax</b>	<b>3,651.10</b>	<b>3,926.78</b>



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

The reconciliation of the estimated tax expense at statutory income tax rate to income tax expense reported in the Statement of Profit and Loss is as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income taxes	14,875.70	14,574.88
*At India's statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	3,743.92	3,668.21
<b>Adjustments in respect of current income tax</b>		
Tax expense related to earlier years	110.00	67.25
Donation and charities	79.27	65.28
Fines, penalties and interest on statutory dues	4.44	1.54
Long term capital loss not carried forward	-	50.54
Deduction under chapter VI-A	(228.95)	(56.38)
Loss on sale of investments	0.25	38.73
Others	(57.83)	91.61
<b>Total income tax expense</b>	<b>3,651.10</b>	<b>3,926.78</b>

### 41 Earnings per share

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to equity shareholders	11,224.60	10,648.10
Numbers of weighted average equity share outstanding at the year end for basic and diluted EPS	3,198.45	3,198.45
Nominal value per share	1.00	1.00
<b>Earnings per equity share</b>		
Basic and diluted	3.51	3.33

Note: There are no potential equity shares in the Company.

### 42 Contingencies and commitments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(A) Contingent liabilities</b>		
I Income-tax demands (refer point a)	2,550.32	2,061.19
II Demand from Food Corporation India for differential price /freight /taxes	75.69	75.69
III Claims on Company	30.77	30.77
IV Duty saved under EPCG licenses (export obligation outstanding ₹ 153.14 (March 31, 2021: ₹ 243.56)	25.52	40.59
V Bank guarantees	17.60	145.70
VI Guarantee given by Company to bank on behalf of subsidiaries (refer point b)	30,838.51	36,301.66
VII Guarantee given by Company on the behalf of subsidiaries for export obligation under EPCG scheme	14.68	14.68
<b>Total</b>	<b>33,553.09</b>	<b>38,670.28</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

- a. The Company has pending appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2008-09 to AY 2010-11 and AY 2012-13 to AY 2014-15 and for AY 2016-17 on the matters over which no relief was provided by CIT (Appeals) amounting to ₹ 1,208.31 (March 31, 2021: ₹ 1,318.31).

The Company's appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2003-04 and AY 2007-08 have been concluded for amounting to ₹ 62.38 (March 31, 2021: ₹ 62.38). However, appeal effect of the same is yet to be processed by the Ld. Assessing Officer.

The Company's appeal for AY 1999-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹ 36.27 and ₹177.43 respectively (March 31, 2021: ₹ 36.27 and ₹177.43) are pending at Income Tax Appellate Tribunal (ITAT) and CIT (Appeals) respectively.

The Company has received demands during the FY 2019-20, under section 147 for the Assessment Year 2015-16 for ₹ 466.81 (March 31, 2021: ₹ 466.81). The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

The Company has received demands during the FY 2021-22, under section 143(3) for the Assessment Year 2017-18 for ₹ 599.12 (March 31, 2021: ₹ Nil). The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

The Company has paid ₹ 1,651.26 (March 31, 2021: ₹ 1,651.26) as per the directions of the Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/ refunded, once the appeals are final. The amount paid includes ₹ 631.95 lakhs deposited against cases in respect of which favourable order has been received.

The management is confident that its position is likely to be upheld in the appeals pending before various appellate authorities and no liability could arise on the Company on account of these proceedings.

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

Name of bank	Name of subsidiary company	Sanction limit (In ₹ Lakhs)	As at March 31, 2022	As at March 31, 2021	Purpose
SBICAP Security Trustee Company Limited	Daawat Foods Limited	28,368.00 (March 31 2021: 27,854.00)	20,803.43	21,821.31	Working capital loan
Punjab National Bank	Daawat Foods Limited	Nil (March 31 2021: 500.00)			
Union Bank of India	Daawat Foods Limited	Nil (March 31 2021: 5,000.00)			
Kotak Mahindra Bank Limited	Daawat Foods Limited	4,000.00 (March 31 2021: Nil)			
Oriental Bank of Commerce	Raghunath Agro Industries Private Limited	6,980.00 (March 31 2021: 7,520.00)	2,001.25	4,344.46	Working capital loan
Yes Bank Limited	Nature Bio Foods Limited	Nil (March 31 2021: Nil)	5,733.83	8,285.50	Working capital loan
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	3,200.00 (March 31 2021: 3,200.00)			
IDFC First Bank Limited	Nature Bio Foods Limited	2,500.00 (March 31 2021: 2,500.00)			
Indusind Bank Limited	Nature Bio Foods Limited	5,200.00 (March 31 2021: 5,200.00)			

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 42 Contingencies and commitments (Contd..)

Name of bank	Name of subsidiary company	Sanction limit (In ₹ Lakhs)	As at March 31, 2022	As at March 31, 2021	Purpose
Indusind Bank Limited	Ecopure Specialities Limited	5,540.00 (March 31 2021: 3,040.00)	2,300.00	1,850.39	Working capital loan
SBM Bank (India) Ltd.	Ecopure Specialities Limited	2,000.00 (March 31 2021: Nil)			
<b>Grand Total</b>		<b>57,788.00 (March 31 2021: 54,814.00)</b>	<b>30,838.51</b>	<b>36,301.66</b>	

### (B) Capital commitments

Capital commitments remaining to be executed and not provided for, net of capital advances ₹ 490.46 (March 31, 2021: ₹ 446.77).

### 43 Segment information

In terms of Paragraph 4 of Ind AS 108 'Operating Segments', entity wide disclosures have been presented in the consolidated financial statements.

### 44 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from April 01, 2001, the Company is required to use certain specified methods in computing arm's length price of international transactions between the company and its associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

### 45 Deferred government grants

Particulars	As at March 31, 2022	As at March 31, 2021
<b>At the beginning of the year</b>	211.64	271.61
Released during the year	(36.99)	(59.97)
<b>At the end of the year</b>	<b>174.65</b>	<b>211.64</b>

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Government grants	51.43	123.22	36.63	175.01

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 46 Assets pledged as security

The carrying amount of assets pledged as security for current and non-current borrowings are:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Non-current assets</b>		
<b>First charge</b>		
Property, plant, and equipments and CWIP	21,657.48	20,179.81
Other financial assets	-	19.94
<b>Total non-current assets pledged as security</b>	<b>21,657.48</b>	<b>20,199.75</b>
<b>Current assets</b>		
<b>First charge</b>		
Pari-passu		
Inventories	1,14,926.04	94,945.46
Trade receivables	23,525.03	12,931.14
Cash and cash equivalents	1,275.31	515.19
Other bank balances	647.11	920.99
Loans	134.61	299.80
Other financial assets	916.04	787.20
Other current assets	6,987.71	7,497.69
<b>Total current assets pledged as security</b>	<b>1,48,411.85</b>	<b>1,17,897.47</b>
<b>Total assets pledged as security</b>	<b>1,70,069.33</b>	<b>1,38,097.22</b>

### 47 Employee benefit obligations

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity	202.91	590.48	105.62	431.12
Compensated absences	56.50	229.24	43.84	198.51
<b>Total</b>	<b>259.41</b>	<b>819.72</b>	<b>149.46</b>	<b>629.63</b>

#### A Gratuity

The Company provides gratuity for employees in India as per the Payment of Gratuity Act, 1972. The planned assets are managed by Life Insurance Corporation of India. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. For the funded plan the Company makes contributions to recognized funds in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

#### Disclosure of gratuity

(i) Amount recognised in the Statement of Profit and Loss is as under:

Particulars	March 31, 2022	March 31, 2021
Current service cost	129.47	94.36
Interest cost	38.79	21.09
<b>Amount recognised in the Statement of Profit and Loss</b>	<b>168.26</b>	<b>115.45</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

(ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Particulars	March 31, 2022	March 31, 2021
<b>Remeasurement on the net defined benefit obligation</b>		
Actuarial (gain)/loss arising from change in demographic assumption	8.48	(40.16)
Actuarial (gain)/loss arising from change in financial assumption	62.11	34.26
Actuarial (gain)/loss arising from change in experience assumption	(7.04)	16.50
Remeasurement on plan assets		
Return on plan assets (excluding interest)	30.24	(0.37)
<b>Total actuarial loss/(gain) recognised in OCI</b>	<b>93.79</b>	<b>10.23</b>

(iii) Movement in the defined benefit obligation during the year is as under:

Particulars	March 31, 2022	March 31, 2021
<b>Present value of defined benefit obligation as at the start of the year</b>	<b>968.98</b>	<b>863.97</b>
Current service cost	129.47	94.36
Interest cost	69.35	46.51
Actuarial loss/(gain) recognised during the year	63.55	10.60
Benefits paid	(66.98)	(46.46)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,164.37</b>	<b>968.98</b>

(iv) Change in fair value of assets:

Particulars	March 31, 2022	March 31, 2021
<b>Fair value of plan assets* at the beginning of the year</b>	<b>432.24</b>	<b>442.91</b>
Interest income on plan assets*	30.56	25.42
Contribution	5.40	10.00
Actuarial (losses)/ gain	(30.24)	0.37
Benefits paid	(66.98)	(46.46)
<b>Fair value of plan assets* at the end of the year</b>	<b>370.98</b>	<b>432.24</b>

\*Plan assets consist of 100% non-quoted insurer managed funds and T-Bills

(v) Actuarial assumptions

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.58%	7.07%
Retirement age	58 years	58 years
Employee turnover:	16.70%	10.00%
Rate of increase in compensation	7.00%	6.50%

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 provision recognised in balance sheet

Particulars	As at March 31, 2022	As at March 31, 2021
Defined Benefit Obligation	1,164.37	968.98
Fair value of Plan Assets	(370.98)	(432.24)
<b>Provision recognised in the Balance Sheet</b>	<b>793.39</b>	<b>536.74</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

## (vii) Sensitivity analysis for gratuity liability

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	1,164.37	968.98
- Impact due to increase of 1 %	(49.16)	(52.66)
- Impact due to decrease of 1 %	53.84	56.77
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	1,164.37	968.98
- Impact due to increase of 1 %	46.53	50.08
- Impact due to decrease of 1 %	(45.52)	(46.13)

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)

Particulars	As at March 31, 2022	As at March 31, 2021
Within next 12 months	207.98	109.29
Between 2-5 years	640.49	476.37
Between 6-10 years	443.12	449.39

**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

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	6.58%	7.07%
Future basic salary increase	7.00%	6.50%
Employee turnover/ Withdrawal rate	16.70%	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 ₹ 216.92 (March 31, 2021: ₹ 176.39)

Contribution made towards ESI fund by the Company during the year is ₹ 20.99 (March 31, 2021: ₹ 17.89)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 48 Fair value disclosures

#### i) Financial instruments by category

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments	364.10	-	-	309.95	-	-
Trade receivables	-	-	23,525.03	-	-	12,931.14
Cash and cash equivalents	-	-	1,275.31	-	-	515.19
Other bank balances	-	-	647.11	-	-	920.99
Loans	-	-	392.05	-	-	534.21
Other financial assets	174.45	-	1,437.39	324.76	-	1,172.82
<b>Total</b>	<b>538.55</b>	<b>-</b>	<b>27,276.89</b>	<b>634.71</b>	<b>-</b>	<b>16,074.35</b>
<b>Financial liabilities</b>						
Borrowings	-	-	29,092.41	-	-	38,069.13
Lease Liability	-	-	382.99	-	-	136.08
Trade payable	-	-	50,269.07	-	-	17,754.32
Other financial liabilities	-	-	1,686.71	-	-	1,733.60
<b>Total</b>	<b>-</b>	<b>-</b>	<b>81,431.18</b>	<b>-</b>	<b>-</b>	<b>57,693.13</b>

Investment in equity instruments and preference shares of subsidiaries, joint ventures and associates has been accounted at cost in accordance with Ind AS 27. Therefore not within the scope of Ind AS 109, hence not included here.

#### ii) Fair values hierarchy

Financial assets and financial liabilities measured at fair value in the balance sheet are categorised into three levels of fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

**Level 1:** Quoted prices (unadjusted) in active markets for financial instruments.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2022	Level 1	Level 2	Total
<b>Financial assets</b>			
Key man insurance policies	-	363.84	363.84
Equity instruments - Unquoted	-	0.05	0.05
Equity instruments - Quoted	0.21	-	0.21
Derivative asset	-	174.45	174.45
<b>Total financial assets</b>	<b>0.21</b>	<b>538.34</b>	<b>538.55</b>

March 31, 2021	Level 1	Level 2	Total
<b>Financial assets</b>			
Key man insurance policies	-	309.69	309.69
Equity instruments - Unquoted	-	0.05	0.05
Equity instruments - Quoted	0.21	-	0.21
Derivative asset	-	324.76	324.76
<b>Total financial assets</b>	<b>0.21</b>	<b>634.50</b>	<b>634.71</b>

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 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 company obtains independent valuations. The techniques used by the valuer are as follows:
  - a) Asset approach - Net assets value method
  - b) Income approach - Discounted cash flows ("DCF") method
  - c) Market approach - Enterprise value/Sales multiple method
- (iii) Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India, Max New York Life Insurance Company Limited, SBI Life Insurance Company Limited, Star Union Dai-ichi Life Insurance and Canara HSBC OBC Life Insurance which represents surrender value for the investors.

### Derivative financial assets/liabilities:

The Company enters into derivative financial instruments with various counterparties and financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

### (iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	As at March 31, 2022		As at March 31, 2021	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Loans	Level 3	392.05	392.05	534.21	534.21
Trade receivables	Level 3	23,525.03	23,525.03	12,931.14	12,931.14
Cash and cash equivalents	Level 3	1,275.31	1,275.31	515.19	515.19
Other bank balances	Level 3	647.11	647.11	920.99	920.99
Other financial assets	Level 3	1,437.39	1,437.39	1,172.82	1,172.82
<b>Total financial assets</b>		<b>27,276.89</b>	<b>27,276.89</b>	<b>16,074.35</b>	<b>16,074.35</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	29,092.41	29,092.41	38,069.13	38,069.13
Less Liabilities	Level 3	382.99	382.99	136.08	136.08
Trade payable	Level 3	50,269.07	50,269.07	17,754.32	17,754.32
Other financial liabilities	Level 3	1,686.71	1,686.71	1,733.60	1,733.60
<b>Total financial liabilities</b>		<b>81,431.18</b>	<b>81,431.18</b>	<b>57,693.13</b>	<b>57,693.13</b>

The management assessed that security deposits, loan to related parties, loan to employees, other financial assets, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities are estimated at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- (i) Long-term fixed-rate and variable-rate receivables are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- (ii) All the borrowing facilities (other than vehicles loans) availed by the Company are variable rate facilities which are subject to changes in underlying Interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Company's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Company. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 49 Financial risk management

#### (i) Risk management framework

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and contract assets, favourable derivative financial instruments, financial assets measured at amortised cost and fair value through profit or loss.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Future commercial transactions, Recognised financial assets and liabilities not denominated in Indian Rupees(INR)	Cash flow forecasting	Forward contract and hedging.
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not have any significant investments in equity shares, except for entities where it exercises control or significant influence.

The Company's risk management is carried out by a central treasury department (of the Company) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

#### A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

##### a) Credit risk management

The Company assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the company, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

- A: Low
- B: Medium
- C: High

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Assets under credit risk –

Credit rating	Particulars	March 31, 2022	March 31, 2021
A: Low	Loans	392.05	534.21
	Other financial assets	1,611.84	1,497.58
	Cash and cash equivalents	1,275.31	515.19
	Other bank balances	647.11	920.99
	Trade receivables	23,525.03	12,931.14
B: Medium	Trade receivables	223.89	94.81
C: High	Trade receivables	-	-

### Cash and cash equivalents and other bank balances

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

### Trade receivables

The Company closely monitors the creditworthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The Company assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

## b) Expected credit losses

### Expected credit losses for financial assets other than trade receivables

The Company provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Company deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Company does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

Particulars	March 31, 2022			March 31, 2021		
	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	1,275.31	0.00%	1,275.31	515.19	0.00%	515.19
Other bank balances	647.11	0.00%	647.11	920.99	0.00%	920.99
Loans	392.05	0.00%	392.05	534.21	0.00%	534.21
Other financial assets	1,611.84	0.00%	1,611.84	1,497.58	0.00%	1,497.58

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**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.

<b>March 31, 2021</b>	<b>0-1 Year</b>	<b>1-3 Year</b>
<b>As at 31 March 2022</b>		
Trade receivables	23,504.45	244.47
Default rate	-	91.58%
Expected credit loss	-	223.89
<b>As at 31 March 2021</b>		
Trade receivables	12,741.02	284.93
Default rate	-	33.27%
Expected credit loss	-	94.81

<b>Reconciliation of loss allowance</b>	<b>Trade receivables</b>
<b>Loss allowance on April 01, 2020</b>	<b>699.93</b>
Add (Less): Bad debts written off	(640.73)
Add (Less): Changes in loss allowances	35.61
<b>Loss allowance on March 31, 2021</b>	<b>94.81</b>
Add (Less): Bad debts written off	(50.92)
Add (Less): Changes in loss allowances	180.00
<b>Loss allowance on March 31, 2022</b>	<b>223.89</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 'fund based' borrowing facilities at the end of the reporting period:

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
- Expiring within one year (cash credit and other facilities)	45,416.62	35,304.55
- Expiring beyond one year (term loans)	-	-
	<b>45,416.62</b>	<b>35,304.55</b>

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### b) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity of the Company based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2022	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	28,904.47	187.94	-	29,092.41
Lease liabilities	181.24	234.58	-	415.82
Trade payable	50,269.07	-	-	50,269.07
Other financial liabilities	1,686.71	-	-	1,686.71
<b>Total</b>	<b>81,041.49</b>	<b>422.52</b>	<b>-</b>	<b>81,464.01</b>

March 31, 2021	Less than 1 year	1-3 year	More than 3 years	Total
Borrowings	37,950.91	118.22	-	38,069.13
Lease liabilities	136.08	-	-	136.08
Trade payable	17,754.32	-	-	17,754.32
Other financial liabilities	1,727.10	6.50	-	1,733.60
<b>Total</b>	<b>57,568.41</b>	<b>124.72</b>	<b>-</b>	<b>57,693.13</b>

### C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### 1) Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Company's policy is to hedge the risk of changes in foreign currency. The Company uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Company designate both change in spot and forward element of forward contracts and change in spot of PCFCs to hedge exposure in foreign currency risk on highly probable forecast sales.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

(i) Exposure to currency risk:

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency		In INR	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Financial assets</b>				
<b>Trade receivables</b>				
EURO	34.97	10.92	2,960.71	940.40
USD	169.15	143.51	12,822.60	10,548.76
GBP	23.17	5.67	2,306.21	572.79
<b>Foreign exchange forward contracts (Sell foreign currency)</b>				
EURO	(25.00)	(40.00)	(2,116.50)	(3,443.96)
USD	(327.99)	(189.82)	(24,864.13)	(13,952.63)
GBP	(2.50)	(10.08)	(248.88)	(1,017.59)
<b>Trade payables</b>				
EURO	-	0.68	-	58.40
USD	0.15	0.01	11.26	0.43
<b>Foreign exchange forward contracts (Buy foreign currency)</b>				
USD	49.60	110.49	3,760.03	8,121.53
<b>Preshipment credit</b>				
USD	0.08	326.79	5.95	24,020.51
<b>Demand Loan</b>				
USD	49.60	120.18	3,760.03	8,833.77
<b>Net exposure:</b>				
EURO	<b>9.97</b>	<b>(29.76)</b>	<b>844.21</b>	<b>(2,561.96)</b>
USD	<b>(159.07)</b>	<b>(382.80)</b>	<b>(12,058.74)</b>	<b>(28,137.05)</b>
GBP	<b>20.67</b>	<b>(4.41)</b>	<b>2,057.33</b>	<b>(444.80)</b>

The following significant exchange rates have been applied:

Particulars	Year end spot rate March 31, 2022	Year end spot rate March 31, 2021
EURO	84.66	86.10
USD	75.81	73.50
GBP	99.55	100.95

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

(a) Disclosure of effects of Cash flow hedge on financial position (Hedge Accounting)

**As at March 31, 2022**

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign currency risk									
(i) Foreign exchange forward contracts	27,555.34	-	174.45	-	06 April 2022 - 15 March 2023	1:1	USD: ₹ 77.21 EUR: ₹ 87.21 GBP: ₹ 105.76	174.45	(174.45)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	5.90	-	5.95	04 June 2022	1:1	USD: ₹ 71.91	(0.05)	0.05

**As at March 31, 2021**

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge									
Foreign currency risk									
(i) Foreign exchange forward contracts	18,928.66	-	324.76	-	12 April 2021 - 31 March 2022	1:1	USD: ₹ 74.97 EUR: ₹ 91.92 GBP: ₹ 101.27	324.76	(324.76)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	24,025.76	-	24,020.51	12 April 2021 - 13 September 2021	1:1	USD: ₹ 73.52	5.25	(5.25)

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### (b) Disclosure of effects of Fair value hedge on financial position

#### As at March 31, 2022

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument
	Assets	Liabilities	Assets	Liabilities				
(i) Foreign exchange forward contracts	-	3,829.53	-	43.82	30 May 2022 - 10 June 2022	1:1	USD: ₹ 77.21	(43.82)

#### As at March 31, 2021

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument
	Assets	Liabilities	Assets	Liabilities				
(i) Foreign exchange forward contracts	-	8,233.89	-	59.40	23 April 2021 - 09 September 2021	1:1	USD: ₹ 74.52	(59.40)

### (c) Disclosure of effects of Cash flow hedge on financial performance

#### For the year ended March 31, 2022

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	(150.31)	-	(270.31)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	(5.30)	-	(21.94)	Revenue and other income

#### For the year ended March 31, 2021

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Foreign exchange forward contracts	1,449.35	-	452.79	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	1,227.52	-	714.79	Revenue and other income

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.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

For forward contracts, hedge effectiveness testing (Retrospective and Prospective) have been carried out using Dollar Offset Method by a management expert, engaged by the Company.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

### (d) Movements in cash flow hedging reserve

Particulars	Amount
<b>As at April 01, 2020</b>	<b>(1,754.40)</b>
Add: Changes in fair value of forward contracts	1,902.14
Add: Changes in fair value of PCFCs	1,942.31
Less: Amount reclassified to profit or loss	(1,167.58)
Less: Tax relating to above (net)	(673.71)
<b>Net Change during the year ended March 31, 2021</b>	<b>2,003.16</b>
<b>As at March 31, 2021</b>	<b>248.76</b>
Add: Changes in fair value of forward contracts	(420.62)
Add: Changes in fair value of PCFCs	(27.24)
Less: Amount reclassified to profit or loss	292.25
Less: Tax relating to above (net)	39.16
<b>Net Change during the year ended March 31, 2022</b>	<b>(116.45)</b>
<b>As at March 31, 2022</b>	<b>132.31</b>

### Sensitivity

A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at March 31, 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

Particulars	Currency	Strengthen		Strengthen		Weaken		Weaken	
		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sensitivity of change in exchange rate by 1%*	EURO	22.16	6.60	(15.84)	(25.77)	(22.16)	(6.60)	15.84	25.77
Sensitivity of change in exchange rate by 1%*	USD	95.87	73.61	(186.11)	(284.16)	(95.87)	(73.61)	186.11	284.16
Sensitivity of change in exchange rate by 1%*	GBP	17.26	4.29	(1.86)	(7.61)	(17.26)	(4.29)	1.86	7.61

\*Holding all other variables constant



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 2) Interest rate risk

#### i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on long-term financing. As at March 31, 2022, 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	March 31, 2022	March 31, 2021
Variable rate borrowing	28,839.38	37,909.45
Fixed rate borrowing	253.03	159.68
<b>Total borrowings</b>	<b>29,092.41</b>	<b>38,069.13</b>

#### Sensitivity

Profit or loss is sensitive to higher/ lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax March 31, 2022	Effect on profit after tax March 31, 2021
<b>Total borrowings</b>		
-Impact due to increase of 50 basis points*	(107.90)	(141.84)
-Impact due to decrease of 50 basis points*	107.90	141.84

\*Holding all other variable constant

#### ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### 3) Price risk exposure

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

## 50 Capital management

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern
- to provide an adequate return to shareholders

The Company monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the Company's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Company's various classes of debt. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

The Company's adjusted net debt to equity ratio as at year end were as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Total borrowings including lease liabilities	29,475.40	38,205.21
Less : cash and cash equivalents	(1,275.31)	(515.19)
<b>Net debt</b>	<b>28,200.09</b>	<b>37,690.02</b>
Total equity	1,04,424.76	96,585.64
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.27</b>	<b>0.39</b>

**a) Dividends**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Equity shares</b>		
<b>(i) Interim Dividend</b>		
For the year ended March 31, 2021 of ₹ 0.50 per share (excluding tax)	-	1,599.23
For the year ended March 31, 2021 of ₹ 0.50 per share (excluding tax)	-	1599.24
For the year ended March 31, 2022 of ₹ 0.50 per share (excluding tax)	1599.22	-
For the year ended March 31, 2022 of ₹ 0.50 per share (excluding tax)	1599.22	-

**b) Loan covenants**

Under the terms of major borrowing facilities, the Company is required to comply with the following covenants:

- the current ratio must be more than 1.33 times;
- the debt to equity must remain lower than 1 times;
- the promoter's holding must not be less than 51%;
- the total outside liability to tangible net worth ratio must not exceed 1 times;
- the total outside liability to adjusted tangible net worth must not exceed 1.1 times;
- the Net Debts to EBITDA must not exceed 4 times;
- the Net Working Capital to be maintained at minimum level of 25% of current assets;
- the investment in subsidiary company, associates and JVs must not exceed ₹ 12,484 lakhs;

The Company has complied with these covenants as at the reporting date.

**51 Related party disclosures**

The Company's related party transactions and outstanding balances are with its subsidiaries, step down subsidiaries, associates and joint venture, key management and others as described below.

**A. Relationships****a) Subsidiaries**

Daawat Foods Limited  
SDC Foods India Limited (Strike off filed dated July 10, 2020)  
Nature Bio Foods Limited  
LT International Limited (till October 30, 2020)  
LT Overseas North America, Inc.  
Sona Global Limited  
Deva Singh Sham Singh Exports Private Limited  
Raghunath Agro Industries Private Limited

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### b) Step down subsidiaries

LT Foods America Inc.  
 LT Foods USA LLC  
 LT Foods Middle East DMCC  
 Universal Traders Inc. (Dissolved w.e.f. August 28, 2020)  
 Ecolife LLC  
 Fresco Fruit N Nuts Private Limited (Strike off filed dated March 03, 2021)  
 Nature Bio Foods B.V.  
 LT Agri Services Private Limited  
 LT Foods Europe B.V.  
 Ecopure Specialities limited  
 Nature Bio Foods Inc.  
 LT Foods International Limited

### c) Joint venture

Daawat Kameda India Private Limited

### d) Associate enterprises

Raghuvesh Agri Foods Private Limited  
 Raghuvesh Warehousing Private Limited  
 Raghuvesh Infrastructure Private Limited

### e) Key management personnel and Directors

- Key management personnel

Name	Designation
Mr. Vijay Kumar Arora	Managing Director
Mr. Surinder Kumar Arora	Managing Director
Mr. Ashwani Kumar Arora	Managing Director and Chief Financial Officer
Mr. Ashok Kumar Arora	President - Punjab operations
Mr. Gokul Patnaik	Director
Mr. Suparas Bhandari	Director
Ms. Neeru Singh	Director
Ms. Ambika Sharma	Director (w.e.f March 10,2021)
Mr. Rajesh Kumar Srivastava	Nominee Director

-Relatives of Key Management Personnel (with whom transactions have taken place during the year)

Name	Relationship
Ritesh Arora	Son of Mr. Ashwani Kumar Arora
Anmol Arora	Son of Mr. Surinder Kumar Arora
Aditya Arora	Son of Mr. Ashok Kumar Arora
Gursajan Arora	Son of Mr. Ashok Kumar Arora
Abhinav Arora	Son of Mr. Vijay Kumar Arora
Parvesh Rani	Mother of Mr. Vijay Kumar Arora
Ranju Arora	Wife of Mr. Vijay Kumar Arora

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Sakshi Arora	Wife of Mr. Surinder Kumar Arora
Anita Arora	Wife of Mr. Ashok Kumar Arora
Vandana Arora	Wife of Mr. Ashwani Kumar Arora

Entities in which Key Management Personnel and their relatives have significant influence with whom transactions have taken place during the current year and/or previous year:

Super Texfab Private Limited  
 UIPL Innovations Private Limited  
 Raghuvesh Holdings Private Limited  
 Global Foods Trading GmbH  
 Global Foods Trading Ltd.  
 Global Foods Trading Spain S.L  
 Global Foods Trading France Sarl

Transactions with Subsidiary Companies, Step down Subsidiary Companies, Joint venture, Associate Companies and entities where key management personnel has significant influence

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sales</b>		
LT Foods America Inc.	46,299.54	28,912.90
Raghunath Agro Industries Private Limited	1,874.41	3,881.20
LT Foods Middle East DMCC	13,648.95	11,295.11
Daawat Foods Limited	6,785.60	10,610.99
Global Foods Trading GmbH	2,299.00	-
Global Foods Trading Ltd.	641.40	-
Global Foods Trading Spain S.L	701.05	-
Deva Singh Sham Singh Exports Private Limited	486.59	1,452.29
LT Foods Europe B.V.	13,985.41	20,169.42
Daawat Kameda India Private Limited	74.60	67.38
Nature Bio Foods Inc	4.40	-
Global Foods Trading France Sarl	919.14	-
<b>Purchases</b>		
Raghunath Agro Industries Private Limited	10,121.34	10,890.84
Daawat Foods Limited	33,136.38	28,987.23
Nature Bio Foods Limited	12.49	-
Super Texfab Private Limited	1,503.12	601.03
LT Foods Europe B.V.	19.50	37.05
Daawat Kameda India Private Limited	453.01	312.65
UIPL Innovations Private Limited	-	317.60
<b>Rental income</b>		
Daawat Foods Limited	1.50	3.00
Daawat Kameda India Private Limited	154.59	183.40
Nature Bio Foods Limited	7.00	-
<b>Fumigation income</b>		
Nature Bio Foods Limited	131.29	171.24
<b>Reimbursement of expenses received</b>		
Daawat Kameda India Private Limited	138.69	120.62
UIPL Innovations Private Limited	-	16.60
Nature Bio Foods Limited	12.50	15.90
Raghuvesh Infrastructure Private Limited	3.82	9.94
Daawat Foods Limited	187.64	193.99

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Raghunath Agro Industries Private Limited	8.31	11.46
Ecopure Specialities Limited	35.78	11.78
Deva Singh Sham Singh Exports Private Limited	1.75	60.37
<b>Processing charges income</b>		
Nature Bio Foods Limited	80.72	118.54
<b>Processing charges</b>		
Deva Singh Sham Singh Exports Private Limited	-	122.91
<b>Freight Expense</b>		
Daawat Foods Limited	0.00	20.99
<b>Rental Expense</b>		
Deva Singh Sham Singh Exports Private Limited	84.00	8.93
<b>Transport income</b>		
Nature Bio Foods Limited	14.54	3.50
<b>Interest income</b>		
Daawat Foods Limited	-	169.82
Raghuvesh Agri Foods Private Limited	25.05	29.15
Raghuvesh Warehousing Private Limited	4.05	19.92
<b>Dividend income</b>		
Daawat Foods Limited	-	200.00
Raghuvesh Infrastructure Private Limited	-	24.00
LT Foods America Inc.	908.27	-
<b>Fumigation expense</b>		
Raghunath Agro Industries Private Limited	2.45	2.45
<b>Business Support Services income</b>		
Daawat Foods Limited	228.51	220.23
<b>Corporate guarantee charges income</b>		
Daawat Foods Limited	253.62	294.83
Nature Bio Foods Limited	87.11	93.11
Raghunath Agro Industries Private Limited	29.72	45.94
Ecopure Specialities Limited	23.51	4.29
<b>Commission paid</b>		
LT Foods Middle East DMCC	-	124.25
<b>Loan granted</b>		
Raghuvesh Agri Foods Private Limited	-	50.00
Raghuvesh Warehousing Private Limited	-	55.00
<b>Payment received against Loan</b>		
Raghuvesh Agri Foods Private Limited	82.00	120.00
Raghuvesh Warehousing Private Limited	138.52	180.00
<b>Net payment received against Loan</b>		
Raghuvesh Agri Foods Private Limited	82.00	70.00
Raghuvesh Warehousing Private Limited	138.52	125.00

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Sale of Property, plant &amp; Equipment</b>		
Daawat Foods Limited	18.04	3.50
<b>Purchase of Property, plant &amp; Equipment</b>		
Daawat Foods Limited	-	133.32
<b>Transactions with key management personnel</b>		
<b>Director Remuneration (excluding long term employee benefit)</b>		
Mr. Vijay Kumar Arora	215.29	215.40
Mr. Ashwani Kumar Arora	211.10	211.21
<b>Dividend paid to the key management personnel</b>	827.53	850.52
<b>Transactions with relatives of key management personnel</b>		
<b>Remuneration</b>		
Mr. Ritesh Arora	64.36	52.57
<b>Dividend paid to relatives of key management personnel and entities in which key management personnel have significant influence. (net of statutory taxes)</b>		
Details of parties to whom dividend paid is more than 10%		
Raghuvesh Holdings Private Limited	300.46	308.81
Others	302.87	311.29
<b>Director sitting fees</b>		
Mr. Gokul Patnaik	1.75	5.80
Mr. Suparas Bhandari	1.15	5.40
Ms. Neeru Singh	5.60	2.80
Ms. Ambika Sharma	4.45	-
Mr. Anil Khandelwal	3.05	-
Mr. Abhiram Seth	4.25	-

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 March 31, 2022	As at March 31, 2021
Long-term borrowings	-	-
Short-term borrowings	28,839.38	37,909.45

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**Balances at the year-end {net receivable/(net payable)}**

Particulars	As at March 31, 2022	As at March 31, 2021
LT Foods Middle East DMCC	(122.94)	1,496.92
LT Foods America Inc.	7,045.51	2,961.22
Daawat Foods Limited	(10,637.83)	1,132.27
Ecopure Specialities Limited	(20.95)	5.69
Nature Bio Foods Limited	138.79	199.75
Raghunath Agro Industries Private Limited	3,422.71	(339.97)
LT Foods International Limited	20.20	19.77
LT Foods Europe B.V.	3,307.36	1,560.39
Deva Singh Sham Singh Exports Private Limited	2.82	411.71
VK Foods	-	-
Raghuvesh Infrastructure Private Limited	-	-
Raghuvesh Agri Foods Private Limited	225.99	285.45
Raghuvesh Warehousing Private Limited	3.65	138.52
Daawat Kameda India Private Limited	(228.93)	(55.69)
Super Texfab Private Limited	(353.75)	(129.78)
Global Foods Trading Gmbh	951.08	-
Global Foods Trading Ltd.	246.43	-
Global Foods Trading Spain S.L	400.05	-
GFT France SARL	508.18	-
UIPL Innovations Private Limited	-	(64.54)
Mr. Vijay Kumar Arora	(8.02)	(8.28)
Mr. Ashwani Kumar Arora	(8.50)	(8.07)
<b>Corporate guarantees given (outstanding) on behalf of</b>		
Daawat Foods Limited	20,818.11	21,835.99
Nature Bio Foods Limited	5,733.83	8,285.50
Raghunath Agro Industries Private Limited	2,001.25	4,344.46
Ecopure Specialities limited	2,300.00	1,850.39

**Terms and conditions of transactions with related parties**

The transactions with related parties have been entered into by company in the ordinary course of business, on arm's length basis on terms prevailing in the open market at that time.

**52 Details of loan, investment made and guarantee given covered under section 186(4) of Companies Act, 2013****(i) Loans granted**

Name of the Loanee	Rate of interest	Maximum balance outstanding during the year	As at March 31, 2022	As at March 31, 2021
Raghuvesh Agri Foods Private Limited	10.00% p.a.	285.45	225.99	285.45
Raghuvesh Warehousing Private Limited	10.00% p.a.	138.52	3.65	138.52
<b>Total</b>			<b>229.64</b>	<b>423.97</b>

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**(ii) Investments made**

Name of the Investee	As at March 31, 2022	As at March 31, 2021
<b>Investments in equity shares and preference shares</b>		
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
Less: Impairment in value of investment	-	(80.00)
LT Overseas North America Inc.	2,822.31	2,822.31
Raghunath Agro Industries Private Limited	2,296.03	2,296.03
Deva Singh Shyam Singh Exports Private Limited	1.00	1.00
Raghuvesh Warehousing Private Limited	160.00	160.00
Raghuvesh Agri Foods Private Limited	160.00	160.00
Raghuvesh Infrastructure Private Limited	1.50	1.50
Daawat Kameda India Private Limited	2,405.64	2,405.64
Less: Impairment in value of investment	(319.01)	-
Andhra bank	0.21	0.21
India International Marketing Limited	0.05	0.05
<b>Total</b>	<b>11,985.46</b>	<b>12,304.47</b>

The above investments are made for business purposes only.

**(iii) Guarantee provided**

Name of Bank/ Financial Institutions	Guarantees outstanding, given behalf of	Purpose	As at March 31, 2022		As at March 31, 2021	
			Sanction amount	Amortised cost	FVTPL	Amortised cost
SBICAP Security Trustee Company Limited	Daawat Foods Limited	Working capital loan	28,368.00	20,803.43	27,854.00	21,821.31
Punjab National Bank	Daawat Foods Limited	Working capital loan	-		500.00	
Union Bank of India	Daawat Foods Limited	Working capital loan	-		5,000.00	
Kotak Mahindra Bank Limited	Daawat Foods Limited	Working capital loan	4,000.00		-	
DGFT, Ministry of Commerce and Industry	Daawat Foods Limited	For export obligation under EPCG scheme	14.68	14.68	14.68	14.68
Oriental Bank of Commerce, Amritsar	Raghunath Agro Industries Private Limited	Working capital loan	6,980.00	2,001.25	7,520.00	4,344.46
IDFC First Bank Limited	Nature Bio Foods Limited	Working capital loan	2,500.00	5,733.83	2,500.00	8,285.50
Yes Bank Limited	Nature Bio Foods Limited	Working capital loan	-		-	
Kotak Mahindra Bank Limited	Nature Bio Foods Limited	Working capital loan	3,200.00		3,200.00	
Indusind Bank Limited	Nature Bio Foods Limited	Working capital loan	5,200.00		5,200.00	



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 52 Details of loan, investment made and guarantee given covered under section 186(4) of Companies Act, 2013 (Contd..)

Name of Bank/ Financial Institutions	Guarantees outstanding, given behalf of	Purpose	As at March 31, 2022		As at March 31, 2021	
			Sanction amount	Amortised cost	FVTPL	Amortised cost
Indusind Bank Limited	Ecopure Specialities Limited	Working capital loan	5,540.00	2,300.00	3,040.00	1,850.39
SBM Bank (India) Ltd.	Ecopure Specialities Limited	Working capital loan	2,000.00	-	-	-
Tata Capital Financial Services Ltd.	Dealers and Wholesellers	Working capital loan	2,500.00	-	-	-
<b>Total</b>			<b>60,302.68</b>	<b>30,853.19</b>	<b>54,828.68</b>	<b>36,316.34</b>

The above guarantees were made for business purposes only.

### 53 Interest in joint venture

The Company's interest and share in joint venture in jointly controlled entity is as follows:

Name of joint venture	Country of incorporation	Ownership interest as at	
		March 31, 2022	March 31, 2021
Daawat Kameda India Private Limited	India	51%	51%

(a) Interest in jointly controlled entity of the Company

Company's share of	As at March 31, 2022	As at March 31, 2021
<b>(i) Daawat Kameda India Private Limited</b>		
<b>Assets</b>		
Non current	700.70	819.20
Current	564.92	959.24
<b>Liabilities</b>		
Non current	3.60	2.95
Current	87.38	116.11
Income	137.11	137.67
Expenditure	623.38	595.27

### 54 Revenue from Contracts with Customers

Indian Accounting Standard 115, 'Revenue from Contracts with Customers' ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**Significant changes in contract assets and liabilities**

There has been no significant changes in the nature of contract assets/contract liabilities during the year.

**Revenue recognised in relation to contract liabilities****Advance from Customers:**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Amounts included in contract liabilities at the beginning of the year	1,178.94	657.68
Performance obligations satisfied in current year	(1,148.68)	(619.26)
Amount received in the current year having outstanding performance obligations	1,122.92	1,140.52
Amounts included in contract liabilities at the end of the year	1,153.18	1,178.94

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.

Timing of revenue recognition	Year ended March 31, 2022	Year ended March 31, 2021
Revenue recognised over time	964.41	625.35
Revenue recognised at point in time	2,81,869.31	2,37,505.07
	<b>2,82,833.72</b>	<b>2,38,130.42</b>

**Assets and liabilities related to contracts with customers**

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Contract liabilities related to sale of goods and services</b>				
Advance from customers	-	1,153.18	-	1,178.94

**Reconciliation of revenue recognised with contract price**

Particulars	March 31, 2022	March 31, 2021
Contract price	2,88,813.97	2,43,307.85
Adjustment for:		
Incentives and discounts	(5,980.25)	(5,177.43)
<b>Revenue from Operations</b>	<b>2,82,833.72</b>	<b>2,38,130.42</b>

for the year ended March 31, 2022

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

(All amounts are in ₹ lakhs unless otherwise stated)

**55 A Ratios**

S No.	Ratio	Formula	Particulars		Ratio as on March 31, 2022	Ratio as on March 31, 2021	Variation
			Numerator	Denominator			
(a)	Current Ratio	$\frac{\text{Current Assets} / \text{Current Liabilities}}$	Current Assets= Inventories + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Bank Balance + Loans + Other Financial Assets	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Lease Liabilities+ Provisions + Other Current Liability	1.78	1.99	-10.5%
(b)	Debt-Equity Ratio	$\frac{\text{Debt} / \text{Equity}}$	Debt= long term borrowing + short term borrowing + Non-current and current lease liabilities	Equity= Equity + Reserve and Surplus	28.23	39.56	-28.6%
(c)	Debt Service Coverage Ratio	$\frac{\text{Net Operating Income} / \text{Debt Service}}$	Net Operating Income= Net profit before taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	7.87	5.92	32.8%
(d)	Return on Equity Ratio	$\frac{\text{Profit after tax less pref. Dividend} \times 100 / \text{Shareholder's Equity}}$	Net Income= Net Profits after taxes	Shareholder's Equity	0.11	0.11	-2.5%
(e)	Inventory Turnover Ratio	$\frac{\text{Cost of Goods Sold} / \text{Average Inventory}}$	Cost of Material Consumed + Purchases of Stock in Trade + Changes in Inventory	(Opening Inventory + Closing Inventory)/2	2.10	2.06	1.7%
(f)	Trade Receivables Turnover Ratio	$\frac{\text{Net Credit Sales} / \text{Average Trade Receivables}}$	Revenue from Operations	(Opening Trade Receivables + Closing Trade Receivable)/2	15.58	12.66	23.1%
(g)	Trade Payables Turnover Ratio	$\frac{\text{Net Credit Purchases} / \text{Average Trade Payables}}$	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	6.61	12.07	-45.2%
(h)	Net Capital Turnover Ratio	$\frac{\text{Revenue} / \text{Average Working Capital}}$	Revenue from Operations	Average Working Capital= Average of Current assets – Current liabilities	4.58	4.29	6.7%
(i)	Net Profit Ratio	$\frac{\text{Net Profit} / \text{Net Sales}}$	Net Profit	Revenue from Operations	0.04	0.04	-11.6%

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS

(All amounts are in ₹ lakhs unless otherwise stated)

for the year ended March 31, 2022

### 55 A Ratios (Contd..)

S No.	Ratio	Formula	Particulars		Ratio as on March 31, 2021	Variation
			Numerator	Denominator		
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Equity Share Capital + Other Equity + Non Current and Current borrowings + Total Lease Liabilities	0.13	-3.7%
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Net Equity	3.51	5.4%

#### Explanation for change in the ratios by more than 25%:-

(i) Debt-Equity Ratio

The debt equity ratio is favourable in current year on account of repayment of borrowings.

(ii) Debt Service Coverage Ratio

The debt service coverage ratio is healthier in current year as compared to previous year primarily due to decrease in finance cost resulting from repayments of borrowings during the year.

(iii) Trade Payables Turnover Ratio

The creditor's turnover ratio has decreased in current year due to increase in trade payables as compared to previous year.

**56** The Supreme court of India in the month of February 2019 had passed a judgement relating to definition of wages under the Provident Fund Act, 1952. There are numerous interpretation issues relating to the judgement passed by Supreme Court dated February 28, 2019 in the matter of Surya Roshni Ltd and others v/s State of M.P. on Provident fund. The order does not specifically mention the date of applicability of this judgement, whether it will be retrospectively or prospectively. Pending issuance of guidelines by the regulatory authorities on the application of this ruling, the impact on the company for the previous periods, if any, can be ascertained. However, the company has adopted the above changes prospectively.

**57** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 58 Standards issued but not yet applicable

Recent accounting pronouncement issued but not yet effective - The Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective from 1st April, 2022:

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

### 59 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

### 60 Compliance with number of layers of companies

The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

**61** The company has a working capital limit of ₹ 74,256 Lakhs. For said facility, the management files returns/ statements, including information about inventory, debtors and creditors (with their ageing), with such banks on monthly basis. The management also files revised returns/ statements, including similar information as at quarter-end and for the quarter ended, with such banks on quarterly basis after reconciling the data with quarter-end accounts. The revised returns/ statements filed with such banks, except for few immaterial differences, are in agreement with the unaudited books of accounts of the Company on aggregate basis.

### 62 Other Statutory Information:

- (i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or, b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall: a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or, b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

- (vi) The company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (vii) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### 63 Previous year figures

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

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration Number:- 105047W

**Rahul Aggarwal**  
Partner  
Membership Number: 505676

Place : Gurugram  
Date : May 30, 2022

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

**Ashwani Kumar Arora**  
Managing Director and  
Chief Financial Officer  
DIN: 01574773

**Anil Khandelwal**  
Independent Director  
DIN: 03473632

**Surinder Kumar Arora**  
Managing Director  
DIN: 01574728

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

## INDEPENDENT AUDITOR'S REPORT

To

The Members of **LT Foods Limited**

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of LT Foods Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and a joint venture, which comprise of the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("the Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at March 31, 2022, its consolidated total comprehensive income (comprising of its profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our

responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report (Refer Annexure "A"). We are independent of the Group, its associates and joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountant of India ("ICAI"), and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

We draw attention to Note 9 to the accompanying consolidated financial statements with reference to a subsidiary, Daawat Foods Limited, which has been audited by us, which describes the uncertainties related to the legal outcome of ongoing litigation related to the recoverability of Insurance claim (asset) amounting to Rs. 13,410.53 Lakhs as at March 31, 2022. The Insurance Agency repudiated the insurance claim vide its order dated February 4, 2016 against which the Company had filed a civil suit with District Court of Raisen, Bhopal, the outcome of which is pending.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022. 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.

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
1	<p><b>Revenue recognition – Sale of goods</b></p> <p>Refer Note 1 of consolidated financial statements with respect to the accounting policies followed by the Group for recognizing revenue from sale of products.</p>	<p>Our audit work included, but not limited to, the following procedures -</p> <ul style="list-style-type: none"> <li>• Understood the business process of revenue and receivables process for evaluating the design effectiveness of internal financial controls;</li> <li>• Validated the operating effectiveness of internal financial controls in revenues and receivables process;</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>Revenue comprises of sale of manufactured goods (rice), traded goods and by products – which is recognized when control of such goods is transferred to the customers and there is no unfulfilled obligation. Revenue is measured at fair value of the consideration received or receivable and is accounted for net of rebates, trade discounts etc.</p> <p>In accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly, occurrence of revenue is a key focus area on account of multiple channels for sales, transactions with subsidiaries and the volume of the sales made to them.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Assessed the appropriateness of the accounting policies relating to revenue recognition by ensuring their compliance with Ind AS 115 (“Revenue from Contracts with Customers”);</li> <li>• Performed substantive analytical procedures on revenue which includes margins analysis (corroboration between revenues and costs for current year and its comparison with last year), analysis for key customers etc.;</li> <li>• Evaluated the terms and conditions of the Key contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the Indian Accounting Standards;</li> <li>• Performed substantive testing on test check basis for revenue transactions recognised during the year by testing their underlying documents which include purchase orders from customers, proof of deliveries (bill of lading for export sales and lorry receipts etc for domestic sales), invoices and collection of money from the customers (as applicable). Considering different categories of customers, the nature of documents supporting accuracy and occurrence of transactions varies. Our testing methodology was designed and implemented considering these facts and circumstances;</li> <li>• Reviewed reconciliation of revenues between books and revenues disclosed in statutory returns (i.e., GST returns);</li> <li>• Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors; and</li> <li>• Assessed the adequacy and appropriateness of the disclosures made in financial statements in compliance with the requirements of Ind AS 115 - ‘Revenue from contracts with customer’</li> </ul>
2	<p>Inventory – existence and valuation</p> <p>Refer Note 1 to the consolidated financial statements which includes the accounting policies followed by the Group for valuation of inventory.</p> <p>The Group’s inventory is valued at the lower of cost and Net Realizable Value (NRV).</p>	<p>Our audit procedures in respect of this area, among others, included the following -</p> <p><b>Existence:</b></p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of the accounting policies relating to valuation of Inventory by ensuring their compliance with Ind AS 2 (“Inventories”) and Ind AS 23 (“Borrowing Costs”);</li> <li>• Obtained inventory reports (retrieved from SAP) and results of management conducted count and reviewed reconciliation of differences, if any, between management physical count and inventory records. Tested the necessary adjustments, if any, made in the inventory records by the management;</li> </ul>



## INDEPENDENT AUDITOR'S REPORT

Sr. No	Key Audit Matter	How the Key Audit Matter was addressed in our audit
	<p>The Group is engaged in the business of manufacturing and selling rice and the Group's inventory primarily comprises of raw material i.e., paddy, semifinished rice, finished rice, soya, stores and spares and packing material. Such inventory is stored in plant, rented warehouses, silos and storage bags. Inventory holding is generally significant at the end of the financial year considering seasonality of the agricultural produce of paddy and natural ageing process followed by the Group for getting desired level of quality. High quantity of inventory at the year-end makes inventory physical verification an extensive procedure for the management.</p> <p>The valuation of raw material, semi-finished and finished rice is a comprehensive exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> <li>• Allocable overheads and their absorption rates;</li> <li>• Determination of net realisable value of by-products;</li> <li>• Capitalisation of borrowing costs to paddy, semi-finished and finished rice, given significant holding period between acquisition and production.</li> <li>• Period and rate of finance costs to be capitalised.</li> </ul> <p>Accordingly, existence and valuation of the year-end inventory balance, which is significant with respect to the total assets held by the Group, is considered to be one of the areas which required significant attention owing to the complexity and judgement involved in the process of physical count and valuation.</p> <p>Hence, we have identified Inventory Valuation as a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Reviewed reconciliation of inventory quantitative details in valuation workings with inventory reports obtained from the management, as retrieved from SAP i.e., the integrated ERP used by the Group. Understood and tested the reconciling items, if any;</li> <li>• Obtained independent confirmations, on sample basis, for inventory lying with third parties as at year-end;</li> <li>• Observed physical verification done by the management as at year-end and also, independently verified few items physically on sample basis for locations scoped-in, basis materiality of stock lying at such locations to overall inventory balance of the Group as at year-end;</li> <li>• Corroborated the results of our physical verification procedures, on sample basis, with valuation workings obtained from the management; and</li> <li>• Presented our approach and results of physical verification, including but not limited to scoped-in locations, methodology followed for verification of inventory stored in bags and silos and confirmation procedures, to the audit committee.</li> </ul> <p><b>Valuation:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of management process of inventory valuation;</li> <li>• Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;</li> <li>• Verified inputs into the valuation process from source documents/ general ledger accounts on test check basis;</li> <li>• Verified, on test check basis, quantitative reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate the rice yield during the year and to identify any abnormal production loss. Compared the yield between current year and prior year to identify abnormalities, if any;</li> <li>• Compared basis of key estimates, including those involved in computation of allocable overheads and borrowing costs, to prior year and enquired reasons for any significant variations;</li> <li>• Verified net realisable value of by-products from supporting documents and arithmetical accuracy of valuation calculations; and</li> <li>• Assessed the adequacy and appropriateness of the disclosures made in the consolidated financial statements with respect to Inventory in compliance with the requirements of applicable Indian Accounting Standards and applicable financial reporting framework.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT

### Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance under SA 720 'The Auditor's responsibilities Relating to Other Information'. We have nothing to report in this regard.

### Responsibilities of Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of such companies respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due

to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and a joint venture are responsible for overseeing the financial reporting process of each such company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the consolidated financial statements

### Other Matters

We did not audit the financial statements of six subsidiaries We did not audit the financial statements of six subsidiaries whose financial statements reflect total assets of Rs. 79,843.17 Lakhs as at March 31, 2022, total revenues of Rs. 109,607.57 Lakhs, total net profit after tax of Rs. 1,626.93 Lakhs, total comprehensive income of Rs. 1,653.28 Lakhs and net cash outflow of Rs. 12.62 Lakhs, for the year ended March 31, 2022, as considered in the consolidated financial Statements. The consolidated financial statements also include the Group's share of net profit after tax of Rs. 1.31 Lakhs, total comprehensive income of Rs. 1.31 Lakhs, for the year ended March 31, 2022, as considered in the consolidated financial statements in respect of three associate companies, 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

## INDEPENDENT AUDITOR'S REPORT

and our opinion on the consolidated financial statements, in so far as it relates to these amounts and disclosures included in respect of these subsidiaries and associate companies, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph above.

We did not audit the financial statements of two subsidiaries, incorporated outside India, whose financial statements reflect total assets of Rs. 7,862.98 Lakhs as at March 31, 2022, total revenue of Rs. 16,888.68 Lakhs, total net profit after tax of Rs. 113.15 Lakhs, total comprehensive income of Rs. 113.15 Lakhs and net cash inflows of Rs. 468.64 Lakhs for the year ended on that date, as considered in the consolidated financial statements, which have been audited by other auditors. The financial statements of these subsidiaries have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditors under the standards of auditing applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to Indian accounting standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based on the audit reports of such other auditors as furnished to us by the management and the conversion adjustments prepared by the management of the Holding Company which have been audited by us.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure C, a statement on the matter specified in paragraph 3(xxi) of CARO 2020.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of the subsidiary companies and associate companies referred to in the other matters section above, as were audited by other auditors, we report, to the extent applicable, that::
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors of the Holding Company, its subsidiaries and a joint venture, incorporated in India and audited by us, as on March 31, 2022 taken on record by the respective Board of Directors of such companies and the reports of the other auditors of subsidiary companies and associate companies, incorporated in India and audited by other auditors (as mentioned in 'other matters' paragraph above), none of the directors of the Holding company, its subsidiary companies, its associate companies and joint venture, incorporated in India, are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
  - f. With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries, its associates and joint venture, incorporated in India, and the operating effectiveness of such controls, refer to our separate report in "Annexure C".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations as on March 31, 2022 on the consolidated financial position of the Group, its associates and joint venture – Refer Note 47 to the consolidated financial statements.
    - ii. The Group, its associates and joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

## INDEPENDENT AUDITOR'S REPORT

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group, its associates and joint venture, incorporated in India, during the year ended March 31, 2022.
- iv. (a) On the basis of reports of other auditors of subsidiaries and associate companies, incorporated in India and not audited by us, and the respective management of the Holding Company and its subsidiaries and its joint venture, which are companies incorporated in India and audited by us have represented that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by such companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiaries or its associates or its joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) On the basis of reports of other auditors of subsidiaries and associate companies, incorporated in India and not audited by us, and the respective management of the Holding Company and its subsidiaries and its joint venture, which are companies incorporated in India and audited by us have represented that, to the best of their knowledge and belief, no funds have been received by such companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiaries or its associates or its joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the other auditors (as mentioned above), nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid during the year by the Holding Company, is in compliance with Section 123 of the Act. No dividend has been declared by any of the subsidiaries, associates and joint venture, incorporated in India.
3. As required by The Companies (Amendment) Act, 2017, in our opinion and according to information and explanations given to us, the managerial remuneration paid/ payable for the year ended March 31, 2022 by the Group and its associates and joint venture, incorporated in India, is within the limits prescribed under Section 197 of the Act and the rules thereunder.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 22505676AJWDVH8947

Place: Gurugram  
Date: May 30, 2022

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LT FOODS LIMITED

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has internal financial controls with reference to consolidated 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 respective management's use of the going concern basis of accounting and, based on the audit evidence obtained and representation of other auditors, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each company included in 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the companies to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 22505676AJWDVH8947

Place: Gurugram  
Date: May 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED March 31, 2022.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditors' Report of even date]

xxi. According to the information and explanations given to us and based on the audit reports issued by the statutory auditors of subsidiaries, associates and a joint venture, incorporated in India, we report that there are no qualifications/ adverse remarks.

For **M S K A & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Rahul Aggarwal**  
Partner  
Membership No. 505676  
UDIN: 22505676AJWDVH8947

Place: Gurugram  
Date: May 30, 2022

## INDEPENDENT AUDITOR'S REPORT

### ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF LT FOODS LIMITED FOR THE YEAR ENDED

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date]

#### Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of LT Foods Limited (the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries, its associates and joint venture, which are companies incorporated in India, as of that date.

#### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiaries, its associates and joint venture, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries, its companies, its associate companies and a joint venture, which are companies incorporated in India. as aforesaid.

#### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that

## INDEPENDENT AUDITOR'S REPORT

could have a material effect on the consolidated financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company, its subsidiaries, its associates and joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial

controls were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the Holding Company considering the essential components of internal controls stated in the Guidance Note issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to three subsidiaries and three associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies in India.

For **M S K A & Associates**

Chartered Accountants

ICAI Firm Registration No. 105047W

**Rahul Aggarwal**

Partner

Membership No. 505676

UDIN: 22505676AJWDVH8947

Place: Gurugram

Date: May 30, 2022



## CONSOLIDATED BALANCE SHEET as at March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	58,030.47	54,241.41
Capital work-in-progress	3	3,499.19	3,268.00
Right of use assets	4	24,125.54	25,143.07
Goodwill	5	2,213.19	2,154.12
Other intangible assets	5	6,159.58	6,446.34
Investments accounted for using the equity method	6	1,931.73	2,416.90
Financial assets			
Investments	7	561.18	455.30
Loans	8	257.44	234.41
Other financial assets	9	15,485.30	14,892.21
Deferred tax assets (net)	10	1,871.18	2,361.91
Other non-current assets	11	1,041.51	852.97
Non-current tax assets	12	4,066.11	4,135.19
<b>Total non-current assets</b>		<b>1,19,242.42</b>	<b>1,16,601.83</b>
<b>Current assets</b>			
Inventories	13	2,35,183.94	2,22,281.41
Financial assets			
Trade receivables	14	61,126.58	48,672.53
Cash and cash equivalents	15	3,208.05	1,684.71
Other bank balances	16	705.73	1,312.33
Loans	17	134.61	370.30
Other financial assets	18	3,107.31	3,212.04
Other current assets	19	13,247.62	17,506.72
<b>Total current assets</b>		<b>3,16,713.84</b>	<b>2,95,040.04</b>
<b>Total assets</b>		<b>4,35,956.26</b>	<b>4,11,641.87</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	20	3,198.45	3,198.45
Other equity	21	1,96,562.79	1,72,350.21
<b>Total equity</b>		<b>1,99,761.24</b>	<b>1,75,548.66</b>
<b>Non-controlling interest</b>	22	15,129.09	13,476.59
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	23	19,904.75	22,965.17
Lease liabilities	25	21,671.65	24,278.61
Other financial liabilities	24	-	6.50
Long-term provisions	26	1,242.26	1,056.63
Deferred tax liabilities (net)	10	51.12	410.28
Other non-current liabilities	27	147.31	214.44
<b>Total non-current liabilities</b>		<b>43,017.09</b>	<b>48,931.63</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	28	86,187.41	1,05,998.53
Lease liabilities	31	4,199.24	3,740.94
Trade payables	29		
Due to micro and small enterprises		1,827.21	861.07
Due to others		68,481.24	49,494.43
Other financial liabilities	30	8,759.28	3,013.64
Other current liabilities	32	5,687.47	8,129.50
Short term provisions	33	516.34	386.91
Current tax liabilities	34	2,390.65	2,059.97
<b>Total current liabilities</b>		<b>1,78,048.84</b>	<b>1,73,684.99</b>
<b>Total liabilities</b>		<b>2,21,065.93</b>	<b>2,22,616.62</b>
<b>Total equity and liabilities</b>		<b>4,35,956.26</b>	<b>4,11,641.87</b>

Statement of significant accounting policies 1

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the consolidated financial statements.

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

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

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Anil Khandelwal**

Independent Director

DIN: 03473632

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

Place : Gurugram

Date : May 30, 2022

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>			
Revenue from operations	35	5,42,737.17	4,74,191.88
Other income	36	2,320.91	3,152.97
<b>Total income</b>		<b>5,45,058.08</b>	<b>4,77,344.85</b>
<b>Expenses</b>			
Cost of materials consumed	37	3,25,570.57	3,50,888.77
Purchases of stock-in-trade	38	31,009.42	10,331.39
Changes in inventories of finished goods, semi finished goods, work in progress and stock in trade	39	4,836.05	(44,665.34)
Employee benefit expense	40	28,960.32	26,426.02
Finance costs	41	6,872.62	8,739.22
Depreciation and amortisation expense	42	12,263.24	10,848.54
Other expenses	43	92,701.00	74,545.34
<b>Total expenses</b>		<b>5,02,213.22</b>	<b>4,37,113.95</b>
<b>Profit before share of profit / (loss) of investments accounted for using equity method and tax</b>		<b>42,844.86</b>	<b>40,230.91</b>
Share of net loss of associates and joint ventures accounted for using the equity method		(485.17)	(431.19)
<b>Profit before tax</b>		<b>42,359.69</b>	<b>39,799.72</b>
<b>Tax expense</b>	46		
Current tax		11,121.45	10,339.19
Deferred tax expense/ (credit)		317.93	552.72
<b>Total tax expense</b>		<b>11,439.38</b>	<b>10,891.91</b>
<b>Profit for the year</b>		<b>30,920.31</b>	<b>28,907.81</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to Statement of Profit or Loss</b>			
Re-measurement of net defined benefit plans		(122.27)	49.37
Tax on above		30.37	(12.42)
<b>Items that will be reclassified to Statement of Profit or Loss</b>			
Exchange differences on translation of foreign operations		(1,350.44)	(120.99)
(Loss)/ Gain on cash flow hedge reserve		(553.82)	4,652.53
Tax on above		139.38	(1,170.94)
<b>Other comprehensive income/ (loss) for the year</b>		<b>(1,856.78)</b>	<b>3,397.55</b>
<b>Total comprehensive income for the year</b>		<b>29,063.53</b>	<b>32,305.36</b>
<b>Profit attributable to</b>			
Owners of LT Foods Limited		29,217.53	27,404.90
Non-controlling interests		1,702.78	1,502.91
		<b>30,920.31</b>	<b>28,907.81</b>
<b>Other comprehensive income attributable to</b>			
Owners of LT Foods Limited		(1,806.50)	3,208.77
Non-controlling interests		(50.28)	188.78
		<b>(1,856.78)</b>	<b>3,397.55</b>
<b>Total comprehensive income attributable to</b>			
Owners of LT Foods Limited		27,411.03	30,613.67
Non-controlling interests		1,652.50	1,691.69
		<b>29,063.53</b>	<b>32,305.36</b>
<b>Earning per equity share</b>			
Basic (₹)	45	9.13	8.57
Diluted (₹)	45	9.13	8.57
<b>Statement of significant accounting policies</b>	1		

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the consolidated financial statements.

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

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

**Rahul Aggarwal**

Partner

Membership Number: 505676

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

Place : Gurugram

Date : May 30, 2022

**Anil Khandelwal**

Independent Director

DIN: 03473632

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

## CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Cash flow from operating activities</b>		
<b>Net profit before tax</b>	<b>42,359.69</b>	<b>39,799.72</b>
<b>Adjustments for:-</b>		
Depreciation and amortisation expense	12,263.24	10,848.54
Unrealised foreign exchange loss/(gain)	524.26	889.05
Loss/ (Profit) on sale of property, plant and equipment	(35.92)	(31.75)
Interest income	(111.84)	(134.04)
Finance charges	6,872.62	8,739.22
Dividend income	-	(24.00)
Gain on fair value of investments	17.49	(18.83)
Loss/ (Profit) on sale of Subsidiary	-	(26.08)
Impairment of investments	-	135.00
Amounts written back	-	(203.38)
Trade receivables and other amounts written off	95.06	69.46
Provision for doubtful debts	151.79	677.52
Share of loss in associates and joint venture	485.17	431.19
<b>Operating profit before working capital changes</b>	<b>62,621.56</b>	<b>61,151.62</b>
<b>Adjustments for (increase) /decrease in operating assets:</b>		
Trade Receivables	(12,568.18)	12,648.15
Inventories	(12,902.53)	(47,258.75)
Loan and advances given (current and non current)	117.60	(221.35)
Other financial assets (current and non current)	(2,462.03)	1,087.94
Other Assets (current and non current)	4,259.58	4,210.53
<b>Adjustments for increase /(decrease) in operating liabilities:</b>		
Trade payables	19,932.42	24,256.51
Other Liabilities (Current and non-current)	(2,509.17)	2,931.91
Other financial liabilities (current and non current)	5,803.66	(3,498.70)
Provisions	192.79	471.52
<b>Cash generated from operations</b>	<b>62,485.69</b>	<b>55,779.38</b>
Income tax paid (net of refunds)	(10,738.30)	(11,314.11)
<b>Net cash generated from operating activities</b> A	<b>51,747.39</b>	<b>44,465.28</b>
<b>Cash flows from investing activities</b>		
Payment for Purchase of property, plant and equipment (including CWIP and capital advances)	(15,763.14)	(11,377.98)
Proceeds from sale of property, plant and equipment	571.77	1,482.93
Interest received	111.84	134.04
Dividend on non current investments	-	24.00
Purchase of non-current investments	(123.37)	(83.87)
(Investment)/Withdrawal in fixed deposits	734.00	(198.65)
Proceeds from sale/maturity of Subsidiary	-	26.08
<b>Net cash used in investing activities</b> B	<b>(14,468.90)</b>	<b>(9,993.45)</b>
<b>Cash flows from financing activities</b>		
Proceeds from long-term borrowings	569.80	3,583.16
Repayment of the long-term borrowings	(3,630.22)	(2,818.52)
Proceeds from/(repayment) of short term borrowings (net)	(20,410.48)	(19,759.06)
Finance charges paid	(4,745.86)	(8,887.82)
Payment of lease liabilities	(4,339.94)	(3,529.07)
Payment of dividend (including dividend tax)	(3,198.45)	(3,198.45)
<b>Net cash used in financing activities</b> C	<b>(35,755.15)</b>	<b>(34,609.75)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b> A + B + C	<b>1,523.34</b>	<b>(137.93)</b>
Loss on re-statement of foreign currency cash and cash equivalents	-	(90.97)
Cash and cash equivalents at the beginning of the year	1,684.71	1,913.61
<b>Cash and cash equivalents at the end of the year</b>	<b>3,208.05</b>	<b>1,684.71</b>

## CONSOLIDATED CASH FLOW STATEMENT for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Components of cash and cash equivalents</b>		
Cash on hand	79.66	85.07
With banks - on current account	3,128.39	1,599.64
<b>Total cash and cash equivalents</b>	<b>3,208.05</b>	<b>1,684.71</b>
<b>Statement of significant accounting policies</b>	1	

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the consolidated financial statements.

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

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

**Rahul Aggarwal**

Partner

Membership Number: 505676

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

Place : Gurugram

Date : May 30, 2022

**Anil Khandelwal**

Independent Director

DIN: 03473632

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**A. Equity Share Capital (Refer note 20)**

Particulars	Amount
<b>Balance as at April 01, 2020</b>	3,198.45
Issued during the year	-
<b>Balance as at March 31, 2021</b>	<b>3,198.45</b>
Issued during the year	-
<b>Balance as at March 31, 2022</b>	<b>3,198.45</b>

**B. Other equity**

Particulars	Reserves and Surplus			Other Components of Equity		Attributable to owners of the parent	Non-controlling interest	Total
	Retained Earnings	General Reserve	Securities Premium Reserve	Cash flow hedging reserve	Foreign currency translation reserve			
<b>Balance as at April 01, 2020</b>	<b>95,690.94</b>	<b>1,816.80</b>	<b>44,456.10</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>
Profit for the year	27,404.90	-	-	-	-	27,404.90	1,502.91	28,907.81
<b>Items of OCI for the year :-</b>								
Exchange difference arising on translation of foreign operations	-	-	-	-	(120.99)	(120.99)	-	(120.99)
Loss on cash flow hedge reserve (net of tax)	-	-	-	3,285.76	-	3,285.76	195.83	3,481.59
Remeasurement of defined benefit obligations (net of tax)	44.00	-	-	-	-	44.00	(7.05)	36.95
<b>Total Comprehensive Income for the year</b>	<b>27,448.90</b>	<b>-</b>	<b>-</b>	<b>3,285.76</b>	<b>(120.99)</b>	<b>30,613.67</b>	<b>1,691.69</b>	<b>32,305.36</b>
Interim dividend	(3,198.38)	-	-	-	-	(3,198.38)	-	(3,198.38)
<b>Balance as at March 31, 2021</b>	<b>1,19,941.46</b>	<b>1,816.80</b>	<b>44,456.10</b>	<b>831.33</b>	<b>5,304.52</b>	<b>1,72,350.21</b>	<b>13,476.59</b>	<b>1,85,826.80</b>
<b>Balance as at April 01, 2021</b>	<b>1,19,941.46</b>	<b>1,816.80</b>	<b>44,456.10</b>	<b>831.33</b>	<b>5,304.52</b>	<b>1,72,350.21</b>	<b>13,476.59</b>	<b>1,85,826.80</b>
Profit for the year	29,217.53	-	-	-	-	29,217.53	1,702.78	30,920.31
<b>Items of OCI for the year :-</b>								
Exchange difference arising on translation of foreign operations	-	-	-	-	(1,350.44)	(1,350.44)	-	(1,350.44)
Gain on cash flow hedge reserve (net of tax)	-	-	-	(372.57)	-	(372.57)	(41.87)	(414.44)
Remeasurement of defined benefit obligations (net of tax)	(83.49)	-	-	-	-	(83.49)	(8.21)	(91.70)
<b>Total Comprehensive Income for the year</b>	<b>29,134.04</b>	<b>-</b>	<b>-</b>	<b>(372.57)</b>	<b>(1,350.44)</b>	<b>27,411.03</b>	<b>1,652.70</b>	<b>29,063.73</b>
Interim dividend	(3,198.45)	-	-	-	-	(3,198.45)	-	(3,198.45)
<b>Balance as at March 31, 2022</b>	<b>1,45,877.05</b>	<b>1,816.80</b>	<b>44,456.10</b>	<b>458.76</b>	<b>3,954.08</b>	<b>1,96,562.79</b>	<b>15,129.29</b>	<b>2,11,692.08</b>

The accompanying summary of significant accounting policy and other explanatory notes are an integral part of the consolidated financial statements.

This is the Statement of Changes in Equity referred to in our report of even date.

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

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

**Rahul Aggarwal**

Partner

Membership Number: 505676

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

Place : Gurugram

Date : May 30, 2022

**Anil Khandelwal**

Independent Director

DIN: 03473632

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 1. i) Corporate Information

LT Foods Limited ('the Holding Group' or 'the Company'), together with its subsidiaries (collectively referred to as the 'Group'), associates and a joint venture, having its registered office at Unit No 134, 1st Floor, Rectangle -1, Saket District Centre, New Delhi -110017, is primarily engaged in the business of milling, processing and marketing of branded and non-branded basmati rice and manufacturing of rice food products in the domestic and overseas market. The Group is also engaged in research and development to add value to rice and rice food products including procurement, storage, processing, packaging, and distribution. 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.

### ii) Basis of preparation

a) The consolidated financial statements ('financial statements') of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, as amended from time to time and other relevant provisions of the Act.

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 Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle\*,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### iii) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. It also includes the Group's share of profits (including other comprehensive income) of associates and a joint venture that are consolidated using the equity method of consolidation.

#### Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its voting power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

#### 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'))

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

is attributed to the equity holders of the Holding Group and to the non-controlling interest basis the respective ownership interests and such balance is attributed even if this results in controlling interests having a deficit balance.

### Equity accounted investees

The Group's interests in equity accounted investees comprise interests in associates and a joint venture.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control and has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity-accounted investees until the date on which significant influence or joint control ceases.

### Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

### 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.

## v) Significant Accounting Policies

### a) Inventory

#### Inventories are valued as follows:

Raw materials, traded goods, stores and spares and packing materials

Raw materials, traded goods, stores and spares and packing material are valued at lower of cost and net realisable value. Cost of raw materials, stores and spares and packing material is determined on a 'First in First Out' basis and includes freight costs, interest expense where such materials are stored for a substantial period of time and other expenditure incurred in bringing such inventories to their present location and conditions.

Stores and spares having useful life of more than twelve months are capitalized as tangible assets under "Property, plant and equipment" and are depreciated prospectively over their remaining useful lives in accordance with Ind AS 16.

#### Work in progress

Work in progress is valued at lower of cost and net realisable value. Cost includes raw material cost and a proportion of direct and indirect overheads up to estimated stage of completion and interest expense where such materials are stored for a substantial period of time.

#### Finished goods

Finished goods is valued at lower of cost and net realisable value. Cost includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition and also includes interest as a carrying cost of goods where such goods are stored for a substantial period of time.

### b) Property, Plant and Equipment

#### Recognition and initial measurement

Property, plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalisation criteria are met and directly attributable cost of

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

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 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 ½ years
Plant and machinery	5 to 30 years
Furniture and fixtures	4 to 10 years
Office equipment	3 to 6
Vehicles	4 to 10 years

### De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in Statement of Profit and Loss when the asset is de-recognised.

## 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 impairment losses, if any.

### Subsequent measurement (amortization and useful lives)

Intangible assets with finite lives are amortised over the useful economic life and impairment assessment is done annually. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Profit and Loss.

### 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



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

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.

### d) 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. Impairment losses of continuing operations are recognized in the Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### e) 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'. On the disposal of a foreign operation, all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to the consolidated statement of profit and loss.

### f) Leases

Where the Group is the lessee

#### Right of use assets and lease liabilities

A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The group enters into leasing arrangements for various assets. 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 obtains substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the group has the right to direct the use of the asset.

#### Recognition and initial measurement

At lease commencement date, the group recognizes a right-of-use asset and a lease liability on the consolidated balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any),

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

and any lease payments made in advance of the lease commencement date (net of any incentives received).

### Subsequent measurement

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The group also assesses the right-of-use asset for impairment when such indicators exist.

At lease commencement date, the group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments). Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in consolidated statement of profit and loss on a straight-line basis over the lease term.

### Where the Company is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

### g) Fair value measurement

The Group measures financial instruments, such as derivatives and certain investments at fair

value at each reporting date. 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

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.

### h) 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

performance obligation is satisfied. The Group recognises revenue when it transfers control of a product or service to a customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excludes taxes and duties collected on behalf of the government. The Group recognises revenue from the following major sources:

### Sale of goods:

Revenue from sale of goods is recognised when it transfers control of the product to a customer i.e. when customers are billed (in case of ex-works) or when goods are delivered at the delivery point, as per terms of the agreement, which could be either customer premises or carrier premises who will deliver goods to the customer. When payments received from the customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under other liabilities.

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:

Lease income on an operating lease is recognised in the Statement of Profit and Loss on a straight line basis over the lease term unless the escalation rate does not matches up in line with the increase in the inflation rate.

### Dividend income

Dividend income is recognised at the time when right to receive the payment is established, which is generally when the shareholders approve the dividend.

### Interest income:

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

For all financial assets measured at amortised cost (refer 'I' below), interest income is recorded using the effective interest rate (EIR) i.e. the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial assets. The future cash flows include all other transaction costs paid or received, premiums or discounts if any, etc.

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### a) 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.

### i) 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.

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 Group recognizes the difference between the fair value at initial recognition and the transaction price as a gain or loss.
- in all other cases, at the measurement basis mentioned above, adjusted to defer the difference between the fair value at initial recognition and the transaction price. After initial recognition, the Group recognizes that deferred difference as a gain or loss only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Subsequent measurement of financial assets and financial liabilities is described below.

### Financial assets

#### Classification and subsequent measurement

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

#### i. Financial assets at 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.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

- Derivative assets - All derivative assets are measured at fair value through profit and loss (FVTPL).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 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.

### 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

The Group de-recognises financial liabilities when and only when, the Company obligations are discharged, cancelled or they expire.

### 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 applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the weighted -average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109. Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

- Other financial assets:**

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

## j) Hedge accounting

### 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

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.

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.

When hedge accounting is applied:

- for fair value hedges of recognised assets and liabilities, changes in fair value of the hedged assets and liabilities attributable to the risk being hedged, are recognised in the consolidated statement of profit and loss and compensate for the effective portion of symmetrical changes in the fair value of the derivatives.
- for cash flow hedges, the effective portion of the change in the fair value of the derivative is recognised directly in other comprehensive income and the ineffective portion is recognised in the consolidated statement of profit and loss. If the cash flow hedge of a firm commitment or forecasted transaction results in the recognition of a non financial

asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or a liability, amounts deferred in equity are recognised in the statement of profit and loss in the same period in which the hedged item affects the statement of profit and loss.

In cases where hedge accounting is not applied, changes in the fair value of derivatives are recognised in the consolidated statement of profit and loss as and when they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the statement of profit and loss for the period.

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).

### k) 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognized directly in the other comprehensive income in the period in which they arise.

### Other Employee Benefits

Compensated absences which are allowed to be carried forward over a period in excess of 12 months after the end of the period in which the employee renders the related service are recognized as a liability at the present value of the defined benefit obligation as at the balance sheet date out of which the obligations are expected to be settled with actuarial valuations being carried out at each balance sheet date. Remeasurements, comprising of actuarial gains and losses are recognized immediately in the balance sheet with a corresponding debit or credit to Statement of profit and loss in the period in which they occur. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

### Other short term benefits

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

## l) 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.

## m) 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.

## n) 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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

establishes provisions where appropriate.

### Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying value of assets and liabilities in the financial statements and the corresponding tax base used in computation of taxable profit and is accounted for using the balance sheet liability method.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

### o) 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.

### p) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

### Identification of segments:

In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of information reviewed by the Group's management to allocate resources to the segments and assess their performance. An operating segment is a component of the Group that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Results of the operating segments are reviewed regularly by the management team (chairman and chief financial officer) which has been identified as the chief operating decision maker (CODM), to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

### Allocation of common costs:

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

### Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

### Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

### v) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### q) 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.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### r) 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 group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The group does not recognize a contingent liability but discloses its existence in the financial statements.

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.

### iv) Significant management judgements in applying accounting policies and estimation uncertainty

The following are the critical judgments and the key estimates concerning the future that management has made in the process of applying the Company's accounting policies and that may have the most significant effect on the amounts recognized in the financial statements or that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### a) 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.

#### b) 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.

#### 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) 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.

#### e) 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.

#### f) Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

#### g) 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.

#### h) 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 CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 2 Property, plant and equipment

Particulars	Freehold land	Leasehold land	Building	Plant and machinery	Furniture and fixture	Office equipment	Vehicle	Total
<b>Gross carrying value</b>								
As at April 01, 2020	5,895.31	344.40	25,053.62	62,659.89	1,802.86	2,872.37	3,341.40	1,01,969.85
Additions	-	-	2,935.85	4,859.04	17.03	243.39	289.43	8,344.74
Disposals	-	-	(340.53)	(1,777.27)	(28.61)	(170.82)	(198.47)	(2,515.70)
Translation adjustment	(33.08)	-	(111.85)	303.46	(17.44)	26.54	(1.80)	165.83
<b>As at March 31, 2021</b>	<b>5,862.23</b>	<b>344.40</b>	<b>27,537.09</b>	<b>66,045.12</b>	<b>1,773.84</b>	<b>2,971.48</b>	<b>3,430.56</b>	<b>1,07,964.72</b>
Additions	278.51	-	2,119.03	8,180.36	203.24	523.83	845.62	12,150.59
Disposals	(6.62)	-	(67.61)	(885.85)	(4.54)	(115.70)	(401.67)	(1,481.99)
Translation adjustment	35.34	-	152.94	(89.01)	19.51	(6.97)	2.49	114.30
<b>As at March 31, 2022</b>	<b>6,169.46</b>	<b>344.40</b>	<b>29,741.45</b>	<b>73,250.62</b>	<b>1,992.05</b>	<b>3,372.64</b>	<b>3,877.00</b>	<b>1,18,747.62</b>
<b>Accumulated depreciation</b>								
As at April 01, 2020	-	23.19	8,312.26	33,765.50	1,354.90	1,896.46	2,461.45	47,813.76
Charge for the year	-	7.96	1,705.19	4,670.99	122.31	271.65	289.69	7,067.79
Disposals	-	-	(21.72)	(691.83)	(26.74)	(158.77)	(165.45)	(1,064.51)
Translation adjustment	-	-	(14.33)	(68.11)	(14.43)	4.53	(1.39)	(93.73)
<b>As at March 31, 2021</b>	<b>-</b>	<b>31.15</b>	<b>9,981.40</b>	<b>37,676.55</b>	<b>1,436.04</b>	<b>2,013.87</b>	<b>2,584.30</b>	<b>53,723.31</b>
Charge for the year	-	-	1,686.40	5,342.52	103.41	364.62	358.03	7,854.98
Disposals	-	-	(18.33)	(504.39)	(4.27)	(110.06)	(304.55)	(941.60)
Translation adjustment	-	-	23.30	44.14	16.68	(5.06)	1.40	80.46
<b>As at March 31, 2022</b>	<b>-</b>	<b>31.15</b>	<b>11,672.77</b>	<b>42,558.82</b>	<b>1,551.86</b>	<b>2,263.37</b>	<b>2,639.18</b>	<b>60,717.15</b>
<b>Net block as at March 31, 2021</b>	<b>5,862.23</b>	<b>313.25</b>	<b>17,555.69</b>	<b>28,368.57</b>	<b>337.80</b>	<b>957.61</b>	<b>846.26</b>	<b>54,241.41</b>
<b>Net block as at March 31, 2022</b>	<b>6,169.46</b>	<b>313.25</b>	<b>18,068.68</b>	<b>30,691.80</b>	<b>440.19</b>	<b>1,109.27</b>	<b>1,237.82</b>	<b>58,030.47</b>

#### 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.

### 3 Capital work-in-progress

Particulars	As at March 31, 2022	As at March 31, 2021
Capital work-in-progress	3,499.19	3,268.00
	<b>3,499.19</b>	<b>3,268.00</b>

#### Movement in capital work in progress:

Particulars	Amount
<b>Capital work-in-progress as at April 01, 2020</b>	1,724.96
Add: Additions during the year	3,092.00
Less: Capitalisation during the year	(1,548.96)
<b>Capital work-in-progress as at March 31, 2021</b>	<b>3,268.00</b>
<b>Capital work-in-progress as at April 01, 2021</b>	3,268.00
Add: Additions during the year	3,947.31
Less: Capitalisation during the year	(3,716.12)
<b>Capital work-in-progress as at March 31, 2022</b>	<b>3,499.19</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**3 Capital work-in-progress (Contd.)**

CWIP as on March 31, 2022	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,666.02	833.17	-	-	3,499.19
Projects temporarily suspended	-	-	-	-	-
	<b>2,666.02</b>	<b>833.17</b>	<b>-</b>	<b>-</b>	<b>3,499.19</b>

CWIP as on March 31, 2021	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	3,213.66	54.34	-	-	3,268.00
Projects temporarily suspended	-	-	-	-	-
	<b>3,213.66</b>	<b>54.34</b>	<b>-</b>	<b>-</b>	<b>3,268.00</b>

**4 Right of use assets**

Following are the changes in the carrying value of right of use assets

Particulars	Plant and machinery	Vehicle	Building	Land	Total
Balance as at March 31, 2020	275.80	-	26,224.80	441.70	26,942.30
Additions	1,298.94	238.61	-	86.47	1,624.02
Depreciation	158.12	4.47	2,841.27	23.20	3,027.06
Translation reserve	(0.71)	(0.04)	(395.44)	-	(396.19)
<b>Net Carrying value as at March 31, 2021</b>	<b>1,415.91</b>	<b>234.10</b>	<b>22,988.09</b>	<b>504.97</b>	<b>25,143.07</b>
Additions	2,040.96	-	475.03	-	2,515.99
Depreciation	512.39	51.97	3,331.59	24.39	3,920.34
Translation reserve	(11.56)	(1.18)	399.56	-	386.82
<b>Net Carrying value as at March 31, 2022</b>	<b>2,932.92</b>	<b>180.95</b>	<b>20,531.09</b>	<b>480.58</b>	<b>24,125.54</b>

**(i) The following is the break-up of current and non-current lease liabilities**

Particulars	As at March 31, 2022	As at March 31, 2021
Current lease liabilities	4,199.24	3,740.94
Non-current lease liabilities	21,671.65	24,278.61
<b>Total</b>	<b>25,870.89</b>	<b>28,019.55</b>

The Group has leases for plant and machinery, Vehicle, Building and land. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group has considered automatic extension option available for building leases in lease period assessment since the Group can enforce its right to extend the lease beyond the initial lease period.

**(i) The following are amounts recognised in profit or loss:**

Particulars	As at March 31, 2022	As at March 31, 2021
Depreciation expense of right-of-use assets	3,920.34	3,027.06
Interest expense on lease liabilities	<b>916.73</b>	<b>1,069.40</b>

**(i) Total cash outflow for leases for the year ended March 31, 2022 was ₹ 4,339.94 (March 31, 2021 was ₹ 3,529.07).**

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 5 Intangible assets

Description	Goodwill	Brand/ Trademarks	Customer relationships	Non compete agreement	Intellectual property	Computer software	Total
<b>Gross carrying value</b>							
As at April 01, 2020	6,585.56	5,352.45	531.81	969.76	1,519.89	1,117.35	16,076.82
Additions	-	-	-	-	-	98.83	98.83
Disposals	-	-	-	-	-	-	-
Translation adjustment	(326.43)	(143.93)	40.41	10.24	36.35	-	(383.36)
<b>As at March 31, 2021</b>	<b>6,259.13</b>	<b>5,208.52</b>	<b>572.22</b>	<b>980.00</b>	<b>1,556.24</b>	<b>1,216.18</b>	<b>15,792.29</b>
Additions	-	-	-	-	-	8.68	8.68
Disposals	-	-	-	-	-	-	-
Translation adjustment	287.16	162.93	(5.68)	(5.86)	(18.37)	-	420.18
<b>As at March 31, 2022</b>	<b>6,546.29</b>	<b>5,371.45</b>	<b>566.54</b>	<b>974.14</b>	<b>1,537.87</b>	<b>1,224.86</b>	<b>16,221.15</b>
<b>Accumulated amortisation</b>							
<b>As at April 01, 2020</b>	4,041.53	273.85	141.51	386.45	684.22	1,051.31	6,578.87
Amortisation for the year	212.97	212.30	42.05	62.92	209.97	13.48	753.69
Disposals	-	-	-	-	-	-	-
Translation adjustment	(149.49)	2.94	0.58	0.36	4.88	-	(140.73)
<b>As at March 31, 2021</b>	<b>4,105.01</b>	<b>489.09</b>	<b>184.14</b>	<b>449.73</b>	<b>899.07</b>	<b>1,064.79</b>	<b>7,191.83</b>
Amortisation for the year	52.47	4.54	42.21	26.01	305.90	56.79	487.92
Disposals	-	-	-	-	-	-	-
Translation adjustment	175.62	0.01	(0.80)	(0.47)	(5.73)	-	168.63
<b>As at March 31, 2022</b>	<b>4,333.10</b>	<b>493.64</b>	<b>225.55</b>	<b>475.27</b>	<b>1,199.24</b>	<b>1,121.58</b>	<b>7,848.38</b>
<b>Net block as at March 31, 2021</b>	<b>2,154.12</b>	<b>4,719.43</b>	<b>388.08</b>	<b>530.27</b>	<b>657.17</b>	<b>151.39</b>	<b>8,600.46</b>
<b>Net block as at March 31, 2022</b>	<b>2,213.19</b>	<b>4,877.81</b>	<b>340.99</b>	<b>498.87</b>	<b>338.63</b>	<b>103.28</b>	<b>8,372.77</b>

The goodwill is related to subsidiary company, LT Overseas North America, Inc., which is identified as Cash generating unit (CGU) for the purpose of impairment testing. The goodwill has been evaluated based on the cashflow forecasts of the related cash generating unit (CGU) and the recoverable amounts of these CGU exceeded its carrying amount. The estimated value in use of cash generating unit (CGU) is based on the future cash flows using annual growth rate of up to 5% for future period of 5 years and weighted average cost of capital is 1.95%, the terminal growth rate is considered as up to 1%. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable probable assumptions, did not identify any scenario in which the recoverable amount of the CGU would decrease below its carrying amount. The discount rate was estimated based on past experience and average weighted average cost of capital of the CGU/Market to which assessment is done. The values assigned to the key assumptions represent the management's assessment of future trends in the industry and based on both internal and external factors.

### 6 Investments accounted for using the equity method

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments carried at cost (unquoted)</b>		
<b>Investments in associates and joint venture</b>		
<b>(a) In associate companies</b>		
- Raghuvesh Warehousing Private Limited 1,600,000 (March 31, 2021: 1,600,000) equity shares of ₹10 each	453.37	450.81
- Raghuvesh Agri Foods Private Limited 1,600,000 (March 31, 2021: 1,600,000) equity shares of ₹10 each	362.10	372.68
- Raghuvesh Infrastructure Private Limited 15,000 (March 31, 2021: 15,000) equity shares of ₹ 10 each	59.45	50.33
	<b>874.92</b>	<b>873.82</b>
<b>b) In joint venture</b>		
- Daawat Kameda India Private Limited 24,056,359 (March 31, 2021: 24,056,359) equity shares of ₹10 each	1,056.81	1,543.08
	<b>1,056.81</b>	<b>1,543.08</b>
Carrying value of investments*	<b>1,931.73</b>	<b>2,416.90</b>

\* Refer reconciliation to carrying values of investment in associates and joint venture in note 57

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**7 Non-current investments**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments at fair value through Profit and Loss</b>		
Key man insurance policies	560.92	455.04
Equity instruments - Quoted	0.21	0.21
Equity instruments - Unquoted	0.05	0.05
	<b>561.18</b>	<b>455.30</b>
<b>Details of investment is as follows:</b>		
Investments at fair value through Profit and Loss		
Keyman insurance policies	560.92	455.04
<b>Equity instruments - Quoted</b>		
Fully paid-up equity shares (quoted)		
2,300 (March 31, 2021: 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.21	0.21
<b>Equity instruments - Unquoted</b>		
Fully paid-up equity shares (unquoted)		
500 (March 31, 2021: 500) equity shares of India International Marketing Limited of ₹ 10 each	0.05	0.05
	<b>561.18</b>	<b>455.30</b>

**8 Loans**

Particulars	As at March 31, 2022	As at March 31, 2021
Loans and advances to related parties	179.64	198.97
Loan to employees	77.80	35.44
	<b>257.44</b>	<b>234.41</b>

**Break-up of security details**

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good-Secured	-	-
Loans considered good-Unsecured	257.44	234.41
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>257.44</b>	<b>234.41</b>
*Includes receivables from related parties (refer note 52)		
Raghuvesh Agri Foods Private Limited	179.64	185.45
Raghuvesh Warehousing Private Limited	-	13.52

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 9 Other non-current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative component of compound financial instrument	-	0.99
Receivable from insurance company**	13,410.53	13,410.53
Bank deposits with maturity of more than 12 months*	92.66	220.06
Security deposits	1,362.37	1,260.63
Others	619.73	-
	<b>15,485.29</b>	<b>14,892.21</b>

\* ₹ 62.86 (March 31, 2021: ₹ 147.71) represents deposits with maturity more than 12 months, held by the Group and are not available for use by the Group, as these are pledged.

\*\* The Group has Insurance claim recoverable (classified into non-current assets) amounting to ₹ 13,410.53 as at March 31, 2022. The claim is attributable to the loss of raw material, incurred by the Group, due to major fire which had occurred in the works premises of the Subsidiary Company in India in FY 2014-15. The Group had recognized the insurance claim recoverable (asset) amounting to ₹ 17,810.88 in FY 2014-15, based on management's assessment of loss amount and positive outcome in the surveyors' reports then appointed by the Insurance Agency. Later on, the Insurance Agency repudiated the insurance claim vide its order dated February 4, 2016, against which the Subsidiary Company had filed a civil suit with District Court of Raipur, Bhopal, the outcome of which is pending. On the basis of developments in the case including the surveyor's report (subsequent to reports submitted by surveyors appointed by the Insurance Agency during the initial phase and which were the basis for the Group to recognize such asset), the Group had written off claim amounting to ₹ 4,400 in FY 2015-16. The Group, based on management's assessment of facts of the case and opinion obtained from the external legal counsels, has concluded that it holds merits and good probability to win the case, as the claim has irregularly been repudiated.

Refer note 49 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 50 - Financial risk management for assessment of expected credit losses.

### 10 Deferred tax asset/liability (net)

Particulars	As at March 31, 2022	As at March 31, 2021
<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	290.42	358.72
Provision for employee benefits	68.50	35.89
Impairment of trade receivables	140.13	165.30
Lease Liabilities	10.32	-
Impairment in value of investment	-	72.14
Deferred rent	-	170.78
Unrealised profit on inventory	698.39	671.81
Unabsorbed losses	415.18	634.32
Others	435.98	494.09
	<b>2,058.92</b>	<b>2,603.05</b>
<b>Deferred tax liabilities arising on account of</b>		
Keyman insurance policy	47.23	34.31
Unrealised foreign exchange gain on forward contracts	140.51	206.83
	<b>187.74</b>	<b>241.14</b>
<b>Deferred tax assets (net)</b>	<b>1,871.18</b>	<b>2,361.91</b>
<b>Deferred tax liabilities (net)</b>		
<b>On temporary difference between the book base and tax base</b>		
Deferred tax liability arising on account of:		
Property, plant and equipment and intangible assets	298.75	419.16
Key man insurance policy	91.57	77.94
Unrealised foreign exchange gain on forward contracts	44.95	104.46
	<b>435.27</b>	<b>601.56</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**10 Deferred tax asset/liability (net) (Contd.)**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Deferred tax asset arising on account of:</b>		
Provision for employee benefits	112.85	79.90
Impairment of trade receivables	56.35	23.86
Lease Liabilities	96.39	34.25
Others	74.32	-
Deferred government grant	44.24	53.27
	<b>384.15</b>	<b>191.28</b>
<b>Deferred tax liabilities (net)</b>	<b>51.12</b>	<b>410.28</b>

**Movement in deferred tax assets (net)**

Particulars	April 01, 2020	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2021
<b>Deferred tax assets arising on account of</b>					
Property, plant and equipment, investment property and intangible assets	174.89	(5.37)	-	(229.96)	(60.44)
Provision for employee benefits	119.46	-	(12.42)	8.75	115.79
Provision for doubtful debts	390.38	5.84	-	(207.06)	189.16
Lease Liabilities	59.56	-	-	(25.31)	34.25
Loss on sale of investment	31.33	-	-	(31.33)	-
Impairment in value of investment	92.56	2.12	-	(22.54)	72.14
Unrealised foreign exchange loss on forward contracts	496.35	-	(452.92)	(43.43)	-
Deferred government grant	-	-	-	53.27	53.27
Unrealised profit on inventory	547.50	-	-	124.31	671.81
Unabsorbed losses	1,012.24	26.13	-	(404.05)	634.32
Others	349.14	64.63	-	251.10	664.87
	<b>3,273.41</b>	<b>93.35</b>	<b>(465.34)</b>	<b>(526.25)</b>	<b>2,375.17</b>
<b>Deferred tax liabilities arising on account of</b>					
Keyman insurance policy	85.78	-	-	26.47	112.25
Unrealised foreign exchange gain on forward contracts	-	-	311.29	-	311.29
	<b>85.78</b>	<b>-</b>	<b>311.29</b>	<b>26.47</b>	<b>423.54</b>
<b>Net Deferred tax assets</b>	<b>3,187.63</b>	<b>93.35</b>	<b>(776.63)</b>	<b>(552.72)</b>	<b>1,951.63</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 10 Deferred tax asset/liability (net) (Contd.)

Particulars	April 01, 2021	Translation adjustment	Recognised in other comprehensive income	Recognised in statement of profit and loss	March 31, 2022
<b>Deferred tax assets arising on account of</b>					
Provision for employee benefits	115.79	25.04	30.87	9.65	181.35
Provision for doubtful debts	189.16	-	-	7.32	196.48
Lease Liabilities	34.25	6.64	-	65.82	106.71
Deferred government grant	53.27	0.01	-	(9.04)	44.24
Unrealised profit on inventory	671.81	-	-	26.58	698.39
Unabsorbed losses	634.32	-	-	(219.14)	415.18
Others	737.01	(13.18)	11.04	(224.57)	510.30
	<b>2,435.61</b>	<b>18.51</b>	<b>41.91</b>	<b>(343.38)</b>	<b>2,152.65</b>
<b>Deferred tax liabilities arising on account of</b>					
Keyman insurance policy	112.25	(0.10)	-	26.65	138.80
Property, plant and equipment and intangible assets	60.44	(0.01)	-	(52.10)	8.33
Unrealised foreign exchange gain on forward contracts	311.29	(12.57)	(113.26)	-	185.46
	<b>483.98</b>	<b>(12.68)</b>	<b>(113.26)</b>	<b>(25.45)</b>	<b>332.59</b>
<b>Net Deferred tax assets</b>	<b>1,951.63</b>	<b>31.19</b>	<b>155.17</b>	<b>(317.93)</b>	<b>1,820.06</b>

### 11 Other non-current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	27.29	27.77
Capital advances (considered good -Unsecured)	974.86	785.84
Interest accrued and due on advance for property	39.36	39.36
	<b>1,041.51</b>	<b>852.97</b>

### 12 Non-current tax assets

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets (Net of provisions)	4,066.11	4,135.19
	<b>4,066.11</b>	<b>4,135.19</b>

### 13 Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Raw material* (Refer Note (a) below)	71,685.46	52,623.00
Semi-finished goods* (Refer Note (a) below)	63,732.33	87,960.68
Work-in-progress*	194.97	182.63
Finished goods* (including goods in transit of ₹ 5,736.19 (March 31, 2021: ₹ 8,072.64))	88,334.33	68,820.15
Traded goods	4,012.88	5,841.81
Stores and spares	1,182.30	806.75



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**13 Inventories (Contd.)**

Particulars	As at March 31, 2022	As at March 31, 2021
Packing material		
Bardana	2,761.84	2,879.36
Others	3,279.83	3,167.03
	<b>235,183.94</b>	<b>222,281.41</b>

\* The interest capitalised as at March 31, 2022 is ₹ 2,494.15 (March 31, 2021 ₹ 3,125.58).

Note (a):-Includes Inventory lying with third parties ("Suppliers") on behalf of the Company and its subsidiary company amounting to ₹ 20,770.00 (March 31, 2021: ₹ 18,710.62) under agency relationship against which Company and its subsidiary company had paid advance amounting to ₹ 8,364.80 (March 31, 2021: ₹ 3,779.18) and remaining amount of ₹ 12,405.20 (March 31, 2021: ₹ 14,931.45) is classified under trade payables as at March 31, 2022.

**14 Trade receivables**

Particulars	As at March 31, 2022	As at March 31, 2021
- Trade receivable considered good-Unsecured*	61,126.58	48,672.53
- Trade receivable credit impaired	716.31	747.16
Trade receivables*	61,842.89	49,419.69
Less: Allowance for expected credit loss	(716.31)	(747.16)
	<b>61,126.58</b>	<b>48,672.53</b>

**Break-up of security details**

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	61,126.58	48,672.53
Trade receivables - credit impaired	716.31	747.16
<b>Total</b>	<b>61,842.89</b>	<b>49,419.69</b>
Loss allowance	(716.31)	(747.16)
<b>Total trade receivables</b>	<b>61,126.58</b>	<b>48,672.53</b>

Note: No trade receivables are due from director or other officers of the Group either severally or jointly with any other persons or from the companies in which Directors hold directorship other than below.

The Company's exposure to customers is diversified and no single customer, contributes more than 10% of the outstanding receivables as at March 31, 2022 and March 31, 2021.

\* Includes receivables from related parties (refer note 52)

Particulars	As at March 31, 2022	As at March 31, 2021
Oswal Woollen Mills Limited	41.71	13.38
Global Foods Trading GmbH	1,052.16	3,074.89
Sidhu Food B.V.	881.87	109.35
Daawat Kameda India Private Limited	39.74	38.21
Buddha Gourmet Foods GmbH	1,175.05	-
Global Foods Trading Ltd.	487.50	-
Global Foods Trading Spain S.L	1,001.15	-
GFT France SARL	685.25	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 14 Trade receivables (Contd.)

#### Ageing of Trade Receivables

March 31, 2022

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	22,566.19	35,279.01	3,140.42	130.30	10.66	-	61,126.58
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	16.70	426.91	162.82	109.88	716.31
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(16.70)	(426.91)	(162.82)	(109.88)	(716.31)
	-	22,566.19	35,279.01	3,140.42	130.30	10.66	-	61,126.58

March 31, 2021

Particulars	Unbilled Dues	Not Due	Outstanding for following periods from due date of Receipts					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	15,068.66	33,276.52	121.72	168.04	37.59	0.00	48,672.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	232.57	235.30	127.38	151.91	747.16
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Less: Allowance for bad and doubtful debts (Disputed + Undisputed)	-	-	-	(232.57)	(235.30)	(127.38)	(151.91)	(747.16)
	-	15,068.66	33,276.52	121.72	168.04	37.59	-	48,672.53

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**15 Cash and cash equivalents**

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks in current accounts	3,126.39	1,599.64
Cash on hand		
In Indian currency	71.48	76.93
In foreign currencies	8.18	8.14
Deposits with original maturity less than 3 months*	2.00	-
	<b>3,208.05</b>	<b>1,684.71</b>

(i) ₹ 2.00 (March 31, 2021: Nil) represents deposits with original maturity less than 3 months, held by the Group and are not available for use by the Group, as these are pledged.

**16 Other bank balances**

Particulars	As at March 31, 2022	As at March 31, 2021
Unpaid dividend accounts (earmarked)	27.77	33.51
Deposits with original maturity more than 3 months and less than 12 months	677.96	1,278.82
	<b>705.73</b>	<b>1,312.33</b>

(i) ₹ 677.96 (March 31, 2021: ₹ 1,155.19) represents deposits with original maturity more than 3 months and remaining maturity less than 12 months, held by the Group and are not available for use by the Group, as these are pledged.

(ii) Refer note 49 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 50 - Financial risk management for assessment of expected credit losses.

**17 Loans**

	As at March 31, 2022	As at March 31, 2021
<b>Loan receivable considered good-unsecured</b>		
Loans to related parties*	50.00	225.00
Loan to employees	84.61	145.30
	<b>134.61</b>	<b>370.30</b>
*Includes inter corporate deposits recoverable from related parties (refer note 52)		
Raghuvesh Agri Foods Private Limited	46.35	100.00
Raghuvesh Warehousing Private Limited	3.65	125.00

**Break-up of security details**

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good-Secured	-	-
Loans considered good-Unsecured	134.61	370.30
Loan which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
	<b>134.61</b>	<b>370.30</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 18 Other current financial assets

Particulars	As at March 31, 2022	As at March 31, 2021
Derivative assets	736.90	1,234.28
Advances recoverable in cash	49.60	-
Interest accrued but not due on fixed deposits	3.86	7.04
Subvention on interest expense receivable	62.15	-
Export incentive recoverable	969.22	323.89
Margin money recoverable	-	1,214.71
Insurance claim recoverable	7.02	80.62
Security deposits	1,002.50	251.64
Others	276.06	99.86
	<b>3,107.31</b>	<b>3,212.04</b>

### 19 Other current assets

Particulars	As at March 31, 2022	As at March 31, 2021
Prepaid expenses	4,252.33	3,175.15
Staff advances*	520.51	372.19
Balances with government authorities	2,581.63	1,689.44
Advances recoverable in kind	38.97	273.91
Advance to suppliers	5,854.18	11,996.03
	<b>13,247.62</b>	<b>17,506.72</b>
* Includes receivables from related parties (refer note 52)		
Gursajan Arora	-	139.18

### 20 Share capital

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorised</b>		
360,000,000 Equity shares of ₹ 1 each (March 31, 2021 : 360,000,000 equity shares of ₹ 1 each)	3,600.00	3,600.00
<b>Issued, subscribed and paid up</b>		
319,844,780 equity shares of ₹ 1 each (March 31, 2021 : 319,844,780 equity shares of ₹ 1 each)	3,198.45	3,198.45
	<b>3,198.45</b>	<b>3,198.45</b>

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2022		As at March 31, 2021	
	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	-	-	-	-
Equity shares at the end of the year	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>	<b>3,198.45</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

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

The Company has only one class of equity shares having the par value of ₹ 1 per share (March 31, 2021: ₹ 1 per share). Each holder of equity share is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2022 the amount of per share dividend recognised as distributions to equity shareholders was ₹ 1 per share (March 31, 2021: ₹ 1 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 group**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% holding	No of shares	% holding
Mr. Ashwani Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Surinder Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Gurucharan Dass Arora	2,19,20,260	6.85%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Raghuvesh Holdings Private Limited	3,33,84,472	10.44%	3,33,84,472	10.44%
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
	<b>14,72,52,412</b>	<b>46.05%</b>	<b>14,66,19,072</b>	<b>45.86%</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.

**(e) Details of promoters holding in the Company**

Particulars	As at March 31, 2022		As at March 31, 2021	
	No of shares	% holding	No of shares	% holding
Mr. Vijay Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Ashwani Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Surinder Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Mr. Gurucharan Dass Arora	2,19,20,260	6.85%	2,12,86,920	6.66%
Mr. Ashok Kumar Arora	2,29,86,920	7.19%	2,29,86,920	7.19%
Ms. Vandana Arora	83,96,500	2.63%	83,96,500	2.63%
Ms. Sakshi Arora	83,71,500	2.62%	83,71,500	2.62%
Mr. Munish Kumar Arora	6,43,660	0.20%	6,43,660	0.20%
Ms. Anita Arora	76,11,500	2.38%	76,11,500	2.38%
Mr. Vaneet Arora	1,60,000	0.05%	1,60,000	0.05%
Ms. Ranju Arora	77,38,160	2.42%	77,38,160	2.42%
Mr. Aditya Arora	6,33,340	0.20%	6,33,340	0.20%
Mr. Abhinav Arora	6,33,340	0.20%	6,33,340	0.20%
Mr. Gursajan Arora	1,26,660	0.04%	1,26,660	0.04%
Mr. Ritesh Arora	41,700	0.01%	41,700	0.01%
Mr. Anmol Arora	1,07,850	0.03%	1,07,850	0.03%
Raghuvesh Holdings Private Limited	3,33,84,472	10.44%	3,33,84,472	10.44%
	<b>18,17,16,622</b>	<b>56.83%</b>	<b>18,10,83,282</b>	<b>56.64%</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 21 Other equity

	As at March 31, 2022	As at March 31, 2021
<b>(i) Retained earnings</b>		
Opening balance	1,19,941.46	95,690.94
Add: Net profit for the current year	29,217.53	27,404.90
- Remeasurements of post-employment benefits obligation (net of taxes)	(83.49)	44.00
Less : Equity dividend *	(3,198.45)	(3,198.38)
	<b>1,45,877.05</b>	<b>1,19,941.46</b>
** During the year, the board of directors of the Company have declared and approved interim dividend amounting to ₹319,844,780, which have been duly paid.		
<b>(ii) General reserve</b>		
Opening balance	1,816.80	1,816.80
Change during the year	-	-
Closing balance	<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	-	-
Closing balance	<b>44,456.10</b>	<b>44,456.10</b>
<b>(iv) Cash flow hedge reserve</b>		
Opening balance	831.33	(2,454.43)
Change during the year	(372.57)	3,285.76
Closing balance	<b>458.76</b>	<b>831.33</b>
<b>v) Foreign currency translation reserve</b>		
Opening balance	5,304.52	5,425.51
Change during the year	(1,350.44)	(120.99)
Closing balance	<b>3,954.08</b>	<b>5,304.52</b>
<b>Total other equity</b>	<b>1,96,562.79</b>	<b>1,72,350.21</b>

#### Nature and purpose of other reserves

##### General reserve:

The Group had transferred a portion of the net profit before declaring dividend to general reserve pursuant to the earlier provision of Companies Act 1956. Mandatory transfer to general reserve is not required under the Companies Act 2013.

##### Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to Statement of Profit and Loss when the net investment is disposed-off.

##### Cash flow hedging reserve

The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

### 22 Non-controlling interests

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	13,476.59	11,784.90
Share of profit for the year	1,702.78	1,502.91
Share of other comprehensive income for the year	(50.28)	188.78
<b>Closing balance</b>	<b>15,129.09</b>	<b>13,476.59</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 23 Long term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured:</b>		
Term loans		
From banks	16,485.44	19,133.75
Vehicle loans		
From banks	177.11	144.59
From others	113.74	-
<b>Unsecured:</b>		
Term loans		
From banks	-	977.40
Liability component of compound financial instrument - net of transaction costs*	3,128.46	2,709.43
	<b>19,904.75</b>	<b>22,965.17</b>
Current maturities of long-term borrowings (Refer note 28)		
Term loans	2,543.96	3,580.14
Vehicle loans	128.88	50.08
	<b>2,672.84</b>	<b>3,630.22</b>
	<b>22,577.59</b>	<b>26,595.39</b>

\* In one of the subsidiary companies, Nature Bio Foods Limited, during the Financial year 2018-2019, the subsidiary company had issued 2,398,000 number of 0.01% cumulative compulsory convertible preference shares (CCCPS) having face value of ₹ 10 at a premium of ₹ 240 through private placement of shares. Out of the total, 2,374,020 CCCPS were subscribed by India Agri Business Fund II and 23,980 CCCPS were subscribed by Real Trust II, CCCPS carries cumulative dividend of 0.01% p.a. CCCPS shall be converted into equity shares and in any event at the expiry of 8 year from the Tranche I completion date. As at March 31, 2022, ₹ 3,952.90 (March 31, 2021 : ₹ 3,952.90) considered as equity component, ₹ 3,105.63 (March 31, 2021 : ₹ 2,695.23) considered as liability component and ₹ 0.99 (March 31, 2021 : ₹ 0.99) considered as derivative component.

Name of the bank	No of instalments	Total amount of instalment	As at March 31, 2022	As at March 31, 2021
<b>a) Term loans</b>				
Indusind Bank (refer point A part (i) for interest rate and refer point C part (i) for security)	60 equal monthly	20.00	900.00	900.00
Rabobank (refer point A part (ii) for interest rate and refer point C part (ii) for security)	47 equal quarterly	332.02	14,554.96	15,741.74
Mashreq Bank (refer point A part (ii) for interest rate and refer point C part (iii) for security)	180 equal monthly	1.65	248.14	264.36
Punjab National Bank (refer point A part (i) for interest rate and refer point C part (iv) for security)	18 equal monthly EMI	23.33	-	140.00
State Bank of India (refer point A part (v) for interest rate and refer point C part (v) for security)	18 equal monthly EMI	67.00	-	1,065.55
Rabobank (refer point A part (ii) for interest rate and refer point C part (vi) for security)	96 monthly	0.21 Euro monthly till July 01, 2018 and thereafter 0.91 Euro	3,326.30	4,202.24
Punjab National Bank (refer point A part (v) for interest rate and refer point C part (vii) for security)	18 equal monthly EMI	23.63	-	400.00
			<b>19,029.40</b>	<b>22,713.89</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**23 Long term borrowings (Contd.)**

Name of the bank	No of instalments	Total amount of instalment	As at March 31, 2022	As at March 31, 2021
<b>b) Vehicle loans</b>				
(refer point A part (iii) for interest rate and point C part (viii) for security)				
HDFC Bank	36 - 60 equal monthly	1.41	24.79	39.21
HDFC Bank	36 - 48 equal monthly	2.12	-	8.62
HDFC Bank	36 equal monthly	2.06	52.42	-
ICICI Bank	42 equal monthly	1.97	69.00	-
ICICI Bank	60 equal monthly	1.99	90.99	87.14
Yes Bank	60 equal monthly	1.04	23.51	33.32
BMW Financial Services India	60 equal monthly	2.52	113.74	-
HDFC Bank	37 equal monthly	1.50	17.20	15.72
Yes Bank	37 equal monthly	0.72	-	2.13
Bank of Baroda	48 equal monthly	0.49	23.80	-
Bank of Baroda	48 equal monthly	0.49	4.28	8.53
			<b>419.73</b>	<b>194.67</b>
<b>c) Unsecured term loan</b>				
Mechanics Bank (refer point A part (iv) for interest rate)	18 equal monthly EMI	55.01	-	977.40
			<b>19,449.13</b>	<b>23,885.96</b>

**A. Details of interest rate for each type of borrowings**

- The interest on above Rupee term loans from banks are fixed in nature. As of March 31, 2022 the interest rate is 10.75% per annum (March 31, 2021: 7.85% to 10.75% per annum).
- The interest on above foreign currency term loans from banks are linked to the SOFR/ EURIBOR which are floating in nature. As of March 31, 2022 the interest rates are based on SOFR plus 1.45% and EURIBOR plus 1.05% to 4.99% (March 31, 2021: LIBOR plus 1.5% to 1.75% per annum and EURIBOR plus 4.99% per annum).
- The interest on above vehicle loans from banks and financial institutions are linked to the respective base rates/MCLR which are fixed in nature. As of March 31, 2022 the interest rates ranges from 7.35% to 9.50% per annum (March 31, 2021: 7.95% to 9.71% per annum).
- The interest on above unsecured term loan from bank is 1% on simple interest basis.
- The interest on above term loans from banks are linked to base/MCLR rates which are floating in nature. As of March 31, 2022, the interest rate ranges from 6.50% to 8.25% (March 31, 2021: 6.50 % to 8.25 % per annum).

**B. Details of guarantee for each type of borrowings****Guaranteed by few of the directors**

Particulars	As at March 31, 2022	As at March 31, 2021
Term loans		
From banks	900.00	2,505.56
From others	-	-
	<b>900.00</b>	<b>2,505.56</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 23 Long term borrowings (Contd.)

#### C. Details of security for each type of borrowing :

- (i) Rupee term loan from Indusind Bank amounting to ₹ 900.00 (previous year: ₹ 900.00) availed by the Ecopure Specialities Limited (Subsidiary Company) is secured against charge on movable and immovable fixed asset (both current and future) of the Subsidiary Company, Corporate Guarantee of the Company and personal guarantee of few of the directors of the subsidiary and few of their relatives.
- (ii) USD Term loan amounting to USD 172.80 (previous year: USD 214.16) equivalent ₹ 14,554.96 (previous year: ₹ 15,741.74) from Rabobank as availed by LT Foods America Inc. (Subsidiary Company) is secured by mortgage against Plant and machinery, real estate located in US, trade receivables including inter company receivables, inventory and cash and bank and Corporate Guarantee of LT Overseas North America, Inc.
- (iii) AED Term loan from Mashreq Bank amounting AED 13.35 (previous year: AED 13.68) equivalent ₹ 248.14 (previous year: ₹ 264.36) availed by LT Foods Middle East DMCC (Subsidiary Company) is secured by office property and undated cheques of the subsidiary company.
- (iv) Rupee term loan from Punjab National Bank amounting to Nil (previous year: ₹ 140.00) availed by the Raghunath Agro Industries Private Limited (Subsidiary Company) is secured against land, building, inventory, trade receivables of the subsidiary company and Corporate Guarantee of the Company and personal guarantee of few of the directors of the subsidiary.
- (v) Rupee term loan from State Bank of India amounting to Nil (previous year: ₹ 1065.55) availed by the Daawat Foods Limited (Subsidiary Company) is secured against first pari passu charge with other banks on reciprocal basis on the entire current assets of the Subsidiary Company existing as well as future and second pari passu charge on reciprocal basis on the entire fixed assets (present as well as future) of the Subsidiary Company, Corporate Guarantee of the Company and personal guarantee of few of the directors of the subsidiary.
- (vi) Euro Term loan amounting to Euro 43.88 (previous year: Euro 57.17) equivalent ₹ 3,326.30 (previous year: ₹ 4,202.24) from Rabobank as availed by LT Foods Europe B.V. (Subsidiary Company) is secured by mortgage against real estate, trade receivables including inter company receivables, inventory and cash and bank and Corporate Guarantee of LT Overseas North America, Inc.
- (vii) Rupee term loan from Punjab National Bank amounting to Nil (previous year : ₹ 400) availed by the Daawat Foods Limited (Subsidiary Company) is secured against first pari passu charge with other banks on reciprocal basis on the entire current assets of the Subsidiary Company existing as well as future and second pari passu charge on reciprocal basis on the entire fixed assets (present as well as future) of the Subsidiary Company, Corporate Guarantee of the Company and personal guarantee of few of the directors of the subsidiary.
- (viii) Vehicle loans from all banks are secured against hypothecation of respective motor vehicle financed.

Refer note 56 for assets pledged as security

#### D. Reconciliation of liabilities arising from financing activities:

The changes in the Group's liabilities arising from financing activities can be classified as follows:

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 23 Long term borrowings (Contd.)

Particulars	Liabilities from financing activities			
	Lease Liability	Long term borrowings*	Short term borrowings*	Total
<b>Net debt as at April 01, 2020</b>	27,807.75	25,830.75	1,23,034.29	1,76,672.79
Cash movement:				
- Proceeds	-	3,583.16	2,58,435.75	2,62,018.91
- Repayment	(2,459.67)	(2,818.52)	(2,78,194.81)	(2,83,473.00)
- Interest paid	(1,069.40)	(660.10)	(7,158.32)	(8,887.82)
<b>Non cash movement</b>				
Addition during the year	1,624.01	-	-	1,624.01
- Impact of currency restatement	1,047.46	-	-	1,047.46
- Interest expense	1,069.40	660.10	6,350.13	8,079.63
<b>Net debt as at March 31, 2021</b>	<b>28,019.55</b>	<b>26,595.39</b>	<b>1,02,467.04</b>	<b>1,57,081.98</b>

Particulars	Liabilities from financing activities			
	Lease Liability	Long term borrowings*	Short term borrowings*	Total
<b>Net debt as at April 01, 2021</b>	28,019.55	26,595.39	1,02,467.04	1,57,081.98
Cash movement:				
- Proceeds	-	569.80	2,02,994.34	2,03,564.14
- Repayment	(3,423.21)	(3,630.22)	(2,23,404.82)	(2,30,458.25)
- Interest paid	(916.73)	(419.69)	(3,409.44)	(4,745.86)
<b>Non cash movement</b>				
Addition during the year	2,515.99	-	-	2,515.99
- Impact of currency restatement	(1,241.44)	(957.38)	(634.54)	(2,833.36)
- Interest expense	916.73	419.69	5,536.20	6,872.62
<b>Net debt as at March 31, 2022</b>	<b>25,870.89</b>	<b>22,577.59</b>	<b>83,548.78</b>	<b>1,31,997.26</b>

\* Including Interest accrued but not due on borrowings

### 24 Other non-current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Security deposits from distributors	-	6.50
	-	<b>6.50</b>

### 25 Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 4)	21,671.65	24,278.61
	<b>21,671.65</b>	<b>24,278.61</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 26 Long-term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Provisions for employee benefits		
Provision for gratuity	889.97	743.78
Provision for compensated absences	298.21	264.01
Employee's end of service benefits	54.08	48.84
	<b>1,242.26</b>	<b>1,056.63</b>

For disclosures related to provision for employee benefits, refer note 48- Employee benefit obligations

### 27 Other non-current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred government grant	147.31	214.44
	<b>147.31</b>	<b>214.44</b>

### 28 Short-term borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
From banks		
Working capital loans	62,627.35	51,333.06
Packing credit in foreign currency	17,127.19	41,387.51
Foreign currency loans	3,760.03	9,647.74
Current maturity of long-term debts	2,672.84	3,630.22
	<b>86,187.41</b>	<b>1,05,998.53</b>

Particulars	As at March 31, 2022	As at March 31, 2021
<b>a) working capital loans</b>		
The working capital loans are secured by hypothecation of current assets including inventories and trade receivables, charge over the office property, land and building, moveable fixed assets, except vehicle financed, of the Company and few subsidiary companies who has availed the said facility. These are also secured by personal guarantee of few of the Directors of the Company. In case of Company and one of the subsidiary company - Ecopure Specialities Limited, the working capital loans are secured by the personal guarantee of their relative. In addition, the loans availed by few subsidiary companies are secured by corporate guarantee of the Company.		
The working capital loans are repayable on demand and the interest on the above loans from banks are linked to the respective bank MCLR/Repo/T-Bills/CD Rate which are floating in nature. The interest ranges from 5.25% to 11.75% per annum (March 31, 2021: 3.51% to 12.55%) on rupee working capital loan and Libor/Euribor + 120 basis points to 140 basis points and SOFR + 145 bps (March 31, 2021: Libor/Euribor + 105 basis points to Libor/Euribor + 175 basis) on working capital loans obtained by foreign subsidiaries.		
	62,627.35	51,333.06

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 28 Short-term borrowings (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>b) Packing credit in foreign currency</b>		
The packing credit in foreign currency loans are secured by hypothecation of current assets including inventories and trade receivables, charge over the office property, land and building, moveable fixed assets, except vehicle financed, of the Company and few subsidiary companies who has availed the said facility. These are also secured by personal guarantee of few of the Directors of such companies. In case of Company, the packing credit in foreign currency loans are secured by the personal guarantee of their relative. In addition, the loans availed by few subsidiary companies are secured by corporate guarantee of the Company.	17,127.19	41,387.51
The interest rate ranges from Libor + 125 basis points to Libor + 350 basis points (March 31, 2021: Libor + 190 basis points to Libor + 350 basis). In compliance with the notification number RBI/2021-2022/101 A.P. (DIR Series) Circular No.13 dated September 28, 2021, from January 01, 2022, Interest rate ranges from SOFR + 165 Basis Points to SOFR + 200 Basis Points).		
<b>c) Foreign currency loans</b>		
The foreign currency loans are secured by hypothecation of current assets including inventories and trade receivables, charge over the office property, land and building, moveable fixed assets, except vehicle financed, of the Company and few subsidiary companies who has availed the said facility. These are also secured by personal guarantee of few of the Directors of such companies. In case of parent company, foreign currency loans are secured by the personal guarantee of their relative. In addition, the loans availed by few subsidiary companies are secured by corporate guarantee of the Company.	3,760.03	9,647.74
The interest rate on the above loans from banks are linked to the respective Libor/MCLR which are floating in nature. The interest rate ranges from 1.60% to 4.16% (March 31, 2021: 2.75% to 4.81%) in case of foreign currency loans.		

Refer note 56 for assets pledged as security

### 29 Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Dues to		
Micro and small enterprises	1,827.21	861.07
Others	68,481.24	49,494.43
	<b>70,308.45</b>	<b>50,355.50</b>
** Includes payable to related parties (refer note 52)		
Daawat Kameda India Private Limited	228.93	55.69
Super Texfab Private Limited	1,439.31	492.20
R S Rice & General Mills	28.52	5.63
UIPL Innovations Private Limited	-	64.54

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 29 Trade payables (Contd.)

a) Due to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 to the extent information available with the management is given below:

Particulars	As at March 31, 2022	As at March 31, 2021
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	1,827.21	861.07
Interest accrued and remaining unpaid as at year end	-	1.77
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.	3.16	60.99
iv) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	0.11	0.57
v) Amount of interest accrued and remaining unpaid at the end of accounting period.	0.11	1.97
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.	2.08	-

#### March 31, 2022

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	1,543.78	283.44	-	-	-	1,827.22
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	50,990.12	17,295.31	102.36	52.44	41.00	68,481.23
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	52,533.90	17,578.75	102.36	52.44	41.00	70,308.45

#### March 31, 2021

Particulars	Unbilled Dues	Payables Not Due	Outstanding for following periods from due date of Payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	996.83	316.44	13.09	0.02	-	1,326.38
(ii) Disputed dues – MSME	-	-	-	-	-	-	-
(iii) Others	-	38,918.97	9,704.51	303.85	43.20	58.59	49,029.12
(iv) Disputed dues - Others	-	-	-	-	-	-	-
	-	39,915.80	10,020.95	316.94	43.22	58.59	50,355.50

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 30 Other current financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Interest accrued but not due on borrowings	34.21	98.73
Security deposit	11.57	11.57
Unclaimed dividend *	61.77	51.65
Derivative liabilities	32.82	-
Other liabilities	8,618.91	2,851.69
	<b>8,759.28</b>	<b>3,013.64</b>

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

### 31 Lease liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Lease liabilities (refer note 4)	4,199.24	3,740.94
	<b>4,199.24</b>	<b>3,740.94</b>

### 32 Other current liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Advances from customers	4,216.74	5,587.19
Statutory liabilities	817.92	681.82
Deferred government grant	52.40	37.59
Other liabilities*	600.41	1,822.90
	<b>5,687.47</b>	<b>8,129.50</b>

\* Includes payable to related parties (refer note 52)

Vijay Kumar Arora	8.02	8.28
Ashwani Kumar Arora	8.50	8.07

### 33 Short term provisions

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Provision for employee benefits</b>		
Provision for gratuity	255.93	136.32
Provision for compensated absences	68.80	59.41
Others	191.61	191.18
	<b>516.34</b>	<b>386.91</b>

For disclosures related to provision for employee benefits, refer note 48- Employee benefit obligations

### 34 Current tax liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for income- tax (net of advance tax)	2,390.65	2,059.97
	<b>2,390.65</b>	<b>2,059.97</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**35 Revenue from operations**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of products</b>		
Rice	4,81,336.49	4,28,263.39
Others	54,471.75	43,144.93
<b>Other operating revenue</b>		
Service charges	1,617.24	606.68
Processing charges	1,465.38	1,045.11
Government grant income/Export Incentives/sale of licences	3,743.57	1,029.03
Rental income (refer note A)	102.74	102.74
	<b>5,42,737.17</b>	<b>4,74,191.88</b>

A The Company has entered into rent agreements as a lessor for Silos, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2022 and March 31, 2021 was ₹ 102.74 and ₹ 102.74 respectively. The Company has not executed any non-cancellable operating.

**36 Other income**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Dividend from investments in associates	-	24.00
Profit on sale of property, plant and equipment	43.49	36.61
Interest on fixed deposits with banks	80.60	96.60
Interest others	31.24	37.44
Net gain on foreign currency transactions and translations	679.67	-
Profit on sale of investments	-	26.08
Gain on investments carried at fair value through profit and loss	12.51	18.83
Amounts written back	-	203.38
Rental income	143.76	194.90
Income from fleet lease	3.57	78.19
Gain on Commodity Future Contracts	740.85	1,732.27
Miscellaneous receipts	585.22	704.67
	<b>2,320.91</b>	<b>3,152.97</b>

The Company has entered into rent agreements as a lessor for area of premises owned by the Company, which are in the nature of operating lease. Rental income for operating lease for the years ended March 31, 2022 and March 31, 2021 was ₹ 143.76 and ₹ 194.90 respectively. The Company has not executed any non-cancellable operating leases.

**37 Cost of material consumed**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening stock</b>		
Raw Material	36,327.40	51,304.49
Packing material		
Bardana	2,879.36	3,408.98
Others	3,167.03	3,048.93
	<b>42,373.79</b>	<b>57,762.40</b>
<b>Add: purchases</b>		
Raw Material	1,96,193.69	1,56,927.36
Packing material		
Bardana	329.42	326.59
Others	14,625.62	12,506.13
Rice	1,29,005.18	1,65,740.08
	<b>3,40,153.91</b>	<b>3,35,500.16</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Less: closing stock</b>		
Raw Material	50,915.46	36,327.40
Packing material		
Bardana	2,761.84	2,879.36
Others	3,279.83	3,167.03
	<b>56,957.13</b>	<b>42,373.79</b>
	<b>3,25,570.57</b>	<b>3,50,888.77</b>
<b>Consumption details</b>		
Raw Material	1,81,605.63	1,71,904.45
Packing material		
Bardana	446.94	856.21
Others	14,512.82	12,388.03
Rice	1,29,005.18	1,65,740.08
	<b>3,25,570.57</b>	<b>3,50,888.77</b>

### 38 Purchases of stock-in-trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rice	28,805.13	5,157.16
Others	2,204.29	5,174.23
	<b>31,009.42</b>	<b>10,331.39</b>

### 39 Changes in inventories of finished goods, semi finished goods, work in progress and stock in trade

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening Stock</b>		
Semi-finished goods	85,545.66	62,892.41
Finished goods	68,820.15	46,723.75
Work-in-progress	182.63	164.96
Traded goods	5,841.81	6,510.70
<b>Closing stock</b>		
Semi-finished goods	63,732.33	85,545.66
Finished goods	88,334.33	68,820.15
Work-in-progress	194.97	182.63
Traded goods	4,012.88	5,841.81
	<b>4,115.74</b>	<b>(44,098.43)</b>
Translation reserve	720.31	(566.91)
	<b>4,836.05</b>	<b>(44,665.34)</b>

### 40 Employee benefit expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	26,325.21	24,157.45
Contribution to provident and other fund (refer note 48 for employee benefit obligations)	1,113.70	1,312.71
Staff welfare expenses	1,521.41	955.86
	<b>28,960.32</b>	<b>26,426.02</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 41 Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on working capital loans	4,783.00	5,603.71
Interest on term loans	419.69	660.10
Interest on delay in payment of statutory liabilities	7.87	8.92
	<b>5,210.56</b>	<b>6,272.73</b>
Other borrowing cost	1,662.06	2,466.49
	<b>6,872.62</b>	<b>8,739.22</b>

Note: The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the Group's general borrowings during the year, in this case interest rate ranging from 4.52% to 7.39% p.a. (March 31, 2021 - 6.70% to 7.54% p.a.) Also, refer note 13.

### 42 Depreciation and amortisation expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Depreciation on</b>		
Depreciation on property, plant and equipment	7,854.98	7,067.79
Depreciation of right-of-use-assets	3,920.34	3,027.06
Amortisation on Intangible assets	487.92	753.69
	<b>12,263.24</b>	<b>10,848.54</b>

### 43 Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Warehouse rent <sup>#</sup>	4,468.66	4,223.12
Wages and other manufacturing expenses	4,310.93	4,041.14
Factory insurance	332.22	447.99
Power and fuel	3,103.74	4,445.55
Security services	495.96	422.98
Repairs		
- Building	211.49	177.15
- Machinery	301.59	770.46
- Equipment	1,354.67	1,272.75
- Others	1,771.46	1,074.08
Stores and spares consumed	3,433.21	3,763.80
Packing expenses	1,100.43	1,046.41
Advertisement	7,209.63	3,917.78
Insurance	1,683.40	1,322.45
Legal and professional charges	4,707.70	4,094.56
Rates and taxes	1,480.31	1,228.93
Donation and charity (refer point B for corporate social responsibility expenditure)	933.98	570.85
Auditors' remuneration (refer point A)	191.73	188.46
Vehicle running and maintenance	238.08	236.63
Commission to selling agents	1,888.77	1,682.35
Clearing and forwarding charges	32,296.22	20,908.90
Freight outward	10,331.74	7,788.11

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 43 Other expenses (Contd.)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Travelling and conveyance	2,042.59	1,254.93
Loss on sale of fixed assets (net)	7.57	4.86
Trade receivables and other amounts written off	1.47	204.46
Provision for Loss on account of fire	42.67	111.42
Loss on sales of investments	30.00	-
Business promotion expenses	327.91	480.28
Directors' sitting fees	27.25	19.80
Net loss on foreign currency transactions and translations	-	473.76
Provision for doubtful debts	202.71	677.52
Other administrative expenses	3,838.92	3,991.59
Other selling expenses	4,333.99	3,702.27
	<b>92,701.00</b>	<b>74,545.34</b>

# The Group has entered into rent agreements as a lessee for warehouses and office premises, which are in the nature of short-term leases. These leases has been accounted for applying Paragraph 6 of Ind AS 116 - Leases and accordingly recorded as an expense amounting to ₹ 4,468.66 and ₹ 4,223.12 for the years ended March 31, 2022 and March 31, 2021 respectively.

#### A Auditors' remuneration

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statutory audit (including fees for limited reviews)	183.65	183.88
Other matters	3.75	-
Out of pocket expenses	4.33	4.58
	<b>191.73</b>	<b>188.46</b>

#### B Corporate social responsibility expenditure\*

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(i) Gross amount required to be spent by the Company during the year in compliance with section 135 of the Companies Act, 2013	413.16	347.19
(ii) Amount spent (in cash) during the year on:		
- Construction/acquisition of an asset	-	-
- on purpose other than above	390.61	357.50

In case of a subsidiary company, an unspent amount of ₹ 25.11 for current year has been transferred to special bank account on April 30, 2022.

\* The above figures pertains to the company and its subsidiaries company wherever applicable.

### Note -44 Registration of charges or satisfaction with Registrar of Companies

The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 45 Earning per share

Particulars	As at March 31, 2022	As at March 31, 2021
Net profit attributable to equity shareholders for calculation of basic and diluted EPS	29,217.53	27,404.90
Weighted average number of equity shares outstanding during the year for calculation of basic and diluted EPS	3,198.45	3,198.45
Nominal value of each equity share (₹)	1.00	1.00
<b>Earnings per equity share</b>		
Earning per share (basic and diluted) (₹)	9.13	8.57

### 46 Income tax

Particulars	As at March 31, 2022	As at March 31, 2021
<b>The income tax expense consists of the following :</b>		
Current tax	11,121.45	10,339.19
Deferred tax expense	317.93	552.72
<b>Total income tax</b>	<b>11,439.38</b>	<b>10,891.91</b>

The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate of at 25.168% and the reported tax expense in the Statement of Profit or Loss are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
Accounting profit for the period before Share of profit in Associate and Joint venture	42,844.86	40,230.91
Applicable Indian statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	10,783.19	10,125.32
Expenses disallowable under the income tax act	89.54	92.56
Tax pertaining to previous year	100.63	-
Difference in overseas tax rate and other foreign entities adjustments	203.10	198.91
Donation and charity	93.11	81.83
Long term capital loss not carried forward	-	50.54
Interest on CCCPS	103.29	89.64
Prior period unabsorbed losses utilised	-	(30.06)
Deduction under chapter VI-A	(228.95)	-
Others	295.47	283.17
<b>Total income tax expense</b>	<b>11,439.38</b>	<b>10,891.91</b>

### Unrecognised deferred tax assets

For the year ended March 31, 2022	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	-	0.74	-	-	0.74
Unabsorbed depreciation	-	-	-	0.31	0.31
Capital losses	69.11	12.26	1,016.46	-	1,097.83
Unused tax Credit	-	-	-	-	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 46 Income tax (Contd.)

For the year ended March 31, 2021	Within one year	Greater than one year and less than five years	Greater than five years	No expiry date	Total
Unutilised business losses	-	1.19	-	-	1.19
Unabsorbed depreciation	-	-	-	0.31	0.31
Capital losses	-	114.09	1,020.38	-	1,134.47
Unused tax Credit	-	-	-	-	-

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.

### 47 Contingencies and commitments

Particulars	As at March 31, 2022	As at March 31, 2021
<b>A. Contingent liabilities</b>		
I Income-tax demands (refer note 1 below)	3,383.69	2,131.48
II Guarantees given by group	32.28	145.70
III FCI Demand for differential price/freight/ taxes	75.69	75.69
IV Customer claims against the group	30.77	30.77
V Duty saved under EPCG licenses (export obligation outstanding ₹ 1428.93 (March 31, 2020: ₹ 545.41))	237.99	90.90
	<b>3,760.42</b>	<b>2,474.54</b>

#### 1 Notes

- a) In case of Daawat Foods Limited, the subsidiary company had filed appeals for the Assessment year 2009-10 which have been concluded for amounting to ₹ 59.57 (March 31, 2021: ₹ 59.57). However, appeal effect of the same is yet to be processed by the Ld. Assessing Officer.

The subsidiary company has received demands during the FY 2021-22, under section 143(3) for the Assessment Years 2017-18 and 2018-19 for ₹ 682.82 and ₹ 80.26 respectively. The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

- b) In case of LT Foods Limited (Parent company) has pending appeals at Income Tax Appellate Tribunal (ITAT) for the AY 2008-09 to AY 2010-11 and AY 2012-13 to AY 2014-15 and for AY 2016-17 on the matters over which no relief was provided by CIT (Appeals) amounting to ₹ 1,208.31 (March 31, 2021: ₹ 1,318.31).

The Parent company's appeal at Income Tax Appellate Tribunal (ITAT) for the AY 2003-04 and AY 2007-08 have been concluded for amounting to ₹ 62.38 (March 31, 2021: ₹ 62.38). However, appeal effect of the same is yet to be processed by the Ld. Assessing Officer.

The parent company's appeal for AY 1999-00 and AY 2010-11 against the demand under section 271(1)(c) amounting to ₹ 36.27 and ₹ 177.43 respectively (March 31, 2021: ₹ 36.27 and ₹ 177.43) are pending at Income Tax Appellate Tribunal (ITAT) and CIT (Appeals) respectively.

During the financial year 2019-20, the parent company has received demands during the FY 2019-20, under section 147 for the Assessment Year 2015-16 for ₹ 466.81 (March 31, 2021: ₹ 466.81). The parent company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

The Company has received demands during the FY 2021-22, under section 143(3) for the Assessment Year 2017-18 for ₹ 599.12 (March 31, 2021: ₹ Nil). The Company has already filed an appeal before the CIT (Appeals). The matter is still pending with CIT (Appeals).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 47 Contingencies and commitments (Contd.)

The parent company has paid ₹ 1,651.26 (March 31, 2021: ₹ 1,651.26) as per the directions of the Income Tax Department against the outstanding demands of various assessment years and the same will be adjusted/ refunded, once the appeals are final. The amount paid includes ₹ 631.95 lakhs deposited against cases in respect of which favourable order has been received.

- c) In case of Nature Bio Foods Limited (the subsidiary company), during the assessment year 2010-11 the Income tax department (Department) has added back ₹ 24.43 on account of various reasons to the total income of the Company. The department has issued notice of demand u/s 156 of the Income Tax Act, 1961 on March 28, 2013 demanding ₹ 5.15. The Company had contested the above before CIT(Appeals) and the Ld. CIT(Appeals) has dismissed the appeal vide order dated May 19, 2016. The Company had contested the above order before Hon'ble ITAT. No provision is necessary in this regard since the Company has been advised that it has a good case and chances of case decided against the Company is not probable. Aforesaid demand is including interest upto March 28, 2013 but excluding interest from April 1, 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). No provision is necessary in this regard since the Company has been advised that it has a good case and chances of case decided against the Company is not probable.

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). No provision is necessary in this regard since the Company has been advised that it has a good case and chances of case decided against the Company is not probable.

During the assessment year 2018-19, the department has issued assessment order u/s 143 (3) of the Income Tax Act, 1961 added back amount of ₹ 13.21 and has demanded amount of ₹ 4.49. The Company has decided to file rectification under section 154 of Income tax act, 1961 & no provision is necessary in this regard since the Company has been advised that it has a good case and chances of case decided against the Company is not probable.

- d) The management is confident that its position is likely to be upheld in the appeals pending before the various appellate authorities and no liability could arise on the Group on account of these proceedings. 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 ₹ 2,122.64 (March 31, 2021: ₹ 1,498.06).

### 48 Employee benefit obligations

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Gratuity	255.93	889.97	136.32	743.78
Compensated absences	68.80	298.21	59.41	264.01
Others	191.61	54.08	191.18	48.84
<b>Total</b>	<b>516.34</b>	<b>1,242.26</b>	<b>386.91</b>	<b>1,056.63</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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 48 Employee benefit obligations (Contd.)

#### Disclosure of gratuity

(i) Amount recognised in the Statement of Profit and Loss is as under:

Description	March 31, 2022	March 31, 2021
Current service cost	199.48	151.42
Interest cost (net)	65.68	38.16
<b>Amount recognised in the statement of profit and loss</b>	<b>265.16</b>	<b>189.58</b>

(ii) Breakup of actuarial (gain)/loss recognised in other comprehensive income (OCI)

Description	March 31, 2022	March 31, 2021
Actuarial (gain)/loss on arising from change in demographic assumption	8.41	(127.02)
Actuarial (gain)/loss on arising from change in financial assumption	24.62	52.56
Actuarial (gain)/loss on arising from experience adjustment	59.96	25.62
<b>Remeasurement on plan assets</b>		
Return on plan assets (excluding interest)	29.28	(0.53)
<b>Total actuarial (gain)/loss recognised in OCI</b>	<b>122.27</b>	<b>(49.37)</b>

(iii) Movement in the defined benefit obligation during the year is as under:

Description	March 31, 2022	March 31, 2021
Present value of defined benefit obligation as at the start of the year	<b>1,402.14</b>	<b>1,206.69</b>
Current service cost	199.48	151.42
Interest cost	100.15	69.58
Actuarial loss/(gain) recognised during the year	92.99	(48.84)
Other adjustments	35.50	93.01
Benefits paid	(187.04)	(69.72)
<b>Present value of defined benefit obligation as at the end of the year</b>	<b>1,643.22</b>	<b>1,402.14</b>

(iv) Change in fair value of assets:

Description	March 31, 2022	March 31, 2021
<b>Fair value of plan assets at the beginning of the year</b>	<b>522.04</b>	<b>533.56</b>
Interest income plan assets	34.47	31.42
Actual contributions	154.78	26.25
Actuarial Gains/(Losses)	(29.28)	0.53
Benefits paid	(184.69)	(69.72)
<b>Fair value of plan assets at the end of the year</b>	<b>497.32</b>	<b>522.04</b>

(v) Actuarial assumptions

Description	March 31, 2022	March 31, 2021
Discount rate	6.58% to 7.53%	6.51 to 7.07%
Retirement age	58 years	58 years
Employee turnover:	1.00% to 17.05%	2.00% to 17.05%
Rate of increase in compensation	7.00% to 10.00%	7.00% to 10.00%

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 TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**48 Employee benefit obligations (Contd.)****(vi) Movement in net liability recognised in balance sheet**

Description	March 31, 2022	March 31, 2021
Defined benefit obligation	1,643.22	1,402.14
Fair value of plan assets	(497.32)	(522.04)
<b>Liability recognised in the balance sheet</b>	<b>1,145.90</b>	<b>880.10</b>

**(vii) Sensitivity analysis for gratuity liability**

Particulars	March 31, 2022	March 31, 2021
<b>Impact of the change in discount rate</b>		
Present value of obligation at the end of the year	<b>1,643.22</b>	<b>1,402.14</b>
- Impact due to increase of 1 %	(80.00)	(83.05)
- Impact due to decrease of 1 %	88.98	90.95
<b>Impact of the change in salary increase</b>		
Present value of obligation at the end of the year	<b>1,643.22</b>	<b>1,402.14</b>
- Impact due to increase of 1 %	78.85	81.53
- Impact due to decrease of 1 %	(74.69)	(74.69)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

**(viii) Maturity profile of defined benefit obligation (undiscounted)**

Description	March 31, 2022	March 31, 2021
Within next 12 months	262.87	141.02
Between 2-5 years	840.17	644.69
Between 6-10 years	645.56	633.68

**(ix) Composition of plan assets**

Description	March 31, 2022	March 31, 2021
The planned assets are managed by Life Insurance Corporation, Canara HSBC OBC Life Insurance and PNB MetLife India Insurance Company Limited	497.34	522.04

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 48 Employee benefit obligations (Contd.)

#### B Compensated absences

The earned leave liability arises on retirement, withdrawal, resignation and death-in-service of an employee. The actuary has used projected unit cost (PUC) actuarial method to assess the plan's liabilities of employees.

##### (i) Actuarial assumptions

Description	March 31, 2022	March 31, 2021
Discount rate	6.58% to 7.53%	6.51 to 7.07%
Future basic salary increase	58 years	58 years
Employee turnover/ Withdrawal rate	1.00% to 17.05%	2.00% to 17.05%
Retirement age	7.00% to 10.00%	7.00% to 10.00%

##### Notes:

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors on long term basis.
- The Group has defined benefit obligation pertaining to Indian entities only.

#### C Provident fund, ESI fund and other fund

Contribution made by the Group towards Provident fund during the year is ₹ 374.78 (March 31, 2021: ₹ 320.23) relating to Indian entities.

Contribution made by the Group towards ESI fund during the year is ₹ 40.94 (March 31, 2021: ₹ 39.30) relating to Indian entities.

Contribution made by the Group towards Dutch pension scheme during the year is ₹ 298.41 (March 31, 2021: ₹ 274.33) relating to its subsidiary company in Europe.

Contribution made by the Group towards 401 (k) Plan during the year is ₹ 134.41 (March 31, 2021: ₹ 150.51) relating to its subsidiary company in US.

### 49 Fair value disclosures

#### i) Financial instruments by category

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments*	561.18	-	-	455.30	-	-
Trade receivables	-	-	61,126.58	-	-	48,672.53
Cash and cash equivalents	-	-	3,208.05	-	-	1,684.71
Other bank balances	-	-	705.73	-	-	1,312.33
Loans	-	-	392.05	-	-	604.71
Other financial assets	736.90	-	17,855.71	1,235.27	-	16,868.98
<b>Total</b>	<b>1,298.08</b>	<b>-</b>	<b>83,288.12</b>	<b>1,690.57</b>	<b>-</b>	<b>69,143.26</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 49 Fair value disclosures (Contd.)

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings	-	-	1,02,963.70	-	-	1,26,254.27
Liability component of compound financial instrument - net of transaction costs	-	-	3,128.46	-	-	2,709.43
Trade payable	-	-	70,308.45	-	-	50,355.50
Lease liability	-	-	25,870.89	-	-	28,019.55
Other financial liabilities	32.82	-	8,726.46	-	-	3,020.14
<b>Total</b>	<b>32.82</b>	<b>-</b>	<b>2,10,997.96</b>	<b>-</b>	<b>-</b>	<b>2,10,358.89</b>

\* Investment in equity instruments of 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. estimates.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

#### Financial assets and liabilities measured at fair value - recurring fair value measurements

March 31, 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at FVTPL</b>				
Keyman insurance policies	-	560.92	-	560.92
Equity instruments - Quoted	0.21	-	-	0.21
Equity instruments - Unquoted	-	0.05	-	0.05
Derivative asset	-	736.90	-	736.90
<b>Total financial assets</b>	<b>0.21</b>	<b>1,297.87</b>	<b>-</b>	<b>1,298.08</b>
<b>Financial liabilities</b>				
Derivative liabilities	-	32.82	-	32.82
<b>Total financial liabilities</b>	<b>-</b>	<b>32.82</b>	<b>-</b>	<b>32.82</b>

March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Investments at FVTPL</b>				
Keyman insurance policies	-	455.04	-	455.04
Equity instruments - Quoted	0.21	-	-	0.21
Equity instruments - Unquoted	-	0.05	-	0.05
Derivative asset	-	1,235.27	-	1,235.27
<b>Total financial liabilities</b>	<b>0.21</b>	<b>1,690.36</b>	<b>-</b>	<b>1,690.57</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 49 Fair value disclosures (Contd.)

#### Valuation process and technique used to determine fair value

- (i) The fair value of investments in 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:
  - a) Asset approach - Net assets value method
  - b) Income approach - Discounted cash flows ("DCF") method
  - c) Market approach - Enterprise value/Sales multiple method
- (iv) Key man insurance policy fair value is based on surrender value stated by Life Insurance Corporation of India, Max New York Life Insurance Company Limited, SBI Life Insurance Company Limited, Star Union Dai-ichi Life Insurance and Canara HSBC OBC Life Insurance, PNB MetLife India Insurance Company Limited which represents surrender value for the investors.

#### Derivative financial assets:

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

#### (iii) Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows:

Particulars	Level	March 31, 2022		March 31, 2021	
		Carrying value	Fair value	Carrying value	Fair value
<b>Financial assets</b>					
Trade receivables	Level 3	61,126.58	61,126.58	48,672.53	48,672.53
Cash and cash equivalents	Level 3	3,208.05	3,208.05	1,684.71	1,684.71
Other bank balances	Level 3	705.73	705.73	1,312.33	1,312.33
Loans	Level 3	392.05	392.05	604.71	604.71
Other financial assets	Level 3	17,855.71	17,855.71	16,868.98	16,868.98
<b>Total financial assets</b>		<b>83,288.12</b>	<b>83,288.12</b>	<b>69,143.26</b>	<b>69,143.26</b>
<b>Financial liabilities</b>					
Borrowings	Level 3	1,02,963.70	1,02,963.70	1,26,254.27	1,26,254.27
Liability component of compound financial instrument - net of transaction costs	Level 3	3,128.46	3,128.46	2,709.43	2,709.43
Trade payables	Level 3	70,308.45	70,308.45	50,355.50	50,355.50
Lease Liabilities	Level 3	25,870.89	25,870.89	28,019.55	28,019.55
Other financial liabilities	Level 3	8,726.46	8,726.46	3,020.14	3,020.14
<b>Total financial liabilities</b>		<b>2,10,997.96</b>	<b>2,10,997.96</b>	<b>2,10,358.89</b>	<b>2,10,358.89</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 49 Fair value disclosures (Contd.)

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.	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in functional currency of respective entity	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Group presently does not make any significant investments in equity shares.

The group's risk management is carried out by a central treasury department (of the group) under policies approved by the board of directors. The board of directors provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

#### A) Credit risk

'Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and investments in debt securities. The carrying amount of financial assets represents the maximum credit exposure.

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with bank"

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

#### 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 risk 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	March 31, 2022	March 31, 2021
A: Low	Loans	392.05	604.71
	Investments	561.18	455.30
	Cash and cash equivalents	3,208.05	1,684.71
	Other bank balances	705.73	1,312.33
	Other financial assets	18,592.61	18,104.25
	Trade receivables	61,126.58	48,672.53
B: Medium	Trade receivables	716.31	747.16

#### Cash and cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

#### Trade receivables

The group closely monitors the credit-worthiness of the debtors through internal systems that are configured to define credit limits of customers, thereby, limiting the credit risk to pre-calculated amounts. The group assesses increase in credit risk on an ongoing basis for amounts receivable that become past due and default is considered to have occurred when amounts receivable become past due one year.

#### Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes loans and advances to employees, security deposits and others. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

#### b) Expected credit losses for financial assets other than trade receivables

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses. Since, the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low. In respect of other financial assets, credit risk is evaluated based on knowledge of the credit worthiness of those parties and loss allowance is measured as lifetime expected credit losses. The Group does not have any expected loss based impairment recognised on such assets considering their low credit risk nature, though incurred loss provisions are disclosed under each sub-category of such financial assets.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

Particulars	March 31, 2022			March 31, 2021		
	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
Investments	561.18	0.00%	561.18	455.30	0.00%	455.30
Cash and cash equivalents	3,208.05	0.00%	3,208.05	1,684.71	0.00%	1,684.71
Other bank balances	705.73	0.00%	705.73	1,312.33	0.00%	1,312.33
Loans	392.05	0.00%	392.05	604.72	0.00%	604.72
Other financial assets	18,592.61	0.00%	18,592.61	18,104.25	0.00%	18,104.25

#### Expected credit loss for trade receivables under simplified approach

The Group recognises lifetime expected credit losses on trade receivables using a simplified approach, wherein Group has defined percentage of provision by analysing historical trend of default relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met). Trade receivables are subject to credit limits, controls and approvals processes. Based on the historical experience, the risk of default in case of trade receivables is low.

Particulars	0-1 Year	more than 1 Year
<b>As at March 31, 2022</b>		
Trade receivables	61,002.32	840.57
Default rate	0.03%	83.23%
Expected credit loss	16.70	699.61
<b>As at March 31, 2021</b>		
Trade receivables	48,699.47	720.22
Default rate	0.48%	71.45%
Expected credit loss	232.57	514.59

Reconciliation of loss allowance	Trade receivables
<b>Loss allowance on April 01, 2020</b>	<b>728.37</b>
Add (Less): Bad debts written off	(658.73)
Add (Less): Changes in loss allowances	677.52
<b>Loss allowance on March 31, 2021</b>	<b>747.16</b>
Add (Less): Bad debts written off	(233.56)
Add (Less): Changes in loss allowances	202.71
<b>Loss allowance on March 31, 2022</b>	<b>716.31</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

#### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the group maintains flexibility in funding by maintaining availability under committed facilities.

Management monitors rolling forecasts of the group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The group takes into account the liquidity of the market in which the entity operates.

#### Maturities of financial liabilities

The tables below analyse the group's financial liabilities into relevant maturity of group based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

March 31, 2022	Less than 1 year	1-3 year	More than 3 years	Total
<b>Borrowings</b>	86,187.41	5,649.54	11,126.75	1,02,963.70
Liability component of compound financial instrument - net of transaction costs	-	-	3,128.46	3,128.46
Lease liabilities	4,199.24	5,571.70	16,099.95	25,870.89
Trade payable	70,308.45	-	-	70,308.45
Other financial liabilities	8,726.46	-	-	8,726.46
<b>Total</b>	<b>1,69,421.56</b>	<b>11,221.24</b>	<b>30,355.16</b>	<b>2,10,997.96</b>

March 31, 2021	Less than 1 year	1-3 year	More than 3 years	Total
<b>Borrowings</b>	1,05,998.53	7,609.01	12,646.73	1,26,254.27
Liability component of compound financial instrument - net of transaction costs	-	-	2,709.43	2,709.43
Lease liabilities	3,740.94	8,169.86	16,108.75	28,019.55
Trade payable	50,355.50	-	-	50,355.50
Other financial liabilities	3,013.64	6.50	-	3,020.14
<b>Total</b>	<b>1,63,108.61</b>	<b>15,785.37</b>	<b>31,464.91</b>	<b>2,10,358.89</b>

#### C) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the 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, Euro & GBP. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the functional currency of any of the group entities.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

(i) Exposure to currency risk:

The groups exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows

Particulars	In foreign currency		In INR	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Financial assets</b>				
<b>Trade receivables*</b>				
EURO	81.75	29.62	6,920.49	2,550.59
USD	279.22	181.22	21,166.43	13,320.68
GBP	24.77	6.10	2,465.70	615.30
<b>Foreign exchange derivative contracts (Sell foreign currency)</b>				
EURO	(189.41)	183.44	(16,114.39)	15,794.17
EURO - USD	(16.40)	25.00	(1,449.57)	2,152.48
USD	(552.46)	395.68	(43,478.28)	29,084.70
GBP	(2.50)	10.08	(248.88)	1,017.59
GBP - USD	-	2.00	-	201.90
<b>Financial liabilities</b>				
<b>Trade payables</b>				
EURO	1.02	4.12	86.90	354.47
USD	16.63	10.48	1,261.19	770.52
SGD	-	0.13	-	7.20
<b>Foreign exchange forward contracts (Buy foreign currency)</b>				
USD	49.60	121.38	3,760.03	8,921.97
<b>Preshipment credit</b>				
USD	225.93	563.09	17,127.19	41,387.51
<b>Demand Loan</b>				
USD	49.60	130.98	3,760.03	9,647.74

\*Trade receivables includes intra group receivables amounting to ₹ 21,900.02 as on March 31, 2022, and ₹ 8,923.83 as on March 31, 2021 which are eliminated in consolidated financial statements.

The following significant exchange rates have been applied:

Particulars	Year end spot rate	
	March 31, 2022	March 31, 2021
EURO	84.66	86.10
USD	75.81	73.50
GBP	99.55	100.95
SGD	-	54.33

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

#### (a) Disclosure of effects of hedge accounting on financial position

#### As at March 31, 2022

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	62,313.66	-	736.90	-	06 April 2022 - 15 March 2023	1:1	USD: ₹ 75.91 EURO: ₹ 92.05 GBP: ₹ 102.41	736.90	(736.90)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	16,969.94	-	17,127.19	4 June 2022 - 24 September 2022	1:1	USD: ₹ 73.52	(157.25)	157.25

#### As at March 31, 2021

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities					
<b>Cash flow hedge</b>									
Foreign currency risk									
(i) Foreign exchange forward contracts	48,250.84	-	1,239.87	5.59	8 April 2021 - 31 March 2022	1:1	USD: ₹ 75.91 EURO: ₹ 92.05 GBP: ₹ 102.41	1,234.27	(1,234.27)
(ii) Pre-shipment credit in foreign currency (PCFCs)	-	41,286.71	-	41,387.51	12 April 2021 - 18 September 2021	1:1	USD: ₹ 73.52	(100.80)	100.80



**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**50 Financial risk management (Contd.)**

(b) Disclosure of effects of Fair value hedge on financial position

As at March 31, 2022

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument
	Assets	Liabilities	Assets	Liabilities				
(i) Foreign exchange forward contracts	-	3,829.53	-	43.82	30 May 2022 - 10 June 2022	1:1	USD: Rs.77.21	(43.82)

As at March 31, 2021

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument
	Assets	Liabilities	Assets	Liabilities				
(i) Foreign exchange forward contracts	-	9,055.13	-	79.52	5 April 2021 - 09 September 2021	1:1	USD: Rs.74.97	(79.52)

(c) Disclosure of effects of hedge accounting on financial performance

For the year ended March 31, 2022

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	(497.37)	-	(1,075.91)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	(56.45)	-	438.11	Revenue and other income

For the year ended March 31, 2021

Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
<b>Cash flow hedge</b>				
Foreign currency risk				
(i) Foreign exchange forward contracts	3,015.68	-	(59.38)	Revenue and other income
(ii) Pre-shipment credit in foreign currency (PCFCs)	1,636.85	-	785.86	Revenue and other income

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

The Group'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.

#### (d) Movements in cash flow hedging reserve

Particulars	Amount
<b>As at April 01, 2020</b>	<b>(2,454.43)</b>
Add: Changes in fair value of forward contracts	2,956.32
Add: Changes in fair value of PCFCs	2,422.71
Less: Gain/(Loss) on cash flow hedge reserve attributable to non controlling interest	(195.83)
Less: Amount reclassified to profit or loss	(726.48)
Less: Tax relating to above (net)	(1,170.94)
Change during the year ended March 31, 2021	3,285.78
<b>As at March 31, 2021</b>	<b>831.33</b>
<b>As at April 01, 2021</b>	<b>831.33</b>
Add: Changes in fair value of forward contracts	(1,573.28)
Add: Changes in fair value of PCFCs	381.66
Less: Gain/(Loss) on cash flow hedge reserve attributable to non controlling interest	41.87
Less: Amount reclassified to profit or loss	637.80
Less: Tax relating to above (net)	139.38
Change during the year ended March 31, 2022	<b>(372.57)</b>
<b>As at March 31, 2022</b>	<b>458.76</b>

#### Sensitivity

"A reasonably possible strengthening (weakening) of the Euro, US dollar, GBP against all other currencies at March 31, 2022 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. Further, the sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts and pre-shipment credit in foreign currency (PCFC) designated as cash flow hedges. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

Particulars	Currency	Strengthen		Strengthen		Weaken		Weaken	
		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)		Effect on profit after tax Gain/(Loss)		Effect on other components of equity Gain/(Loss)	
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Sensitivity of change in exchange rate by 1%*	EURO	51.14	16.43	(120.59)	118.19	(51.14)	(16.43)	120.59	(118.19)
Sensitivity of change in exchange rate by 1%*	USD	148.95	93.92	(325.36)	217.65	(148.95)	(93.92)	325.36	(217.65)
Sensitivity of change in exchange rate by 1%*	GBP	18.45	4.60	(1.86)	7.61	(18.45)	(4.60)	1.86	(7.61)
Sensitivity of change in exchange rate by 1%*	SGD	-	(0.05)	-	65.30	-	0.05	-	(65.30)

\*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 March 31, 2022, the group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The group's investments in fixed deposits all pay fixed interest rates.

#### Interest rate risk exposure

Below is the overall exposure of the group to interest rate risk::

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowing*	98,877.11	1,23,305.36
Fixed rate borrowing	4,086.59	2,948.91
<b>Total borrowings</b>	<b>1,02,963.70</b>	<b>1,26,254.27</b>

\* Variable rate borrowing includes borrowing where interest rate is linked with LIBOR/SOFR/EURIBOR/EIBOR ₹ 98,877.11 (March 31, 2021: ₹ 123,305.36)

#### Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. In case of fixed rate borrowings a change in interest rates at the reporting date would not affect profit or loss.

Particulars	Effect on profit after tax	
	March 31, 2022	March 31, 2021
<b>Total borrowings</b>		
- Impact due to increase of 50 basis points*	(366.23)	(456.39)
- Impact due to decrease of 50 basis points*	366.23	456.39

\*Holding all other variables constant

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 50 Financial risk management (Contd.)

#### ii) Assets

The group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### c) Price risk exposure

The group does not have any significant investments in equity instruments which create an exposure to price risk.

### 51 Capital management

The group's capital management objectives are

- to ensure the group's ability to continue as a going concern
- to provide an adequate return to shareholders

The group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of balance sheet.

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the group's various classes of debt. The group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The group's adjusted net debt to equity ratio is as follows:

Particulars	March 31, 2022	March 31, 2021
Total borrowings including lease liabilities	1,31,963.05	1,56,983.25
Less : cash and cash equivalents	(3,208.05)	(1,684.71)
<b>Net debt</b>	<b>1,28,755.00</b>	<b>1,55,298.54</b>
Total equity	1,99,761.24	1,75,548.66
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.64</b>	<b>0.88</b>

#### a) Dividends

Particulars	March 31, 2022	March 31, 2021
<b>Equity shares</b>		
<b>(i) Interim Dividend</b>		
For the year ended March 31, 2021 of ₹ 0.50 per share (excluding tax)	-	1,599.19
For the year ended March 31, 2021 of ₹ 0.50 per share (excluding tax)	-	1,599.19
For the year ended March 31, 2022 of ₹ 0.50 per share (excluding tax)	1,599.23	-
For the year ended March 31, 2022 of ₹ 0.50 per share (excluding tax)"	1,599.22	-

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 51 Capital management (Contd.)

#### b) Loan covenants

- i) Under the terms of major borrowing facilities, the Company is required to comply with the following covenants:
- the current ratio must be more than 1.33 times;
  - the debt to equity must remain lower than 1 times;
  - the promoter's holding must not be less than 51%;
  - the total outside liability to tangible net worth ratio must not exceed 1 times;
  - the total outside liability to adjusted tangible net worth must not exceed 1.1 times;
  - the Net Debts to EBITDA must not exceed 4 times;
  - the Net Working Capital to be maintained at minimum level of 25% of current assets;
  - the investment in subsidiary company, associates and JVs must not exceed ₹ 12,484 lakhs;;
- ii) Under the terms of major borrowing facilities, Daawat Foods Limited, the subsidiary company is required to comply with the following covenants:
- Adjusted Tangible Net Worth of ₹ 34000.00 to be maintained;
- iii) Under the terms of the Indusind bank's borrowing facilities, Ecopure Specialities Limited, the subsidiary company is required to comply with the following financial covenants:
- Debt/EBITDA not more than 5 times
  - Annual DSCR not less than 1.25 times
  - Debt/Adjusted Total Net Worth (TNW) not more than 2.75
  - Interest cover not less than 1.5
- iv) Under the terms of the Coöperatieve Rabobank U.A., borrowing facilities, Nature Bio Foods BV, Nature Bio Foods Inc., the subsidiary companies was required to comply with the following financial covenants:
- Obligor to maintain the Tangible solvency Ratio not less than 20% at the last day of quarte.
- v) Under the terms of the Rabobank borrowing facilities, LT Foods America Inc., LT Food Europe BV, the subsidiary companies was required to comply with the following financial covenants:
- Obligor to maintain the Tangible solvency Ratio not less than 20% at the last day of quarter.
  - Obligor shall not permit the aggregate amount of capital expenditures to exceed \$3,000,000 for any Fiscal Year.

The Group has complied with these covenants throughout the reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 52 Related party disclosures

The group's related party transactions and outstanding balances are with its subsidiaries, associates and a joint venture, key management and others as described below.

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

##### a) Associates

Raghuvesh Agri Foods Private Limited  
Raghuvesh Warehousing Private Limited  
Raghuvesh Infrastructure Private Limited

##### b) Joint Venture

Daawat Kameda India Private Limited

#### B. Key Management Personnel and their relatives

##### - Key Management Personnel

Name	Designation
Mr. Vijay Kumar Arora	Managing Director
Mr. Surinder Kumar Arora	Managing Director
Mr. Ashwani Kumar Arora	Managing Director and Chief Financial Officer
Mr. Ashok Kumar Arora	President-Punjab Operations
Mr. Gokul Patnaik	Director
Mr. Suparas Bhandari	Director
Ms. Neeru Singh	Director
Ms. Ambika Sharma	Nominee Director
Mr. Rajesh Kumar Srivastava	Nominee Director

##### - Relatives of Key Management Personnel (with whom transactions have taken place during the year or previous year)

Name	Designation
Mr. Abhinav Arora	Relative of Managing Director
Mr. Aditya Arora	Relative of Key management personnel
Mr. Gursajan Arora	Relative of Key management personnel
Mr. Ritesh Arora	Relative of Managing Director
Mr. Anmol Arora	Relative of Managing Director
Ms. Divya Arora	Relative of Key management personnel
Ms. Ranju Arora	Relative of Managing Director

##### Entities in which Key Management Personnel and their relatives have significant influence and with whom transactions have taken place during the year or previous year

R. S Rice & General Mills  
Super Texfab Private Limited  
Raghuvesh Holdings Private Limited  
Nahar Spinning Mills Ltd.  
UIPL Innovations Private Limited  
Oswal Woollen Mills Limited  
Global Foods Trading Gmbh  
L T F Food Trading LLC  
Sidhu Food B.V.  
Buddha Gourmet Foods Gmbh

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 52 Related party disclosures (Contd.)

#### Transactions with key management persons and their relatives and joint venture

Particulars	March 31, 2022	March 31, 2021
<b>Sales</b>		
Daawat Kameda India Private Limited	76.08	69.55
Oswal Woollen Mills Limited	327.51	148.48
Global Foods Trading Gmbh	3,319.44	9,209.92
L T F Food Trading LLC	-	12.75
Sidhu Food B.V.	888.70	266.51
Buddha Gourmet Foods Gmbh	554.04	53.35
Global Foods Trading Ltd.	902.96	-
Global Foods Trading Spain S.L	1,705.00	-
Global Foods Trading France Sarl	1,117.86	-
<b>Purchases</b>		
Super Texfab Private Limited	3,911.32	2,724.70
UIPL Innovations Private Limited	-	317.60
L T F Food Trading LLC	-	12.75
Daawat Kameda India Private Limited	453.01	312.65
<b>Service charges received</b>		
UIPL Innovations Private Limited	-	16.60
Daawat Kameda India Private Limited	-	120.62
<b>Transactions with key management personnel</b>		
<b>Directors remuneration ( excluding long term employee benefit)</b>		
Mr. Vijay Kumar Arora	343.87	326.74
Mr. Ashwani Kumar Arora	211.10	211.21
Mr. Surinder Kumar Arora	214.05	211.21
Mr. Ashok Kumar Arora	215.00	215.00
<b>Relatives of Key Management Personnel ( excluding long term employee benefit)</b>		
<b>Remuneration</b>		
Abhinav Arora	447.03	445.83
Aditya Arora	116.86	110.71
Anmol Arora	48.94	49.07
Gursajan Arora	146.14	145.61
Ritesh Arora	64.36	60.37
Divya Arora	-	61.10
Dividend paid to key management personnel	827.53	850.52
<b>Dividend paid to relatives of key management personnel and entities in which key management personnel have significant influence. (net of statutory taxes)</b>		
Details of parties to whom dividend paid is more than 10%		
Raghuvesh Holdings Private Limited	300.46	308.81
Others	302.87	311.29
Salary advance to director's relative=	-	37.62
<b>Reimbursement of expenses received</b>		
Daawat Kameda India Private Limited	138.69	120.62
Raghuvesh Infrastructure Private Limited	3.82	9.94
UIPL Innovations Private Limited	-	16.60
<b>Rent expense</b>		
R S Rice & General Mills	20.00	20.00
<b>Rental income</b>		
Daawat Kameda India Private Limited	154.59	183.40

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 52 Related party disclosures (Contd.)

Particulars	March 31, 2022	March 31, 2021
<b>Services received</b>		
Adda Services	54.49	-
<b>Interest income</b>		
Raghuvesh Agri Foods Private Limited	25.05	29.15
Raghuvesh Warehousing Private Limited	4.05	19.92
<b>Loan granted</b>		
Raghuvesh Agri Foods Private Limited	-	50.00
Raghuvesh Warehousing Private Limited	-	55.00
<b>Payment received against Loan</b>		
Raghuvesh Agri Foods Private Limited	82.00	70.00
Raghuvesh Warehousing Private Limited	138.52	125.00
<b>Amount Written off</b>		
L T F Food Trading LLC	-	29.43
<b>Amount Written back</b>		
L T F Food Trading LLC	3.14	-
<b>Dividend received</b>		
Raghuvesh Infrastructure Private Limited	-	24.00
<b>Sitting fees</b>		
Ranju Arora	-	0.20
<b>Director sitting fees</b>		
Mr. Gokul Patnaik	1.75	5.80
Mr. Suparas Bhandari	1.15	5.40
Ms. Ambika Sharma	7.85	-
Mr. Anil Khandelwal	3.05	-
Mr. Abhiram Seth	4.25	-
Ms. Neeru Singh	6.80	2.80
Mr. Vijay Kumar Arora, Mr. Ashwini Kumar Arora, Mr. Surinder Kumar Arora and Mr. Ashok Kumar Arora, the Directors in the Company and in the few of its subsidiary companies have given personal guarantees against the long and short term borrowings (except vehicles loans) availed by the Company and few of its subsidiaries.		
<b>Net balances at the year-end {(payable)/ receivable}</b>		
Super Texfab Private Limited	(1,439.31)	(492.20)
Raghuvesh Infrastructure Private Limited	-	-
Raghuvesh Agri Foods Private Limited	238.02	285.45
Raghuvesh Warehousing Private Limited	3.65	138.52
Daawat Kameda India Private Limited	(189.19)	(17.49)
UIPL Innovations Private Limited	-	(64.54)
Oswal Woollen Mills Limited	41.71	13.38
Global Foods Trading GmbH	1,052.16	3,074.89
Sidhu Food B.V.	881.87	109.35
R S Rice & General Mills	(28.52)	(5.63)
Buddha Gourmet Foods GmbH	1,175.05	-
Global Foods Trading Ltd.	487.50	-
Global Foods Trading Spain S.L	1,001.15	-
GFT France SARL	685.25	-
Vijay Kumar Arora	(8.02)	(8.28)
Ashwani Kumar Arora	(8.50)	(8.07)
Gursajan Arora	-	139.18

#### Terms and conditions of transactions with related parties

The transactions with related parties have been entered into by Group in the ordinary course of business, on arm's length basis on terms prevailing in the open market at that time.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 53 Segment reporting

The business activity of the Group predominantly fall within a single reportable business segment viz. manufacture and storage of rice. There are no separate reportable business segments. As part of reporting for geographical segments, the Group operates in three principal geographical areas of the world, i.e., India, America, Europe and other countries (Rest of the world). The aforesaid is in line with review of operating results by the chief operating decision maker.

#### Information about products and services

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue from external customers</b>		
Rice	4,81,336.49	4,28,263.39
Others	54,471.75	43,144.93
Other operating revenue	6,928.93	2,783.56
<b>Total</b>	<b>5,42,737.17</b>	<b>4,74,191.88</b>

\* Above Revenue does not include other income as per Ind AS 108

#### Information about geographical areas

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenues from external customers</b>		
In India	1,76,789.33	1,45,264.98
In America	1,96,933.13	1,75,643.91
In Europe	97,575.20	94,133.30
Others	71,439.51	59,149.69

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non current assets located</b>		
In India	49,395.50	46,399.22
In America	29,973.21	25,548.41
In Europe	20,735.26	25,189.07
Others	963.35	1,090.10

### 54 Deferred government grants

Particulars	March 31, 2022	March 31, 2021
<b>At the beginning of the year</b>	252.03	330.56
Received during the year	516.89	583.00
Released to the Statement of Profit and Loss	(569.21)	(661.53)
<b>At the end of the year</b>	<b>199.71</b>	<b>252.03</b>

Particulars	March 31, 2022		March 31, 2021	
	Current	Non-current	Current	Non-current
Government grants	52.40	147.31	37.59	214.44

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**55** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Indian Parliament approval and Presidential assent in September 2020. The Code has been published in the Gazette of India and subsequently on November 13, 2020 draft rules were published and invited for stakeholders' suggestions. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

### 56 Assets pledged as security

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Non-current asset*</b>		
<b>First charge</b>		
Property, plant and equipments	54,368.05	48,909.70
Capital work in progress	986.37	574.26
Other financial assets	669.54	564.30
<b>Total non-current asset pledged as security</b>	<b>56,023.96</b>	<b>50,048.26</b>
<b>Current assets*</b>		
<b>First charge</b>		
Pari-passu		
Inventories	2,37,907.31	2,18,093.10
Trade receivables	1,11,624.77	54,372.88
Cash and cash equivalents	2,535.67	1,475.45
Other bank balances	705.73	1,125.55
Loans	134.61	513.59
Other financial assets	2,360.54	3,581.93
Other current assets	58,954.32	29,721.52
<b>Total current asset pledged as security</b>	<b>4,14,222.95</b>	<b>3,08,884.02</b>
<b>Total assets pledged as security</b>	<b>4,70,246.91</b>	<b>3,58,932.28</b>

\*Above figures includes following intra group balances which has been eliminated in consolidated accounts:

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables	58,606.25	11,640.39
Other financial assets	-	192.81
Other current assets	3,422.71	1,132.27

### 57 Interests in associates and joint venture

Set out below are the associates and joint ventures of the Group as at March 31, 2022 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.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint venture (Contd.)

Name of the entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					As at March 31, 2022	As at March 31, 2021
Raghuvesh Warehousing Private Limited	India	40.00%	Associate	Equity method	453.37	450.81
Raghuvesh Agri Foods Private Limited	India	40.00%	Associate	Equity method	362.10	372.68
Raghuvesh Infrastructure Private Limited	India	30.00%	Associate	Equity method	59.45	50.33
Daawat Kameda India Private Limited	India	51.00%	Joint venture	Equity method	1,056.81	1,543.08
<b>Total equity accounted investments</b>					<b>1,931.72</b>	<b>2,416.90</b>

### Summarised financial information for associates and joint ventures

The tables below provide summarised financial information for those joint ventures and associates that are material to the Group. The information disclosed reflects the amounts presented in the financial statements of the relevant associates and joint ventures and not LT Foods Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Non-current Assets</b>						
Property, Plant and Equipment	0.39	0.53	0.54	0.78	184.71	-
Intangible Assets	40.02	0.45	0.20	0.54	-	-
Other Intangible Assets	0.17	58.20	101.68	148.28	1,320.82	1,320.82
Financial Assets						
Other financial assets	761.91	1,060.68	761.90	1,060.66	-	-
Deferred tax assets	122.09	119.93	263.86	253.14	-	0.02
Income tax assets	99.28	99.27	130.80	86.88	163.32	159.74
<b>Total Non-current Assets</b>	<b>1,023.86</b>	<b>1,339.06</b>	<b>1,258.98</b>	<b>1,550.28</b>	<b>1,668.85</b>	<b>1,480.58</b>
<b>Current Assets</b>						
Financial Assets						
Trade receivables	56.75	81.82	54.07	75.75	150.91	225.59
Cash and Cash equivalents	8.57	5.92	7.31	4.59	178.87	83.11
Loans	0.20	0.02	0.20	0.05	-	-
Other financial assets	298.79	253.23	298.79	253.23	150.03	150.04
Other assets	20.93	36.08	7.19	7.66	10.30	13.46
<b>Total Current Assets</b>	<b>385.24</b>	<b>377.07</b>	<b>367.56</b>	<b>341.28</b>	<b>490.11</b>	<b>472.20</b>
<b>Non-current Liabilities</b>						
Financial Liabilities						
Borrowings	-	182.08	396.43	580.71	-	-
<b>Total Non-current Liabilities</b>	<b>-</b>	<b>182.08</b>	<b>396.43</b>	<b>580.71</b>	<b>-</b>	<b>-</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint venture (Contd.)

Balance Sheet	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Current liabilities</b>						
Financial Liabilities						
Borrowings	230.92	368.40	273.72	323.72	-	-
Trade payables	0.36	3.68	0.05	3.66	-	-
Other financial liabilities	22.48	11.77	6.06	4.98	33.56	480.97
Other liabilities	24.61	23.16	45.60	46.84	1,922.24	1,440.95
<b>Total Current liabilities</b>	<b>278.37</b>	<b>407.01</b>	<b>325.43</b>	<b>379.20</b>	<b>1,955.80</b>	<b>1,921.92</b>
<b>Net Assets</b>	<b>1,130.73</b>	<b>1,127.04</b>	<b>904.68</b>	<b>931.65</b>	<b>203.16</b>	<b>30.86</b>

Balance Sheet	Joint Venture	
	Daawat Kameda India Private Limited	
	As at March 31, 2022	As at March 31, 2021
<b>Non-current Assets</b>		
Property, plant and equipment	1,322.92	1,411.50
Capital work-in-progress	38.04	181.88
Financial Assets		
Other financial assets	4.50	4.56
Other Assets	-	2.20
Non current tax assets	8.47	6.14
<b>Total Non-current Assets</b>	<b>1,373.93</b>	<b>1,606.28</b>
<b>Current Assets</b>		
Inventories	86.38	106.32
Financial Assets		
Trade Receivables	-	21.04
Cash and Cash equivalents	198.63	258.68
Other bank balances	101.00	1,009.56
Other assets	721.67	485.26
<b>Total Current Assets</b>	<b>1,107.68</b>	<b>1,880.86</b>
<b>Non-current Liabilities</b>		
Provisions	7.05	5.79
<b>Total Non-current Liabilities</b>	<b>7.05</b>	<b>5.79</b>
<b>Current liabilities</b>		
Financial Liabilities		
Trade payables	77.39	22.64
Other financial liabilities	1.84	105.44
Other current liabilities	91.61	99.36
Provisions	0.50	0.23
<b>Total Current liabilities</b>	<b>171.34</b>	<b>227.67</b>
<b>Net Assets</b>	<b>2,303.22</b>	<b>3,253.68</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint venture (Contd.)

#### Reconciliation to carrying amounts

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
Opening net assets	1,127.04	1,144.64	931.65	973.36	30.86	(56.90)
Profit/(loss) for the year	3.71	(17.60)	(26.98)	(41.71)	172.28	167.76
Dividends paid	-	-	-	-	-	80.00
<b>Closing net assets</b>	<b>1,130.75</b>	<b>1,127.04</b>	<b>904.67</b>	<b>931.65</b>	<b>203.14</b>	<b>30.86</b>
Group's share in %	40%	40%	40%	40%	30%	30%
Group's share in INR	452.30	450.82	361.87	372.68	60.94	9.26
Other adjustments	1.07	-	0.23	-	(1.50)	41.07
<b>Carrying amount</b>	<b>453.37</b>	<b>450.81</b>	<b>362.10</b>	<b>372.68</b>	<b>59.45</b>	<b>50.33</b>

Summarised Balance Sheet	Joint Venture	
	Daawat Kameda India Private Limited	
	As at March 31, 2022	As at March 31, 2020
Opening net assets	3,253.68	4,151.34
Profit for the year	(953.47)	(897.24)
Other comprehensive income	3.00	(0.42)
<b>Closing net assets</b>	<b>2,303.21</b>	<b>3,253.68</b>
Group's share in %	51%	51%
Group's share in INR	1,174.65	1,659.38
Other adjustments	(117.84)	(116.30)
<b>Carrying amount</b>	<b>1,056.81</b>	<b>1,543.08</b>

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>Income</b>						
Revenue from operations	196.69	195.55	193.07	213.82	-	-
Other income	0.08	6.28	0.08	2.39	735.17	700.87
<b>Total income</b>	<b>196.77</b>	<b>201.83</b>	<b>193.15</b>	<b>216.21</b>	<b>735.17</b>	<b>700.87</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint venture (Contd.)

Summarised Statement of Profit and Loss	Associates					
	Raghuvesh Warehousing Private Limited		Raghuvesh Agri Foods Private Limited		Raghuvesh Infrastructure Private Limited	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
<b>Expenses</b>						
Costs of services rendered	-	-	-	-	-	-
Purchase of stock-in-trade	-	-	-	-	-	-
Changes in inventories of finished goods, semi finished goods, work in progress and stock in trade	-	-	-	-	-	-
Employee benefit expense	12.92	11.47	13.68	16.02	107.13	95.41
Depreciation and amortisation expense	28.82	26.74	70.27	68.49	26.81	-
Finance costs	18.83	62.46	47.52	91.02	3.22	58.74
Other expenses	132.19	125.77	99.38	98.87	358.76	291.90
<b>Total expenses</b>	<b>192.76</b>	<b>226.44</b>	<b>230.85</b>	<b>274.40</b>	<b>495.92</b>	<b>446.05</b>
<b>Profit before tax</b>	<b>4.01</b>	<b>(24.61)</b>	<b>(37.70)</b>	<b>(58.19)</b>	<b>239.25</b>	<b>254.82</b>
Current tax expense	-	-	-	-	66.95	87.06
Deferred tax expense	0.30	(7.01)	(10.72)	(16.48)	0.02	-
<b>Profit/(loss) for the year</b>	<b>3.71</b>	<b>(17.60)</b>	<b>(26.98)</b>	<b>(41.71)</b>	<b>172.28</b>	<b>167.76</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income/(loss)</b>	<b>3.71</b>	<b>(17.60)</b>	<b>(26.98)</b>	<b>(41.71)</b>	<b>172.28</b>	<b>167.76</b>

Summarised Statement of Profit and Loss	Joint Venture	
	Daawat Kameda India Private Limited	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Revenue</b>		
Revenue from operations	247.01	189.92
Other income	21.84	80.03
<b>Total income</b>	<b>268.85</b>	<b>269.95</b>
<b>Expenses</b>		
Cost of materials consumed	210.55	152.74
Changes in inventories of finished goods, work-in-progress and stock-in-trade	11.45	(8.99)
Employee benefit expense	199.12	174.86
Depreciation and amortisation expense	254.92	299.98
Other expenses	546.28	548.60
<b>Total expenses</b>	<b>1,222.32</b>	<b>1,167.19</b>
<b>Profit before tax</b>	<b>(953.47)</b>	<b>(897.24)</b>
Current tax expense	-	-
Deferred tax expense	-	-
<b>Profit/(loss) for the year</b>	<b>(953.47)</b>	<b>(897.24)</b>
<b>Other comprehensive income</b>	<b>3.00</b>	<b>(0.42)</b>
<b>Total comprehensive income/(loss)</b>	<b>(950.47)</b>	<b>(897.66)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 57 Interests in associates and joint venture (Contd.)

Total share of profits on account of equity accounting of the joint venture under Ind AS:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Share of profits from associates	1.10	26.62
Share of profits from joint ventures	(486.27)	(457.81)
<b>Total share of losses from associates and joint ventures</b>	<b>(485.17)</b>	<b>(431.19)</b>

### 58 Revenue from Contracts with Customers

Indian Accounting Standard 115 Revenue from Contracts with Customers ("Ind AS 115"), establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) 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

##### Advance from Customers:

Description	Year ended March 31, 2022	Year ended March 31, 2021
Amounts included in contract liabilities at the beginning of the year	5,587.19	5,810.25
Performance obligations satisfied in current year	(5,556.93)	(5,758.95)
Amount received in the current year having outstanding performance obligations	4,186.48	5,535.89
Amounts included in contract liabilities at the end of the year	4,216.74	5,587.19

Remaining performance obligations as at the reporting date are expected to be recognised over the next year by the Group.

Revenue by time	Year ended March 31, 2022	Year ended March 31, 2021
Revenue recognised over time	3,082.62	1,651.79
Revenue recognised at point in time	5,35,808.24	4,71,408.32
	<b>5,38,890.86</b>	<b>4,73,060.11</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS** for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

**58 Revenue from Contracts with Customers (Contd.)****Assets and liabilities related to contracts with customers**

Description	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
<b>Contract assets related to sale of goods and services</b>				
Advance from customers	-	4,216.74	-	5,587.19

**Reconciliation of revenue recognised with contract price**

Description	March 31, 2022	March 31, 2021
Contract price	5,51,356.80	4,85,361.70
Adjustment for:		
Incentives and discounts	(12,465.95)	(12,301.59)
	<b>5,38,890.86</b>	<b>4,73,060.11</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 59 A Ratios

S No.	Ratio	Formula	Particulars		Ratio as on	Ratio as on	Variation
			Numerator	Denominator	March 31, 2022	March 31, 2021	
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets= Inventories + Trade Receivable + Cash & Cash Equivalents + Other Current Assets + Bank Balance + Loans + Other Financial Assets	Current Liability= Short term borrowings + Trade Payables + Other financial Liability+ Current tax (Liabilities) + Lease Liabilities+ Provisions + Other Current Liability	1.78	1.70	4.7%
(b)	Debt-Equity Ratio	Debt / Equity	Debt= long term borrowing + short term borrowing + Non-current and current lease liabilities	Equity= Equity + Reserve and Surplus	66.06	89.42	-26.1%
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit before taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments of lease liabilities and long term borrowing	4.19	4.02	4.1%
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Income= Net Profits after taxes	Shareholder's Equity	0.15	0.16	-6.0%
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Material Consumed + Purchases of Stock in Trade + Changes in Inventory	(Opening Inventory + Closing Inventory)/2	1.58	1.59	-0.8%
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Revenue from Operations	(Opening Trade Receivables + Closing Trade Receivable)/2	9.89	8.57	15.3%

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

S No.	Ratio	Formula	Particulars		Ratio as on		Variation
			Numerator	Denominator	March 31, 2022	March 31, 2021	
(g)	Trade Payables Turnover Ratio	$\frac{\text{Net Credit Purchases}}{\text{Average Trade Payables}}$	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables)/2	6.15	8.09	-23.9%
(h)	Net Capital Turnover Ratio	$\frac{\text{Revenue / Average Working Capital}}{\text{Net Profit / Net Sales}}$	Revenue from Operations	Average Working Capital= Average of Current assets – Current liabilities	4.17	4.47	-6.7%
(i)	Net Profit Ratio	$\frac{\text{Net Profit}}{\text{EBIT / Capital Employed}}$	Net Profit	Revenue from Operations	0.06	0.06	-6.5%
(j)	Return on Capital Employed	$\frac{\text{EBIT / Capital Employed}}{\text{Net Profit / Net Investment}}$	EBIT= Earnings before interest and taxes	Capital Employed= Equity Share Capital + Other Equity + Non Current and Current borrowings + Total Lease Liabilities	0.14	0.14	1.3%
(k)	Return on Investment	$\frac{\text{Net Profit / Net Investment}}$	Net Profit	Net Investment= Net Equity	9.67	9.04	7.0%

### Explanation for change in the ratios by more than 25%:-

(i) Debt-Equity Ratio

The debt equity ratio is favourable in current year on account of repayment of borrowings.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 60 Additional information required by Schedule III

S No.	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 profit and loss	₹ in lakhs	As % of consolidated other Comprehensive income	₹ in lakhs	As % of consolidated total Comprehensive income	₹ in lakhs
<b>Parent</b>									
1	<b>LT Foods Limited</b>								
	March 31 2022	48.59%	1,04,424.75	36.30%	11,224.59	10.07%	(187.04)	37.98%	11,037.55
	March 31 2021	51.10%	96,585.64	36.83%	10,648.10	58.73%	1,995.51	39.14%	12,643.61
<b>Subsidiaries (group's share)</b>									
2	<b>Daawat Foods Limited</b>								
	March 31 2022	17.70%	38,027.58	18.92%	5,850.62	9.16%	(170.08)	19.55%	5,680.54
	March 31 2021	17.11%	32,347.07	17.54%	5,071.27	18.82%	639.41	17.68%	5,710.68
3	<b>Nature Bio Foods Limited</b>								
	March 31 2022	8.01%	17,213.94	4.29%	1,325.22	6.97%	(129.33)	4.11%	1,195.89
	March 31 2021	8.47%	16,018.06	3.83%	1,107.80	24.02%	815.98	5.96%	1,923.79
4	<b>LT International Limited</b>								
	March 31 2022	0.00%	-	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
	March 31 2021	0.02%	28.99	-0.47%	(135.50)	0.00%	-	-0.42%	(135.50)
5	<b>Deva Singh Sham Singh Exports Private Limited</b>								
	March 31 2022	0.03%	58.91	0.20%	60.36	0.00%	-	0.21%	60.36
	March 31 2021	0.00%	(1.45)	0.00%	1.39	0.00%	-	0.00%	1.39
6	<b>Raghunath Agro Industries Private Limited</b>								
	March 31 2022	1.43%	3,081.85	1.19%	368.28	-0.94%	17.43	1.33%	385.72
	March 31 2021	1.43%	2,696.14	0.87%	251.75	0.06%	1.99	0.79%	253.73
7	<b>LT Agri Services Private Limited</b>								
	March 31 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	March 31 2021	0.00%	0.00	0.01%	1.60	0.00%	-	0.00%	1.60
8	<b>Fresco Fruit N Nuts Private Limited</b>								
	March 31 2022	0.00%	0.00	0.00%	-	0.00%	-	0.00%	-
	March 31 2021	0.00%	0.00	0.37%	108.23	0.00%	-	0.34%	108.23
9	<b>Eco Pure Specialities Limited</b>								
	March 31 2022	1.04%	2,236.74	0.23%	71.36	2.01%	(37.31)	0.12%	34.04
	March 31 2021	1.17%	2,202.72	3.54%	1,022.91	1.93%	65.63	3.37%	1,088.54

for the year ended March 31, 2022

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(All amounts are in ₹ lakhs unless otherwise stated)

**60 Additional information required by Schedule III (Contd.)**

S No.	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 profit and loss	₹ in lakhs	As % of consolidated other Comprehensive income	₹ in lakhs	As % of consolidated total Comprehensive income	₹ in lakhs
<b>Foreign Subsidiaries</b>									
10	<b>Sona Global Limited</b>								
	March 31 2022	0.67%	1,432.58	0.00%	(0.00)	-2.41%	44.73	0.15%	44.73
	March 31 2021	0.73%	1,387.85	-0.01%	(2.82)	-1.05%	(35.82)	-0.12%	(38.64)
11	<b>LT Food Middle East DMCC</b>								
	March 31 2022	0.41%	876.73	0.35%	108.96	-2.26%	42.00	0.52%	150.96
	March 31 2021	0.38%	725.77	2.28%	658.95	-0.47%	(15.90)	1.99%	643.05
12	<b>LT Overseas North America, Inc.*</b>								
	March 31 2022	25.97%	55,810.07	38.12%	11,786.87	65.55%	(1,217.06)	36.37%	10,569.81
	March 31 2021	24.41%	46,148.53	34.44%	9,955.53	-1.23%	(41.73)	30.69%	9,913.80
13	<b>LT Foods International Limited (UK)</b>								
	March 31 2022	0.00%	-	0.00%	-	0.00%	-	0.00%	-
	March 31 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
14	<b>Nature Bio Foods BV</b>								
	March 31 2022	1.24%	2,670.07	3.47%	1,073.75	3.29%	(61.02)	3.48%	1,012.73
	March 31 2021	0.88%	1,657.35	2.42%	698.50	1.10%	37.49	2.28%	735.98
15	<b>Nature Bio Foods Inc</b>								
	March 31 2022	0.25%	545.21	1.18%	365.02	-0.63%	11.66	1.30%	376.68
	March 31 2021	0.09%	168.54	0.33%	96.07	-0.05%	(1.81)	0.29%	94.25
<b>Associates</b>									
16	<b>Raghavesh Warehousing Private Limited</b>								
	March 31 2022	0.21%	453.37	0.00%	1.48	0.00%	-	0.01%	1.48
	March 31 2021	0.24%	450.81	-0.02%	(7.03)	0.00%	-	-0.02%	(7.03)
17	<b>Raghavesh Agri Foods Private Limited</b>								
	March 31 2022	0.17%	362.10	-0.03%	(10.79)	0.00%	-	-0.04%	(10.79)
	March 31 2021	0.20%	372.68	-0.06%	(16.68)	0.00%	-	-0.05%	(16.68)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 60 Additional information required by Schedule III (Contd.)

S No.	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 profit and loss	₹ in lakhs	As % of consolidated other Comprehensive income	₹ in lakhs	As % of consolidated total Comprehensive income	₹ in lakhs
18	Raghuvesh Infrastructure Private Limited								
	March 31 2022	0.03%	59.45	0.17%	51.69	0.00%	-	0.18%	51.69
	March 31 2021	0.03%	50.33	0.17%	50.33	0.00%	-	0.16%	50.33
	Joint ventures								
19	Daawat Kameda India Private Limited								
	March 31 2022	0.49%	1,056.81	-1.57%	(486.27)	-0.08%	1.53	-1.67%	(484.74)
	March 31 2021	0.82%	1,543.08	-1.58%	(457.59)	-0.01%	(0.21)	-1.42%	(457.81)
20	Intragroup eliminations								
	March 31 2022	-6.24%	(13,419.84)	-2.82%	(870.83)	9.28%	(172.29)	-3.59%	(1,043.11)
	March 31 2021	-7.07%	(13,356.86)	-0.50%	(145.00)	-1.85%	(62.97)	-0.64%	(207.96)
	Total								
	March 31 2022	100.00%	2,14,890.33	100.00%	30,920.31	100.00%	(1,856.78)	100.00%	29,063.53
	March 31 2021	100.00%	1,89,025.25	100.00%	28,907.81	100.00%	3,397.55	100.00%	32,305.36

\*\* It Includes step down subsidiaries:- LT Foods Americas, Inc., LT Foods USA LLC, LT Foods International Limited, LT Foods Europe BV)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

### 61 Standards issued but not yet applicable

Recent accounting pronouncement issued but not yet effective - The Ministry of Corporate Affairs (MCA), vide notification dated 23rd March, 2022, has made the following amendments to Ind AS which are effective from 1st April, 2022: a. Ind AS 109: Annual Improvements to Ind AS (2021)

- a. Ind AS 109: Annual Improvements to Ind AS (2021)
- b. Ind AS 103: Reference to Conceptual Framework
- c. Ind AS 37: Onerous Contracts - Costs of Fulfilling a Contract
- d. Ind AS 16: Proceeds before intended use

Based on preliminary assessment, the Group does not expect these amendments to have any significant impact on its standalone financial statements.

### 62 Compliance with number of layers of companies

The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

### 63 Other Statutory Information:

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property,
- (ii) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year,
- (iii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (iv) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2022

(All amounts are in ₹ lakhs unless otherwise stated)

- (v) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey) or any other relevant provisions of the Income Tax Act, 1961.
- (vi) The Group has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (vii) The Group does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

### 64 Previous year figures

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

For **MSKA & Associates**

Chartered Accountants

Firm Registration Number:- 105047W

**Rahul Aggarwal**

Partner

Membership Number: 505676

Place : Gurugram

Date : May 30, 2022

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

**Ashwani Kumar Arora**

Managing Director and

Chief Financial Officer

DIN: 01574773

**Anil Khandelwal**

Independent Director

DIN: 03473632

**Surinder Kumar Arora**

Managing Director

DIN: 01574728

**Monika Chawla Jaggia**

Company Secretary

Membership No. :- F5150











**LT FOODS**  
NURTURING GOODNESS

**CORPORATE OFFICE**

**LT Foods Limited**  
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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

