

DAAWAT

EXPANDING **VALUE**
TO **MAXIMIZE**
CUSTOMER **DELIGHT**



Khushiyon ka swaad, baantiye sabke sath.



LT Foods Ltd.

Annual Report 2010-11

INSIDE

• Expanding Value to Maximize Customer Delight	01
• LT Foods in brief	11
• Financial Highlights	12
• Message from the Chairman	15
• The Visionaries	16
• Corporate Information	17
• Management Discussion & Analysis	18
• Directors' Report	25
• Corporate Governance Report	35
• Standalone Financial Statements	45
• Consolidated Financial Statements	69

EXPANDING VALUE BY **MAXIMIZING** CUSTOMER **DELIGHT**

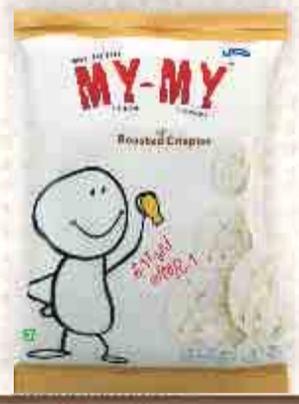
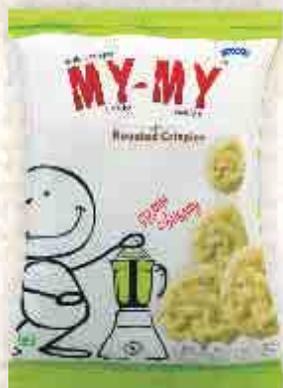


At LT Foods, we are committed to maximize value for our customers and other stakeholder. Over the recent years, we have taken specific initiatives to transform ourselves from a leading Basmati Rice Company to a global Speciality Food Company with a wide bouquet of products and brands. We have fast expanded our geographical footprints all along. Our foray into ready-to-eat rice based snacks like Rice Crispies, Rice Cakes, Namkeens etc., is opening up promising avenues for us. Our pursuit of value maximization has been driven by continuous expansion of revenue streams, in form of new areas as well as new geographies.

During the fiscal year 2010-11 (FY 11), we have added two new streams of revenues, in the realm of ready-to-eat snacks and

also in grain storage. Our decision to add power generation from husk (biomass) will open up another area of revenue for us in coming years. We have chosen to explore profitable avenues in related areas of agriculture as an important driver of our future growth. With a definite focus on further strengthening our brands, we continue to maximize customer delight and thereby expand value.

With an annual turnover of ₹1281 crores (FY 11), business presence in more than 50 countries, retail presence across global outlets and a diverse bouquet of products and brands, we continue to expand value by maximizing customer delight.





EXPANDING **VALUE** THROUGH **QUALITY** PRODUCT **OFFERINGS**

With the consumer palette getting more and more experimental, thanks to the global exposure to world cuisine, we are happy to expand our product offerings. From adopting usage based segmentation in our basmati rice offerings to launching rice based healthy snacks; we are taking strategic strides towards strengthening our consumer proposition.

At LT Foods, we are driven by the needs and desires of the customers, which keep evolving with their improving exposure and lifestyles. Responding to the findings of an extensive survey on consumer insight towards usage pattern, we introduced new variants of basmati rice under 'Daawat' brand to provide an enhanced eating experience. These variants include Daawat Biryani Basmati Rice, Daawat Traditional Basmati Rice, Daawat Pulav Basmati Rice, Daawat Super Basmati Rice and Daawat Rozana. The special and unfulfilled needs of institutional customers in Hotels, Restaurants and Caterers community were also addressed by launching new variants for

them. We launched 6 new variants of basmati special grains rice under 'Daawat Chef's Secretz' range.

In the light of growing concern towards healthy eating and the lack of good alternatives in ready-to-eat snacks segment, our R&D team struck a breakthrough in the previous fiscal year. This enabled us to quickly undertake the test marketing exercise and proceed to launch healthy alternatives of rice based snacks during the year. We launched Rice Crispies, Rice Cakes and Namkeens under 'MYMY' brand with the positioning of 'My Health My Taste'. Being rice based, these products are easy to digest. Courtesy being roasted, they contain fat content less than 7%. Consumers' response to the products in their several flavor variants has been very encouraging. Having met with the instant success in our maiden foray into the segment, we are going to launch these products in more markets.



MIDDLE EAST

AFRICA



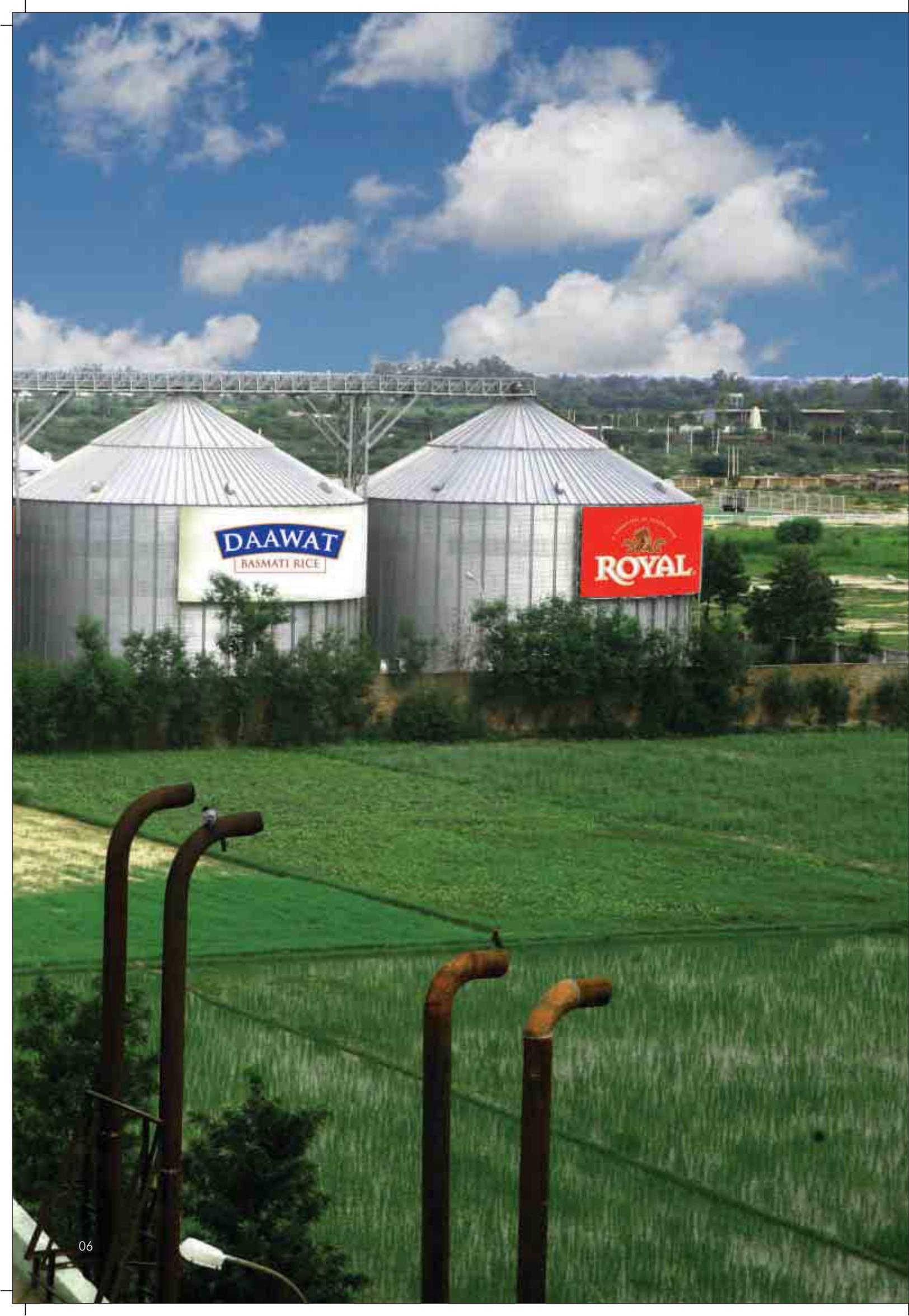
EXPANDING **VALUE** BY MAKING **FORAYS** IN NEW **TERRITORIES**

Maintaining the strategic balance between domestic sales and export sales has been a key focus for us as the same insulates us from over-dependence on certain markets. While we keep strengthening our retail presence across India on continuous basis, during the year we have made intensive efforts towards strengthening our export footprints. Having established our brands and business in more than 50 countries including USA, Canada, UK and France amongst others, we intensified our efforts in further strengthening our prospects in the markets of Middle East and Africa.

Our brands, Daawat, Devaaya, Heritage and Surbhi, have been gaining on their popularity in the Middle Eastern markets. We are going to expand our product offering by launching our

ready-to-eat snacks in all overseas markets. We are fast implementing our growth plans in Middle East and Africa. We are contemplating setting up a blending and packing unit in the region besides doing direct distribution in Saudi Arabia, Kuwait, Yemen and Iran. Finalisation of our distribution partners in Yemen and Iran are at an advanced stage. Extensive promotion of our brands through trade shows and other means of communication forms an integral part of this strategy.

Definitive steps are also being taken towards improving efficiencies, induction of technically qualified people and appointment of two distributors in each market across Middle East and Africa.





EXPANDING VALUE BY VENTURING INTO AGRI-INFRASTRUCTURE

At LT Foods, our business has a comprehensive coverage of agricultural value chain – from farm to kitchen. In a country of 1.2 billion people, food security for fellow Indians is an utmost priority. While the Government has been doing commendable work in this direction, it has realised the need to involve Private sector to meet the mammoth task at hand. The country has witnessed bumper crop in the agricultural season 2010-11 yet again. In the light of our agrarian sector's irrigation dependence on rains, the crop pattern will continue to be inconsistent. Safe and hygienic storage of food grains is an emerging area for the private sector.

We have made a pioneering foray into grain storage during the year. Responding to the call of private sector's participation, we

have developed storage capacity of 50,000 MT of wheat in modern silos at Mulechak near Amritsar. The silos have been developed under Public Private Partnership (PPP) model in collaboration with PUNGRAIN, Government of Punjab. The initiative will enable us earn storage revenue for a long period of 30 years.

We will continue exploring more such profitable opportunities towards strengthening the agricultural infrastructure of India. Besides business aspect, this gives us a sense of satisfaction towards fulfilling our responsibility towards society and nation too.





EXPANDING VALUE BY PRODUCING POWER FROM BIOMASS

In order to support its growth momentum, India needs to overcome the bottleneck of power deficit. Industries are the biggest consumer of power and have traditionally looked at Governments to ensure reliable and uninterrupted supply of grid power. Grid power proves to be expensive besides being prone to outages. Precisely why, we have decided to enter into power generation.

Our diversification into power generation starts with the setting up of a biomass based captive generation facility at our Mandideep facility. Rice husk, as a by-product of our milling process, is available in abundance even when we use a part of it for generating steam for our Par-boiling facility. It is a renewable

source towards generating heat and steam thereafter. Consuming renewable biomass as fuel, the power generated from our proposed facility will qualify to be clean power and hence will be eligible to earn Carbon Emission Reduction (CER) and Renewable Energy Certificates (RECs).

Post commissioning of the facility, the company will gain manifolds namely:

- Reduced dependence on grid power
- Lower cost of power
- Additional revenues from redemption of CERs and RECs



UNIVERSITY

LT FOODS IN BRIEF

Who we are:

We are an INR 128138.01 Lacs rice and specialty food organisation. Headquartered in Gurgaon, we have registered a strong presence in over 50 countries across the globe including United Kingdom, U.S.A., Canada, Middle East and Africa amongst others. The Company has a strong and committed distribution network of more than 100 per state. Its flagship brand, Daawat, caters to three broad segments – Retail, Institutional and Economy – with specific offerings through a range of super specialty basmati rice sub-brands. Its other popular brands include Heritage and Orange. The Company's product portfolio also includes brown rice, white rice, steamed rice, par-boiled rice and organic rice apart from a range of healthy rice based snacks, which it manufactures under the name of MYMY.

A leader in the basmati rice segment, the Company has branched out into other business domains namely biomass power and setting up of logistics, warehouses and Silos etc. Implementing industry best practices and meeting international standards in quality, the Company is spreading its wings all over the globe, acquiring key markets & strategically developing its product offerings.

What defines us:

Vision:

Customer delight through Value added Agri Business

Mission

To deliver value to the customer, be profitable and establish leadership in core markets. The company strives towards diversification and expansion of the product portfolio. To command top of the mind recall with the consumer by ensuring effective brand promotion strategies. Invest in research & development activities so that the company can deliver ever better products and always stay ahead. Focus on increasing global footprint by venturing into newer markets and at the same time forge fruitful alliances with entities operating within the same plane.

Values:

- Ownership: Trust dedication & commitment by empowering resource. Accountability and responsibility to the people & respect for all.

- Passion for Excellence: Perseverance & endurance with no compromise to remain best-in-class.
- Customer Centricity: Offering superior customer experience through safe and high quality products and provide value for money.
- Business Ethics: Sincerity and honesty in delivering the best by being honest & transparent in our processes.
- Innovation: Improving continuously by experimenting with new ideas for superior product and process.

Year's highlight:

- Revenue increased by 18.15% to ₹128138.01 Lacs
- EBITDA decreased by 4.07% to ₹11909.80 Lacs
- PBT decreased by 17.51% to ₹3440.35 Lacs
- PAT decreased by 24.01% to ₹2519.52 Lacs
- Cash Profit decreased by 9.94% to ₹4707.52 Lacs
- The Company launched 6 new variants in the basmati rice segment under its flagship brand Daawat. The products include speciality offerings namely Daawat Biryani Basmati Rice, Daawat Traditional Basmati Rice, Daawat Pulav Basmati Rice, Daawat Super Basmati Rice, Daawat Rozana and Daawat Chef's Secretz.
- The Company has forayed into healthy snacks category with MYMY (My Health and My Taste). The offerings include rice based healthy and tasty chips, cakes, namkeens etc.
- The Company has taken the initiative to develop a 50,000 MT capacity Silos in Amritsar for bulk storage of wheat. The total investment pooled in by the Company for the project is to the tune of ₹3079.05 Lacs.
- The Company is looking forward to making strides in enhancing its customer and distribution base across different markets in Middle East & Africa and specifically in the markets of Yemen, Saudi Arabia, Kuwait and Iran.

FINANCIAL HIGHLIGHTS

OPERATIONAL REVIEW

(₹ in Lacs)

	FY 11	FY 10	FY 09	FY 08	FY 07
Gross Sales	124,321.91	105,288.16	106,097.08	69,506.89	50,262.18
Other income	3,816.10	2,091.86	479.86	367.2	156.51
Total Revenue	128,138.01	107,380.02	106,576.94	69,874.09	50,418.69
EBITDA	11,909.80	11,416.36	16,244.42	8,943.74	5,516.89
PAT after exceptional items	2,519.52	3,315.46	3,020.37	3,281.61	2,100.18
EPS(₹)	8.71	11.28	13.56	14.74	12.77

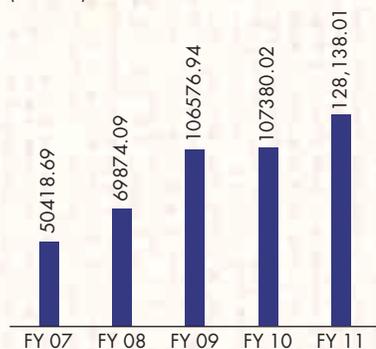
FINANCIAL STRUCTURE

(₹ in Lacs)

	FY 11	FY 10	FY 09	FY 08	FY 07
Net fixed assets	26,982.05	22,534.74	20,775.31	13,421.41	6,821.07
Capital work-in-progress	5,739.89	2,679.11	1,099.09	1,538.07	1,499.99
Investments	328.56	382.42	365.59	431.16	425.1
Net current assets	106,754.58	82,785.66	68,242.57	56,804.55	32,460.2
Misc. expenditure	58.81	255.2	417.95	503.63	451.54
Total assets	153,906.18	118,108.47	106,992.56	87,846.64	46,839.15
Net worth	25,405.52	24,102.37	17,802.96	14,907.78	12,016.39
Term loans	14,628.69	14,522.84	12,901.07	9,997.66	2,816.88
Working capital loans	89,351.22	57,927.77	49,589.24	39,903.44	18,751.87
Unsecured loans	7,690.29	9,996.11	10,390.05	777.6	7,657.43
Minority interest	2,059.07	1,814.67	33.75	12.95	54.12
Deferred tax liabilities	729.10	273.37	183.44	100.51	361.21
Total Liabilities	139,863.89	108,637.13	90,900.51	72,698.82	41,657.9

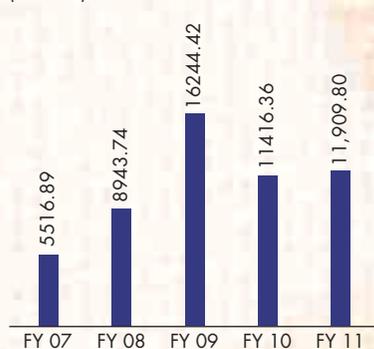
Total Revenue

(₹ in Lacs)



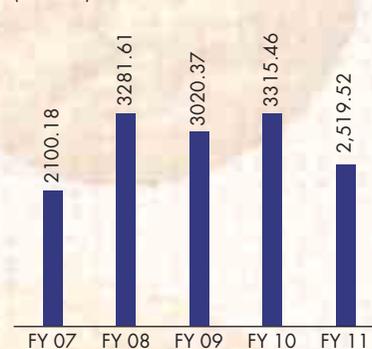
EBITDA

(₹ in Lacs)



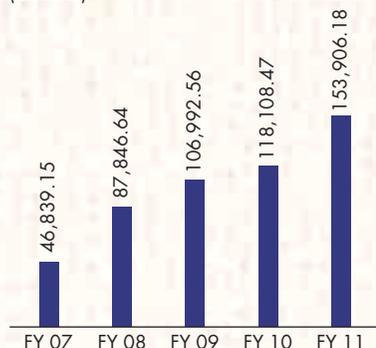
PAT after exceptional items

(₹ in Lacs)



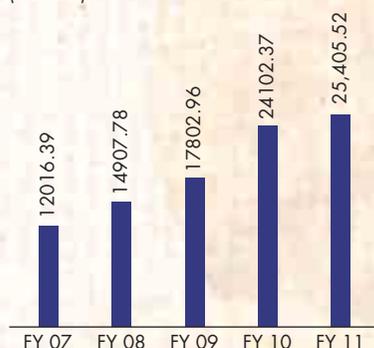
Total Assets

(₹ in Lacs)



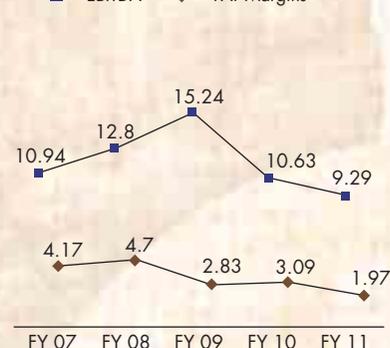
Net Worth

(₹ in Lacs)



EBITDA & PAT Margins (%)

■ EBITDA ◆ PAT Margins



MARGINS & RATIO

	FY 11	FY 10	FY 09	FY 08	FY 07
EBITDA Margins (%)	9.29	10.63	15.24	12.8	10.94
PAT Margins (%)	1.97	3.09	2.83	4.7	4.17
Debt on Equity (times)	0.53	0.57	0.74	0.69	0.29
Equity	2,611.84	2,611.84	2,226.99	2,226.99	2,226.99



CHAIRMAN'S MESSAGE

Dear Shareholders,

Fiscal year 2010-11 was a year of strategic importance for your Company. The fact that our consolidated revenues, from ₹438 crores for FY 06 to Rs. 1281 crores for FY 11, have grown at a compounded annual growth rate (CAGR) of about 24% in a period of five years signifies our capabilities of pursuing sustained growth.

Having attained a significant scale in the branded rice segments in domestic as well as exports markets, we have been diligently working on strengthening our future growth framework for some years now. A decisive focus on high-value branded rice business, expanding our newly started low-calorie snacks business, further improvement in operational efficiency, expansion of our geographical footprints, adding of new revenue streams in the agricultural value chain and continuous adoption of global best practices form the foundation of our future growth.

Diversifying to de-risk

We have to be constantly looking at newer avenues of revenues and profitability in order to sustain growth and margins. I am proud to share with you that we have been doing exactly that for the last couple of years, with method and precision.

Consistently adding the edge of scale and technology, today, we command a combined milling capacity of 65 MT/hour at our five manufacturing facilities at Bahalgarh and Kamaspur in Haryana, Mandideep in Madhya Pradesh, and Varpal and Bhikiwind in Punjab. During the year, we have also added a packaging plant at Houston in USA.

Pursuing a geographic de-risking approach, we have achieved an even balance between revenues from domestic and exports markets. Our exports exposure is diversified across the North America, Middle East, and Europe. In domestic markets, our brands' are widely available across retail outlets of all sizes and hues all over India.

Recent initiatives are maturing

Our move to transcend the branded rice business with introduction of roasted snacks under 'My My' brand is showing encouraging results. Our healthy rice chips, namkeens, and rice cakes, with fat content less than 7%, are being savored by consumers in the markets of Delhi/NCR. We plan to expand this high margin FMCG business by launching it in more cities and regions of the country and even overseas markets.

Our organic subsidiary, Nature Biofoods Ltd. is making rapid strides in converting more acreage under organic farming and by adding more food products in its basket.

Time to make new moves

While abovementioned developments have been initiated couple of years ago and are maturing now, during the fiscal year 2010-11 we have made pioneering foray into foodgrain storage business. We have, under Public Private Partnership (PPP) model in association with Pungrain, developed 50,000 MT of wheat storage capacity in modern silos. The move enables us to earn storage fee for next 30 years.

We have also forayed into biomass based power generation business during the year. We are setting up a captive power plant at Mandideep in Madhya Pradesh. Once commissioned,

this plant would not only negate our dependence on grid power, which turns out to be expensive, but also enable us to earn additional revenues through sale of surplus power through grid. Being classified as green power, we would also qualify for additional revenues in form of redeeming Certified Emission Reductions (CERs)

Customer delight through value-added agribusiness

During the fiscal year 2010-11, we have adopted our new vision of 'Customer delight through value-added agribusiness'. Having already established a strong presence across the entire food value chain – from farm to kitchen; during the fiscal year 2010-11 we decided to pursue profitable gaps in related areas. We have refined our organizational values that would govern our behavior across the rank and file of the Company. With the values of Ownership, Passion for Excellence, Customer-Centricity, Business Ethics and Innovation; we are advancing to achieve our vision.

Strengthening the talent pool

We have stayed focussed on adopting global best practices across our various functions and infusing best available professional talent into the Company. We have the privilege of having the Former Secretary of Agriculture, GOI, Mrs. Radha Singh and Chairman and MD, Rabo Equity advisor, Mr. Rajesh Kumar Srivastava on our Board of Directors. During the year, Mr. Vivek Chandra has joined us as CEO, Brand business and Mr. Kevin Parker has joined us as head of our B2B business. They bring with them their vast leadership experience gained at various companies including some global corporations like Associated British Foods and Del-Monte. Mr. Abhiram Seth, Former Executive Director of Pepsico India has joined the Board of our subsidiary Company, Daawat Foods Ltd. We continue to avail the services of Mr. Sunil Alagh, Former CEO of Britannia India.

Induction of these key people in their respective capacities has brought significant improvements in our efficiencies. The same has gone a long way in motivating the human capital.

Entering the pay-off phase

The investments made over the recent years are maturing now. Other than the already announced Capex, Company's current phase of expansion is approaching completion. With the share of high-margin brand business and that of FMCG segment growing in coming years, the inflow of additional revenues from our grain storage initiatives as well as captive power, and the aggressive scaling up of our distribution business, we shall witness steady improvements in our bottom lines in coming years. Improved internal accruals shall help us improve our debt-equity ratio further.

At LT Foods, we have been privileged to have unstinting support and confidence of our stakeholders and I would like to extend my sincere appreciation for this to our customers, suppliers, employees, shareholders, channel partners, governments and the community. I look forward to the continued patronage of each one of them in our journey forward,

Best regards,

Vijay Arora



THE VISIONARIES

Sitting:

Mr. Vijay Arora

Standing left to right:

Mr. Surinder Kumar Arora

Mr. Ashwani Kumar Arora

Mr. Ashok Kumar Arora

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Vijay Arora, Chairman & Managing Director
 Mr. Ashwani Kumar Arora, Joint Managing Director
 Mr. Surinder Kumar Arora, Joint Managing Director
 Mr. Rajesh Kumar Srivastava, Nominee Director
 Mrs. Radha Singh, Independent Director
 Mr. Pramod Bhagat, Independent Director
 Mr. Jagdish Chandra Sharma, Independent Director
 Mr. Alok Sinha, Independent Director

COMPLIANCE OFFICER & COMPANY SECRETARY

Mrs. Monika Chawla Jaggia

PLANTS

43Km Stone, GT Road, Bahalgarh, Sonapat
 Kamaspur, Bahalgarh, Sonapat
 Mandideep, Bhopal
 Phoola Road, Amritsar
 Varpal, Punjab

AUDITORS

Walker, Chandio & Co - Statutory Auditors
 TU & CO - Internal Auditors

BANKERS

Oriental Bank of Commerce
 (Lead Consortium)
 Allahabad Bank
 ICICI Bank Ltd.
 Axis Bank
 Barclays Bank Plc.
 Corporation Bank
 Punjab National Bank
 State Bank of Hyderabad
 Indian Overseas Bank
 IndusInd Bank Ltd.
 IDBI Bank Limited
 HDFC Bank Limited

MANAGEMENT DISCUSSION & ANALYSIS

GENERAL ECONOMIC SCENARIO

The year 2010 started on an optimistic note with the global economy gradually stabilizing. Improving private demand in developed economies and robust overall demand in emerging market economies helped the global economy to come back on the growth track. Global Economy grew by 4½ percent in 2010. With the fear of double-dip recession put to rest, despite the slow growth scenario, economic uncertainty and rising public indebtedness looms large over most of the developed world. Private sector health has consistently improved over the recent quarters even as the public sector continues to be weighed down by debt in many mature markets. High unemployment in the developed economies, geopolitical uncertainty in certain regions and rising food and commodity prices are the challenges that might weaken the economic growth.

Indian economy has been thriving on its strong fundamentals – led primarily by domestic-demand; well-diversified mature segments like industry, agriculture and services; well regulated financial sector and capital markets; promising demography of young and skilled population, sizeable and prospering middle class. Riding on these very fundamentals and supported by a favourable south-west monsoon, Indian Economy posted strong recovery in the fiscal years 2010-11 (FY 11). Revised estimates of Central Statistical Office have estimated the Indian economy to have grown by 8.5% in FY 11.

The 4th advance estimates of foodgrain production released by the Ministry of Agriculture indicated of a highest ever record harvest of 241.56 million tonnes of foodgrains during 2010-11. The estimate indicated of all time high production of wheat at 85.93 million tonnes, coarse cereals at 42.22 million tonnes, pulses at 18.09 million tonnes and oilseeds at 31.10 million

tonnes. A setback in the production of kharif rice due to drought was set off by a significant improvement in production of Rabi rice. Total rice production is estimated to be 95.32 million tonnes for the year.

GLOBAL RICE SCENARIO

Food and Agriculture Organization (FAO) of the United Nations has estimated the world paddy production to grow by 2.4 percent in 2010 to reach 699 million tonnes (466 million tonnes, in milled rice basis). Its preliminary forecast for 2011 indicates of a 3 percent growth to take the world paddy production to 720 million tonnes. Output in Asia is forecast to record a 3 percent growth in 2011 to 651 million tonnes, sustained by sizeable increases in China and India and a recovery in Pakistan.

The FAO has forecast the world rice trade in 2011 to be at 31.8 million tonnes, indicating a 1 percent expansion over 2010. Global rice utilization in 2010-11 is forecast to rise by 2 percent to 460 million tonnes. Global rice stocks carried over at the close of the marketing seasons ending in 2011 have been estimated at 139 million tonnes, 7 million tonnes more than in 2010. International rice prices have been receding since January 2011, pressured by the arrival of new crop harvests in major exporting countries.

FAO estimated the paddy production in India in 2010 to be at 141.2 million tonnes and has forecast 2011 to reach 150.0 million tonnes. It has taken note of government's renewed resolve of "Extending the Green Revolution to Eastern India" initiative for a second season, with a ₹4 billion allocation that is aimed at enhancing rice production in seven eastern states. It has hailed the continuation of support to producers in fourteen other states through the National Food Security Mission with the aim to raise



rice production by 10 million tonnes by 2011-2012, through the increase of hybrid rice seed coverage to 3.0 million hectares, the promotion of improved technologies and better farm management practices. In non-NFSM areas, assistance to producers is also offered under the Integrated Cereal Development Programme in Rice Based Cropping Systems (ICDP).

(Source: Rice Market Monitor, April 2011, FAO)

COMPANY'S EXPANDING BUSINESS DOMAIN

Having commenced business as a modest rice trading company in Bhikiwind village near Amritsar in 1965, LT Foods has metamorphosed itself as an integrated value-added agribusiness company with annual business turnover of over ₹128138.01 lacs. It is a leading player in the Basmati rice segment in India. Its 5 state-of-the-art rice milling units have a combined installed capacity of 65 TPH. Since the strategic acquisition of Kusha Inc. in 2007, LT Foods has emerged as the market leader in Basmati Rice imports and distribution in the USA and is fast strengthening its business proposition across North America including Canada.

The Company has always maintained a strategic balance between its domestic and export sales. However, in the light of consistent growth of India's economy and rapid evolution of Indian customers towards branded products, the Company has increased its focus on domestic opportunities. Featuring amongst the top 3 players in the sector, it is making right investments to further strengthen its leadership. The Company is further strengthening its distribution capabilities, which currently enjoys the support of vast distribution network and presence in all major cities and towns of the country. The Company has further intensified its efforts to make 'Daawat' a household brand synonymous with authentic basmati. It has deployed a 360 degree brand promotion exercise including advertising campaigns in print and television and an effective in-the-marketplace/in-store consumer engagement programme. Recent introduction of usage based variance of Daawat has

impacted in good growth for the brand.

LT Foods' successfully forayed into ready-to-eat snacks segment with the launch of its brand 'My My' in select cities of NCR and Union Territory of Chandigarh in 2010. 'My My' initial product offerings of rice chips, rice cakes and namkeens with respective flavor variants have been deeply appreciated by consumers for their low fat content (less than 7%) and mouth watering tastes. The Company is fast progressing to realize the true potential of this unique consumer proposition of 'health and taste' together.

Besides packed branded rice, the Company has profitable business presence in organic foods and staple food distribution. During the year, the company has made pioneering entry into foodgrain storage business with completion of 50,000 MT modern silos that have been developed in association with Pungrain under Public Private Partnership (PPP) model. The company has also announced its entry into power generation business with a biomass based captive power plant at its Mandideep unit in Madhya Pradesh.

OVERVIEW OF OPERATIONS

New variants of Daawat

Responding to the findings of an extensive consumer research, the Company launched four new variants of Daawat Basmati Rice namely Daawat Biryani Basmati Rice, Daawat Traditional Basmati Rice, Daawat Super Basmati Rice and Daawat Pulav Basmati Rice. Catering to four most commonly prepared dishes in Indian homes namely biryani, pulav, aromatic plain white rice and daily consumption basmati rice, the new range were launched in various pack sizes at leading retail outlets & super markets across India in January, 2011.

New variants for Eateries

The company launched 6 new variants of Basmati special grains rice under 'Daawat Chef's Secretz' brand in November 2010. Specifically aimed at HoReCa (Hotels, Restaurants and Caterers) community, this range has two broad categories of Fluffy and Hard Textured. Chef's Secretz Royal, Chef's Secretz



Special and Chef's Secretz Popular are the three variants under Fluffy and Chef's Secretz Royal SELLA, Chef's Secretz Special SELLA and Chef's Secretz Popular SELLA are 3 variants under Hard Textured. The rice is specially processed to produce fuller grains, which do not break easily, while cooking, thus preventing wastage. Company's sales in the HoReCa market have been growing at 25% and with these new launches, it is expected to grow even faster.

'MY MY' Healthy Snacks

Under its subsidiary, Daawat Foods Ltd., the Company launched rice based Namkeens, Diet chips and Rice cakes. Made of rice, these products were launched under 'MYMY' brand in NCR and Union Territory of Chandigarh. These products, with less than 7% fat, offer healthy snack alternative and come in several flavor variants like Indian masala, Chinese schezwan, Chilli tomato, Salted Zeera and Green Chutney for Chips and Multigrain, Corn flakes, Khatta meetha and Lemon chilli for Namkeen. Ready to eat snacks segment is a significantly large and growing market and in the light of growing awareness towards health, 'MY MY' holds a promising future.

Technopak was engaged to conduct market study and advise on product finalization while IMRB conducted consumer research and sampling for flavor variants. These were launched under the new brand name of My-My Crispies and My-My Namkeens. Several new flavors and Namkeen mixes are ready to be launched at few months' intervals to keep the brand lively on the shelf.

Entering Grain Storage business

The Company developed 50,000 MT storage capacity Silos for bulk storage of wheat in Mulechak, near Amritsar. Developed under the PPP model, with PUNGRAIN, the Silos are built on build-own-operate (BOO) arrangement for a period of 30 years. The Company can earn consistent revenues for a long period of 30 years. The Company will aggressively pursue similar opportunities in future as and when government's blueprint for developing more Silos gets ready.

Foray into Green Power

The Company decided to set up a biomass based captive power plant at the Mandideep Plant of Daawat Foods Ltd. The unit already employs steam for Par-boiling facility. Its two boilers generate steam using Rice Husk as fuel.

The unit generates excess husk which will be used as fuel for the proposed power plant. Post commissioning, the power plant would supply power to our rice plant at a much economical tariff and sell the excess power through grid. Being a green power unit, it will earn the company Carbon Emission Reduction (CER) certificates and Renewable Energy Certificates (REC), which could translate into additional revenues.

Organic Foods Business

Company's organic product focused subsidiary, Nature Bio-Foods Ltd, is engaged in the business of organic rice – basmati and non basmati, organic sesame and organic rice based value added products like rice flour. It is actively exploring the possibilities of exporting organic pulses like lentils, chickpeas. Other products in its focus are nuts, cashew kernels, organic flaxseed, spices and other crops which are grown by the organic farmers as rotational crops. Its organic production farms have attained organic status after successful completion of the conversion period 3 to 4 years as per the national and international organic standards. With this, it is going to add more organic products in Company's export basket.

NBF strongly follows the socio-environmental accountability and thus is registered under the Fair Trade Certification, Germany for its Basmati products. NBF is also following international social and ecological standards like "EcoCert Fair Trade" popular in France (Bio-Equitable) and "EcoSocial" which is being popularised in Latin America and USA. Besides, NBF is aggressively involved in furthering the corporate social responsibilities of the company.

SDC Foods India Limited

Company's distribution focused subsidiary, SDC Foods India Ltd., is engaged in the distribution of packaged unlabeled food



items like rice, wheat flour, pulses, masala, spices, tea, soya etc. It has added a re-packaging center near Mumbai and a flour plant at Bhopal during the year and plans to add another 3-4 strategically located re-packaging centers over the coming years. Having stabilized its operations across Mumbai, rest of Maharashtra, Tamil Nadu, Andhra Pradesh, Madhya Pradesh, West Bengal, Delhi NCR, Punjab, Chandigarh, Gujarat and Haryana; it aims to fast spread its wings to become a pan-India Company. It plans to soon export Atta to Europe, Middle East and Far East and import pulses from Burma, Canada etc.

Growth plans for Middle East and Africa

The Middle East region constitutes the biggest importing market for basmati rice in the world. Since opening its Dubai office in 2005, the Company has been exporting to Middle East. Company’s brands Daawat, Deevaya, Heritage and Surbhi are popular in the region. LT Foods is strengthening the distribution of its flagship brand DAAWAT and plans to introduce rice based snacks like Rice Namkeens, Rice Crackers and Rice chips under Daawat Brand.

Having established its brands and distribution network in the region, the Company is aiming for consistent volume growth now. It is finalizing the distribution partner in Yemen and Iran. In order to serve the region more profitably, the Company plans to set up a blending and packing unit in the region besides entering in Saudi Arabia, Kuwait, Yemen and Iran directly.

Expanding the customer base across different markets in Middle East & Africa; consistent investment in brand development; improving service and delivery efficiencies; investing in technically qualified human capital to spearhead growth; fully exploiting the potential of African Markets; introduction of other basmati rice brands; introduction of rice based snacks in Middle East and Africa; and appointment of two distributors in each market are the key aspects of Company’s growth strategy for the region.

New Product Development

‘Study what consumers are missing or would appreciate and

innovate to serve and even surprise them’ is the guiding mantra for R&D, at LT Foods. The same gave birth to healthy yet mouth-watering rice based roasted snacks. During the fiscal year 2010-11, development work on Fast Cook Brown Rice with 1 year shelf life and cook time of just 10 minutes was completed. This whole grain variety is heart friendly. With its GI being lower than the milled rice, it is better for diabetic consumers. This product is already being exported to USA markets and will soon be launched in India.

Several new products based on Puffed Extruded Pellets are being developed for export markets. Flavor expertise is being developed for both sweet and savoury snacks. Tropical fruit flavors along with masalas, spices and herbs allow for many innovative snack flavors. Taste, health and convenience will remain our development platforms.

OVERVIEW OF PERFORMANCE

LT Foods’ consolidated revenues recorded a growth of 18.15% to reach ₹128138.01 lacs in FY 11 in comparison to ₹108449.44 lacs in the previous year. Consolidated profit before tax at ₹3440.35 lacs recorded a contraction of 17.50% over the previous year. Consolidated profit after tax (Before Prior Period items) at ₹2573.37 lacs were also lower by 16.92% over the previous year.

Increase in Material cost, which went up to constitute 71.76% of the total revenue impacted company’s profitability adversely. Company pursued various measures of cost optimization, which managed to somewhat set-off the impact on increasing input cost. As a result of those measures, Administrative and Selling Expenses as a percentage of Sales reduced to 11.56% in FY 11 from 13.55% in FY 10. Finance cost as percentage of Sales reduced to 4.72% in FY 10 as against 5.58% in the preceding year.

On the standalone basis, Company’s revenue grew by 17.38% to reach ₹85134.80 lacs from ₹72466.88 lacs in the previous year. Revenues from domestic sales, at ₹41452.09 lacs, grew by 6.68% while revenues from export sales at ₹42283 lacs



recorded a hefty increase of 37.78%.

In volume terms, domestic sales grew by 4.95% to reach 1.06 lacs mt in the fiscal year 2010-11 from 1.01 lacs mt in the previous year. Exports sales volumes, at 56.6 thousand mt for FY 11 recorded a increase of 10-11% over the previous year.

The Company engaged services of E&Y for streamlining the procurement, stocking, recorder etc. of packing material during the year and its impact shall start getting reflected in FY 12. It proposes to take services of professional bodies/ agencies/ govt. statistics etc., in paddy procurement in order to optimize the material cost.

The Company is further intensifying its cost control regime towards keeping Administrative Expenses under check by constantly reviewing each and every element of the cost. With constant increase in Rupee cost of funds due to increase by RBI Bank Rate/Repo Rate very frequently, the company is using cheaper means of dollar funding to keep the cost under check.

Corporate Social Responsibility

Being in a business closely linked with agriculture, the key employer in India, LT Foods is actively serving the cause of enhancing farm productivity with a slew of measures. These include spreading awareness on best farming techniques, help in procurement of quality seeds for farmers, etc. It is engaged in promotion of basmati paddy cultivation in certain regions of Madhya Pradesh. Besides these initiatives, it is aggressively promoting the cause of organic farming through its subsidiary, Nature Bio Foods Ltd.

Women Empowerment Programme

The Company has selected 9 villages in the remote areas of Uttar Pradesh and Uttarakhand for furthering its women empowerment programme. It is imparting training on cloth cutting, designing, stitching and embroidery works to women from farming communities. Presently, many of these women are deploying their acquired skills towards earning livelihood, while those un-married find it useful in soliciting better matrimony proposal on the basis of their added skills.

Economic assistance to the farming community

As a part of sustainable farming programme, company provides pre-financing to farmers towards getting quality farm inputs such as seed, organic fertilizers and plant protection materials. In the year 2010-11, the Company has pre-financed about ₹2.5 million to its organic farmers for the successful production of the various cash crops. The financing is done without any interest.

Extension Services to the Farmers

The Company has deployed qualified and professional resources for educating farmers on the various sustainable farming techniques, which help them maximize their farm income. It aggressively promotes the use of environment friendly farm inputs such as organic fertilizers and bio-pesticides. The organic products that the farmers grow are purest, safest, healthiest foods for the end consumers. It also educates farmers on selecting the right crops, quality inputs and timely usage of inputs which goes on to maintain and even improve soil fertility in their farms.

Development of Tribal Farming Community

LT Foods has adopted over 3000 tribal farming families in remote villages of Uttar Pradesh and Madhya Pradesh and provides them economic assistance for farming. These marginal farmers are provided crop production knowhow, improved seed varieties and market linkage.

RISK MANAGEMENT

Being a value-added agribusiness Company, LT Foods' risks and concerns are similar to those of its peers and the industry. Its approach to risk management, however, is a preventive and pre-emptive one. The Company stays alert and attentive to the set of prevalent and potential risks that might affect its business. It has put in place a robust risk management framework for identification, assessment and management of various risks from time to time.

Climate Risk

Despite being a highly environment friendly and green business, paddy production in India is largely dependent on rainwater.



Factors like excessive or deficient rain or even the unfavourable timing of rainfall might impact the quantity or quality of paddy produces, which in turn impacts Company's business.

LT Foods maintains a healthy stock of surplus paddy to counter such shortages in supply to a greater extent. Moreover, in such situations of short supply the realization goes up with rising prices of rice and sets off the impact to some extent.

Procurement Risk

The procurement of right quantity and right quality of paddy at viable prices is imperative for profitable continuation of Company's business, as procured paddy constitutes a major component of its cost besides being critical to Company's brands.

Company's engagement with farming communities in its sourcing regions is decades' old. It supports farmers with supply of quality seeds and sharing of best farming techniques. It leverages these advantages in securing higher procurement of quality paddy. The Company's presence in contract farming reduces its dependence on purchase from open market to some extent. It deploys its testing knowhow in ascertaining the quality of paddy procured.

Export Risk

A significant portion of Company's revenues comes from exports and any change in the socio-economic environment in those markets may impact its business. Besides, rice being a primary staple in India, any change in government policies to rice exports may also impact its business.

LT Foods, through its US based subsidiary, 'Kusha Inc.' handles over 52% of the rice imports in the US market. It is also expanding its export footprints to Canada, Australia, New Zealand, and Middle East in order to reduce its dependence on a single country or region.

Domestic Market Risk

Increasing competition in the domestic market coupled with customers' preference of value for money might adversely

impact Company's business.

The Company counters this risk by operating in the premium branded rice segment, maintaining product superiority and making significant investment towards enhancing its brand visibility and differentiation. It deploys reputed marketing professionals to stay ahead of competition.

Interest Rate Risk

With cost of raw material alone constituting about 75% of the total cost, Company's business is working capital intensive and any rise in the cost of funds may impact its business adversely.

The Company deploys its tall stature, impeccable track record and long relations with lenders in raising adequate funds/debts at competitive rates.

Currency Risk

With exports contributing a significant portion of its revenues, adverse fluctuations in the exchange rate might impact Company's business.

The Company mitigates this risk with a well defined policy for hedging of exports. A team of highly experienced professionals guides it on the steps to be taken to mitigate the exchange risk. Foreign Exchange position is reviewed frequently by the management.

HUMAN CAPITAL MANAGEMENT

At a time when human capital is always on the move, LT Foods boasts of a low attrition rate. It strives to provide an open and equitable work environment that fosters the culture of collaborative working amongst employees. It continues to strengthen various talent attraction and retention measures. Its HR architecture emphasizes on pre-defined and progressive job profiles, grades, ranks, designations, pay-scales for all its employees.

In line with its growth plans, the Company is mapping the HR needs of the Group over coming years. In order to recognize and reward exceptional performances, it has introduced fixed and variable pay structures for the middle and senior



management personnel, where the ratio between the fixed and variable will steadily become 60:40. It has introduced Employee Stock Option Plan (ESOP) for the middle and senior management personnel across the Group.

The spirit of collaboration and commitment to create enduring value for stakeholders holds the Company's HR Pool together. As at March 31, 2011, approximately 850 people were employed by the Company and its subsidiaries.

Internal Control Systems and their adequacy

LT Foods views internal control as a necessary concomitant of the principles of governance. It strongly believes that a strong foundation of the internal control systems enables the Company to smoothly counter the challenges of sustainable growth.

The Company has an internal audit team, which is staffed with professionally qualified people, whose experience and expertise will help the Company to build and execute adequate checks and balances in a systematic manner. Standard operating procedures in line with global practices have been laid along with authority control.

The Internal audit process continuously monitors the status of operating systems and policies and their compliances and any deviation thereof and the quality of management decision making process. Under the framework, various risks facing the Company are identified and assessed across all levels and functions, and suitable control activities are designed to address and mitigate the significant risk. Planned monthly periodic reviews are carried on resulting in identification of control deficiencies and formulation of time bound action plan to improve efficiency and business performance.

The adequacy and effectiveness of the Internal Control Department is reviewed by the Audit Committee of the Board which recommends control measures from time to time.

Future Outlook

LT Foods has consciously and tirelessly built a robust business foundation that transcends the traditional grains business. It has successfully balanced between a narrow business focus and diverse business view simultaneously. As a result of its sustained endeavours, it has contrasting business avenues like domestic and exports market, basmati rice and value-added rice products, organic and health/nutrition appeal, brands business and distribution business. Its recent forays into grain storage business and captive power generation further add to its diverse and profitable revenue streams.

It has stayed focussed on deploying and leveraging best professional talent from within and outside in shaping up its long-term growth platform. It has successfully managed to infuse capital for its operational and capital expenditures. It is on the basis of all these parameters that LT Foods' outlook remains very bright and promising. Going forward, it is likely to record twin benefits of increasing revenues on account of its capacity and market expansion and increasing profitability on account of its improved product quality/brands, enhanced operational efficiencies and the addition of high margin value-added products in the snacks segments.

CAUTIONARY STATEMENT

Certain statements in this Management Discussion and Analysis describing the Company's objectives, projection estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downward trend in food industry, significant changes in political and economic policies in India, tax Laws, litigation and other costs.



DIRECTORS' REPORT

Your Directors are pleased to present the 21st Annual Report of your Company together with the Audited Statement of Accounts for the financial year ended 31st March 2011 (FY 11).

FINANCIAL RESULTS

The Consolidated financial highlights of the Company for FY 11 are as follows:

Particulars	₹ in lacs	
	FY 11	FY 10
Income	1,28,138.01	1,08,449.44
Gross Profit	25,758.18	26,007.24
Depreciation	2,595.81	2,374.41
Profit before Tax	3,440.36	4,170.45
Taxation	866.98	1,072.63
Net Profit for the Year	2,519.52	3,315.46
Proposed Dividend on Equity Shares	303.60	462.47
Tax on Proposed Dividend	49.25	76.81
Transfer to General Reserves	161.80	275.10
Dividend Tax for Earlier Years	0	0
Balance Carried Forward	1,760.96	1,868.78

Key Ratios

	FY 11	FY 10
Earning Per Share (₹)	8.71	11.28
Dividend Per Share (₹)	1.00	1.50
Return on Tangible Net Worth (%)	9.94%	13.90%

FINANCIAL REVIEW FOR THE YEAR

During the year under review, the Company achieved a consolidated turnover of ₹128,138.01 lacs and PBDIT of ₹3,440.36 lacs, profit after tax of ₹2,275.61 lacs. Earning per share for the year stood at ₹8.71.

The Company continued to diversify its geographic balance of business in domestic as well as export markets. Your Company has also been exploring new business avenues in related agricultural domains.

The detailed analysis of the Company's operations has been provided in the Management Discussion Analysis Report, which forms a part of this report.

DIVIDEND

The Board of Directors has recommended a final dividend of 10% for FY 11, subject to the approval of shareholders at the ensuing Annual General Meeting. This will translate to a total dividend payout of ₹287.13 lacs including dividend distribution tax. Your Company's subsidiary, Daawat Foods Limited has also recommended a final dividend of 7.50% for FY 11, translating to a total dividend payout of ₹166.98 lacs including dividend distribution tax.

TRANSFER TO RESERVES

Out of the amount available for appropriation, your Directors propose to transfer ₹161.80 to General Reserves and retain ₹1,760.96 lacs in the Profit and Loss account.

OVERVIEW

FY 11 marked a strong resurgence in volume and demand growth.

The Food Processing Industry in India has been growing steadily, well-supported by various Government initiatives. The growth is also aided by the social impact of country's economic growth, technological advancement in the agrarian and food processing sectors, increase in farm output, etc. Indian consumers are fast evolving with increased willingness to pay for branded and value added products.

The annual output of food market in India has been around US \$155 billions over recent years and the same is expected to reach about \$344 billions by the year 2025 at an annual growth rate of around 4.1%. Country's GDP growth, likely to remain in the range of 8-9% over medium term, augurs well for this projected growth of food market in India.

BUSINESS

LT Foods has emerged as a leading food company with a robust brand portfolio that includes vibrant brands like 'Daawat', 'Royal' and 'My My'. A significant portion of about 70% of rice sales is done under Company's own brands. The Company continues to expand its distribution network and diversify its brand offerings.

It has successfully forayed into ready-to-eat snacks segment with the launch of rice based roasted snacks under 'My My' brand. Production capability for snacks is being ramped up, in the light of growing demand.

The Company is on course to realize its vision of transforming into a value added agribusiness company. It is setting up a Bio-mass based power plant in Mandideep, Bhopal with an idea to productively utilize the rice husk generated during milling. The Company has recently developed 50,000 MT of foodgrain storage capacity silos in Amritsar under Public Private Partnership model with Pungrain.

The Company will continue to focus on channel initiatives, synergizing all levers, including distribution, trade marketing, market activation and advertising. It will continue to build the edge through wide and deep reach, service quality and customer insight. Your Directors believe that sustainable investments by way of technology, innovations, consumer communication and continued focus on market developments will benefit the business in creating long term value for all the stakeholders.

DIVERSIFICATION AND EXPANSION

The Company continues to evaluate emerging opportunities in its existing as well as other related sectors. LT Foods constantly seeks to achieve higher level of expansion and diversification as a means to strengthen its competitive advantage and enhance margins.

With a belief that growth avenues in agribusiness aren't necessarily confined to the activities within the agricultural fields, the company is evaluating and enacting broader measures of agricultural capital formation. It has embarked upon this through its wholly owned subsidiary Raghuvesh Foods and Infrastructure Limited.

Your Company is venturing into clean power generation through its step down subsidiary, Raghuvesh Power Projects Limited.

Your Company has five manufacturing plants two in Haryana, one at Mandideep, Madhya Pradesh and two in Punjab – in Varpal and in Bhikiwind. The Varpal plant, set up in the previous year has been

operational during the year. The Company has also added a packaging plant at Houston in USA during the year. The Company commands a combined milling capacity of 65 MT/hour.

PROSPECTS

The Indian food industry is poised to a healthy and steady growth. The health, wellness, functional food and beverages market continue to grow at CAGR of 33% in India. The major growth drivers for the industry include the increasing spend on processed and convenience food, growing food retailing, growth in food processing exports and government's support to the sector. The food retail business in India is growing at annual rate of 30%. Food retailing formats of all kind are growing in India – from neighbourhood stores to super markets to cash and carry stores.

LT Foods is evaluating opportunities in the untapped arenas of the food industry. The Company has embarked upon new products like Fast cooking Brown Rice, Rice cakes, Rice chips. Your Company is also exploring other segments in the food industry and line extensions. Riding on the strength of our R & D, marketing and manufacturing process, the Company is successfully catering to ever evolving and myriad needs of consumers. Your Company's success in marketing and distribution of the commodity and staple market is encouraging us to explore opportunities in other value added products. Your Company strives to emerge as an integrated player with strong capabilities in food processing sector coupled with equally strong backward and forward linkages. Your Company is making pioneering investment in developing infrastructure facility. The Company, with its vision of 'Customer delight through value added agri business' has marked a strong presence across the food value chain and continues to demonstrate an intense passion for excellence and constant innovation.

FINANCE

Courtesy the capital intensive nature of its business coupled with its continuous expansion and diversification programmes, the Company continues to need working capital and endeavors to procure finance at a competitive rate. The Company has obtained loans from banks at competitive rates. The Company has the policy to hedge funds for the pending orders in hand.

DOMESTIC OPERATIONS

The Company continued to entice and engage consumers through its product mix, innovative packaging, effective communication and aggressive marketing. It took a 360 degree approach in expanding distribution besides improving systems and processes. The Company expanded its distribution network aggressively and placed its brands pan over India with the help of vast and strong distribution network.

Daawat introduced 'Usage Based Segmentation' by launching its specialty range including Rice for Biryani, Pulav and Rice with traditional aroma. Food Service segment, which contributes 15% to company's volume, has been consolidated with formation of separate verticals serviced by dedicated teams. Addressing the need of Institutions, specific range under Daawat Chef's Secretz brand was launched during the year.

EXPORTS

Your Company's export turnover grew by 6.3% during the year. The Company is strengthening its distribution in Middle East, especially in Iraq, Kuwait, Yemen and Saudi Arabia. The launch of Daawat Extra Long Grain has been well received in the export markets. The new vibrant packaging that all the leading brands have adorned during the year has worked well with the customers. In order to further strengthen its export business, the Company aims to reduce fixed costs, improve, increase business volumes, access new markets for existing as well as new products and consolidate its international reputation.

QUALITY

At LT Foods, 'Quality in every grain' has been our mantra for success for long.

The Company remains committed to recognize the needs of customers and respond with superior quality, service and responsiveness.

Your Company has made concerted efforts to upgrade the operating systems to measure up to the International Standards and obtained numerous accreditations on Food Quality and Safety systems.

- Bahalgarh plant is certified for ISO 9001:2008, SQF (Safe Quality Food), BRC: 2008, ISO14000:2004, OU (kosher)
- Organic division is certified for ISO 22000:2005, NOP, NPOP and EEC 837:2007.
- Rice Plant at Bhopal also has ISO 22000:2005 certification while Food plant in the same complex has recently acquired FSSC 22000:2010 - (Food Safety System Standard - Inclusive of ISO 22000 & PAS 220) certification. Food plant at Bhopal is the first plant to have been certified for this standard in India.

All the Food Safety standards are based on HACCP and GMP.

SUBSIDIARIES

The Company has nine Indian and five overseas subsidiary companies. During the year under review, the Company has forayed into the business of development of necessary infrastructure for the food industry through its wholly owned subsidiary, Raghuvesh Foods and Infrastructure Limited, which was incorporated during the year.

The Company is poised to venture in the power sector through a step down subsidiary, Raghuvesh Power Projects Limited, which was incorporated as a wholly owned subsidiary of Daawat Foods Limited. During the year, the Company has also incorporated a foreign subsidiary named as LT Foods USA LLC.

Daawat Foods Limited (DFL), the majority owned subsidiary of the Company has introduced Snacks which is a blend of 15 ingredients including instant/puffed rice/rice flakes flavored with mixture of Salt, Sugar, Turmeric, Chilli Powder etc., in the market during the year. The Company has introduced rice cakes/chips in the brand name "My-My" (My Health My Taste) in FY 11. The products are roasted and not fried with fat content as low as 7 per cent. Being rice based, they are easy to digest.

DFL has set up its own Flour Line at Mandideep in order to support SDC Foods India Ltd. in supplying Wheat Flour to Modern Retail

stores like Reliance Fresh, Big Bazar, Sab Ka Bazar etc.

Nature Bio-Foods Ltd (NBFL) has successfully completed its 5th running year of organic food business on 31st March, 2011. Even as the after-effects of Economic depression are weighing heavily on high ticket organic products across the major organic markets, NBFL managed a growth of 8% in its top line which reached ₹203.80 million. Besides Organic Rice – basmati and non-basmati, NBFL is consistently growing its business in Organic Sesame and rice based value added products like Rice Flour. It is keenly looking into the possibilities of exporting organic pulses like Lentils, Chickpeas.

SDC Foods India Limited is also growing in key markets and is capturing potential avenues in staples through its subsidiaries, Expo Services Private Limited and Vedic Spices Private Limited.

LT International Limited, a subsidiary of the Company is engaged in trading of various merchandise and the Company is exploring various opportunities for growth.

Kusha Inc, a fellow subsidiary of your Company and wholly owned subsidiary of LTONA, has since its acquisition, rapidly evolved from being a distributor of rice to becoming a full-fledged “farm-to-fork” enterprise with comprehensive traceability responsibility. The company’s flagship brand, ROYAL, along with a myriad of product offerings- Basmati and Jasmine rice, Couscous, Arborio rice, Grapeseed oil, Dried Mangoes, Tea, Specialty Rices, etc. have driven substantial growth during very challenging US economic times characterized by price driven competition. Kusha’s diverse channel strategy balanced sales performance among Clubs as well as Retail, Ethnic Markets, Food Service and Private Label. By expanding its product portfolio and distribution across mainstream and deeper into ethnic markets, Kusha is aggressively pursuing new avenues. The introduction of jar packing in Retail, Ethnic and Club stores along with the launch of its new brand extension –Royal Chef’s Secret – are focussed efforts to expand Kusha’s market presence.

Nice International FZE Dubai, a fellow subsidiary of the Company and wholly owned subsidiary of Sona Global Limited, caters to the market of Middle East and Saudi countries which have a great potential for parboiled rice.

CHANGE OF REGISTERED OFFICE

The Registered office of the Company has shifted from A-21, Green park, Aurobindo Marg, New Delhi – 110016 to Unit No. 134, Rectangle – I, Saket District Centre, New Delhi – 110017 w. e. f. 1st October, 2010 in accordance with the provisions of law.

PARTICULARS REQUIRED UNDER SECTION 212 OF THE COMPANIES ACT, 1956.

As per section 212 of the Companies Act, 1956, the Company is required to attach the Annual report of the subsidiaries to our Annual Report. The Ministry of Corporate Affairs, Government of India vide its circular No. 2/2011 dated 8th February, 2011 has provided an exemption to companies from complying with Section 212, subject to the fulfillment of the conditions prescribed in the said Circular. Claiming the said exemption, your Company has obtained the consent of its Board of Directors for not attaching the balance sheet of its subsidiary. The Annual Accounts of the Subsidiary Company and the related detailed information are

open for inspection by any shareholder including the shareholder of subsidiary company at the registered office of the Company and its subsidiary during the working hours on all working days.

Accordingly, the Annual report 2010-11 does not contain the financial statement of our subsidiaries. A statement of summarized financials of all subsidiaries of your Company, pursuant to Section 212(8) of the Companies Act, 1956 forms part of this report. Any further information in respect of the annual report and the financial statements of the subsidiary companies of your Company will be made available to the members on request. In accordance with the Accounting Standard, AS-21 issued by the Institute of Chartered Accountant of India, Consolidated Financial Statements presented by your Company include the financial information of all its subsidiaries.

CORPORATE GOVERNANCE

Your Company has been in compliance with all the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with Stock Exchange and a certificate from the Auditors to this effect is made part of the Annual Report.

In its practice of good Corporate Governance over the year, the Board lays strong emphasis on transparency, accountability and integrity with its ‘Governance Committee’ to specifically analyze the clause with respect to good governance practice.

In terms of such sub clause (v) of Clause 49 of Listing Agreement, Certificate of CEO/CFO, inter alia, confirming the correctness of the financial statements, adequacy of the internal control measures and reporting of matters to the Audit Committee in terms of the said clause, is also enclosed as a part of the said Report.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Annual Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange is presented as a separate section forming part of this Annual Report.

DIRECTORS

Mrs. Radha Singh and Mr Surinder Kumar Arora, Directors of your Company are retiring by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Your Directors recommend their re-appointment.

During the period under review Mr. Alok Sinha, was appointed as an Additional Director of the Company on 15.11.2010. He is an Independent Director on the Board of the Company. The Company has received a Notice from a Member under section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Alok Sinha for the office of Director. Your Directors recommend approval of his appointment, the particulars of which are contained in the Notice of the Annual General Meeting.

Mr. Ashok Kumar Arora, Joint Managing Director of your Company resigned as Joint Managing Director and Director of the Company on 31.03.2011. The Board of Directors places on record their sincerest appreciation for the contribution made by Mr. Ashok Kumar Arora as member of the Board during his tenure.

The brief resume of the said directors as required in terms of Clause 49 of the Listing Agreement with the stock exchanges, is provided as an annexure to the notice of Annual General Meeting .

The details of the different Committees of the Board of Directors are provided in the report on Corporate Governance annexed to the annual report.

AUDITORS

M/s Walker and Chandiook, International Accountants & Business Advisers, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and has confirmed their eligibility and willingness to accept the office of Statutory Auditors if reappointed. The Audit Committee and the Board of Directors recommend their reappointment as statutory auditors for the financial year 2011-2012 for shareholders approval.

Paragraph B (10) of schedule 18 in the notes on accounts referred to in the Auditors Report are self-explanatory and therefore do not call for any further comments.

DEPOSITS

During the year, the Company did not accept any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.

HUMAN RESOURCE DEVELOPMENT

The Company engaged E&Y to build best practices in HR. Company's HR team had ensured companywide participation of

employees in developing and adopting the core values of the organization. These values are Ownership, Business Ethics, Passion for Excellence, Innovation and Customer Centricity.

The Company plans to hire talent at top B-schools. It has initiated special trainings to build the team of management students to come up with new ideas and development methods so as to build a strong career graph.

The IT and HR teams have jointly launched the intranet facility for employees so as to facilitate staff to share the knowledge and discuss within the team through the online facility. This helps in building a culture of openness and transparency within the organisation. The site also helps employees to track their personal records and leave records. It also updates them on Company information and the new trainings. The principle behind launch of this intranet facility was Open Door Policy structure and a flexibility on people related matters.

HR team did organize several training activities and celebrations during the year.

In 2010, LT Foods Limited was awarded for "BEST PLACE TO WORK" by Haryana Government.

EMPLOYEES (Disclosure under section 217(2A) of the Companies Act, 1956)

Information as per Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of employees) Rules, 1975

Name	Age (Years)	Designation	Qualification and Experience	Gross Remuneration	Date of Commencement of employment	Particulars of last employment
Vijay Arora	53	Chairman and Managing Director	Graduate (33 years)	78,09,360	29.09.2004	N. A.
Ashwani Kumar Arora	44	Joint Managing Director	Graduate (25 years)	60,09,360	22.06.2007	N. A.
Surinder Kumar Arora	49	Joint Managing Director	Under Graduate (29 years)	69,06,360	22.06.2007	N. A.

Employed throughout the year under review and were in receipt of remuneration for the year which, in aggregate was not less than Rs. 60,00,000/- per annum

- a. Employed for a part of the year under review and were in receipt of remuneration for any part of the financial year at a rate in aggregate, were not less than Rs. 5,00,000/- p. m.:

Name	Age (Years)	Designation	Qualification and Experience	Gross Remuneration	Date of Commencement of employment	Particulars of last employment
Vivek Chandra	54	CEO- Foods	MBA (30 years)	28,26,000	23.10.2010	Associated British Foods

Mr. Vijay Arora, Mr. Ashwani Kumar Arora and Mr. Surinder Kumar Arora are relatives within the meaning of Section 6 of the Companies Act, 1956.

RESEARCH & DEVELOPMENT

Innovate, Innovate, and Innovate....that's the mantra to improve current and future profits. Process and Product development activities gave birth to mouth-watering rice based roasted snacks.

Development work was also completed on Fast Cook Brown Rice with 1-year shelf life and a cook time of just 10 minutes. This product is currently exported to USA markets, but will soon be launched in India. Whole grain is Heart friendly product and with its GI being lower than the milled rice, it is better for diabetic consumers.

Several new products based on Puffed Extruded Pellets are being developed for export markets. These products will cover needs for all ages of consumers, i.e. from infants, to toddlers, to young children and also adults. Flavor expertise is being developed for both sweet and savoury snacks. Tropical fruit flavors along with masalas, spices and herbs allow for many innovative snack flavors. Taste, health, and convenience will remain our development platforms and more products would be added in the product basket of Company very shortly.

PARTICULARS OF CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE AND OUTGO

Information as required under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are set out hereunder:

Conservation of energy

Energy conservation is a priority area for the Company. Company's continuous efforts has reduced and optimized the use of energy consumption which has shown positive results. Better controls are planned to achieve further reduction in energy consumption. All the new manufacturing facilities of the Company are equipped with hi-tech energy monitoring and conservation systems to monitor usage.

Power & Fuel Consumption (BHL Plant)

Particulars	2010-11	2009-10
Electricity Through Purchases		
Units	10175220	11830668
Total Amount (₹)	51563135	50422932
Rate /Unit (₹)	5.07	4.26
Through Diesel Generator		
Units generated	1786579	2094754
Total Amount (₹)	18121401	20176324
Cost /Unit (₹)	10.14	9.63

Power & Fuel Consumption (Varpal Plant)

Particulars	2010-11	2009-10
Electricity Through Purchases		
Units Purchases	889420	1980059
Total Amount (₹)	5714660	11265294
Rate /Unit (₹)	6.43	5.69
Electricity Through Gen Set		
Units Generated	34800	137000
Total Amount (₹)	520261	1301197
Cost /Unit (₹)	14.95	9.50

Technology absorption, adaptation and innovation:

1. During the year, we have made strides in improving our overall infrastructure at the rice milling unit by adding new rice silos, this is in addition to the paddy silos we have in place, we are adding new packaging lines with new re-closable small packs for the mainstream stores across the world.
2. Company has derived the benefits derived as a result of the above said efforts, e.g. product development, product improvement, cost reduction, automation etc.

The said efforts also helped in satisfying consumer needs as well as business requirements of introducing new and consistent products with better quality.

Imported technology

The Company is importing machinery for the projects time to time.

Foreign exchanged used and earned

Details of Foreign Exchange Transactions

	(₹ In lacs)
Consolidated Amount	
Import on CIF Basis	
Packing Material	13.88
Spare Parts & Consumables	42.00
Capital Goods	1532.15
Total	1588.03
Expense in Foreign Exchange	
Legal Fee	2.86
Interest & Other Charges to Banks	1081.56
Others	119.70
Total	1204.12
Earning in Foreign Exchange	
FOB Value of Export	
Rice	33517.06
Soyabean	7039.29
Total	(40557.05)

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the directors confirm that:

- (a) In preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (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 as at March 31, 2011 and of the profits of the Company for the year ended on that date;
- (c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 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.

CORPORATE SOCIAL RESPONSIBILITY

The Company believes that an organization's true worth lies beyond its core business domains and is best reflected by the service it renders to the community and the society.

Your Company has taken steps to leverage the economic multiplier potential of the agri sector. It is engaged in leveraging technology to help the farmers to produce better quality paddy, and thereby trying to yield a transformational impact on Indian Rural economy. The Company has pioneered in the field of sustainable agriculture through Environment Friendly Sustainable Agriculture Production (Organic Production). The Company has also undertaken various women empowerment programmes, has provided economic assistance to the farming community, has provided extension services to farmers by educating farming communities in various sustainable farming technologies and has also taken various measures for development of tribal farming community.

The Company is on the growth trajectory, and the growth to be responsible, should go beyond numbers, to do good to the society, create a better world. The Company is quite enthusiastic in creating environment friendly zone wherever it operates.

EMPLOYEES STOCK OPTION SCHEME

With an aim of rewarding permanent employees of the Company and those of our subsidiary companies, a scheme was formulated in accordance with the ESOP Guidelines, 1999 to offer securities to the employees (including employees of the subsidiary companies) under the "LT Foods Employee Stock Option Plan – 2010" with approval of members in the Annual General Meeting held on 30th September, 2010. The disclosure in compliance with clause 12 of the Securities and exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are set out in annexure to the Report.

APPRECIATION

Your Directors wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry despite increased competition from several existing and new players.

TRADE RELATIONS

The Board desires to place its appreciation for the support and co-operation that the Company received from suppliers, distributors and other associated with the Company as its trading partners. The Company has always looked upon them as partners in its progress and has happily shared with them the rewards of growth. It will be Company's endeavor to build and nurture strong links with trade based on mutuality, respect and co-operation with each other and consistent with customer interest.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank all investors, clients, vendors, banks, regulatory and government authorities and stock exchanges for their continued support. Your Directors also wish to place on record their appreciation of the Contribution made by our business partners/associated at all levels.

For and on behalf of the Board of Directors

LT Foods Limited

Vijay Arora

Chairman & Managing Director

Place : Gurgaon

Date : 11.08.2011

ANNEXURE

Particulars	Details																		
Options granted	<table border="0"> <tr> <td>Date of Grant</td> <td>April 01, 2011</td> </tr> <tr> <td>Total Options Granted</td> <td>648,329</td> </tr> <tr> <td>Less options cancelled</td> <td>0</td> </tr> <tr> <td>Less options exercised</td> <td>0</td> </tr> <tr> <td>Total options outstanding under ESOP 2010</td> <td>648,329</td> </tr> </table>	Date of Grant	April 01, 2011	Total Options Granted	648,329	Less options cancelled	0	Less options exercised	0	Total options outstanding under ESOP 2010	648,329								
Date of Grant	April 01, 2011																		
Total Options Granted	648,329																		
Less options cancelled	0																		
Less options exercised	0																		
Total options outstanding under ESOP 2010	648,329																		
Pricing formula	The options would be awarded at an exercise price of ₹38 (Rupees Thirty Eight Only)																		
Vesting period	<ul style="list-style-type: none"> 25% of the Options shall vest on the completion of 12 months from the Grant Date 25% of the Options shall vest on the completion of 24 months from the Grant Date 25% of the Options shall vest on the completion of 36 months from the Grant Date 25% of the Options shall vest on the completion of 48 months from the Grant Date 																		
Options vested (excluding the options that have been exercised)	No options have vested till date																		
Options exercised	No options have been exercised till date																		
The total number of shares arising as a result of exercise of options (including options that have been exercised)	Nil																		
Options forfeited / lapsed / cancelled	Nil																		
Variation of terms of options	Nil																		
Money realized by exercise of options	Nil																		
Total number of options in force	648,329																		
Employee wise detail of options granted to:																			
(i) Directors / Senior managerial personnel	<table border="0"> <thead> <tr> <th>Name of the senior managerial personnel</th> <th>No. of options granted under ESOP 2010</th> </tr> </thead> <tbody> <tr> <td>Mr. S.K. Salhotra</td> <td>48,472</td> </tr> <tr> <td>Mr. Som Chopra</td> <td>46,318</td> </tr> <tr> <td>Mr. Dipol Dhole</td> <td>32,573</td> </tr> <tr> <td>Mr. Vijay Malik</td> <td>48,472</td> </tr> <tr> <td>Mr. Vivek Chandra</td> <td>86,173</td> </tr> <tr> <td>Mr. Vikram Patil</td> <td>45,241</td> </tr> <tr> <td>Mr. Kevin Parker</td> <td>53,858</td> </tr> <tr> <td>Mr. Kamal Poplai</td> <td>36,758</td> </tr> </tbody> </table>	Name of the senior managerial personnel	No. of options granted under ESOP 2010	Mr. S.K. Salhotra	48,472	Mr. Som Chopra	46,318	Mr. Dipol Dhole	32,573	Mr. Vijay Malik	48,472	Mr. Vivek Chandra	86,173	Mr. Vikram Patil	45,241	Mr. Kevin Parker	53,858	Mr. Kamal Poplai	36,758
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Mr. Vivek Chandra	86,173																		
Mr. Vikram Patil	45,241																		
Mr. Kevin Parker	53,858																		
Mr. Kamal Poplai	36,758																		
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	<p>The following employees have received a grant in any one year of options amounting to 5% or more of the options granted during the year:</p> <ul style="list-style-type: none"> Mr. S.K. Salhotra Mr. Som Chopra Mr. Dipol Dhole Mr. Vijay Malik Mr. Vivek Chandra Mr. Vikram Patil Mr. Kevin Parker Mr. Kamal Poplai 																		
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	None																		
Fully diluted EPS pursuant to issue of shares on exercise of options in accordance with the AS 20	N.A.																		
Lock-in	Nil																		

Particulars	Details
Impact on profit and EPS of the last three years Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and on the Earnings Per Share of the Company	Nil Fair value per option = ₹27 Intrinsic value per option = ₹25 Difference per option = ₹ 2 Impact on profit of this difference: ₹1,296,658 Impact on EPS of this difference: ₹0.05
Impact on the profits of our Company and on the earnings per share of the last three years if the issuer had followed the accounting policies specified in clause 13 of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 in respect of options granted in the last three years.	N.A since the options have been allotted in FY2010-11
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock Method and significant assumptions used to estimate the fair value of options granted during the year Method used Risk free return Expected life Expected volatility Expected dividends Price of underlying shares in market at the time of the options grant	Weighted average exercise price = ₹38 Weighted average fair value of options = ₹27 Black Scholes Option Valuation Method 6.52% (average over 4 year vesting schedule) 4 years (average over 4 year vesting schedule) 56.75% (average of comparator companies' volatility) Nil ₹63
Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer *	N.A
Intention to sell Equity Shares arising out of the ESOP 2009 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having equity shares arising out of the ESOP 2010 amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)	N.A

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO THE SUBSIDIARY COMPANIES

Name of the Subsidiary Companies	(Amount in ₹ lacs)												
	Nature Bio Foods Ltd. (Wholly Owned Subsidiary)	Daawat Foods Ltd. (Subsidiary)	LT Agri Services Pvt. Ltd. (Fellow Subsidiary)	SDC Foods India Ltd. (Subsidiary)	Expo Services Pvt. Ltd. (Fellow Subsidiary)	Vedic Spices Pvt. Ltd. (Fellow Subsidiary)	Raghuvesh Foods & Infrastructure Ltd. (Wholly Owned Subsidiary)	LT International Ltd. (Subsidiary)	Sona Global Ltd. UAE (Wholly Owned Subsidiary)	Nice International UAE (Fellow Subsidiary)	LTO North America Inc. USA (Wholly Owned Subsidiary)	LT Foods USA LLC (Fellow Subsidiary)	Kusha Corporation USA (Fellow Subsidiary)
1. Financial year of the subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
2. Share of the subsidiary held by the Company on the above date:													
(a) Number and face value	50,000 Nos. of Equity shares of ₹10 each	1,34,99,994 Nos. of Equity shares of ₹10 each	7,048 Nos. of Equity shares of ₹10 each	8,00,000 Nos. of Equity shares of ₹10 each	8,000 Nos. of Equity shares of ₹10 each	5,100 Nos. of Equity shares of ₹10 each	50,000 Nos. of Equity shares of ₹10 each	17,99,581 Nos. of Equity shares of ₹10 each	10,000 Nos. of shares of AED 100 Each	1 Nos. of shares of AED 1,000,000	Common Stock of US\$ 100,000	NIL	2,000 Nos. of shares of US\$ 50 Each
(b) Extent of holding	100.00%	70.48%	70.48%	80.00%	80.00%	40.80%	100%	89.98%	100%	100%	100%	100%	100%
3. Change if any in the holding Company's interest in the subsidiary	NIL	NIL	N.A.	NIL	N.A.	N.A.	100%	NIL	NIL	N.A.	N.A.	N.A.	N.A.
4. The net aggregate amount of Profits / (Losses) as far as it concerns the member of the LT Foods Limited and is not dealt within the accounts, its follows:													
i) For the financial year	30.06	561.43	0.08	44.19	63.33	-	(1.80)	(20.80)	(20.80)		(397.11)	(19.44)	400.33
ii) For the previous financial years	51.85	721.78	NIL	33.97	NIL	NIL	NIL	11.45	(18.94)	7.10	(510.44)	NIL	458.91
5. The aggregate amount of Profit / (Loss) of the subsidiary Company, which has been dealt with in accounts of													
The LT Foods Limited is as follows:													
i) For the financial year	NIL	101.26	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) For the previous financial years	NIL	168.75	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
6. Material changes between the end of Subsidiaries' financial year and the end of Holding Company's financial year	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
7. Reporting Currency	INR	INR	INR	INR	INR	INR	INR	INR	AED	AED	US\$	US\$	US\$

Note:

Indian Rupee equivalent of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2011 [1US\$ = ₹45.57 and 1AED = ₹12.42]

FINANCIAL SUMMARY OF THE SUBSIDIARIES OF THE COMPANY FOR THE YEAR ENDING 31ST MARCH, 2011
[STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES]

(Amount in ₹ lacs)

Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments other than investment in Subsidiaries	Turnover (including Other Income)	Profit before Taxation	Provision for Taxation	Profit after Taxation	Dividend Paid	Country
Nature Bio Foods Limited	INR	1.00	5.00	244.60	2,526.34	2,276.74	2.00	2,071.20	17.19	4.53	30.06	-	India
Daawat Foods Limited	INR	1.00	1,915.53	3,257.01	27,992.16	21,385.26	100.00	17,591.62	857.14	49.28	796.59	143.67	India
LT Agri Services Private Limited	INR	1.00	1.00	(2.18)	3.23	4.41	-	21.71	0.09	(0.02)	0.11	-	India
SDC Foods India Limited	INR	1.00	100.00	86.98	2,682.98	2,474.26	0.22	10,713.98	136.92	77.95	55.24	-	India
Expo Service Private Limited	INR	1.00	1.00	78.81	1,624.91	1,545.10	-	2,625.84	120.60	41.45	79.16	-	India
Vedic Spices Private Limited	INR	1.00	1.00	-	36.95	35.95	-	-	-	-	-	-	India
Raghuvesh Foods & Infrastructure Limited	INR	1.00	5.00	(1.80)	5.71	2.52	-	-	(1.92)	(0.12)	(1.80)	-	India
L T International Limited	INR	1.00	200.00	(27.80)	190.41	21.31	-	-	(17.18)	5.93	(23.11)	-	India
Sona Global Limited	AED	12.34	119.48	(47.89)	242.91	171.33	-	-	(20.80)	-	(20.80)	-	UAE
Nice International FZE	AED	12.34	137.87	131.23	1,613.47	1,344.37	-	2,527.40	17.73	-	17.73	-	UAE
ITO North America Inc.	US\$	44.65	2,822.31	(1,224.52)	8,605.36	7,007.57	-	-	(502.44)	(105.33)	(397.11)	-	USA
Kusha Corporation	US\$	44.65	39.97	1,898.67	9,061.76	7,123.12	-	31,669.39	479.48	79.15	400.33	-	USA
LT Foods USA LLC	US\$	44.65	-	(19.44)	1,097.12	1,116.56	-	-	(29.45)	(10.01)	(19.44)	-	USA

Note:

Indian Rupee equivalent of the figures in foreign currencies in the accounts of the subsidiary companies, are based on the exchange rates as on 31.03.2011 [1US\$ = ₹44.65 and 1AED = ₹12.34]

CORPORATE GOVERNANCE REPORT

Company's Philosophy

Corporate Governance is about commitment to values and ethical business conduct. It is all about how an organization is managed. Timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of the Corporate Governance. This improves public understanding of the structure, activities and policies of the organization and enhances the trust and confidence of the stakeholders.

LT group's management continues to strive for excellence in good governance and responsible management practices, benchmarking with best of global companies.

LT has been practicing corporate governance principles much before it became mandatory. Your company believes that for a company to be successful, it must maintain global standards of corporate conduct towards its stakeholders. The Company believes that it is rewarding to be better managed and governed and to identify its activities with national interest. To that end, your company has always focussed on good corporate governance which is the key driver of sustainable corporate growth and long term value creation.

Your company views corporate governance in its widest sense almost like a trusteeship, a philosophy to be progressed, a value to be imbibed and an ideology to be ingrained into the corporate culture.

It is not merely compliance and simply a matter of creating checks and balances; it is an ongoing measure of superior delivery of company's objectives with a view to translate opportunities into reality. It involves leveraging its resources and aligning its activities to nation's need, shareholders benefit and employee growth, thereby delighting all its stakeholders, while minimizing the risks. The primary objective is to create and adhere to a corporate culture of conscience and consciousness, transparency and openness, fairness, accountability, propriety, equity, sustainable value creation, ethical practices and to develop capabilities and identify opportunities that best serve the goal of value creation, thereby creating an outperforming organization.

Whistle Blower Policy

As a conscious and vigilant organization, LT Foods Limited believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behavior.

In its endeavour to provide its employee a secure and fearless working environment, they are free to report any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy to an Independent Ombudsman.

BOARD OF DIRECTORS

LT Foods has a broad based Board of Directors, constituted in compliance with the Companies Act, 1956 and Listing Agreements entered with Stock Exchanges and in accordance with Good Corporate Governance practices. The Board functions either as a full Board or through its Committees constituted to oversee specific operational areas. The Board has formed **Six Committees viz Audit Committee, Remuneration/Compensation Committee, Shareholders/Investors Grievance Committee, Management Committee, Governance Committee, Selection Committee.**

- The Board of your Company presently comprises of Eight (8) Directors representing the optimum combination of professionalism, knowledge and experience. Out of these eight directors, three are Executive Directors, four are Non Executive Directors and one is Non Executive Nominee Director.
- None of the Directors on the Board are members of more than ten committees or Chairman of more than five Committees. Necessary disclosures regarding Committee positions in other Public Companies as on March 31, 2011 have been made by the Directors.
- The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the year and numbers of Directorships and Committee Chairmanships/ Memberships held by them in other Companies are given herein below.

The Composition of the Board and Attendance record of Directors for 2010-11

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2010-11		Whether attended during last AGM	Number of Directorships in other public companies	Number of ¹ Committee positions held in Public Companies	
			Held	Attended			Chairman	Member
Mr. Vijay Arora Chairman & Managing Director @	Chairman Executive	1117964	4	2	NO	6	NIL	NIL
Mr. Ashwani Kumar Arora Joint Managing Director	Managing Director, Executive	2723152	4	3	YES	6	1	1
Mr. Surinder Kumar Arora Joint Managing Director #	Managing Director, Executive	2820152	4	1	YES	6	NIL	NIL
Mr. Ashok Kumar Arora * Joint Managing Director	Managing Director, Executive	2742418	4	1	NO	3	1	1

Name	Category	Shareholding in Company (No. of Shares)	Number of Board meetings during 2010-11		Whether attended during last AGM	Number of Directorships in other public companies	Number of ¹ Committee positions held in Public Companies	
			Held	Attended			Chairman	Member
Mr. Pramod Bhagat Director	Non Executive/ Independent	Nil	4	4	YES	1	1	2
Mr. Jagdish Chandra Sharma Director	Non Executive/ Independent	Nil	4	4	NO	1	2	4
Mr. Rajesh Kumar Srivastava Nominee Director	Non Executive	Nil	4	3	NO	4	NIL	4
Ms. Radha Singh Director	Non Executive/ Independent	Nil	4	3	NO	2	NIL	2
Mr. Alok Sinha Director**	Non Executive/ Independent	Nil	4	0	NO	2	NIL	NIL
Mr. Suparas Bhandhari Director ***	Non Executive/ Independent	Nil	4	1	NO	NA	NA	NA

¹ includes only Audit and Shareholders/Investors Grievance Committees

*Mr. Ashok Kumar Arora was appointed as Additional Director w.e.f 26.05.2010 and resigned as on 31.03.2011

** Mr Suparas Bhandari ceased to be an Independent Director w.e.f. 27.07.2010.

*** Mr. Alok Sinha was appointed as an Additional Director w.e.f. 15.11.2010.

@ Mr. Vijay Arora also holds 16,06,320 Equity in joint holding with Mr. Ashwani Kumar Arora.

Mr. Surinder Kumar Arora also holds 11, 09, 520 Equity in joint holding with Mr. Gurucharan Dass Arora.

- d) During the year, four meetings were held and the gap between two meetings did not exceed four months. The dates on which the said meeting were held: **May 26, 2010; August 9, 2010; November 15, 2010, and February 14, 2011.**
- e) During the year, information as mentioned in Annexure - 1A to clause 49 of the Listing Agreement has been placed before the Board for its consideration.
- f) None of the Non Executive Directors have any material pecuniary relationship or transactions with the Company.
- All departments of the Company schedule their work plans in advance, particularly with regard to matters requiring consideration at the Board/Committee meetings. All such matters are communicated to the Company Secretary in advance so that the same could be included in Agenda for the Board/Committee Meetings.

BOARD COMMITTEES

There are Six Committees of the Board of Directors, which have been delegated requisite powers to discharge their functions and they meet as often as required. These Committees are:

- I. **Audit Committee**
- II. **Remuneration/ Compensation Committee**
- III. **Shareholders'/ Investors Grievance Committee**
- IV. **Management Committee**
- V. **Governance Committee**
- VI. **Selection Committee**

I. AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in accordance with the requirements prescribed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting progress with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

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

Composition, Meetings & Attendance

The Audit Committee comprises of two Non - Executive & Independent Directors and one Non - Executive Nominee Director viz Mr. Pramod Bhagat (Chairman), Mr. Jagdish Chandra Sharma (Member) and Mr. Rajesh Kumar Srivastava (Member).

During the Financial year, four Audit Committee Meetings were held. The dates and other details of the said meetings are as follows:

May 26, 2010, August 09, 2010, November 15, 2010 and February 14, 2011.

Members of the Committee	Category	Number of Meetings held during the year 2010- 11	
		Held	Attended
Mr. Pramod Bhagat*	Independent, Non Executive (Chairman)	4	4
Mr. Jagdish Chandra Sharma	Independent, Non Executive	4	4
Mr. Rajesh Kumar Srivastava	Independent, Non Executive Nominee Director	4	3
Mr. Suparas Bhandari**	Independent, Non Executive	4	1

*Mr. Pramod Bhagat became the Chairman of the Audit Committee w.e.f 09/08/2010

**Mr. Suparas Bhandari ceased to be Chairman and member of the committee on his resignation w.e.f 27/07/2010

The Audit committee invites such of the executives as it considers appropriate (particularly the head of finance function), representatives of the Statutory Auditors and representatives of the Internal Auditor to be present in the meeting. The Company Secretary acts as the Secretary of the Audit Committee.

All the members of the Audit Committee are financially literate. Mr. Pramod Bhagat, Chairman of the Committee has got accounting and financial management expertise.

Mr. Pramod Bhagat, Chairman of the Audit Committee was present at the Twentieth Annual General Meeting of the Company to answer the queries of shareholders.

The terms of reference and Role of the Audit Committee includes the matters as stated in Clause 49 (II) (D) of the Listing Agreement.

II. REMUNERATION/COMPENSATION COMMITTEE

Brief Description & Terms of reference:

The Committee comprises of three Independent Directors and one Non Executive Nominee Director viz: Mrs. Radha Singh (Chairman), Mr. Jagdish Chandra Sharma, Mr. Pramod Bhagat and Mr. Rajesh Kumar Srivastava (Member). Mrs. Radha Singh was appointed as a member of the committee w. e. f. 09.08.2010 and Chairman of the committee w. e. f. 14.02.2011.

Mr. Suparas Bhandari ceased to be member of the committee on his resignation w.e.f. 27/07/2010.

The Remuneration/Compensation Committee frames suitable policies and systems to ensure that there is no violation of any applicable laws in India or overseas, determines on behalf of the Board and the shareholders, our Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, exercises the powers with respect to the ESOP plan and such functions as are required to be performed by the Remuneration Committee under the ESOP Guidelines and such other matters as may, from time to time, be required by any statutory, contractual or other regulatory requirements to be attended by such committee.

During the Financial year, two Remuneration/Compensation Committee Meetings were held. The dates and other details of the said meetings are as follows:

May 26, 2010, and February 14, 2011.

Members of the Committee	Category	Number of Meetings held during the year 2010- 11	
		Held	Attended
Mrs. Radha Singh*	Independent, Non Executive (Chairman)	2	1
Mr. Jagdish Chandra Sharma**	Independent, Non Executive	2	2
Mr. Rajesh Kumar Srivastava	Independent, Non Executive Nominee Director	2	2
Mr. Suparas Bhandari***	Independent, Non Executive	2	1

* Appointed as member of the committee w. e. f. 09.08.2011 and Chairman of the committee w. e. f. 14.02.2011

** Ceased to be Chairman on 14.02.2011

*** Ceased to be member on 27.07.2010

Details of Remuneration paid to Non – Executive Directors

No remuneration was paid to Non-Executive Directors during the financial year ended 31st March 2011, except sitting fees @ 10,000/- for attending meetings of the Board and other Committees.

The details of sitting fees paid to the Non - Executive Directors for attending the meetings of the Board(s)/ and Committee(s) during the financial year ending 31st March 2011 are as under:

(Amount in ₹)	
Name of Directors	Sitting Fee
Mrs. Radha Singh	60,000
Mr. Jagdish Chandra Sharma	1,20,000
Mr. Pramod Bhagat	1,20,000
Mr. Suparas Bhandari*	20,000
Mr. Alok Sinha **	Nil

*Mr. Suparas Bhandari ceased to be a Director of the Company w.e.f 27/07/2010

** Mr Alok Sinha was appointed as Additional Director w. e. f. 15.11.2010.

Details of Remuneration paid to Executive Directors

The Executive Directors have been appointed for a period of five years from their respective date of appointment. The details of remuneration paid to the Executive Directors for the financial year ending 31st March 2011, are as under:

(Amount in ₹)			
Name of the Director	Salary & Allowances	Perquisites	Retirement benefits
Mr. Vijay Arora	78,00,000.00	Nil	9,360.00
Mr. Ashwani Kumar Arora	60,00,000.00	Nil	9,360.00
Mr. Surinder Kumar Arora	60,00,000.00	8,97,000.00	9,360.00
Mr. Ashok Kumar Arora	NIL	NIL	NIL

III. SHAREHOLDER'S/INVESTORS GRIEVANCE COMMITTEE

Brief Description & Terms of reference:

The Committee comprises of three Independent Directors and one non executive nominee director:

S. NO	NAME	CATEGORY	DESIGNATION
1	Mr. Jagdish Chandra Sharma	Chairman	Independent Non Executive Director
2	Mr. Pramod Bhagat	Member	Independent Non Executive Director
3	Mrs. Radha Singh	Member	Independent Non Executive Director
4	Mr. Rajesh Kumar Srivastava	Member	Non Executive Nominee Director

Mr. Suparas Bhandari ceased to be the member of the committee w. e. f. 27/07/2010. Mrs. Radha Singh was appointed as member of the committee w. e. f. 09.08.2010. Mr Jagdish Chandra Sharma was appointed as Chairman of the Committee on 09.08.2010.

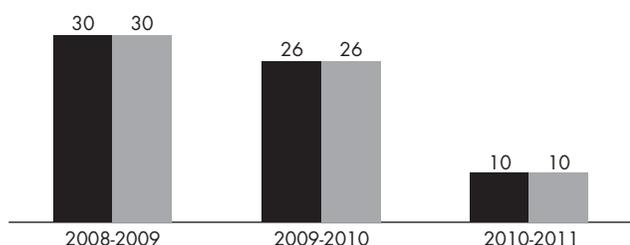
The Shareholders/Investors Grievance Committee looks into the redressal of investor requests/complaints pertaining to transfer/transmission/demat/remat/split of shares, non-receipt of dividend and annual accounts etc and oversees the performance of Registrar and Transfer Agent of the Company.

The Committee also monitors the implementation and compliance of the company's Code of Conduct for Prohibition of Insider Trading in pursuance of the SEBI (Prohibition of Insider Trading) Regulations, 1992.

Shareholder's Complaints: 2010-11

Investor's complaints received and resolved during the last three years:

Investor Complaint Trend



IV. MANAGEMENT COMMITTEE

Brief Description & Terms of reference:

The Management Committee comprises of three directors viz

S. NO	NAME	CATEGORY	DESIGNATION
1	Mr. Vijay Arora	Chairman	Executive Director
2	Mr. Ashwani Kumar Arora	Member	Executive Director
3	Mr. Surinder Kumar Arora	Member	Executive Director

The Board has delegated some of its powers to Management Committee for the smooth functioning of day to day business of the Company.

V. GOVERNANCE COMMITTEE

Brief Description & Terms of reference:

The Governance Committee comprises of three members:

S. NO	NAME	CATEGORY	DESIGNATION
1	Mr. Vijay Arora	Chairman	Executive Director
2	Mr. Ashwani Kumar Arora	Member	Executive Director
3	Mr. Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director

The Committee considers and discusses certain matters listed in Annexure IA of Clause 49 of the Listing Agreement and to recommend to the Board for their consideration and approval.

VI. SELECTION COMMITTEE

Brief Description & Terms of reference:

The Selection Committee comprises of three members:

S. NO	NAME	CATEGORY	DESIGNATION
1	Mr. Vijay Arora	Chairman	Executive Director
2	Mr. Ashwani Kumar Arora	Member	Executive Director
3	Mr. Rajesh Kumar Srivastava	Member	Non-Executive Nominee Director

The 'Selection Committee' of the Board of Directors takes decision on the appointment, terms of appointment including remuneration and termination of the identified 'Key Men' positions and further apprises the same to Board of Directors.

RISK MANAGEMENT

The Company has laid down procedures to inform Board Members about the risk assessment and minimisation procedures. The procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

DETAILS OF ANNUAL GENERAL MEETING

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

Financial Year	General Meeting	Location	Date	Time
2009-10	20th AGM	PHD House, 4/2, Siri Institutional Area, August Kranti Marg, New Delhi-110016	30.09.2010	3.00P.M.
2008-09	19th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	24.09.2009	3.00P.M.
2007-08	18th AGM	Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi-110010	26.08.2008	3.00P.M.

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

Financial Year	General Meeting	Particulars of Special Resolution(s) passed
2009-10	20th AGM	To offer Equity shares to the Employees of the Company and to employees of the Subsidiaries under "LT FOODS EMPLOYEE STOCK OPTION PLAN-2010"
2008-09	19th AGM	No Special Resolution was passed
2007-08	18th AGM	<ol style="list-style-type: none"> To change the name of the Company from "LT Overseas Limited" to "LT Foods Limited". To alter the object clause by shifting of the objects mentioned in the "Main Objects" Clause to "Other Objects" Clause of the Memorandum of Association. To carry on the business mentioned in Clause III(C) 29,30 and 31 of the Memorandum of Association of the Company.

DISCLOSURES

- During the financial year ended on 31st March 2011, there were no materially significant transactions with related parties viz promoters, relatives, the management, subsidiaries etc. that may have a potential conflict with the interest of the Company at large. The required disclosures on related parties and transactions with them is appearing in the Notes to the Accounts (Schedule-21).
- No penalty or stricture was imposed on the Company by any Stock Exchange, SEBI or any statutory authority on account of non-compliance by the Company on any matter related to Capital market during the financial year ended 31st March 2011.
- The CEO/CFO Certificate in terms of Clause 49 (V) has been placed before the Board.
- In Compliance with the Securities and Exchange Board of India (Prevention of Insider Trading) Regulations 1992, as amended till date, on prevention of Insider trading, the Company has a comprehensive code of conduct and the same being strictly adhered by its management, staff and relevant business associates. The Code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the company and cautioning them on the consequences of the non-compliance thereof.
- The Company follows Closure of Trading Window prior to the publication of price sensitive information. During this period, Company has set up a mechanism where the management and relevant staff & business associates of the company are informed the same and are advised not to trade in Company's securities.
- The Company is complying with all the mandatory requirements of Clause 49 on 'Corporate Governance'. The Company is in the process of complying with the non-mandatory requirements of Listing Agreement on 'Corporate Governance'.

- Reconciliation of Share Capital Audit
A qualified Chartered Accountant carried out secretarial audit to reconcile the total admitted equity capital with National Securities Depository Limited (NSDL) and the Central Depository Services Limited (CDSL) and the total issued and listed equity capital. The Secretarial Audit report confirms that the total issued/paid up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

CODE OF CONDUCT

The Company has adopted a Code of Conduct and ethics for Directors and Senior Management personnel vide Board meeting held on 12.12.2006. A copy of the code has been put on the Company's website. The code has been circulated to all members of the Board and senior management personnel who have confirmed compliance with the code of conduct for the year under review.

A DECLARATION SIGNED BY THE CHAIRMAN AND THE MANAGING DIRECTOR IS GIVEN BELOW:

I hereby confirm that:

The Company has obtained from all members of the Board and Senior Management personnel, affirmation that they have complied with the code of conduct and ethics for Directors and senior management personnel for the financial year 2010-11.

(Vijay Arora)

Chairman and Managing Director

MEANS OF COMMUNICATION

- The Quarterly and Annual results were generally published in the Mint and Hindustan Newspaper.
- The Quarterly results are also displayed on the website of the Company, i.e. www.ltgroup.in.
- The Management Discussion and Analysis (MD & A) report covering the operations of the Company forms part of the Annual Report.

GENERAL SHAREHOLDER'S INFORMATION

Twenty First Annual General Meeting:

Date & Time Wednesday, the 21st September 2011 at 3.00 P.M.
Venue Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010.

Financial Calendar for the Year 2010-11:

Financial Year 1st April 2010 to 31st March 2011.
Dividend The Board of Directors have recommended
Payment Date payment of final dividend at the rate of ₹1.00 per equity share of ₹10/- each fully paid up (@10%) for the financial year ended on 31st March 2011, subject to the approval of the shareholders at the Twenty First Annual General Meeting .

The dividend, if approved, will be paid within 30 days from the date of declaration.

Book Closure The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 16 September, 2011 to Wednesday, 21 September, 2011, both days inclusive.

Registered Office & Corporate Office:

Registered Office Unit-134, 1st Floor, Rectangle-1, Saket District Center, New Delhi-110017.
 Corporate Office Plot No - 119, Sector- 44, Institutional Area, Gurgaon-122002.

Listing on Stock Exchanges:

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

Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers
 Dalal Street,
 Mumbai - 400001
 Tel. No. 022- 22721233/34
 Fax: 022- 22721919

Security Code: 532783
 ISIN No. for NSDL & CDSL: INE818H01012

National Stock Exchange of India Limited

Exchange Plaza, 5thFloor,
 Plot No. C-1, G- Block,
 Bandra Kurla Complex, Bandra (E),
 Mumbai – 400051.
 Tel.: 022- 26598110-14
 Fax: 022- 26598120

Security Code: DAAWAT
 Security Code: DAAWAT

Listing Fee / Custodial Fee for 2011 - 12:

The annual listing fee has been paid to BSE and NSE and also annual custodian fee has been paid to NSDL & CDSL for the financial year 2011 - 12.

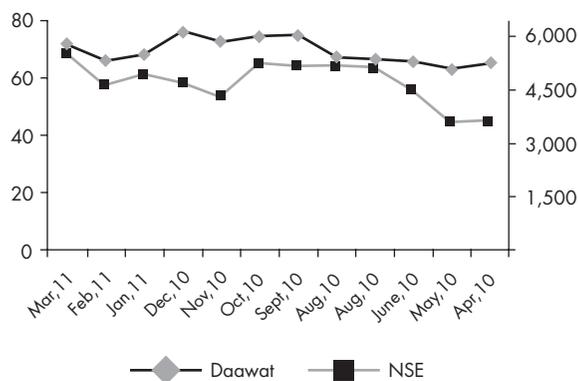
StockMarket Data:

(Amount in ₹)

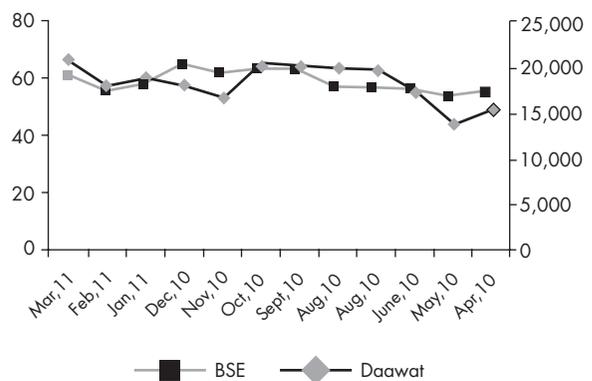
Month	Bombay Stock Exchange Limited					National Stock Exchange of India Limited				
	High	Low	Close	Volume	Sensex	High	Low	Close	Volume	S&P CNX Nifty
Apr'10	72.4	57.3	66.75	2,951,835	17,558	72.2	58.2	68.5	3,665,568	5,278
May'10	68	56.2	56.7	876,216	16,944	67.95	56.6	56.9	1,142,221	5,086
June'10	61.3	55.5	60.3	761,401	17,700	61.5	55.5	60.5	1,101,518	5,312
July'10	62.4	56.9	57.55	563,638	17,868	62.2	55	58	937,499	5,367
Aug'10	61.8	52.6	53	955,892	17,971	61.75	52.45	52.8	1,646,664	5,402
Sept'10	85.85	52.5	64.35	5,176,018	20,069	77	53.3	64.7	8,664,335	6,029
Oct'10	77.9	63.75	64.35	4,587,340	20,032	77.3	63.6	64.05	7,132,751	6,017
Nov'10	87.95	57.5	63.55	7,168,214	19,521	88	61.35	63.5	10,231,926	5,862
Dec'10	73.15	54.6	63	2,044,639	20,509	73.2	56.2	63	3,444,338	6,134
Jan'11	65	54	55	721,861	18,327	64.8	52.1	55.25	1,691,851	5,505
Feb'11	56.1	42.5	43.4	329,415	17,823	56	43	43.65	799,626	5,333
Mar'11	55.35	43	48.55	1,814,078	19,445	55.2	42.55	43.65	3,217,758	5,787

Sources : BSE & NSE Website

Price Movement At NSE



Price Movement At BSE



Dividend Payment

The Board has proposed final dividend ₹1.00 /- per share of ₹10/- each.

Payment of Dividend

Dividend will be paid by account payee non-negotiable instruments or through the electronic clearing service (ECS), as notified by the SEBI through the Stock Exchanges.

Unclaimed Dividend

The shareholders who have not encashed their dividend warrants for the year 2009-10 are requested to claim the amount from Registrar & Transfer Agent (in case, shares are held in demat form) /Corporate Office (in case, shares are held in physical form).

As per Section 205 of the Companies Act, 1956, any money transferred by the Company to the Unpaid Dividend Account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to a fund called 'The Investor Education and Protection Fund' set up by the Central Government. No claim shall lie against the fund or the Company in respect of amount so transferred.

Share Transfer System & Registrar & Share Transfer Agent

All request for dematerialization, rematerialization, transfer, transmission, issue of duplicate share certificate, sub-division, issue of demand drafts in lieu of dividend warrants etc. is being handled by Registrar & Transfer Agent and registered within 15 days of receipt of documents, if found in order.

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

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

Bigshare Services Private Limited
E-2/3, Ansa Industrial Estate, Saki Vihar Road, Saki Naka,
Andheri (East), Mumbai, Pin code-400072.
Contact Person: Mr. N.V.K.Mohan
Tel No. 022 -28470652, Fax No. 022-28475207
Email id: mohan@bigshareonline.com

The Board has authorized the Shareholders/Investors Grievance Committee to sub- delegate its power to the officers of the Company, for prompt redressal of investor requests/complaints. Accordingly, the Committee has sub-delegated its power to approve transfer/demat/remat/sub-division/consolidation of share certificates etc. to the Company secretary. A summary of requests for transfer/demat/remat etc. approved by the Company secretary between two intervening meetings of the Committee is placed at the subsequent meeting of the committee.

As required under clause 47 (c) of Listing Agreement of Stock Exchanges, the Company obtains a certificate on half yearly basis from a Company Secretary-in-practice, regarding share transfer compliances, copy of which is filed with the Stock Exchanges.

Dematerialization of Shares & Liquidity

Procedure for dematerialization/ rematerialization of shares

Shareholders seeking demat/remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical shares certificate, the Registrar and Share transfer Agent ("the Registrar") of the Company. Upon receipt of the request and share certificate, the Registrar will verify the same. After verification, the Registrar will request National Securities Depository Ltd. (NSDL)/ Central Depository Services Ltd. (CDSL) to confirm the demat request. The demat account of the respective shareholder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The registrar then request NSDL and CDSL to confirm the same. Approval of the company is being sought and equivalent numbers of shares are issued in Physical form to the shareholder.

The share certificates are dispatched within one month from the date of issue of shares.

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

Distribution of Shareholding as on dated 31.03.2011:

(A) Distribution of shareholding by ownership:-

Sl No	Category	No. of Folios	Shares Held	Voting Strength
1	Clearing Member	49	16429	0.0629
2	Corporate Bodies	407	1977079	7.5697
3	Directors- Relatives	4	3756055	14.3809
4	Financial Institutions	1	370	0.0014
5	Foreign Institutional Investor	3	4047194	15.4956
6	Non Resident Indians	78	243184	0.9311
7	Overseas Corporate Bodies	1	50000	0.1914
8	Promoters	17	11059705	42.3445
9	Public	12144	4966905	19.0169
10	Trusts	6	1493	0.0057
	Total	12710	26118414	100.0000

(B) Distribution of shareholding by size

No. of Shares	No. of Shareholders	% of Total Shareholders	Share Amount *	% to Total
1-5000	11150	87.7262	13696050	5.2438
5001-10000	772	6.0740	6455070	2.4715
10001-20000	374	2.9426	6019650	2.3048
20001-30000	106	0.8340	2687140	1.0288
30001-40000	60	0.4721	2100860	0.8044
40001-50000	59	0.4642	2770500	1.0607
50001-100000	90	0.7081	6414810	2.4560
100001 and above	99	0.7789	221040060	84.6300
Total	12710	100.0000	261184140	100.0000

(C) Top Ten Shareholders as on 31st March, 2011

SI No	Name of Shareholder(s)	Category (as per depository)	Shares	%
1	India Agri Business Fund Ltd	Foreign Institutional Investor	3835015	22.70087
2	Ashok Arora	Promoter	2107640	12.4759
3	Ashwani Kumar Arora	Promoter	1688792	9.996582
4	Vijay Arora & Ashwani Kumar Arora	Promoter	1606320	9.508399
5	Gurucharan Dass Arora	Promoter Group	1573932	9.316683
6	Surinder Kumar Arora	Promoter	1413235	8.365458
7	Surinder Kumar Arora	Promoter	1406917	8.32806
8	Vijay Arora	Promoter	1117964	6.61764
10	Gurucharan Dass Arora & Surinder Kumar Arora	Promoter Group	1109520	6.567657
11	Ashwani Kumar Arora	Promoters	1034360	6.122758
	Total		16893695	100

Plant Locations:

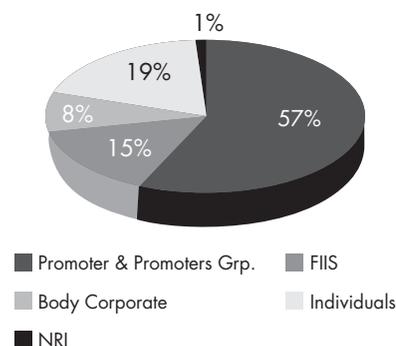
Presently Company has five plants including its Subsidiaries:

- 43 K. Stone, GT Road, Bahalgarh, Sonapat
- Kamaspur, Bahalgarh, Sonapat
- Mandideep, Bhopal
- Phoola Road, Amritsar
- Varpal, Punjab

Investors Correspondence:

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

Corporate Office & Investor Cell:
Plot No.119, Sector – 44,
Gurgaon – 122002

Shareholding Pattern as on 31st March, 2011**Company Secretary & Compliance Officer**

Name: Mrs. Monika Chawla Jaggia

Address: Plot No.119, Sector-44,
Institutional Area Gurgaon,
Haryana – 122002.

Contact Details: Ph:91-124-3055101
Fax:91-124-3055199
Mail Id: monika.jaggia@ltgroup.in

Place: Gurgaon
Date: 11.08.2011

On behalf of the Board of Directors
Vijay Arora
Chairman & Managing Director

CEO/CFO CERTIFICATION

PURSUANT TO CLAUSE 49(V) OF THE LISTING AGREEMENT FOR THE FINANCIAL YEAR ENDING 2010-11.

To

The Board of Directors

LT Foods Limited,

Unit-134, 1st Floor, Rectangle-1,

Saket District Centre,

New Delhi-110017

This is to certify that

- a. We have reviewed financial statements and cash flow statement for the year 2010-11 and that to the best of our knowledge and belief:
 - I. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading,
 - II. These statements together present a true and fair view of the company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee,
 - I. Significant changes in internal control over financial reporting during the year,
 - II. Significant change in accounting policies during the year and that the same have been disclosed in the notes to the financial statements And
 - III. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Thanking you,

For LT Foods Limited.

Vijay Arora
Chairman and Managing Director

S.K. Salhotra
Chief Financial Controller

Date : 01.04.2011

Place : New Delhi

COMPLIANCE CERTIFICATE FROM THE STATUTORY AUDITORS OF THE COMPANY

To

The Members of LT Foods Limited

We have examined the compliance of conditions of corporate governance by LT Foods Limited ("the Company"), for the year ended on March 31, 2011, as stipulated in Clause 49 of the Listing Agreement of the said company with stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to a review of the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For Walker, Chandio & Co

Chartered Accountants

Firm Registration No. 001076N

per David Jones

Partner

Membership No. 98113

Place : Gurgaon

Date : June 30, 2011

AUDITORS'S REPORT

Auditor's Report on the Financial Statements

To
The Board of Directors of
LT Foods Limited

1. We have audited the attached Balance Sheet of LT Foods Limited, (the 'Company') as at March 31, 2011, the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto (collectively referred as the 'financial statements'). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (the 'Order') (as amended), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 (the 'Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. We did not audit the financial statements of the partnership firm, Raghunath Agro Industries, whose financial results for the year ended March 31, 2011 are recorded as profit in share of partnership firm of Rs. 8.46 lacs in the financial statements of the Company. The financial statements of Raghunath Agro Industries have been audited by other auditor, whose report has been considered by us.
5. Further to our comments in the Annexure referred to above, we report that:
 - a. We have 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 appears from our examination of those books;
- c. The financial statements dealt with by this report are in agreement with the books of account;
- d. On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act;
- e. In our opinion and to the best of our information and according to the explanations given to us and upon consideration of other auditor's report as mentioned in para 4 above, the financial statements dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act and the Rules framed there under and give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of:
 - i) the Balance Sheet, of the state of affairs of the Company as at March 31, 2011;
 - ii) the Profit and Loss Account, of the profit for the year ended on that date; and
 - iii) the Cash Flow Statement, of the cash flows for the year ended on that date.

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No. 001076N

per David Jones
Partner
Membership No. 98113

Place : Gurgaon
Date : June 30, 2011

ANNEXURE TO THE AUDITOR'S REPORT

OF EVEN DATE TO THE MEMBERS OF LT FOODS LIMITED, ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2011

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

- (i) (a) *The Company is in the process of updating its records for showing full particulars, including quantitative details and situation of fixed assets.*
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) In our opinion, a substantial part of fixed assets has not been disposed off during the year.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(b) to (d) of the Order are not applicable.
- (b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the aforesaid internal control system.
- (v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Act have been so entered.
- (b) Owing to the unique and specialized nature of the items involved and in the absence of any comparable prices, we are unable to comment as to whether the transactions made in pursuance of such contracts or arrangements have been made at prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public within the meaning of sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.
- (vii) The Company has an internal audit system commensurate with its size and the nature of its business.
- (viii) To the best of our knowledge and belief, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, in respect of Company's products. Accordingly, the provisions of clause 4(viii) of the Order are not applicable.
- (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service-tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Undisputed amounts payable in respect thereof, which were outstanding at the year end for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of the dues	Amount (₹ lacs)	Period to which the amount relates	Due Date	Date of Payment
Income-tax Act, 1961	Income tax demand	47.85	Assessment Year to 2003 – 04	September 2006 to September 2010	Not paid

(b) The dues outstanding in respect of income-tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (₹ lacs)	Period to which the amount relates	Date of Payment
Income-tax Act, 1961	Income tax demand	135.18 (out of this ₹45.00 lacs deposited under protest)	Assessment Year 2000 – 01	CIT (Appeals)
Income-tax Act, 1961	Income tax penalty	81.10	Assessment Year 2000 – 01	CIT (Appeals)
Income-tax Act, 1961	Income tax demand	33.66	Assessment Year 2002 – 03	ITAT
Income-tax Act, 1961	Income tax demand	6.39	Assessment Year 2006 – 07	ITAT

- x) In our opinion, the Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and the immediately preceding financial year.
- (xi) The Company has no dues payable to a financial institution or debenture holders during the year. Further, in our opinion, the Company has not defaulted in repayment of dues to banks during the year.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) In our opinion, the terms and conditions on which the Company has given guarantee for loans taken by others from banks are not, prima facie, prejudicial to the interest of the Company. Further, the Company has not given any guarantees for loans taken by others from financial institutions.
- (xvi) In our opinion, the Company has applied the term loans for the purpose for which the loans were obtained.
- (xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Order are not applicable.
- (xix) The Company has neither issued nor had any outstanding debentures during the year. Accordingly, the provisions of clause 4(xix) of the Order are not applicable.
- (xx) The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.
- (xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No. 001076N

per David Jones
Partner
Membership No. 98113

Place : Gurgaon
Date : June 30, 2011

BALANCE SHEET
AS AT 31ST MARCH 2011

(₹ in Lacs)

	SCHEDULE	March 31, 2011	March 31, 2010
SOURCES OF FUNDS			
Shareholders' fund			
Share capital	1	2,611.84	2,611.84
Reserves and surplus	2	18,552.88	17,221.94
Loan funds			
Secured loans	3	65,050.34	41,691.96
Unsecured loans	4	7,539.77	9,934.51
Deferred tax liability (net)		863.35	387.88
(refer to note 5 on schedule 26)			
		94,618.18	71,848.13
APPLICATION OF FUNDS			
Fixed assets			
	5		
Gross block		21,574.71	17,681.22
Less: Accumulated depreciation and amortisation		8,419.08	6,960.13
Net block		13,155.63	10,721.09
Capital work-in-progress		5,100.07	1,228.63
Investments	6	4,934.40	3,957.30
Current assets, loans and advances			
Inventories	7	54,436.94	44,614.25
Sundry debtors	8	18,591.54	8,469.67
Cash and bank balances	9	1,511.06	1,160.33
Other current assets	10	1.87	9.15
Loans and advances	11	7,803.56	7,906.89
		82,344.97	62,160.29
Less:			
Current liabilities and provisions			
Current liabilities	12	8,549.91	3,574.13
Provisions	13	2,366.98	2,823.12
		10,916.89	6,397.25
Net current assets		71,428.08	55,763.04
Miscellaneous expenditure	14	-	178.07
		94,618.18	71,848.13
Significant accounting policies	25		
Notes to the financial statements	26		
The schedules referred to above form an integral part of the financial statements			

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

For Walker, Chandio & Co
Chartered Accountants

per David Jones
Partner

Place : Gurgaon
Date : June 30, 2011

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Place : Gurgaon
Date : May 30, 2011

Surinder Kumar Arora
Joint Managing Director

Som Chopra
Vice President Accounts and Taxation

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED MARCH 31, 2011

		(₹ in Lacs)	
	SCHEDULE	March 31, 2011	March 31, 2010
INCOMES			
Sales	15	83,735.09	69,617.06
Other income	16	1,399.71	2,849.22
(Decrease)/ Increase in inventory	17	(1,262.94)	2,263.51
		83,871.86	74,729.79
EXPENDITURES			
Material consumed	18	48,046.18	50,216.08
Other purchases	19	17,480.96	5,877.33
Manufacturing and trading expenses	20	2,178.02	1,818.12
Personnel cost	21	1,444.16	976.33
Administrative and selling expenses	22	6,780.54	6,985.22
Finance cost	23	3,896.76	4,125.67
Depreciation and amortisation	5	1,646.75	1,422.21
		81,473.37	71,420.96
Profit before tax and prior period items		2,398.49	3,308.83
Tax expense			
- Current year tax		455.67	651.44
- Deferred tax - current year		283.47	156.47
- Deferred tax - prior period		192.00	-
- Minimum alternative tax credit receivable		(206.97)	-
Profit after tax and before prior period items		1,674.32	2,500.92
Prior period items (net)	24	56.25	5.95
Profit after tax and prior period items		1,618.07	2,494.97
Balance brought forward from previous year		10,899.41	9,082.76
Profit available for appropriation		12,517.48	11,577.73
Appropriations:			
Proposed dividend		261.18	391.78
Tax on proposed dividend		25.95	37.04
Transferred to general reserve		161.80	249.50
Balance carried to balance sheet		12,068.55	10,899.41
Basic and diluted earnings per share before prior period items (in ₹)		7.15	9.72
Basic and diluted earnings per share after prior period items (in ₹) (refer to note 11 of schedule 26)		6.20	9.70
Significant accounting policies	25		
Notes to financials statements	26		
The schedules referred to above form an integral part of the financial statements			

This is the profit and loss account referred to in our report of even date

For Walker, Chandiok & Co
Chartered Accountants

per David Jones
Partner

Place : Gurgaon
Date : June 30, 2011

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Place : Gurgaon
Date : May 30, 2011

Surinder Kumar Arora
Joint Managing Director

Som Chopra
Vice President Accounts and Taxation

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2011

(₹ in Lacs)

	March 31, 2011	March 31, 2010
Cash flow from operating activities:		
Net profit before tax and prior period items	2,398.49	3,308.83
Adjustment for:		
Profit on sale of fixed assets (net)	(26.64)	(52.53)
Depreciation and amortisation	1,646.75	1,422.21
Dividend income	(101.40)	(169.36)
Other interest income	(57.08)	(9.68)
Share of profit in partnership firm	(8.47)	(105.44)
Interest from partnership firm	(3.89)	-
Premium on forward contract	56.75	22.03
Profit on sale of investment	-	(8.09)
Prior period items (net)	4.99	(5.95)
Interest expense	3,754.17	3,967.78
Adjustments for changes in working capital:		
- Movement in sundry debtors	(10,121.87)	3,278.41
- Movement in inventories	(9,822.69)	(2,338.26)
- Movement in other receivables	1,108.05	(1,093.14)
- Movement in trade and other payables	4,117.01	(7,431.35)
Cash (used in)/ generated from operations	(7,055.83)	785.46
Tax paid	(641.37)	(739.40)
Net Cash (used in)/ generated from operating activities	(7,697.20)	46.06
Cash flow from investing activities:		
Purchases of fixed assets and changes in capital work-in-progress	(8,068.56)	(3,950.73)
Restricted cash - fixed deposits pledged (net)	(235.79)	(517.50)
Proceeds from disposals of fixed assets	142.47	137.08
Investment made	(964.74)	-
Proceeds from disposals of investments	-	509.46
Dividend income	101.40	106.04
Interest income	56.25	9.68
Profit from sale of investment	-	8.09
Net cash used in investing activities	(8,968.97)	(3,697.88)
Cash flow from financing activities:		
Dividends paid during the year, including dividend tax	(428.36)	(222.70)
Proceeds from issuance of share capital	-	2,495.96
Proceeds from short term borrowings (net)	18,656.90	1,271.34
Proceeds from long term borrowings	4,236.19	5,333.24
Repayment of long term borrowings	(1,929.45)	(1,208.46)
Interest expense	(3,754.17)	(3,967.78)
Net cash generated from financing activities	16,781.11	3,701.60
Net decrease in cash and cash equivalents	114.94	49.78
Opening cash and cash equivalents	520.55	470.77
Closing cash and cash equivalents	635.49	520.55
Note:		
Cash and cash equivalents include :		
Cash and bank (as per schedule 9)	1,511.06	1,160.33
Less: restricted cash - fixed deposit account (pledged)	866.19	630.86
Less: restricted cash - unpaid dividend account	9.38	8.92
	635.49	520.55

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

For Walker, Chandio & Co
Chartered Accountants

per David Jones
Partner

Place : Gurgaon
Date : June 30, 2011

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Place : Gurgaon
Date : May 30, 2011

Surinder Kumar Arora
Joint Managing Director

Som Chopra
Vice President Accounts and Taxation

SCHEDULES

FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	March 31, 2011	March 31, 2010
SCHEDULE - 1		
Share capital		
Authorised		
30,000,000 equity shares of ₹10 each (previous year 30,000,000 equity shares of shares of ₹10 each)	3,000.00	3,000.00
Issued, subscribed and paid up capital		
26,118,414 equity shares of ₹10 each fully paid up (previous year 26,118,414 equity shares of ₹10 each fully paid up)	2,611.84	2,611.84
	2,611.84	2,611.84

Note:

The above includes:

- 8,374,505 (previous year 8,374,505) equity shares issued of ₹10 each as fully paid up by way of bonus shares by capitalisation of profits.
- 4,600,000 (previous year 4,600,000) equity shares of ₹10 each fully paid up issued for consideration other than cash.

SCHEDULE - 2

Reserves and surplus

Capital reserve/subsidy	108.61	108.61
Share premium		
As per last balance sheet	5,499.52	3,388.41
Addition during the year	-	2,155.15
Less: Expenses on issue of shares	-	44.04
	5,499.52	5,499.52
General reserve		
As per last balance sheet	714.40	464.90
Add: Transferred from profit and loss account	161.80	249.50
	876.20	714.40
Surplus as per profit and loss account	12,068.55	10,899.41
	18,552.88	17,221.94

SCHEDULE - 3

Secured loans

From banks

Rupee working capital loans (Refer to note 2 and 3)	22,369.15	8,098.33
Foreign currency working capital loans (Refer to note 2 and 3)	32,202.34	25,421.52
Rupee term loans (Refer note 1(b) and 3)	10,328.67	8,054.49
Vehicle loans (Refer to note 1 (a))	150.18	117.62
	65,050.34	41,691.96

Note:

- A sum of ₹150.18 lacs (previous year ₹117.62 lacs) is secured by hypothecation of vehicles.
 - A sum of ₹10,328.67 lacs (previous year 8,054.49 lacs) is secured by equitable mortgage/hypothecation/ 1st charge on fixed assets of the Company.
- Secured by hypothecation of stock of raw material, finished goods, stores & spares and receivables.
 - Secured by mortgage and hypothecation of fixed assets of the Company.
- Secured working capital loans and term loans are also personally guaranteed by directors.
- Term loans repayable within next one year ₹3,519.85 lacs (previous year ₹2,684.95 lacs).

SCHEDULES
FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	March 31, 2011	March 31, 2010
SCHEDULE - 4		
Unsecured loans		
Short term loans		
From banks	7,539.77	9,728.64
From subsidiaries	-	205.87
	7,539.77	9,934.51

SCHEDULE - 5
Fixed Assets

(₹ in Lacs)

Particulars	April 1, 2010	Additions	Deletions	March 31, 2011
Gross Block				
Tangible assets				
Land - freehold	2,766.68	20.44	-	2,787.12
Building	2,492.29	239.16	14.59	2,716.86
Plant & machinery	10,765.68	3,550.93	241.96	14,074.65
Furniture & fixtures	113.69	25.66	-	139.35
Office equipment	405.89	130.03	-	535.92
Vehicles	824.88	230.90	47.08	1,008.70
Intangible assets				
Brand equity	300.00	-	-	300.00
Goodwill	12.11	-	-	12.11
	17,681.22	4,197.12	303.63	21,574.71
Previous year	14,413.52	3,402.22	134.52	17,681.22
Depreciation/amortisation				
Tangible assets				
Land - freehold	-	-	-	-
Building	802.26	121.93	1.24	922.95
Plant & machinery	5,166.81	1,325.69	164.56	6,327.94
Furniture & fixtures	68.33	10.86	-	79.19
Office equipment	251.21	62.15	-	313.36
Vehicles	519.09	103.63	22.00	600.72
Intangible assets				
Brand equity	150.00	15.00	-	165.00
Goodwill	2.43	7.49	-	9.92
	6,960.13	1,646.75	187.80	8,419.08
Previous year	5,585.44	1,422.21	47.52	6,960.13
Net block				
Tangible assets				
Land - freehold	2,766.68			2,787.12
Building	1,690.03			1,793.91
Plant & machinery	5,598.87			7,746.71
Furniture & fixtures	45.36			60.16
Office equipment	154.68			222.56
Vehicles	305.79			407.98
Intangible assets				
Brand equity	150.00			135.00
Goodwill	9.68			2.19
	10,721.09			13,155.63
Previous year	8,828.08			10,721.09
Capital work-in-progress (including capital advances)				5,100.07
Previous year				1,228.63

Note :

Capital work-in-progress includes:

- (i) ₹396.87 lacs (previous year ₹519.56 lacs) on account of advance against capital expenditure.
- (ii) ₹2,634.17 lacs (previous year ₹ Nil) on account of wheat silos project.
- (iii) ₹1,341.59 lacs (previous year ₹503.69 lacs) on account of rice plant at Varpal.

SCHEDULES
FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	March 31, 2011	March 31, 2010
SCHEDULE - 6		
Investments		
Trade investment- long term (unquoted)		
(i) Subsidiary companies		
Equity shares		
LT International Limited		
1,799,581 (previous year 1,799,581) fully paid up equity shares of ₹10 each	179.96	179.96
Nature Bio Foods Limited		
49,994 (previous year 49,994) equity shares fully paid up of ₹10 each	5.00	5.00
Sona Global Limited- Dubai		
10,000 (previous year 10,000) shares fully paid up of AED 100 each	119.48	119.48
Daawat Foods Limited		
13,249,944 (previous year 13,249,944) equity shares fully paid up of ₹10 each	1,324.99	1,324.99
250,050 (previous year 250,050) non voting equity shares of ₹10 each fully paid up	25.01	25.01
SDC Foods India Limited (formally known as Staple Distribution Company Limited)		
800,000 (previous year 800,000) equity shares fully paid up of ₹10 each	80.00	80.00
LT Overseas North America, Inc		
100,000 (previous year 100,000) shares fully paid up (refer note 1)	2,822.31	1,881.71
Raghuvesh Foods & Infrastructure Limited		
50,000 (previous year Nil) equity shares fully paid up of ₹10 each	5.00	-
(ii) Investment in partnership firm		
M/s Raghunath Agro Industries (Refer note below)	146.31	133.95
(iii) Investment in associate		
42,500 (previous year 42,500) equity shares of	4.25	4.25
LT Infotech Private Limited of ₹10 each		
(iv) Keyman insurance policies	209.61	190.47
Other investments - long term		
(a) Fully paid-up equity shares (quoted)		
2,300 (previous year 2,300) equity shares - Andhra bank of ₹10 each fully paid up	0.23	0.23
(b) Investment in mutual funds (quoted)		
50,000 (previous year 50,000) units of Principal PNB long term equity fund	5.00	5.00
48,875.855 (previous year 48,875.855) units of Templeton India equity income fund growth	5.00	5.00
12,999.619 (previous year 12,999.619) units of HDFC MIP long term dividend fund	1.50	1.50
2,023.636 (previous year 2,023.636) units of Sundram BNP paribas select midcap div. plan	0.30	0.30
894.055 (previous year 894.055) units of reliance vision fund	0.40	0.40
(c) Fully paid-up equity shares (unquoted)		
500 (previous year 500) equity shares of India International Marketing Limited	0.05	0.05
	4,934.40	3,957.30
Book Value		
Aggregate value of quoted investments		
- Non trade investments	12.43	12.43
Aggregate value of unquoted investments		
- Trade investments	4,606.56	3,648.60
- Non trade investments	213.91	194.77
	4,832.90	3,855.80
Market Value		
Aggregate value of quoted investments		
- Non trade investments	27.15	19.33
	27.15	19.33

Note :

- The Company has invested ₹ 940.60 lacs during the year in its subsidiary namely LT Overseas North America Inc, which is pending allotment.
- The partnership firm comprises of two partners namely Daawat Foods Limited and the Company having profit sharing ratio of 96% and 4% (previous year 96% and 4%) respectively. The total capital of the firm as on March 31, 2011 is ₹1,120.28 lacs. (previous year ₹811.32 lacs), also refer note 9 of schedule 26.

SCHEDULES

FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	March 31, 2011	March 31, 2010
SCHEDULE - 7		
Inventories		
(As verified, taken and valued by the management)		
Raw material	34,993.60	23,932.10
Finished goods	19,229.42	20,492.36
Consumable stores and spares	213.92	189.79
	54,436.94	44,614.25
SCHEDULE - 8		
Sundry debtors *		
(Unsecured considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months		
- Considered good	401.29	387.71
Other debts - considered good	18,190.25	8,081.96
	18,591.54	8,469.67
* Due from companies under the same management within the meaning of sub section (1B) of section 370		
Kusha, Inc	1,639.38	2,643.81
Nice International FZE	1,224.98	-
SDC Foods India Limited (formally known as Staple Distribution Company Limited)	1,614.10	385.47
Nature Bio Foods Limited	2.80	4.80
SCHEDULE - 9		
Cash and bank		
Cash in hand		
In Indian currency	25.09	25.41
In foreign currencies	0.85	1.12
Balance with scheduled banks		
In current accounts	609.55	494.02
In unclaimed dividend accounts	9.38	8.92
In deposits/margin money (pledged)	866.19	630.86
	1,511.06	1,160.33
SCHEDULE - 10		
Other assets		
Interest accrued but not due on fixed deposits	1.20	0.37
Deferred premium on forward contracts	0.67	8.78
	1.87	9.15

SCHEDULES
FORMING PART OF THE BALANCE SHEET

(₹ in Lacs)

	March 31, 2011	March 31, 2010
SCHEDULE - 11		
Loans and advances		
(Unsecured considered good unless stated otherwise)		
Advances recoverable in cash or in kind or value to be received	2,221.88	1,775.60
Loans and advances to subsidiary companies *	2,543.18	4,083.51
Security deposits	277.19	178.92
Advance income tax	2,174.38	1,533.02
Balances with central excise authorities	189.80	123.99
Minimum alternative tax credit receivable	397.13	211.85
	7,803.56	7,906.89
Note:		
*Due from companies under the same management within the meaning of sub section (1B) of section 370		
Nice International FZE	133.24	-
Nature Bio Foods Limited	288.71	392.15
Kusha, Inc.	-	2,782.14
SDC Foods India Limited	0.40	-
Daawat Foods Limited	1,671.88	620.04
Sona Global Limited- Dubai	168.76	150.68
LT Overseas North America, Inc	138.92	133.13
Raghuvesh Foods & Infrastructure Limited	0.54	-
LT International Limited	6.71	5.36
Expo Services Private Limited	134.01	-
Maximum amount outstanding from above companies during the year:		
Nice International FZE	133.24	-
Nature Bio Foods Limited	865.24	1,225.64
Kusha, Inc.	2,782.14	2,782.14
SDC Foods India Limited	0.40	-
Daawat Foods Limited	3,618.32	4,166.89
Sona Global Limited- Dubai	168.76	150.68
LT Overseas North America, Inc	138.92	133.13
Raghuvesh Foods & Infrastructure Limited	0.54	-
LT International Limited	6.71	5.36
Expo Services Private Limited	134.01	-
SCHEDULE - 12		
Current liabilities		
Acceptances	1,020.44	382.88
Micro and small enterprises	220.38	367.56
Other sundry creditors*	4,165.40	1,920.75
Due to subsidiary company	11.65	-
Due to firm in which Company is a partner	1,197.93	42.87
Security deposits from distributor	8.83	9.73
Other liabilities	1,905.48	824.43
Unclaimed dividend **	9.38	8.92
Forward payable (net)	10.42	16.99
	8,549.91	3,574.13

* Creditors include a sum of ₹2,638.05 lacs (previous year ₹1,500.00 lacs) for which the Company has given guarantee to banks.

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

SCHEDULES

FORMING PART OF THE BALANCE SHEET

	(₹ in Lacs)	
	March 31, 2011	March 31, 2010
SCHEDULE - 13		
Provisions		
Employees benefits	65.57	37.80
Income tax	2,014.28	1,519.06
Proposed dividend	261.18	391.78
Tax on proposed dividend	25.95	37.04
Mark to market adjustment on outstanding derivative contracts	-	795.20
Others	-	42.24
	2,366.98	2,823.12
SCHEDULE - 14		
Miscellaneous expenditure		
(To the extent not written off or adjusted)		
Deferred revenue expenditure		
Opening balance	178.07	314.26
Less: Amount amortised	178.07	136.19
	-	178.07

SCHEDULES

FORMING PART OF THE PROFIT & LOSS ACCOUNT

	(₹ in Lacs)	
	March 31, 2011	March 31, 2010
SCHEDULE - 15		
Sales		
Export		
Rice	34,363.29	30,172.34
Other items	7,136.27	13.92
Add : Exchange fluctuation	783.44	540.94
	42,283.00	30,727.20
Domestic		
Rice	38,564.12	36,516.74
Other items	2,887.97	2,373.12
	41,452.09	38,889.86
	83,735.09	69,617.06
SCHEDULE - 16		
Other income		
Profit from sale of shares (long term - non trade)	-	8.09
Dividend from non trade investments	0.15	0.61
Profit from sale of fixed assets (net)	26.64	52.53
Share of profit in partnership firm	8.47	105.44
Interest from partnership firm	3.89	-
Interest on bank fixed deposits	57.08	9.68
Profit on exchange fluctuation (net)	-	1,245.45
Dividend from trade investments	101.25	168.75
Income from business support services	767.90	-
Export incentive	234.50	-
Amounts written back (on outstanding derivative transaction)	-	1,069.42
Other receipts	199.83	189.25
	1,399.71	2,849.22
Tax deducted at source on interest and business support services	60.45	22.13

SCHEDULES
FORMING PART OF THE PROFIT & LOSS ACCOUNT

(₹ in Lacs)

	March 31, 2011	March 31, 2010
SCHEDULE - 17		
(Decrease)/ increase in inventory		
Opening stock of finished goods	20,492.36	18,228.85
Closing stock of finished goods	19,229.42	20,492.36
	(1,262.94)	2,263.51
SCHEDULE - 18		
Material consumed		
Opening stock		
Bardana	495.31	357.69
Packing material	351.82	347.68
Paddy	23,084.97	23,205.24
	23,932.10	23,910.61
Add: purchases		
Paddy	45,420.45	33,645.19
Bardana	771.35	695.05
Packing material	3,293.70	2,459.70
Rice	9,622.18	13,437.63
	59,107.68	50,237.57
Less: closing stock		
Bardana	740.08	495.31
Packing material	476.84	351.82
Paddy	33,776.68	23,084.97
	34,993.60	23,932.10
	48,046.18	50,216.08
SCHEDULE - 19		
Other purchases		
Rice	10,434.62	5,877.33
Soyabean	7,045.80	-
Others	0.54	-
	17,480.96	5,877.33
SCHEDULE - 20		
Manufacturing and trading expenses		
Warehouse rent	36.95	9.83
Wages	289.50	329.21
Job work	-	19.79
Factory insurance	20.05	21.62
Power and fuel	948.27	696.04
Security services	89.74	72.56
Research and development	1.20	0.83
Packing expenses	207.87	192.08
Repairs and maintenance		
-Machinery	79.68	86.51
-Building	60.37	31.05
-Others	29.53	31.23
Stores and spares consumed	414.86	327.37
	2,178.02	1,818.12
SCHEDULE - 21		
Personnel cost		
Salaries, wages and bonus	1,288.31	847.33
Contribution to provident and other fund	84.08	68.40
Staff welfare expenses	71.77	60.60
	1,444.16	976.33

SCHEDULES
FORMING PART OF THE PROFIT & LOSS ACCOUNT

(₹ in Lacs)

	March 31, 2011	March 31, 2010
SCHEDULE - 22		
Administrative and selling expenses		
Advertisement	482.39	113.83
Insurance	28.66	36.91
Legal and professional charges	458.96	400.03
Rates and taxes	50.31	55.99
Donation and charity	26.07	127.66
Director's remuneration	149.25	138.22
Directors' sitting fees	3.30	3.10
Directors' perquisites	8.97	14.98
Directors' provident fund contribution	0.28	0.28
Auditors' remuneration	21.90	19.54
Fines and penalties	2.30	2.95
Rent	339.51	282.10
Vehicle running and maintenance	41.25	29.18
Other administrative expenses	325.75	242.71
Travelling and conveyance	334.28	336.42
Rebate and discounts	119.49	296.00
Commission to selling agents	94.73	114.65
Clearing, forwarding and freight charges	1,902.31	1,046.67
Market development expenses	221.64	564.80
Business promotion expenses	102.88	78.46
Freight outward	308.38	291.62
Other selling expenses	782.31	2,262.24
Amounts written off	0.17	368.66
Deferred revenue expenses written off	-	136.19
Loss on exchange fluctuation (net)	918.70	-
Premium on forward contract	56.75	22.03
	6,780.54	6,985.22
SCHEDULE - 23		
Finance Cost		
Interest on working capital loans	2,110.90	2,853.10
Interest on term loans	1,736.20	1,114.68
	3,847.10	3,967.78
Less: Interest capitalised	92.93	48.27
	3,754.17	3,919.51
Bank charges	142.59	206.16
	3,896.76	4,125.67
SCHEDULE - 24		
Prior period items		
Expenditure		
Income tax prior years	39.56	-
Minimum alternative tax	21.68	-
Miscellaneous expenditure written off	178.06	-
Other	12.65	5.95
	251.95	5.95
Income		
Export incentive	166.03	-
Other	29.67	-
	195.70	-
	56.25	5.95

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Schedule 25 – Significant accounting policies

1. Basis of preparation of financial statements

The financial statements are prepared on accrual basis under the historical cost convention, in accordance with the generally accepted accounting principles applicable in India, the accounting standards referred under section 211 (3C) of the Companies Act, 1956 and the Rules framed there under.

2. Use of estimates

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

3. Revenue recognition

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

Sale of goods:

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

Business support services:

Income from business support services is recognised on accrual basis in accordance with the terms of the contract entered into in respect thereof.

Dividend:

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

Interest:

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

4. Fixed assets

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

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

5. Depreciation and amortisation

Depreciation on fixed assets is provided on written down value method at the rates and in the manner prescribed in schedule XIV to the Companies Act, 1956.

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

Depreciation rates used in the Schedule 5 are as follows:

Assets	Rate of depreciation
Factory buildings	10%
Building others	5%
Temporary structures	100%
Plant & Machinery (based on double shift)	20.87%
Plant & Machinery others	13.91%
Furniture & Fixtures	18.10%
Computers	40%
Motor lorries and similar vehicles	30%
Other vehicles	25.89%

Brand equity is amortised over a period of twenty years.

6. Investments

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

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

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

7. Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

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

Work in progress

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

Finished goods

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

8 Foreign currency transaction

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

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

Monetary assets and liabilities that are denominated in foreign currency are translated at the exchange rate prevailing

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

at the date of balance sheet. The resulting difference is also recognized in the profit & loss account.

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

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

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

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

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

9. Employee benefits

Provident Fund

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

Gratuity

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

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

Compensated absences

Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and

expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. The actuarial gains or losses are recognised immediately in the profit and loss account.

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.

10. Borrowing costs

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

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

11. Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

12. Income tax

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

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

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

Minimum Alternate tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Institute of Chartered Accountants of India, the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that the Company will pay normal income tax during the specified period.

13. Contingent liabilities and provisions

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

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

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully within the control of the Company;

- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- present obligation, where a reliable estimate cannot be made.

14. Impairment of assets

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

Schedule 26 - Notes to financial statements

1. Contingent liabilities

(₹ in Lacs)

Nature of contingency	March 31, 2011	March 31, 2010
- Income-tax demands		
Assessment Year 1999 – 2000**	-	5.51
Assessment Year 2000 – 2001 *	135.18	135.18
Assessment Year 2000 – 2001 (Penalty)	81.10	81.10
Assessment Year 2002 – 2003 **	33.66	33.66
Assessment Year 2003 – 2004	-	44.55
Assessment Year 2006 – 2007	6.39	11.70
Assessment Year 2006 – 2007 (Penalty)	-	0.95
- Sales tax demand – Ghaziabad	-	41.91
- Haryana rural development fund demand of market committee, Sonapat	71.25	91.75
- Food Corporation India demand for differential price /freight /taxes	339.00	339.00
- Liability against duty saved under EPCG licenses Issued	1,092.29	1,027.33
- Guarantee given by Company to bank on behalf of subsidiary/firm in which the Company is a partner	40,607.50	34,009.56
- Guarantee given by Company on the behalf of subsidiary for export obligation under EPCG scheme	14.68	14.68
- Guarantee given by Company to other company on behalf of subsidiary	446.50	451.40
- Guarantee given by Company for loan taken by others from banks	3,000.00	3,000.00
Total	47,149.08	40,423.53

* The demand is disputed and the matter is subjudice with Commissioner of Income tax who has directed the Assessing officer to provide remand report. The Company has deposited ₹45.00 lacs against this disputed demand.

** These are departmental appeals with Income tax appellate tribunal, which has redirected the assessing officer to recompute the deduction under section 80IA and 80HHC in the case for AY 2002-2003 and order of the Income tax appellate tribunal is awaited in the case for AY 2006-2007.

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

2. Capital contracts

Capital commitments remaining to be executed and not provided for, net of capital advances - ₹20.91 lacs (previous year: ₹1,321.93 lacs).

3. Payment to auditors

(₹ in Lacs)

Particulars	March 31, 2011	March 31, 2010*
Statutory audit (including fees for limited reviews)**	18.50	17.64
Tax audit	0.75	-
Other matters	0.25	-
Out of pocket expenses	0.39	-
Service tax	2.01	1.90
Total	21.90	19.54

* Pertains to previous auditor.

** Includes fee paid to previous auditor - ₹ 5.25 lacs

4. Remuneration to directors

(₹ in Lacs)

Particulars	March 31, 2011	March 31, 2010
Salary	198.00	138.22
Contribution to provident fund	0.28	0.28
Perquisites	8.97	14.98
Sitting fees	3.30	3.10
Total	**210.55	156.58

* exclusive of provision for future liability in respect of gratuity and leave encashment which is computed on overall basis.

** Out of ₹210.55 lacs paid as remuneration to directors ₹48.75 lacs has been capitalised during the year.

5. Major components of deferred tax are as given below :

(₹ in Lacs)

Particulars	March 31, 2011	March 31, 2010
Deferred tax liability		
On depreciation of fixed assets	816.20	262.62
Keyman insurance policy	68.00	64.74
Deferred revenue expenditure	-	60.52
Deferred tax asset		
Provision for employee benefits	(20.85)	-
Deferred tax liability (net)	863.35	387.88

6. The Company has identified Micro, Small and Medium Enterprises on the basis of information made available. Details of dues to micro, small and medium enterprises as per MSMED Act, 2006 are:

(₹ in Lacs)

Particulars	March 31, 2011	March 31, 2010
Balance of Sundry Creditors as on March 31, 2011		
- Principal amount due to Micro, Small and Medium Enterprises	220.38	367.56
- Principal amount due to Others	4,165.40	1,920.75
Interest accrued and due as March 31, 2011		
- Interest on payments due to Micro, Small and Medium Enterprises	Nil	Nil
- Interest due and payable on amounts paid during the year to Micro, Small and Medium Enterprises beyond the appointed date	Nil	Nil
Paid during the year		
Principal amount (including interest) paid to Micro, Small and Medium Enterprises beyond the appointed date the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
- Principal amount	Nil	Nil
- Interest thereon	Nil	Nil
Principal amount (excluding interest) paid to Micro, Small and Medium Enterprises beyond the appointed date	Nil	Nil
Others		
- Interest accrued in the prior year and paid during the year	Nil	Nil
- Interest accrued during the year and paid during the year	Nil	Nil

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

7. Employee benefits

The Company is providing the following benefits to their employees:

- Contribution to gratuity fund
- Leave encashment
- Provident fund

The Company makes contribution to LT Overseas Limited gratuity fund which is administered by its trustees. The trust further makes contributions to Life Insurance Corporation of India which administers its funds. Information regarding planned assets, has been obtained by the Company from Life Insurance Corporation of India.

Leave encashment

During the year the Company changed its policy of accounting for leave encashment liability from full cost basis to where the liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on March 31, 2011. Had the Company followed the erstwhile policy, personnel cost during the year would have been ₹1,456.27 lacs as against the reported figure of ₹1,444.16 lacs and the profit before tax for the year would have been ₹2,386.38 lacs as against the reported figure of ₹2,398.49 lacs.

Gratuity

The Company changed the independent actuary in the current year accordingly the disclosure tables provided by the previous actuary are not comparable and therefore not disclosed below. Owing to the change in actuary, present value of obligation as at April 1, 2010 has changed in from ₹93.48 lacs to ₹71.01 lacs, primarily for different estimate and the difference has been included in actuarial gain losses.

Actuarial valuation of gratuity has been done with the following assumptions.

Particulars	Gratuity (funded)
Discount rate	8.25%
Rate of increase in compensation levels	5.00%
Rate of return of plan assets	8.57%
Expected average remaining working lives of employees (years)	23.7

Change in the present value of obligation

Particulars	Gratuity (funded)
Opening balance	93.48
Interest cost	5.84
Current service cost	18.66
Less: benefits paid	(10.64)
Actuarial (gain)/loss on obligations	16.58
Present value of obligation as at March 31, 2011	123.92

Change in the fair value of plan assets

Particulars	Gratuity (funded)
Fair value of plan assets as of April 1, 2010	79.90
Actual return on plan assets	7.06
Contributions	8.46
Less: benefits paid	(10.64)
Fair value of plan assets as of March 31, 2011	84.78

Reconciliation of present value of defined benefit obligation and the fair value of assets:

Particulars	Gratuity (funded)
Present value of funded obligation as of March 31, 2011	123.92
Fair value of plan assets as at the end of the period funded status	84.78
Present value of unfunded obligation as of March 31, 2011	39.15
Net liability recognised in balance sheet	39.15

Expenses recognised in the profit and loss account:

Particulars	Gratuity (funded)
Current service cost	18.66
Interest cost	5.84
Less: return on plan assets	(7.06)
Net actuarial (gain)/loss recognised in the period	16.58
Total expenses recognised in the profit and loss account	34.02

Provident fund

Contribution made by the Company during the year is ₹ 33.28 lacs (previous year ₹29.25 lacs).

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

8. Related party disclosures

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

(i) Names of related parties and description of relationship

- Subsidiary companies

Daawat Foods Limited
 SDC Foods India Limited (formally known as Staple Distribution Company Limited)
 Expo Services Private Limited
 Vedic Spices Private Limited
 Nature Bio Foods Limited
 LT International Limited
 LT Overseas North America, Inc.
 Kusha, Inc.
 Sona Global Limited
 Nice International FZE
 Raghuvesh Foods & Infrastructure Limited
 LT Foods USA LLC.

- Partnership firm

Raghunath Agro Industries

- Associate enterprises

LT Infotech Private Limited
 Cordia LT Communications Private Limited (Subsidiary of LT Infotech Private Limited)

- Enterprise owned or significantly influenced by group of individuals or their relatives having control or significant influence over the Company

Swami Freight Brokers
 RS Rice & General Mills

- Key Management Personnel

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

Transactions with Subsidiary Companies

(₹ in Lacs)

Particulars	March 31, 2011	March 31, 2010
Sales		
SDC Foods India Limited	5,082.95	3,432.12
Kusha, Inc.	11,957.91	15,581.69
Nice International FZE	1,739.01	252.38
Daawat Foods Limited	1,388.54	2,375.79
Nature Bio Foods Limited	30.25	32.58
Purchases		
Kusha, Inc.	-	1.09
Daawat Foods Limited	7033.88	5,484.35
Nature Bio Foods Limited	183.51	157.16
Rent paid		
Daawat Foods Limited	47.32	43.02
Interest received		
SDC Foods India Limited	108.81	33.42
Daawat Foods Limited	75.51	37.62
Nature Bio Foods Limited	50.38	45.39
Sona Global Limited	18.08	16.92
LT International Limited	0.69	0.39
Sale of investment of partnership firm		
Daawat Foods Limited	0.00	631.73
Dividend received		
Daawat Foods Limited	101.25	168.75
Repayment of loan		
Nice International FZE	205.87	Nil
Balances at the year end		
SDC Foods India Limited (net receivable)	1,614.10	0.00
Nice International FZE (net receivable)/ (net payable)	1,358.22	(205.87)
Kusha, Inc.	1,627.73	5,425.95
Daawat Foods Limited	1,671.88	3,354.07
Expo Services Private Limited	134.01	-
Nature Bio Foods Limited (net receivable)	291.51	396.95
LT International Limited	6.71	5.36
LT Overseas North America Inc.	138.92	133.13
Sona Global Limited	168.76	150.68
Raghuvesh Foods & Infrastructure Limited	0.54	-
Guarantees given on behalf		
Kusha, Inc.	9,376.50	451.4
Daawat Foods Limited	16,222.68	16,222.68
Nature Bio Foods Limited	1,700.00	1,300.00
LT Overseas North America Inc.	5,804.50	5,868.20
SDC Foods India Limited	1,500.00	1,300.00
Nice International FZE	1,270.00	1,138.36
Balance with associate companies		
LT Infotech Private limited	66.73	67.97
Cordia LT Communications Private limited	16.41	16.41
Transactions with partnership firm (Raghunath Agro Industries)		
Sales	412.64	280.98
Purchases	111.02	176.59
Interest income	3.89	-
Share of profit	8.47	105.44
Balance payable at the year end	1,197.93	42.87
Guarantees given on behalf	5195.00	5195.00

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Transactions with key management persons

Particulars	(₹ in Lacs)	
	March 31, 2011	March 31, 2010
Remuneration paid		
Vijay Kumar Arora	78.00	60.00
Ashwani Kumar Arora	60.00	39.11
Surinder Kumar Arora	60.00	39.11
Perquisites		
Surinder Kumar Arora	8.97	14.98
Dividend paid to key management persons	158.19	82.87
Dividend paid to relatives of key management persons	64.04	52.75

9. The Company has 4% interest in partnership firm M/s Raghunath Agro Industries, which is engaged in the business of milling and export of rice. The financial results of the partnership firm for the year ended March 31, 2011 are as under:

Particulars	(₹ in Lacs)	
	March 31, 2011	March 31, 2010
Assets	9,511.41	6,485.86
Liabilities	8,391.13	5,674.54
Revenues	11,106.35	12,607.74
Expenditure	10,926.51	12,273.75
Outstanding capital	1,120.28	811.32

10. Information pursuant to provisions of paragraph 3 & 4 of Part II of Schedule VI of the Companies Act, 1956:

(I) Particulars of installed capacity and production

Particulars	Paddy milling	
	March 31, 2011	March 31, 2010
Installed capacity-Owned (paddy milling)	45 MT / hour	33 MT / hour
Installed capacity-On Lease (paddy milling)	5 MT / hour	5 MT / hour
Actual paddy milled	1,65,527.68 MT	1,56,833.24 MT
Actual rice produced	1,07,740.53 MT	1,01,685.56 MT

(II) Quantitative details for raw material

Raw Material	March 31, 2011		March 31, 2010	
	Quantity consumed (MT)	Value (₹ in lacs)	Quantity consumed (MT)	Value (₹ in lacs)
Paddy*	1,66,170.15	34,728.74	1,57,038.26	33,765.45
Rice	33,678.92	9,622.72	44,238.37	13,437.63
Others	**	3,694.72	**	3,013.00

*The quantity includes paddy sold 642.47 MT (previous year 205.02 MT) and paddy consumed for production 1,65,527.68 MT (previous year 1,56,833.24)

** It is not practicable to furnish quantitative information in view of the diverse nature and size of the items.

(III) Purchases of finished goods for resale

Material	March 31, 2011		March 31, 2010	
	Quantity (MT)	Value (₹ in lacs)	Quantity (MT)	Value (₹ in lacs)
Rice	26,728.78	10,400.68	13,872.12	5,877.33
Others	*	7,080.28	-	-

*It is not practicable to furnish quantitative information in view of the diverse nature and size of the items.

(IV) Details of stocks and sales

Particulars	Opening stock		Closing stock		Sales	
	Qty (MT)	Value (₹ lacs)	Qty (MT)	Value (₹ lacs)	Qty (MT)	Value (₹ lacs)
Rice	40,022.76	20,489.64	35,799.65	19,046.98	1,72,371.34	72,927.41**
Previous year	31,879.88	18,228.85	40,022.76	20,489.64	1,52,975.59	66,689.08
Others#	*	2.72	*	182.44	*	10,024.24
Previous year	-	-	-	2.72	-	2,387.04

* It is not practicable to furnish quantitative information in view of the diverse nature and size of the items.

** Sale of rice is exclusive of profit/loss on exchange fluctuation

Others include inventories which are either meant for sale or internal consumption.

SCHEDULES

FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

(V) Raw material consumed

Particulars	March 31, 2011		March 31, 2010	
	Value	Percentage	Value	Percentage
Indigenous	34,728.74	100%	33,765.45	100%
Imported	-	-	-	-
Total	34,728.74	100%	33,765.45	100%

(VI) Rice consumed

Particulars	March 31, 2011		March 31, 2010	
	Value	Percentage	Value	Percentage
Indigenous	9,622.18	100%	13,437.63	100%
Imported	-	-	-	-
Total	9,622.18	100%	13,437.63	100%

(VII) Bardana

Particulars	March 31, 2011		March 31, 2010	
	Value	Percentage	Value	Percentage
Indigenous	526.58	100%	532.32	100%
Imported	-	-	-	-
Total	526.58	100%	532.32	100%

(VIII) Consumable & Spares

Particulars	March 31, 2011		March 31, 2010	
	Value	Percentage	Value	Percentage
Indigenous	345.12	89.15%	284.63	87.72%
Imported	42.00	10.85%	39.86	12.28%
Total	387.12	100%	324.49	100%

	March 31, 2011	March 31, 2010
(IX) Value of imports on CIF basis		
Capital goods	1,532.15	281.98
Packing Materials	13.88	15.76
Stores and spares	42.00	39.86
(X) Expenditure in foreign currency		
Legal Fees	2.86	9.45
Interest and other charges to bank	1,081.56	744.48
Others	119.70	968.32
(XI) Earnings in foreign currency		
FOB value of exports		
Rice	33,517.06	29,959.99
Soyabean	7,039.99	-
Packing materials	-	13.92

SCHEDULES
FORMING PART OF THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

11. Earnings per share

Particulars	March, 31, 2011	March, 31, 2010
Net profit attributable to equity shareholders before prior period items (₹ in lacs)	1,866.31	2,500.91
Prior period items (₹ in lacs)	248.25	5.95
Net profit attributable to equity shareholders after prior period items (₹ in lacs)	1,618.06	2,494.96
Numbers of weighted average equity share outstanding at the year end for Basic & Diluted (in lacs)	261.18	237.78
Nominal value of equity share (₹)	10	10
Earnings Per Share before prior period items - Basic & Diluted (₹)	7.15	10.52
Earnings Per Share after prior period items - Basic & Diluted (₹)	6.20	10.49

12. In the opinion of the board of directors, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated and provision for all known liabilities have been made in the Financial Statements.
13. The Company is a lessee under an operating lease. Rental expense for operating lease for the years ended March 31, 2011 and 2010 was ₹339.51 lacs and ₹ 282.10 lacs respectively. The Company has not executed any non-cancelable operating leases.

14. The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise is as follows:

	As at March, 31, 2011 (₹ in lacs)	As at March, 31, 2010 (₹ in lacs)	As at March, 31, 2011 (FC in lacs)	As at March, 31, 2010 (FC in lacs)
i) Receivables in Foreign Currency - Sundry Debtors	2,882.60	3,625.99	USD 64.42 GBP 0.10	USD 80.33
ii) Payables in Foreign Currency - Sundry Creditors	57.79	-	USD 0.63 JPY 55.00	-

15. With respect to the search proceedings under Section 132 of the Income-tax Act, 1961 on the Company in connection with the search proceedings conducted by the Income Tax Department (the 'Department') on the Company and its group companies/associates, no demand has been raised by the Department yet. The Company continues to cooperate with the Department and management is confident that no financial liability will devolve on the Company on account of these proceedings. An audit under Section 142(2A) of the Income-tax act, 1961 is being conducted on the accounts of the Company, the audit is still in progress and no report has been received for such audit.
16. In accordance with AS-17 "Segment Reporting", segment information has been given in the consolidated financial statements of LT Foods Limited, and therefore, no separate disclosure on segment information is given in these financial statements.
17. Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Surinder Kumar Arora
Joint Managing Director

Place : Gurgaon
Date : May 30, 2011

Monika Chawla Jaggia
Company Secretary

Som Chopra
Vice President Accounts and Taxation

BALANCE SHEET ABSTRACT
AND COMPANY'S GENERAL BUSINESS PROFILE

(I) REGISTRATION DETAILS

REGISTRATION NO.	41790	STATE CODE	55
BALANCE SHEET DATE	31.03.2011		

(II) CAPITAL RAISED DURING THE YEAR (Amt. in ₹ Thousand)

PUBLIC ISSUE	NIL	RIGHT ISSUE	NIL
BONUS ISSUE	NIL	PRIVATE PLACEMENT	NIL

(III) POSTION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amt. in ₹ Thousand)

TOTAL LIABILITIES	10,553,507	TOTAL ASSETS	10,553,507
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SOURCES OF FUNDS

PAID UP CAPITAL	261,184	RESERVES & SURPLUS	1,855,288
SECURED LOANS	6,505,034	UNSECURED LOANS	753,977
DEFERRED TAX LIABILITY	86,335		

APPLICATION OF FUNDS

NET FIXED ASSETS	1,825,570	INVESTMENTS	493,440
NET CURRENT ASSETS	7,142,808	MISC. EXPENDITURE	-
ACCUMULATED LOSSES	Nil	DEFFERRED TAX ASSETS	Nil

(IV) PERFORMANCE OF COMPANY (Amt. in ₹ Thousand)

TURNOVER (GROSS REVENUE)	8,513.480	TOTAL EXPENDITURE	8,273,631
PROFIT/ LOSS (BEFORE TAX)	239,849	PROFIT/ LOSS AFTERTAX	161,807
EARNING PER SHARE (in Rs.)	7.15	DIVIDEND RATE	10%

(V) GENERIC NAME OF THREE PRINCIPAL PRODUCT SERVICES OF COMPANY (As per Monetary terms)

ITEM CODE NO.	100610
PRODUCT DESCRIPTION	RICE

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Surinder Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Som Chopra
Vice President Accounts and Taxation

Place : Gurgaon
Date : May 30, 2011

AUDITORS'S REPORT

Auditor's Report on the Consolidated Financial Statements

To
The Board of Directors of
LT Foods Limited

1. We have audited the attached consolidated balance sheet of LT Foods Limited (the "Company" or "LT Foods"), its subsidiaries, associates and partnership firm (as per list appearing in note 11 of schedule 25) (hereinafter collectively referred to as the "Group"), as at 31 March 2011, and also the consolidated profit and loss account and the consolidated cash flow statement for the year ended on the date annexed thereto (hereinafter collectively referred to as the 'consolidated financial statements'). These consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of subsidiaries and partnership firm not audited by us, reflect after elimination of intra-group balances and transactions, total assets of Rs. 31,774.71 lacs, as at 31 March 2011, total revenue of Rs. 53,115.19 and net cash flows amounting to Rs. 851.09 lacs for the year then ended after. These financial statements and other financial information have been audited by other auditors whose

reports have been furnished to us, and our opinion is based solely on the reports of the other auditors.

4. We report that the consolidated financial statements have been prepared by Group's management in accordance with the requirements of Accounting Standard 21 - Consolidated Financial Statements and Accounting Standard 23 - Accounting for Investments in Associates in Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India.
5. Based on our audit and upon consideration of reports of other auditors on separate financial statements of the entities as mentioned in paragraph 3 above, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India; in case of:
 - (a) the consolidated balance sheet, of the state of affairs of the Group as at March 31, 2011;
 - (b) the consolidated profit and loss account, of the profit for the year ended on that date; and
 - (c) the consolidated cash flow statement, of the cash flows for the year ended on that date.

For Walker, Chandiok & Co
Chartered Accountants
Firm Registration No. 001076N

per David Jones
Partner
Membership No. 98113

Place : Gurgaon
Date : June 30, 2011

CONSOLIDATED BALANCE SHEET
AS AT 31ST MARCH 2011

(₹ in Lacs)

PARTICULARS	SCHEDULE	March 31, 2011	March 31, 2010
SOURCES OF FUNDS			
Shareholders' fund			
Share capital	1	2,611.84	2,611.84
Reserves and surplus	2	22,793.68	21,490.53
Loan funds			
Secured loans	3	103,979.91	72,450.61
Unsecured loans	4	7,690.29	9,996.11
Minority interest		2,059.07	1,814.67
Deferred tax liability (net) (refer to note 5 on schedule 26)		729.10	273.37
		139,863.89	108,637.13
APPLICATION OF FUNDS			
Fixed assets			
Gross block	5	38,500.80	31,662.42
Less: Accumulated depreciation, amortisation and impairment		11,518.75	9,127.68
Net block		26,982.05	22,534.74
Capital work-in-progress		5,739.89	2,754.32
Investments	6	328.56	307.20
Current assets, loans and advances			
Inventories	7	81,929.53	68,201.82
Sundry debtors	8	28,083.39	16,547.03
Cash and bank balances	9	2,767.22	1,564.02
Other current assets	10	31.41	137.99
Loans and advances	11	7,985.32	5,637.40
		120,796.87	92,088.26
Less:			
Current liabilities and provisions			
Current liabilities	12	11,491.53	5,672.77
Provisions	13	2,550.76	3,629.82
		14,042.29	9,302.59
Net current assets		106,754.58	82,785.67
Miscellaneous expenditure	14	58.81	255.20
		139,863.89	108,637.13
Significant accounting policies	25		
Notes to the financial statements	26		
The schedules referred to above form an integral part of the consolidated financial statements			

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

For Walker, Chandiook & Co
Chartered Accountants

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Surinder Kumar Arora
Joint Managing Director

per David Jones
Partner

Monika Chawla Jaggia
Company Secretary

Som Chopra
Vice President Accounts and Taxation

Place : Gurgaon
Date : June 30, 2011

Place : Gurgaon
Date : May 30, 2011

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(₹ in Lacs)

PARTICULARS	SCHEDULE	March 31, 2011	March 31, 2010
INCOMES			
Sales	15	124,321.91	105,288.16
Other income	16	3,816.10	3,161.28
(Decrease)/Increase in inventory	17	(2,035.23)	9,356.13
		126,102.78	117,805.57
EXPENDITURE			
Material consumed	18	70,259.85	70,296.64
Other purchases	19	19,659.75	13,171.21
Manufacturing & trading expenses	20	6,608.90	5,169.20
Personnel cost	21	3,295.01	2,483.30
Administrative and selling expenses	22	14,369.47	14,270.44
Finance cost	23	5,873.64	5,869.92
Depreciation, amortisation and impairment	5	2,595.81	2,374.41
		122,662.43	113,635.12
Profit before tax and prior period items		3,440.35	4,170.45
Tax expense			
- Current year tax		707.30	1,106.04
- Deferred tax - current year		263.73	89.93
- Deferred tax - previous year		192.00	-
- Minimum alternate tax credit receivable		(296.05)	(123.34)
Profit after tax and before prior period items		2,573.37	3,097.82
Prior period items (net)	24	53.85	(217.64)
Profit after tax and prior period items		2,519.52	3,315.46
Less : Minority interest		243.91	632.30
Balance brought forward from previous year		13,138.21	11,269.43
Profit available for appropriation		15,413.82	13,952.59
Appropriations:			
Proposed dividend		303.60	462.47
Tax on proposed dividend		49.25	76.81
Transferred to general reserve		161.80	275.10
Balance carried to balance sheet		14,899.17	13,138.21
Basic and diluted earnings per share before prior period items (in ₹)		8.92	11.25
Basic and diluted earnings per share after prior period items (in ₹)		8.71	11.28
Significant accounting policies	25		
Notes to financials statements	26		
The schedules referred to above form an integral part of the financial statements			

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

For Walker, Chandiok & Co
Chartered Accountants

per David Jones
Partner

Place : Gurgaon
Date : June 30, 2011

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Monika Chawla Jaggia
Company Secretary

Place : Gurgaon
Date : May 30, 2011

Surinder Kumar Arora
Joint Managing Director

Som Chopra
Vice President Accounts and Taxation

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2011

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
Cash flow from operating activities:		
Net profit before tax and prior period items	3,440.35	4,170.45
Adjustment for:		
(Profit)/ loss on sale of fixed assets (net)	(27.29)	12.62
Depreciation, amortisation and impairment	2,595.81	2,535.97
Dividend income	(0.15)	(21.53)
Loss on sale of investment	-	(8.09)
Interest income	(61.67)	(20.92)
Provision for doubtful debts	32.04	19.18
Premium on forward contracts	117.70	36.82
Miscellaneous expenditure written off	26.41	163.23
Prior period items (net)	148.64	7.06
Finance charges	5,666.09	5,982.12
Adjustments for changes in working capital:		
- Movement in inventories	(13,727.71)	(4,401.52)
- Movement in sundry debtors	(11,568.40)	(2,422.93)
- Movement in other receivables	(1,662.03)	(247.12)
- Movement in trade and other payables	5,007.37	(5,948.71)
Net cash used in operations	(10,012.84)	(143.37)
Tax paid	(1,274.79)	(1,535.08)
Net cash used in operating activities	(11,287.63)	(1,678.45)
Cash flow from investing activities:		
Purchases of fixed assets	(10,821.30)	(5,877.94)
Proceeds from sale of fixed assets	161.27	151.48
Investments made	(21.36)	(16.83)
Dividend income	0.15	21.53
Interest received	153.07	20.92
Movement in restricted cash - fixed deposits pledged and unpaid dividend account (net)	(255.79)	(540.35)
Profit from sale of investment	-	8.09
Net cash used in investing activities	(10,783.96)	(6,233.10)
Cash flow from financing activities:		
Dividends (including tax) paid	(538.82)	(280.06)
Proceeds from issue of share capital to minority	0.49	2,291.05
Proceeds from issue of share capital	-	2,495.96
Proceeds from long term borrowings (net)	105.85	1,621.77
Proceeds from short term borrowings (net)	29,117.63	7,944.61
Interest expense	(5,666.09)	(5,982.12)
Net cash generated from financing activities	23,019.06	8,091.21
Net increase in cash equivalents during the year	947.47	179.66
Cash and cash equivalents at the beginning of the year	811.02	647.92
Effect of exchange loss on cash and cash equivalents	(0.06)	(16.56)
Cash and cash equivalents at the end of the year	1,758.43	811.02
Note:		
Cash and cash equivalents include :		
Cash and bank (as per schedule 9)	2,767.22	1,564.02
Less: restricted cash - fixed deposit account (pledged)	999.41	744.08
Less: restricted cash - unpaid dividend account	9.38	8.92
	1,758.43	811.02

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

For Walker, Chandio & Co
Chartered Accountants

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Surinder Kumar Arora
Joint Managing Director

per David Jones
Partner

Monika Chawla Jaggia
Company Secretary

Som Chopra
Vice President Accounts and Taxation

Place : Gurgaon
Date : June 30, 2011

Place : Gurgaon
Date : May 30, 2011

SCHEDULES
FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 1		
Share capital		
Authorised		
30,000,000 equity shares of ₹10 each (previous year 30,000,000 equity shares of shares of ₹10 each)	3,000.00	3,000.00
Issued, subscribed and paid up capital		
26,118,414 equity shares of ₹10 each fully paid up (previous year 26,118,414 equity shares of ₹10 each fully paid up)	2,611.84	2,611.84
	2,611.84	2,611.84

Note:

The above includes:

- 1) 8,374,505 (previous year 8,374,505) equity shares issued of ₹10 each as fully paid up by way of bonus shares by capitalisation of profits.
- 2) 4,600,000 (previous year 4,600,000) equity shares of ₹10 each fully paid up issued for consideration other than cash.

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 2		
Reserves and surplus		
Capital reserve/subsidy	108.61	108.61
Share premium		
As per last balance sheet	6,715.61	3,388.41
Add : Addition during the year	-	3,919.62
Less : Share of minority	-	520.93
Less : Expenses on issue of shares	-	71.49
	6,715.61	6,715.61
General reserves		
As per last balance sheet	872.04	662.98
Less : Share of minority	-	66.04
Add : Transferred from profit and loss account	161.80	275.10
	1,033.84	872.04
Surplus as per profit and loss account	14,899.16	13,138.21
Foreign currency translation reserve	36.46	656.06
	22,793.68	21,490.53
SCHEDULE - 3		
Secured loans		
From banks		
Working capital loans	89,351.22	57,927.77
Term loans	14,628.69	14,522.84
	103,979.91	72,450.61

Note:

Loans under different categories are secured against certain fixed assets, inventories and receivable of the parent company or concerned subsidiary.

SCHEDULE - 4

Unsecured loans		
Short term loan		
From banks	7,539.77	9,728.64
From directors	26.53	24.54
From others	123.99	242.93
	7,690.29	9,996.11

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE - 5

Fixed Assets

Particulars	April 1, 2010	Additions	Deletions	Translation adjustments	(₹ in Lacs)
					March 31, 2011
Gross Block					
Tangible assets					
Land - freehold	3,498.03	442.17	-	8.01	3,932.19
Land - leasehold	434.08	162.64	-	-	596.72
Building	3,874.00	1,573.39	14.59	20.14	5,412.66
Plant & machinery	14,167.25	5,072.67	266.60	96.04	18,877.28
Furniture & fixtures	225.19	84.45	-	6.26	303.38
Office equipment	587.58	168.71	0.97	(1.48)	756.80
Vehicles	1,066.61	323.30	48.19	21.24	1,320.48
Intangible assets					
Brand equity	300.00	-	-	-	300.00
Goodwill	7,509.68	8.41	-	516.80	7,001.29
	31,662.42	7,835.73	330.35	667.01	38,500.80
Previous year	27,627.28	4,315.48	280.34	-	31,662.42
Depreciation/ amortisation/ impairment					
Tangible assets					
Land - freehold	-	-	-	-	-
Land - leasehold	-	-	-	-	-
Building	1,034.19	265.70	1.24	31.55	1,267.10
Plant & machinery	6,443.49	1,827.91	171.94	27.74	8,071.72
Furniture & fixtures	90.84	22.67	0.22	(0.16)	113.45
Office equipment	318.18	91.41	0.30	(1.55)	410.84
Vehicles	624.22	145.90	22.67	42.36	705.09
Intangible assets					
Brand equity	150.00	15.00	-	-	165.00
Goodwill	466.76	227.22 *	-	(91.57)	785.55
	9,127.68	2,595.81	196.37	8.37	11,518.75
Previous year	6,851.97	2,374.41	98.70	-	9,127.68
Net block					
Tangible assets					
Land - freehold	3,498.03				3,932.20
Land - leasehold	434.08				596.72
Building	2,839.81				4,145.56
Plant & machinery	7,723.76				10,805.56
Furniture & fixtures	134.35				189.93
Office equipment	269.40				345.97
Vehicles	442.39				615.37
Intangible assets					
Brand equity	150.00				135.00
Goodwill	7,042.92				6,215.74
	22,534.74				26,982.05
Previous year	20,775.31				22,534.74
Capital work-in-progress (including capital advances)**					
					5,739.89
Previous year					2,754.32

Note:

* Includes impairment loss of ₹219.73 lacs on goodwill owing to reduction in value of the subsidiary, Kusha, Inc.

** Capital work-in-progress includes:

- (i) ₹418.71 lacs (previous year ₹642.24 lacs) on account of advance against capital expenditure
- (ii) ₹2,634.17 lacs (previous year ₹Nil) on account of wheat silos project.
- (iii) ₹1,341.59 lacs (previous year ₹503.69 lacs) on account of rice plant at Varpal.
- (iv) ₹286.74 lacs (previous year ₹1023.27 lacs) on account of assets not yet capitalised in food plant.
- (v) ₹23.93 lacs (previous year ₹222.41 lacs) on account of assets not yet capitalised in seeds plant.

SCHEDULES
FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 6		
Investments		
Trade investment- long term (unquoted)		
(i) Investment in associate		
42,500 (previous year 42,500) equity shares of LT Infotech Private Limited of ₹10 each	4.25	4.25
(ii) Keyman insurance policies	211.61	190.47
Other investments - long term		
(a) Fully paid-up equity shares (quoted)		
2,300 (previous year 2,300) equity shares - Andhra Bank of ₹10 each fully paid up	0.23	0.23
(b) Investment in mutual funds (quoted)		
50,000 (previous year 50,000) units of Principal PNB Long Term Equity Fund	5.00	5.00
48,875.855 (previous year 48,875.855) units of Templeton India Equity Income Growth Fund	5.00	5.00
12,999.619 (previous year 12,999.619) units of HDFC MIP Long Term Dividend Fund	1.50	1.50
2,023.636 (previous year 2,023.636) units of Sundram BNP Paribas Select Midcap Dividend Plan	0.30	0.30
894.055 (previous year 894.055) units of Reliance Vision Fund	0.40	0.40
(c) Fully paid-up equity shares (unquoted)		
500 (previous year 500) equity shares of India International Marketing Limited of ₹10 each fully paid up	0.05	0.05
(d) Investment in mutual funds (unquoted)		
CIG Realty Fund (1,000,000 units of ₹10 each)	100.00	100.00
(e) In government securities		
National Saving Certificates	0.22	-
	328.56	307.20
Book value		
Aggregate value of quoted investments		
- Non trade investments	12.43	12.43
Aggregate value of unquoted investments		
- Trade investments	215.86	194.72
- Non trade investments	100.27	100.05
	328.56	307.20
Market value		
Aggregate value of quoted investments		
- Non trade investments	27.15	19.33
	27.15	19.33
SCHEDULE - 7		
Inventories		
(As verified, taken and valued by the management)		
Raw material	51,416.93	35,680.23
Finished goods	30,253.81	32,289.04
Consumable stores and spares	258.79	232.55
	81,929.53	68,201.82

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 8		
Sundry debtors		
(Unsecured, Considered good unless stated otherwise)		
Debts outstanding for a period exceeding six months		
Considered good	419.43	709.10
Considered doubtful	31.22	15.18
Other debts		
Considered good	27,663.96	15,837.93
Considered doubtful	-	4.00
	28,114.61	16,566.21
Less: Provision for doubtful debts	31.22	19.18
	28,083.39	16,547.03
SCHEDULE - 9		
Cash and bank		
Cash in hand		
In Indian currency	645.61	48.77
In foreign currencies	1.17	3.26
Balance with banks		
In current accounts	1,111.65	758.99
In unclaimed dividend accounts	9.38	8.92
In deposits/margin money (pledged)	999.41	744.08
	2,767.22	1,564.02
SCHEDULE - 10		
Other current assets		
Interest accrued but not due on fixed deposits	18.48	109.88
Deferred premium on forward contracts	12.93	28.11
	31.41	137.99
SCHEDULE - 11		
Loans and advances		
(Unsecured considered good unless stated otherwise)		
Advances recoverable in cash or in kind or value to be received	3,534.07	2,290.54
Security deposits	530.40	429.41
Balances with central excise authorities	406.80	139.12
Advance tax	2,693.92	2,232.56
Minimum alternative tax credit receivable	820.13	545.77
	7,985.32	5,637.40
SCHEDULE - 12		
Current liabilities		
Acceptances	1,020.44	382.88
Micro and small enterprises	220.38	367.56
Other sundry creditors*	7,197.64	3,523.65
Security deposits from distributors	8.83	40.93
Other liabilities	2,972.05	1,291.04
Unclaimed dividend **	9.38	8.92
Forward payable (net)	62.81	57.79
	11,491.53	5,672.77

* Creditors include ₹2,638.05 lacs (previous year ₹1,500.00 lacs) secured against payment guarantees given by the Company to banks.

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

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 13		
Provisions		
Employees benefits	96.63	60.42
Provision for income tax	2,085.11	2,166.81
Fringe benefit tax	16.17	16.17
Proposed dividend	303.60	462.47
Tax on proposed dividend	49.25	76.81
Mark to market adjustment on outstanding derivative contracts	-	795.20
Others	-	51.94
	2,550.76	3,629.82
SCHEDULE - 14		
Miscellaneous expenditure (To the extent not written off or adjusted)		
Deferred revenue expenditure		
As per last balance sheet	254.17	415.74
Less: Amount amortised	203.43	161.57
	50.74	254.17
Preliminary expenses		
As per last balance sheet	1.03	2.21
Add: Additions	0.27	0.49
	1.31	2.70
Less: Written off during the year	1.04	1.67
	0.27	1.03
Pre-operative expenses		
Additions	7.80	-
	58.81	255.20

SCHEDULES

FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 15		
Sales		
Rice	109,166.13	97,560.10
Other Items	14,277.82	7,057.66
Add : Exchange fluctuation	877.96	670.40
	124,321.91	105,288.16
SCHEDULE - 16		
Other income		
Profit from sale of investment	-	8.09
Dividend from non trade investments	0.15	0.61
Profit from sale of fixed assets	27.38	52.53
Interest on fixed deposits	61.67	20.92
Profit from exchange fluctuation	48.76	1,452.62
Service charges	3,256.08	232.39
Rental income	9.92	-
Mark to market adjustment on outstanding derivative transaction	-	1,069.42
Other receipts	412.14	324.70
	3,816.10	3,161.28

SCHEDULES

FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 17		
(Decrease)/ increase in inventory		
Opening inventory	32,289.04	22,932.91
Closing inventory	30,253.81	32,289.04
	(2,035.23)	9,356.13
SCHEDULE - 18		
Material consumed		
Opening stock		
Paddy	34,375.80	33,506.69
Bardana	879.93	681.54
Packing material	424.49	432.63
	35,680.22	34,620.86
Add: purchases		
Paddy	68,955.14	53,443.26
Bardana	1,164.08	937.67
Packing material	4,321.22	3,537.44
Rice	11,556.13	13,437.63
	85,996.57	71,356.00
Less: closing stock		
Paddy	49,366.69	34,375.80
Bardana	1,354.43	879.93
Packing material	695.82	424.49
	51,416.94	35,680.22
	70,259.85	70,296.64
SCHEDULE - 19		
Other purchases		
Rice (traded)	10,685.92	10,133.53
Soya bean	7,079.73	-
Other items	1,894.10	3,037.68
	19,659.75	13,171.21
SCHEDULE - 20		
Manufacturing and trading expenses		
Warehouse rent	426.17	406.23
Wages	435.59	417.83
Job work	3.73	36.37
Factory insurance	20.05	21.62
Power and fuel	1,362.65	1,064.31
Security services	110.71	86.00
Research and development	1.82	1.00
Packing expenses	619.09	845.18
Repairs and maintenance		
- Machinery	95.00	108.51
- Building	67.17	38.96
- Others	40.25	31.23
Other manufacturing expenses	22.10	37.78
Other trading expenses	2,282.09	1,507.17
Service charges	463.34	-
Stores and spares consumed	659.14	567.01
	6,608.90	5,169.20
SCHEDULE - 21		
Personnel cost		
Salaries, wages and bonus	3,039.66	2,267.05
Contribution to provident and other fund	132.92	104.57
Staff welfare expenses	122.43	111.68
	3,295.01	2,483.30

SCHEDULES
FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

(₹ in Lacs)

PARTICULARS	March 31, 2011	March 31, 2010
SCHEDULE - 22		
Administrative and selling expenses		
Advertisement	940.05	167.15
Insurance	136.77	111.41
Legal and professional charges	1,097.48	588.16
Rates and taxes	99.84	119.79
Donation and charity	26.61	129.38
Directors' remuneration	161.80	156.58
Remuneration to directors of subsidiary companies	68.91	35.38
Auditors' remuneration	50.47	41.91
Fines and penalties	2.30	2.95
Rent	558.89	489.49
Vehicle running and maintenance	86.04	71.44
Travelling and conveyance	665.23	589.72
Rebate and discount	218.52	928.65
Commission to selling agents	397.41	126.89
Clearing, forwarding and freight charges	3,792.35	3,111.93
Market development expenses	49.47	571.57
Business promotion expenses	375.29	379.31
Freight outward	491.31	408.85
Other selling expenses	2,865.82	4,768.89
Loss on sales of fixed assets	0.09	65.15
Debtors and other amounts written off	506.72	511.40
Less: Adjusted against provision	20.00	-
Provision for doubtful debts and advances	32.04	19.18
Deferred revenue expenses written off	25.37	161.56
Loss on exchange fluctuation	918.82	27.12
Premium on forward contract	117.70	36.82
Other administrative expenses	703.13	648.09
Preliminary expenses written off	1.04	1.67
	14,369.47	14,270.44
SCHEDULE - 23		
Finance cost		
Interest on working capital loans	3,849.08	4,186.07
Interest on fixed loans	1,817.01	1,401.75
	5,666.09	5,587.82
Less: Interest capitalised	92.93	48.27
	5,573.16	5,539.55
Bank charges	300.48	330.37
	5,873.64	5,869.92
SCHEDULE - 24		
Prior period items (net)		
Expenditure		
Income tax prior years	24.43	-
Minimum alternate tax credit	21.69	-
Miscellaneous expenditure written off	178.06	-
Input tax credit earlier years	11.62	-
Other	16.36	-
	252.16	-
Income		
Export incentive	166.03	-
Minimum alternate tax credit	-	210.58
Other	32.28	7.06
	198.31	217.64
	53.85	(217.64)

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Schedule 25 – Significant accounting policies

1. Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared on accrual basis under the historical cost convention, in accordance with the generally accepted accounting principles applicable in India, the accounting standards referred under section 211 (3C) of the Companies Act, 1956 and the Rules framed there under.

2. Principles of consolidation

The financial statements of LT Foods Limited ("Parent Company" or "the Company"), together with its subsidiaries, associate and partnership firm (hereinafter collectively referred to as the "Group") are consolidated to form consolidated financial statements. The consolidated financial statements include the financial statements of the Parent Company, its subsidiaries, partnership firm and share of profits or losses in associate.

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

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

The excess/deficit of cost to the Parent Company of its investment over its portion of net worth in the consolidated entities at the respective dates on which the investment in such entities was made is recognised in the financial statements as goodwill/capital reserve. The Parent Company's portion of net worth in such entities is determined on the basis of book values of assets and liabilities as per the financial statements of the entities as on the date of investment and if not available, the financial statements for the immediately preceding period adjusted for the effects of significant changes.

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

3. Use of estimates

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

4. Revenue recognition

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

Sale of goods:

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

Rental income:

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

Interest:

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

Service charges:

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

Dividend:

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

5. Fixed assets

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

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

6. Depreciation and amortisation

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

Intangible assets, except for goodwill are amortised over their estimated useful life as follows:

Brand equity: 20 years

Computer software: 5 years

7. Investments

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

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

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

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

8. Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packaging materials

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

Work in progress

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

Finished goods

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

9. Foreign currency transaction

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

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

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

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

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

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

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

Forward exchange contracts entered to hedge the foreign currency risk of highly probable forecast transactions and firm commitments are marked to market at the balance sheet date if such mark to market results in exchange loss. Such exchange loss is recognised in the profit and loss account immediately.

Any gain is ignored and not recognised in the financial statements, in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies.

10. Employee benefits

Provident fund

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

Gratuity

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

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

Compensated absences

Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on March 31 2011. The actuarial gains or losses are recognised immediately in the profit and loss account.

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.

11. Borrowing costs

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

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

12. Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

13. Income tax

Provision for tax for the year comprises estimated current income-tax determined to be payable in respect of taxable income and deferred tax being the tax effect of temporary timing differences representing the difference between taxable and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is calculated in accordance with the relevant domestic tax laws. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted as at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Minimum alternate tax ("MAT") payable under the provisions of the Income Tax Act, 1961 is recognised as an asset in the year in which credit becomes eligible and is set off in the year in which the Group companies become liable to pay income taxes at the enacted tax rates.

14. Contingent liabilities and provisions

The Group makes a provision when there is a present

obligation as a result of a past event where the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made.

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

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

15. Impairment of assets

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

Schedule-26 Notes to Financial Statements

1. Contingent liabilities

Nature of contingency	₹ in Lacs	
	March 31, 2011	March 31, 2010
- Income-tax demands		
Assessment Year 1999 – 00**	-	5.51
Assessment Year 2000 – 01 *	135.18	135.18
Assessment Year 2000 – 01 (Penalty)	81.10	81.10
Assessment Year 2002 – 03 **	33.66	33.66
Assessment Year 2003 – 04	-	44.55
Assessment Year 2006 – 07 **	6.39	11.70
Assessment Year 2006 – 07 (Penalty)	-	0.95
Assessment Year 2007 – 08	0.29	-
Assessment Year 2009 – 10	10.17	-
- Sales Tax Demand – Ghaziabad	-	41.91
- HRDF Demand of Market Committee, Sonapat	71.25	91.75
- FCI Demand for differential price/freight/ taxes	339.00	339.00
- Guarantees given by Banks on behalf of the Group	391.56	213.94
- Letter of credits opened with bankers and remaining outstanding	1,010.49	1,011.33
- Guarantee given by Group for loan taken by others from banks	3,000.00	3,000.00
- Liability against duty saved under EPCG licenses issued	1,354.18	1,267.54
Total	6,433.27	6,278.12

* The demand is disputed and the matter is subjudice with Commissioner of Income Tax who has directed the Assessing Officer ('AO') to provide Remand Report. The Parent Company has deposited ₹45.00 lacs against this disputed demand.

** These are departmental appeals with Income Tax Appellate Tribunal ('ITAT') and it has redirected the AO to recompute the deduction under section 80IA and 80HHC in the case for AY 2002-03 and order of the ITAT is awaited in the case for AY 2006-07.

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

2. Capital contracts

Capital commitments remaining to be executed and not provided for, net of capital advances - ₹34.56 lacs (previous year: ₹1,357.26 lacs).

3. Auditors' remuneration*

Particulars	₹ in Lacs	
	March 31, 2011	March 31, 2010
Statutory audit	41.95	35.11
Tax audit	1.45	-
Company law matter	0.82	0.33
Other matter	3.23	3.73
Out of pocket expenses	0.48	-
Service tax	2.76	2.74
Total**	50.69	41.91

* Includes auditors' remuneration for all auditors within the Group.

** In Vedic Spices Private Limited operation have not commenced, therefore auditors remuneration of ₹0.22 lacs has been transferred to pre-operative expenses.

4. Remuneration to directors*

Particulars	₹ in Lacs	
	March 31, 2011	March 31, 2010
Salary	234.00	162.22
Contribution to provident fund	0.37	0.37
Perquisites	8.97	14.98
Sitting Fees	3.30	3.10
Total	**246.64	180.67

* exclusive of provision for future liability in respect of gratuity and leave encashment which is computed on overall basis.

** Out of the amount, ₹48.75 lacs have been capitalised.

5. Major components of deferred tax liability are as given below:

Particulars	₹ in Lacs	
	March 31, 2011	March 31, 2010
Deferred tax liability		
On depreciation of fixed assets	762.52	269.60
Keyman insurance policy	68.00	64.74
Deferred revenue expenditure	18.01	60.52
Deferred tax asset		
Carry forward losses	-	121.47
Provision for employee benefits	23.93	-
Expenses disallowed for tax computation	53.29	-
Others	42.21	0.02
Deferred tax liability (net)	729.10	273.37

6. Employee benefits

The Group provides the following benefits to its employees:

- Gratuity
- Compensated absences
- Provident fund

Gratuity

The Parent Company has a funded gratuity plan and subsidiaries have unfunded plans, for the purpose of funded gratuity obligation the Parent Company makes contribution to the LT Overseas Gratuity Fund, which is administered by its trustees. The trust further makes contribution to Life Insurance Corporation of India which administers its fund. Information regarding planned assets disclosed below has been obtained by the Parent Company from LIC.

The Parent Company changed the independent actuary in the current year accordingly the disclosure tables provided by the previous actuary are not comparable and therefore not disclosed below. Owing to the change in actuary, present value of obligation as at April 1, 2010 has changed in from ₹93.48 lacs to ₹71.01 lacs, primarily for different estimate and the difference has been included in actuarial gain losses.

During the year a subsidiary company changed its policy of accounting for the gratuity liability from full cost basis to present value of the defined benefit obligation as at the balance sheet date calculated by an independent actuary using projected unit credit method. Had the subsidiary followed the erstwhile policy, personnel cost during the year would have been ₹3,300.51 lacs as against the reported figure of ₹3,295.01 lacs and the profit before tax for the year would have been ₹3,434.85 lacs as against the reported figure of ₹3,440.35 lacs.

Compensated absences

During the year the Parent Company and one of its subsidiary companies changed its policy of accounting for compensated absences liability from full cost basis to where the liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on March 31, 2011. Had the companies followed the erstwhile policy, Personnel cost during the year would have been ₹3,312.47 lacs as against the reported figure of ₹3,295.01 lacs and the profit before tax for the year would have been ₹3,422.89 lacs as against the reported figure of ₹3,440.35 lacs.

Actuarial valuation of gratuity has been done with the following assumptions.

Particulars	Gratuity (funded)	Gratuity (non-funded)
Discount rate	8.25%	8.25%
Rate of increase in compensation levels	5.00%	5.00%
Rate of return of plan assets	8.57%	N.A
Expected average remaining working lives of employees (years)	23.7	24.8-26.7

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

Change in the present value of obligation :

Particulars	(₹ in Lacs)	
	Gratuity (funded)	Gratuity (non funded)
Opening balance	93.48	15.76
Interest cost	5.84	0.93
Past service cost	-	(4.46)
Current service cost	18.66	7.63
Less: benefits paid	(10.64)	-
Actuarial (gain)/loss on obligations	16.58	(1.47)
Present value of obligation as at March 31, 2011	123.92	18.89

Change in the fair value of plan assets :

Particulars	(₹ in Lacs)	
	Gratuity (funded)	
Fair value of plan assets as of April 1, 2010	79.90	
Actual return on plan assets	7.06	
Contributions	8.46	
Less: benefits paid	(10.64)	
Fair value of plan assets as of March 31, 2011	84.78	

Reconciliation of present value of defined benefit obligation and the fair value of assets :

Particulars	(₹ in Lacs)	
	Gratuity (funded)	
Present value of funded obligation as of March 31, 2011	123.92	
Fair value of plan assets as at the end of the period funded status	84.78	
Present value of unfunded obligation as of March 31, 2011	39.15	
Unfunded net liability recognised in balance sheet	39.15	

Expenses recognised in the profit and loss account:

Particulars	(₹ in Lacs)	
	Gratuity (funded)	Gratuity (non-funded)
Past service cost	-	(4.46)
Current service cost	18.66	7.63
Interest cost	5.84	0.93
Less: return on plan assets	7.06	N.A
Net actuarial (gain)/loss recognised in the period	16.58	(1.47)
Total expenses recognised in the profit & loss account	34.02	2.63

7. Related party disclosures

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

(i) Names of related parties and description of relationship

- Associates

LT Infotech Private Limited

Cordia LT Communications Private Limited (Subsidiary of LT Infotech Private Limited)

- Key Management Personnel and their relatives

Name	Designation
Vijay Kumar Arora	Chairman & Managing Director
Abhinav Arora	Son of Managing Director
Surinder Kumar Arora	Joint Managing Director
Ashwani Kumar Arora	Joint Managing Director
Ashok Arora	President-Punjab Operations

Transactions with key management persons and their relatives

Particulars	(₹ in Lacs)	
	March 31, 2011	March 31, 2010
Remuneration paid		
Vijay Kumar Arora	78.00	60.00
Ashwani Kumar Arora	60.00	39.11
Surinder Kumar Arora	60.00	39.11
Ashok Arora	36.00	24.00
Abhinav Arora	23.05	20.76
Perquisites		
Ashwani Kumar Arora	-	6.65
Surinder Kumar Arora	8.97	8.32
Dividend paid to key management personnel	158.19	82.87
Dividend paid to relatives of key management personnel	64.04	52.75
Interest paid (Ashok Arora)	2.21	2.04
Rent Paid	-	7.80
Balance at year end		
Ashok Arora	26.53	24.54
Transactions with associates		
Balance receivable at year end		
LT Infotech Private Limited	66.73	67.97
Cordia LT Communications Private Limited	16.41	16.41

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

8. Earnings per share

Particulars	March 31, 2011	March 31, 2010
Net profit attributable to equity shareholders after minority interest and before prior period items (₹ in lacs)	2,329.45	2,676.10
Prior period items (excluding tax) (₹ in lacs)	53.85	(7.06)
Net profit attributable to equity shareholders after minority interest and prior period items (₹ in lacs)	2,275.60	2,683.16
Numbers of weighted average equity share outstanding at the year end for Basic & Diluted (in lacs)	261.18	237.78
Nominal value of equity share (₹)	10	10
Earnings Per Share before prior period items - Basic & Diluted (₹)	8.92	11.25
Earnings Per Share after prior period items - Basic & Diluted (₹)	8.71	11.28

9. In the opinion of the board of directors, the current assets, loans and advances have a value on realization in the ordinary course of business at least equal to the amounts at which they are stated and provision for all known liabilities have been made in the Financial Statements.
10. With respect to the search proceedings under Section 132 of the Income-tax Act, 1961 conducted by the Income Tax Department (the 'Department') on LT Foods Limited and its group companies/associates, no demand has been raised by the Department yet. The Group continues to cooperate with the Department and management is confident that no financial liability will devolve on the Group on account of these proceedings. An audit under Section 142(2A) of the Income-tax act, 1961 is being conducted on the accounts of the Group companies in India. The audit is still in progress and no report has been furnished to the Group.
11. The following subsidiary companies and /or partnership concerns are considered in the consolidated financial statements:

Name of subsidiary	Country of operations	Percentage of holding by LT Foods Limited
Subsidiaries		
Daawat Foods Limited	India	70.48%
Nature Bio Foods Limited	India	100.00%
SDC Foods India Limited	India	80.00%
LT International Limited	India	89.98%
Sona Global Limited	Dubai	100%
LT Overseas North America, Inc	USA	100%
Raghuvesh Foods & Infrastructure Limited	India	100%
Step subsidiaries		
Nice International FZE	Dubai	100%
Kusha Inc.	USA	100%
LT Foods USA LLC	USA	100%
LT Agri Services Private Limited	India	100%
Expo Services Private Limited	India	80%
Vedic Spices Private Limited	India	51%
Name of partnership firm		
Raghunath Agro Industries	India	100%*

* LT Foods Limited has 4% share in the partnership and Daawat Foods Limited has 96% share.

SCHEDULES

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AND PROFIT & LOSS ACCOUNT

12. The Group is engaged in the business of manufacture and storage of rice, which as per accounting standard 17 on "Segment Reporting", is considered to be the only reportable business segment. Accordingly only secondary segment information has been disclosed below.

(₹ in Lacs)

Particulars	India	North America	Rest of the world	Total
Revenue:				
External	48,630.68	31,669.39	44,021.84	124,321.91
Previous year	42,904.17	31,503.31	30,880.68	105,288.16
Total	48,630.68	31,669.39	44,021.84	124,321.91
Previous year	42,904.17	31,503.31	30,880.68	105,288.16
Segment assets	9,139.99	4,644.10	14,299.30	28,083.39
Previous year	6,397.62	5,599.43	4,549.98	16,547.03
Unallocated assets*				125,822.79
Previous year				101,392.69
Capital expenditure*				10,821.30
Previous year				5,877.94

* The assets, other than receivables, used for earning revenue from geographical locations above are not maintained separately as the same is impractical and not feasible.

13. The Group is a lessee under an operating lease. Rental expense for operating lease for the years ended March 31, 2011 and 2010 was ₹558.89 lacs and ₹486.49 lacs respectively. The Group has not executed any non-cancelable operating leases.
14. Previous year's figures have been regrouped/reclassified wherever necessary, to confirm to current year's classification.

For and on behalf of the Board of Directors

Ashwani Kumar Arora
Joint Managing Director

Surinder Kumar Arora
Joint Managing Director

Place : Gurgaon
Date : May 30, 2011

Monika Chawla Jaggia
Company Secretary

Som Chopra
Vice President Accounts and Taxation

DAAWAT



Khushiyon ka swaad,
baantiye sabke saath.





Registered Office:

Unit No.134, 1st Floor, Rectangle 1, Saket District Centre, New Delhi – 110017, India

Corporate Office:

Plot No. 119, Sec – 44, (Institutional Area), Gurgaon – 122002, Haryana, India
Tel: 91-0124-3055100, Fax: 91-0124-3055199

NOTICE OF THE ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty First Annual General Meeting of the Members of the Company will be held on Wednesday the 21st day of September, 2011 at 3.00 P.M. at Air Force Auditorium, Subroto Park, New Delhi – 110010, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ending 31st March, 2011 together with the Director's & Auditors Report thereon.
2. To declare final dividend on Equity Shares.
3. To appoint a Director in place of Mr. Surinder Kumar Arora, who retires by rotation at the Annual General Meeting and being eligible has offered himself for re-appointment as Director of the Company.
4. To appoint a Director in place of Mrs. Radha Singh, who retires by rotation at the Annual General Meeting and being eligible has offered herself for re-appointment as Director of the Company.
5. To appoint Statutory Auditors of the Company and to approve their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Mr. Alok Sinha who was appointed as an Additional Director of the Company by the Board of Directors in their meeting held on 15th November, 2010, under Section 260 of the Companies Act, 1956 and who holds office as such upto date of the forthcoming Annual General Meeting and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under provision of Section 257 of the Companies Act, 1956, be and is hereby appointed as a

Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

"RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do and perform all such acts, deeds and things as may be necessary, desirable or expedient to give effect to this resolution."

7. To consider and, if thought fit, to pass with or without modification(s), the following resolution to take prior approval of lending banks if the Company at any time proposes to sell, lease or dispose off the whole or substantially the whole of the undertaking in accordance with provision of applicable laws as an Ordinary Resolution :

"RESOLVED THAT in accordance with applicable laws and such other approvals as may be necessary, consent of the members be and is hereby accorded that the Board of Directors of the Company shall not sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company without obtaining prior consent of the ICICI bank and other lending bank(s) in accordance with provision of section 293(1)(a) of the Companies Act, 1956 apart from the other necessary compliances in accordance with applicable laws and to do all such acts, things and deeds that may be deemed necessary and expedient in this regard."

"RESOLVED FURTHER THAT Mr. Vijay Arora, Managing Director and/ or Ms. Monika Chawla Jaggia, Company Secretary be and are hereby severally Authorized to do all such acts, things and deeds that may be considered necessary for giving effect to this resolution."

**By Order of the Board of Directors
For LT FOODS LIMITED**

**Place : Gurgaon
Dated : 11.08.2011**

**Vijay Arora
Chairman & Managing Director**

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, setting out the material facts concerning items 6 to 7 is annexed.
4. The Register of Members and Share transfer Book shall remain closed from 16.09.2011 to 21.09.2011 (both days inclusive).
5. Members desirous of obtaining any information concerning the accounts and operation of the Company are required to send their queries to the Company at least seven days before the date of the meeting, so as to enable the management to keep the information available.
6. The certificate from the Auditors of the Company certifying that the Company's ESOP plans are implemented in accordance with SEBI ESOP Guidelines will be available for inspection by members at the AGM.
7. Members are requested to communicate the change of address, bank mandate etc. if any, quoting their respective folio nos. / DP and client ID Nos. as the case may be.
8. M/s Bigshare Services Private Limited is the Registrar and Share Transfer Agent. All correspondences and queries should be addressed to them directly.

9. For convenience of the members and for proper conduct of the meeting, entry to the place of the meeting will be regulated by the attendance slip, which is annexed to the proxy form. Members are requested to sign at the place provided in the attendance slip and hand it over at the entrance of the meeting.
10. In case of joint holders attending the meeting, only such joint holders who are higher in the order of names will be entitled to vote.
11. Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges, details in respect of Directors seeking appointment/ reappointment at the Annual General Meeting are furnished as an annexure enclosed herewith.
12. Ministry of Corporate Affairs, Government of India through its circular nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively has allowed Companies to send official documents to their shareholders electronically to their shareholders as part of green initiative in corporate governance. Recognizing the spirit of the circulars issued by MCA, your Company henceforth proposes to send documents like Notice convening the General Meetings, Financial Statements, Director's report, Auditor's Report etc. to email address as provided by you with the depositories.
We request you to update your email address with your depository participant to ensure that the Annual Report and other documents reach you on your preferred email.
13. Shareholders may kindly note that no gifts/coupons will be distributed.

ANNEXURE TO THE NOTICE

I. EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

Explanatory Statement for items No. 6 to 7 of the accompanying Notice set out herein above is as under:

Item No. 6:

Mr. Alok Sinha was appointed as an Additional Director by the Board of Directors in their meeting held on 15th November, 2010 and in terms of the provision of Section 260 of the Companies Act, 1956, will hold office as such upto the date of the next Annual General Meeting. A notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose the name of Mr. Alok Sinha for appointment as Director of the Company, who has filed his consent to act as Director of the Company.

Your Directors, therefore, recommend the Ordinary Resolution at item No. 6 for your approval. Save and except Mr. Alok Sinha, none of the Directors are concerned or interested in the resolution.

Item No. 7

Your Company procures finance from a consortium of banks for meeting its requirement for expansion and for working capital needs of the Company. The lending banks propose that whenever the Company shall sell, lease or dispose the whole or substantially the

whole of the undertaking in accordance with provision of Section 293(1) (a) of the Companies Act, 1956, prior approval of the lending banks shall be taken. It is therefore proposed that approval of the shareholders be taken for the above and that accordingly the Board of Directors shall take prior approval of the lending banks apart from undertaking other necessary compliances that are to be done in accordance with applicable provisions of law.

Your Directors, therefore, recommend the Ordinary Resolution at item No. 7 for your approval. None of the Directors are concerned or interested in the resolution.

**By Order of the Board of Directors
For LT FOODS LIMITED**

**Place : Gurgaon
Dated : 11.08.2011**

**Vijay Arora
Chairman & Managing Director**

II. DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

Name of Director	Radha Singh	Surinder Kumar Arora	Alok Sinha
Date of Birth	24.11.1946	21.12.1962	01.11.1948
Date of Appointment	29.01.2010	22.06.2007	15.11.2010
Qualification & Experience	She is an officer of the Indian Administrative Service with 39 years of experience in the reas of rural and agricultural development, to be mentioned amongst other areas. Superannuated from Government service, she has been instrumental for formulation and implementation of Agricultural Policy, strengthening and building reliance through specific targeted initiatives.	He is whole time director of the Company. A matriculate, he joined the partnership firm(LCTR) consisting of family members and has been associated with the Company right since its inception. He has vast experience in procurement, production and plant operation. He is technically very sound.	He has a rich experience in Food Industry. He was promoted to the rank of Secretary to Government of India and used to hold position of Chairman & Managing Director of Food Corporation of India. He has also served as Additional Secretary to the Government of India in the Ministry of Agriculture.



LT Foods Ltd.

Regd. Office: Unit No.134, 1st Floor, Rectangle 1, Saket District Centre, New Delhi – 110017

DP ID*	
Client ID*	

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the registration counter for obtaining entry pass. The signature at the time of attendance at the meeting should tally with specimen signatures registered with the Company).

Regd. Folio No. No. of Shares held

I/We hereby record my/our presence at the Twenty First Annual General Meeting of the Company held on **Wednesday, the 21st September 2011 at 3.00 P.M.** at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010.

Name and Address of the Shareholder/Proxy:
(In Block Letters)

I/We certify that I/We am/are registered shareholder(s)/proxy for the registered shareholder of the Company. Signature of the Shareholder/Proxy

SHAREHOLDER INCLUDE BENEFICIAL OWNERS OF THE SHARES HELD IN DEMATERIALIZED FORM BY THEM WITH DEPOSITORY PARTICIPANT(S).

* Applicable for investors holding shares in electronic form.



Please cut here



LT Foods Ltd.

Regd. Office: Unit No.134, 1st Floor, Rectangle 1, Saket District Centre, New Delhi – 110017

DP ID*	
Client ID*	

PROXY FORM

Regd. Folio No. No. of Shares held

I/We of being

a member/members of the above named Company, hereby appoint

of as my/our proxy or failing him

..... of or

failing him of to

vote for me/us on my/our behalf at the Annual General Meeting of the Company held on **Wednesday, the 21st September 2011 at 3.00 P.M.** at Air Force Auditorium, Subroto Park, Dhaula Kuan, New Delhi – 110010.

Signed this day of 2011

Signature

Affix Revenue Stamp of ₹1/-

Notes: (a) The Proxy Form should be signed across the stamp as per specimen signature registered with the Company.

(b) The Proxy Form duly completed must be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the time fixed for holding the aforesaid Meeting.

* Applicable for investors holding shares in electronic form



