

DAAWAT

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



Khushiyon ka swaad, baantiye sabke sath.



LT Foods Ltd.

Annual Report 2010-11

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EXPANDING VALUE BY MAXIMIZING CUSTOMER DELIGHT

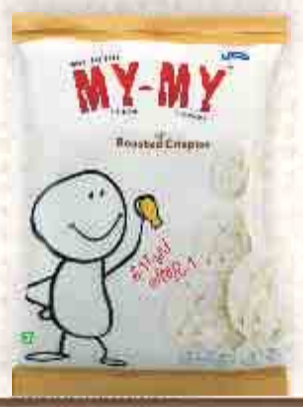


At LT Foods, we are committed to maximize value for our customers and other stakeholder. Over the recent years, we have taken specific initiatives to transform ourselves from a leading Basmati Rice Company to a global Speciality Food Company with a wide bouquet of products and brands. We have fast expanded 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.





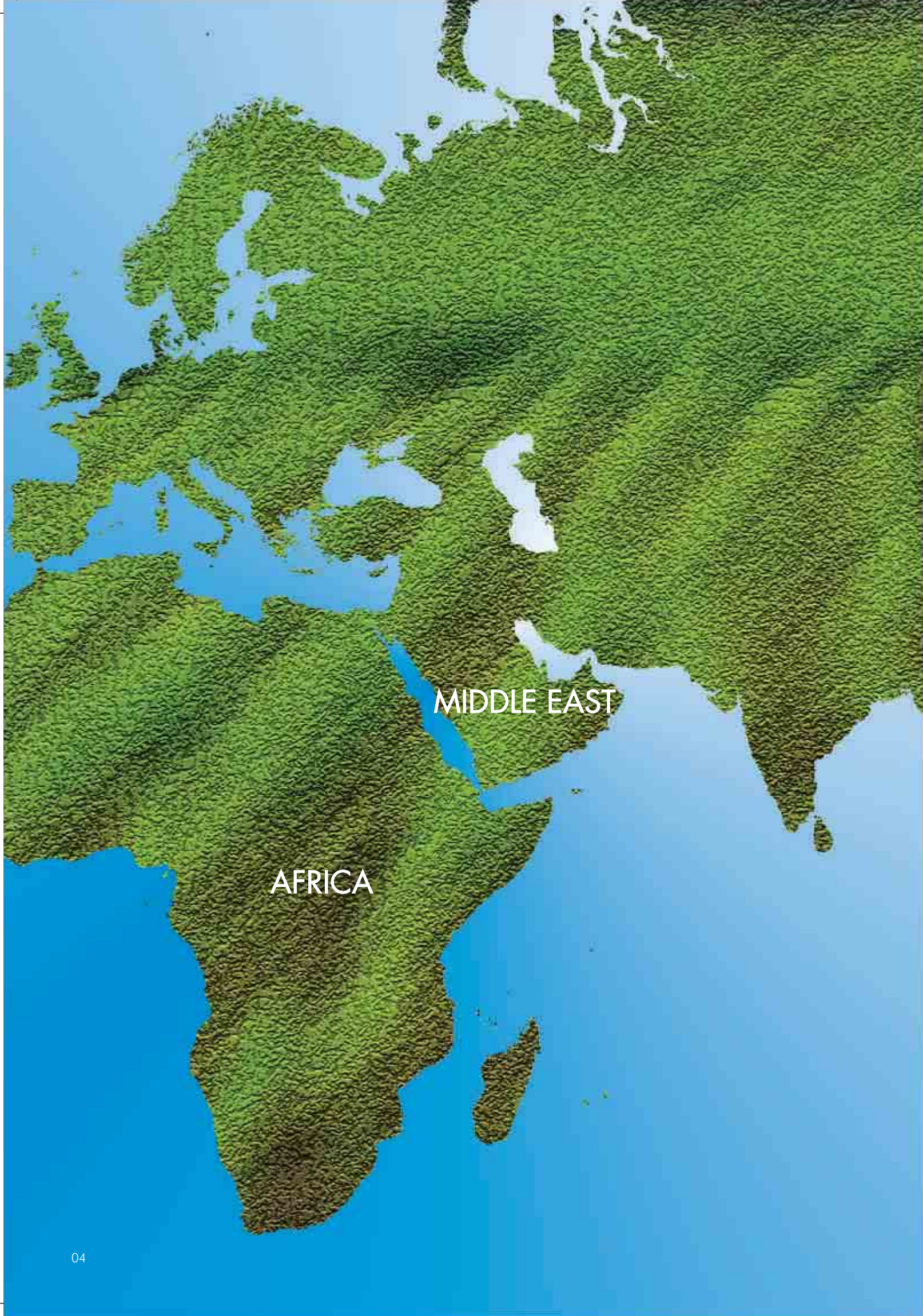
EXPANDING **VALUE** THROUGH **QUALITY** PRODUCT **OFFERINGS**

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.

