

# Walker Chandiook & Co LLP

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**Walker Chandiook & Co LLP**

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## **Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

### **To the Board of Directors of KRBL Limited**

#### **Opinion**

1. We have audited the accompanying standalone annual financial results ('the Statement') of KRBL Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matters**

4. We draw attention to:
  - a. Note 6 to the accompanying Statement, wherein it is stated that the Commissioner of Income Tax (Appeals), New Delhi, vide its order dated 11 March 2020, has granted partial relief to the Company from an income tax demand received in the financial year ended 31 March 2019 and that the Company is in the process of filing an appeal with the Hon'ble Income Tax Appellant Tribunal for the remaining matters which have been sustained by the Commissioner of Income Tax (Appeals),

New Delhi. Based on the legal assessment of the outcome of the Company's appeal against the aforesaid remaining income-tax demand, the management is of the view that no adjustment is required in the accompanying Statement.

- b. Note 11 to the accompanying Statement, wherein it is stated that a portion of land parcels and building thereupon owned by the Company as identified in the aforesaid note has been attached by the Directorate of Enforcement ("ED"), which is being contested by the Company. The Company had filed an appeal with the Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal had ordered to restore the possession in favor of the Company, while, the aforesaid attachment would continue till the conclusion of the matter. The matter is being contested in the Hon'ble High Court of Delhi by both the parties as detailed in the aforesaid note. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the accompanying Statement.

Our opinion is not modified in respect of above matters.

## **Responsibilities of Management and Those Charged with Governance for the Statement**

5. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Statement**

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a

# Walker Chandio & Co LLP

material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Other Matter

12. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

## For Walker Chandio & Co LLP

Chartered Accountants

Registration No. : 001076N/N500013



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by Rohit Arora  
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**Rohit Arora**

Partner

Membership No. 504774

UDIN: **20504774AAAACN9394**

**Place:** New Delhi

**Date:** 9 June 2020

# KRBL LIMITED

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## STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(Rs. in lakh except as stated otherwise)

S. No.	Particulars	Quarter ended			Year ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Refer note 9	(Unaudited)	Refer note 9	(Audited)	
<b>1.</b>	<b>Income</b>					
(a)	Revenue from operations	1,06,229	1,32,898	1,19,603	4,49,864	4,11,957
(b)	Other income	935	454	328	2,226	1,490
	<b>Total income</b>	<b>1,07,164</b>	<b>1,33,352</b>	<b>1,19,931</b>	<b>4,52,090</b>	<b>4,13,447</b>
<b>2.</b>	<b>Expenses</b>					
(a)	Cost of materials consumed	74,835	93,375	95,809	3,03,592	3,16,761
(b)	Purchase of stock-in-trade	174	600	174	1,212	1,165
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,738)	3,298	(11,110)	17,340	(28,623)
(d)	Employee benefits expenses	2,162	2,111	2,016	8,235	7,419
(e)	Finance costs	1,848	1,386	2,120	6,244	6,756
(f)	Depreciation and amortisation expense	1,802	1,795	1,532	7,282	6,438
(g)	Other expenses	7,936	9,624	9,818	32,308	30,207
	<b>Total expenses</b>	<b>87,019</b>	<b>1,12,189</b>	<b>1,00,359</b>	<b>3,76,213</b>	<b>3,40,123</b>
<b>3.</b>	<b>Profit before tax (1-2)</b>	<b>20,145</b>	<b>21,163</b>	<b>19,572</b>	<b>75,877</b>	<b>73,324</b>
<b>4.</b>	<b>Tax expense</b>					
(a)	Current tax	5,438	5,415	6,617	20,021	23,016
(b)	Deferred tax charge	(305)	(174)	762	(85)	1,471
(c)	Mat credit entitlement	-	-	(1,490)	-	(1,490)
	<b>Total tax expense</b>	<b>5,133</b>	<b>5,241</b>	<b>5,889</b>	<b>19,936</b>	<b>22,997</b>
<b>5.</b>	<b>Profit after tax (3-4)</b>	<b>15,012</b>	<b>15,922</b>	<b>13,683</b>	<b>55,941</b>	<b>50,327</b>
<b>6.</b>	<b>Other comprehensive income</b>					
(a)	Items that will not be reclassified to profit or loss	(229)	2	(14)	(224)	6
(b)	Tax expense relating to items that will not be reclassified to profit or loss *	60	(0)	4	59	(2)
(c)	Items that will be reclassified to profit or loss	(841)	(12)	-	(848)	-
(b)	Tax expense relating to items that will be reclassified to profit or loss	223	2	-	224	-
	<b>Total other comprehensive (loss)/income</b>	<b>(787)</b>	<b>(8)</b>	<b>(10)</b>	<b>(789)</b>	<b>4</b>
<b>7.</b>	<b>Total comprehensive income (5+6)</b>	<b>14,225</b>	<b>15,914</b>	<b>13,673</b>	<b>55,152</b>	<b>50,331</b>
<b>8.</b>	<b>Paid-up equity share capital (face value of Re. 1/- each)</b>	<b>2,354</b>	<b>2,354</b>	<b>2,354</b>	<b>2,354</b>	<b>2,354</b>
<b>9.</b>	<b>Other equity</b>				<b>3,09,503</b>	<b>2,69,391</b>
<b>10.</b>	<b>Earnings per equity share ("EPS") (face value of Re.1/- each) (EPS for the quarter not annualized)</b>					
(a)	Basic	6.38	6.76	5.81	23.76	21.38
(b)	Diluted	6.38	6.76	5.81	23.76	21.38

\*Rounded off to zero



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### NOTES TO THE STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

1. Operating Segments Disclosure as per Ind AS 108 'Operating Segments':

(Rs. in lakh)

S. No.	Particulars	Quarter ended			Year ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Refer note 9	(Unaudited)	Refer note 9	(Audited)	
<b>1.</b>	<b>Segment revenue</b>					
(a)	Agri	1,03,957	1,31,085	1,17,398	4,37,855	3,99,097
(b)	Energy	4,230	4,432	4,593	20,151	21,457
	<b>Total segment revenue</b>	<b>1,08,187</b>	<b>1,35,517</b>	<b>1,21,991</b>	<b>4,58,006</b>	<b>4,20,554</b>
	Inter segment revenue - Energy	(1,958)	(2,619)	(2,388)	(8,142)	(8,597)
	<b>Net segment revenue</b>	<b>1,06,229</b>	<b>1,32,898</b>	<b>1,19,603</b>	<b>4,49,864</b>	<b>4,11,957</b>
<b>2.</b>	<b>Segment results</b>					
(a)	Agri	21,044	21,299	20,851	74,447	71,787
(b)	Energy	1,004	1,319	811	7,854	8,181
	<b>Total segment results (before finance costs and tax)</b>	<b>22,048</b>	<b>22,618</b>	<b>21,662</b>	<b>82,301</b>	<b>79,968</b>
	Less: Finance costs	1,778	1,308	1,984	5,911	6,200
	Less: Other unallocable expenditures (net of unallocable incomes)	125	147	106	513	444
	<b>Total profit before tax</b>	<b>20,145</b>	<b>21,163</b>	<b>19,572</b>	<b>75,877</b>	<b>73,324</b>
<b>3.</b>	<b>Segment assets</b>					
(a)	Agri	3,75,410	4,10,188	3,96,608	3,75,410	3,96,608
(b)	Energy	65,934	68,457	66,056	65,934	66,056
	<b>Total segment assets</b>	<b>4,41,344</b>	<b>4,78,645</b>	<b>4,62,664</b>	<b>4,41,344</b>	<b>4,62,664</b>
<b>4.</b>	<b>Segment liabilities</b>					
(a)	Agri	63,496	69,724	32,565	63,496	32,565
(b)	Energy	3,775	6,223	5,190	3,775	5,190
(c)	Unallocable	62,216	97,121	1,53,164	62,216	1,53,164
	<b>Total segment liabilities</b>	<b>1,29,487</b>	<b>1,73,068</b>	<b>1,90,919</b>	<b>1,29,487</b>	<b>1,90,919</b>
	<b>Segment revenue - Geographical information:</b>					
(a)	<b>Agri</b>					
	India	54,667	65,561	56,885	2,29,396	2,14,746
	Rest of the world	49,290	65,524	60,513	2,08,459	1,84,351
	<b>Sub-total (a)</b>	<b>1,03,957</b>	<b>1,31,085</b>	<b>1,17,398</b>	<b>4,37,855</b>	<b>3,99,097</b>
(b)	<b>Energy</b>					
	India	4,230	4,432	4,593	20,151	21,385
	Rest of the world	-	-	-	-	72
	<b>Sub-total (b)</b>	<b>4,230</b>	<b>4,432</b>	<b>4,593</b>	<b>20,151</b>	<b>21,457</b>
	<b>Total (a)+(b)</b>	<b>1,08,187</b>	<b>1,35,517</b>	<b>1,21,991</b>	<b>4,58,006</b>	<b>4,20,554</b>
	Inter-segment revenue - Energy	(1,958)	(2,619)	(2,388)	(8,142)	(8,597)
	<b>Total</b>	<b>1,06,229</b>	<b>1,32,898</b>	<b>1,19,603</b>	<b>4,49,864</b>	<b>4,11,957</b>



## KRBL LIMITED

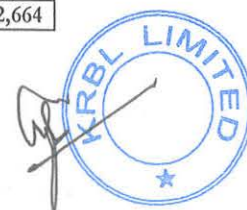
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### NOTES TO THE STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

#### 2 Standalone Statement of Assets and Liabilities

(Rs. in lakh)

	Particulars	31-03-2020	31-03-2019
<b>A.</b>	<b>ASSETS</b>	<b>(Audited)</b>	<b>(Audited)</b>
<b>1.</b>	<b>Non-current assets</b>		
	(a) Property, plant and equipment	88,428	92,856
	(b) Capital work-in-progress	1,214	59
	(c) Right of use assets	8,138	-
	(d) Other intangible assets	143	101
	(e) Financial assets		
	(i) Investments	427	427
	(ii) Loans	929	316
	(iii) Other financial assets	14	6
	(f) Other non-current assets	24,973	11,749
	<b>Sub total non-current assets</b>	<b>1,24,266</b>	<b>1,05,514</b>
<b>2.</b>	<b>Current assets</b>		
	(a) Inventories	2,85,242	3,12,885
	(b) Financial assets		
	(i) Investments	584	765
	(ii) Trade receivables	23,020	39,729
	(iii) Cash and cash equivalents	1,345	316
	(iv) Bank balances other than (iii) above	3,801	91
	(v) Loans	16	35
	(vi) Other financial assets	1,134	1,016
	(c) Other current assets	1,936	2,313
	<b>Sub total current assets</b>	<b>3,17,078</b>	<b>3,57,150</b>
	<b>TOTAL ASSETS</b>	<b>4,41,344</b>	<b>4,62,664</b>
<b>B.</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1.</b>	<b>Equity</b>		
	(a) Equity share capital	2,354	2,354
	(b) Other equity	3,09,503	2,69,391
	<b>Sub total shareholder's fund</b>	<b>3,11,857</b>	<b>2,71,745</b>
	<b>Liabilities</b>		
<b>2.</b>	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,957	3,324
	(ii) Lease liabilities	6,965	-
	(b) Provisions	733	565
	(c) Deferred tax liabilities (net)	14,588	14,673
	<b>Sub total non-current liabilities</b>	<b>24,243</b>	<b>18,562</b>
<b>3.</b>	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	46,270	1,38,151
	(ii) Trade payables		
	- Total outstanding due to micro enterprises and small enterprise	439	688
	- Total outstanding dues of creditors other than micro enterprises and small enterprises	38,053	21,729
	(iii) Lease liabilities	615	-
	(iv) Other financial liabilities	15,994	8,591
	(b) Other current liabilities	2,066	2,602
	(c) Provisions	493	287
	(d) Current tax liabilities (net)	1,314	309
	<b>Sub total current liabilities</b>	<b>1,05,244</b>	<b>1,72,357</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,41,344</b>	<b>4,62,664</b>



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## NOTES TO THE STATEMENT OF STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

### 3. Standalone Statement of Cash Flow

(Rs. in lakh)

Particulars		31-03-2020	31-03-2019
		(Audited)	(Audited)
A	<b>Cash flow from operating activities</b>		
	Profit before tax	75,877	73,324
	Adjustment for :		
	Depreciation and amortisation expenses	7,282	6,438
	Profit on sale of property, plant and equipment	(6)	(135)
	Unrealised foreign exchange (net)	(193)	(240)
	Loss/(profit) on sale of investment	124	(289)
	Balances written off	130	1,083
	Liabilities/provisions no longer required, written back	(45)	(134)
	Finance costs	6,244	6,756
	Interest income	(709)	(655)
	Dividend income	(38)	(30)
	<b>Operating profit before working capital changes</b>	<b>88,666</b>	<b>86,118</b>
	<b>Adjustments for working capital changes :</b>		
	Increase in financial and other assets	(15,157)	(7,056)
	Decrease/(Increase) in inventories	27,643	(66,724)
	Decrease/(Increase) in trade receivables	16,795	(16,365)
	Increase in trade payables	16,120	11,554
	Increase in liabilities and provisions	5,890	2,914
	<b>Cash generated from operations</b>	<b>1,39,957</b>	<b>10,441</b>
	Income tax paid (net)	(18,757)	(21,965)
	<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,21,200</b>	<b>(11,524)</b>
B	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment and intangible assets <sup>1</sup>	(4,267)	(2,248)
	Sale of property, plant and equipment	1,229	119
	Sale proceeds from investments	90,058	58,072
	Purchase of investments	(90,000)	(57,649)
	Movement from deposits (net)	(2,938)	3,031
	Interest received	526	665
	Dividend income	38	30
	<b>Net cash (used in)/flow from investing activities (B)</b>	<b>(5,354)</b>	<b>2,020</b>
C	<b>Cash flow from financing activities</b>		
	Repayment of long term borrowings	(1,367)	(3,443)
	Payment of lease liabilities	(564)	-
	Movement in short term borrowings (net)	(92,732)	22,191
	Finance cost paid	(5,895)	(6,281)
	Dividend paid	(11,695)	(5,414)
	Dividend distribution tax paid	(2,564)	(1,102)
	<b>Net cash (used in)/flow from financing activities (C)</b>	<b>(1,14,817)</b>	<b>5,951</b>
D	<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>1,029</b>	<b>(3,553)</b>
	Cash and cash equivalents-opening balance	316	3,869
	<b>Cash and cash equivalents at the year end</b>	<b>1,345</b>	<b>316</b>
E	<b>Cash and cash equivalents</b>		
	Cash in hand	72	79
	Balances with banks	1,273	237
		<b>1,345</b>	<b>316</b>

#### Notes

1. Net of movement in capital work-in-progress and capital advances.
2. The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.



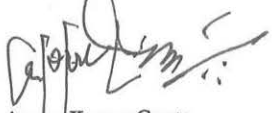
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### NOTES TO THE STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

- 4 The above financial results of KRBL Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 June 2020 and have been audited by the statutory auditors of the Company.
- 5 The financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, specified in Section 133 of the Companies Act, 2013.
- 6 During the year ended 31 March 2019, the Company had received demand notices under section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, amounting to Rs. 75,744 lakh and interest thereon Rs. 51,176 lakh, against which Company had filed appeals with CIT (Appeals), New Delhi. During the quarter and year ended 31 March 2020, CIT(Appeals) granted partial relief on certain matters in favor of the Company, vide orders dated 11 March 2020, and correspondingly, income tax demand has been reduced by Rs. 69,612 lakh and interest thereon by Rs. 47,424 lakh respectively. The Company is in the process of filing appeals before Income Tax Appellate Tribunal ("ITAT") for remaining matters confirmed by CIT(Appeals) in respect of income tax demand of Rs. 6,132 lakh and interest thereupon of Rs. 3,752 lakh, shown under contingent liabilities. As at 31 March 2020, the Company had already paid Rs. 21,900 lakh, under protest against the demand. The management, based on legal assessment, is confident that it has a favorable case and the remaining demand shall also be deleted at the ITAT level.  
The auditors of the Company have invited attention to the aforementioned issue in their audit report for the quarter and year ended 31 March 2020.
- 7 Ind AS 116, Leases, is mandatory for reporting periods beginning on or after 1 April 2019 (being transition date) and has replaced earlier leases accounting and reporting requirements under Ind AS 17 "Leases". The Company has adopted revised reporting i.e. Ind AS 116 with effect from 1 April 2019 using "Modified Retrospective Approach". There is no impact of adoption of Ind AS 116 on the retained earnings of the Company on transition date as the Company has availed practical expedients available in the revised reporting standard for transition.
- 8 The Board of Directors of the Company vide Resolution by Circulation dated 27 February 2020 have declared and paid an interim dividend for the financial year ended 31 March 2020, of Rs. 2.80 (280%) per paid up equity share of Rs.1/- each, aggregating to Rs. 6,591 lakh (excluding dividend distribution tax) and the same shall be considered as total dividend for the year ended 31 March 2020.
- 9 Amounts for the quarters ended 31 March 2020 and 31 March 2019 are the balancing amounts between audited amounts for the full financial year and the published year to date amounts upto third quarter of the respective financial year, which were subjected to limited review.
- 10 The outbreak of Coronavirus (Covid 19) has severely impacted business globally including India. On 24 March 2020, Government of India ("GOI") has declared this pandemic a health emergency and ordered temporary closure of all non-essential business, though essential category business were allowed to operate adhering to the guidelines issued by GOI.  
As the nature of business performed by the Company falls under the essential category and the Company continued to operate its manufacturing facilities and distribute its products in accordance with the said guidelines. Though, there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. Further, the management of the Company has also assessed the impact of the situation on the capital, profitability, liquidity positions etc., and based on their assessment, the pandemic doesn't have any material impact on the financial results of the Company. The management will continue to closely monitor any material change to future economic conditions and would take necessary actions accordingly.
- 11 The Enforcement Directorate ("ED") had provisionally attached a portion of land parcels and building thereupon, situated at Dhuri, Tehsil Sangrur District of Punjab, to the extent of value of Rs. 1,532 lacs in connection with its money laundering investigation vide order dated 3 July 2019. The Adjudicating Authority vide their order dated 12 December 2019 has confirmed the said attachment. The Company filed an appeal with Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal ordered to restore the possession in favor of the Company, however, aforesaid attachment may continue till the conclusion of the matter. Against the order of Appellate Tribunal, the ED has filed an appeal before Hon'ble High Court of Delhi, which is pending for hearing.  
As at 31 March 2020, the possession of the said land parcels and building has not been restored physically to Company and therefore, the Company has filed an application with Hon'ble High Court of Delhi on 29 May 2020, for execution of the Appellate Tribunal order. The Company based upon the legal assessments, is confident that it has a favorable case and the said attachment shall be vacated.  
The auditors of the Company have invited attention to the aforementioned issue in their audit report for the quarter and year ended 31 March 2020.
- 12 Effective from 1 April 2019, the Company has designated certain forward contracts and borrowings as eligible hedging instruments for hedge of foreign currency forecast sales. Pursuant to this, the effective portion of change in value of the hedging instruments has been recognised in 'cash flow hedge reserve' in other comprehensive income. Such amount is reclassified to profit or loss as and when the forecast transaction occurs or the hedges are no longer effective.
- 13 The Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 ("Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in quarter ended 30 September 2019, which had resulted in lower tax rate of 25.17% as compared to 34.94% on the taxable profits, computed without any exemption/incentives under the different provisions of the Act. Consequent to such change, the accumulated deferred tax liabilities (net) has been remeasured, which has resulted in a onetime additional charge of Rs. 788 lakh recognised in the Statement of Profit and loss for the year ended 31 March 2020.
- 14 The figures for the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to make them comparable.

For and on behalf of Board of Directors of  
KRBL Limited

  
Anoop Kumar Gupta  
Joint Managing Director  
DIN: 00030160



Place: Noida  
Date: 9 June 2020



# Walker Chandiook & Co LLP

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## **Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

### **To the Board of Directors of KRBL Limited**

#### **Opinion**

1. We have audited the accompanying consolidated annual financial results ('the Statement') of KRBL Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 13 below, the Statement:
  - (i) includes the annual financial results for the year ended 31 March 2020 of the following entities;
    - a. KB Exports Private Limited;
    - b. KRBL DMCC; and
    - c. KRBL LLC, (a subsidiary of KRBL DMCC)
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2020.

#### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement section of our report*. We are independent of the Group, its associates and joint ventures, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and that obtained by the other auditors in

terms of their reports referred to in paragraph 13 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

## **Emphasis of Matters**

4. We draw attention to:

- a. Note 6 to the accompanying Statement, wherein it is stated that the Commissioner of Income Tax (Appeals), New Delhi, vide its order dated 11 March 2020, has granted partial relief to the Company from an income tax demand received in the financial year ended 31 March 2019 and that the Company is in the process of filing an appeal with the Hon'ble Income Tax Appellate Tribunal for the remaining matters which have been sustained by the Commissioner of Income Tax (Appeals), New Delhi. Based on the legal assessment of the outcome of the Company's appeal against the aforesaid remaining income-tax demand, the management is of the view that no adjustment is required in the accompanying Statement.
- b. Note 11 to the accompanying Statement, wherein it is stated that a portion of land parcels and building thereupon owned by the Company as identified in the aforesaid note has been attached by the Directorate of Enforcement ("ED"), which is being contested by the Company. The Company had filed an appeal with the Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal had ordered to restore the possession in favor of the Company, while, the aforesaid attachment would continue till the conclusion of the matter. The matter is being contested in the Hon'ble High Court of Delhi by both the parties as detailed in the aforesaid note. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the accompanying Statement.

Our conclusion is not modified in respect of above matters.

## **Responsibilities of Management and Those Charged with Governance for the Statement**

5. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
6. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless

the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

7. The respective Board of Directors/ management of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associates and joint ventures.

## **Auditor's Responsibilities for the Audit of the Statement**

8. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, specified under section 143(10) of the Act, will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error, and are considered material if, individually, or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures, to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint ventures to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results/ financial information/ financial statements of the entities within the Group, and its associates and joint ventures, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
10. We communicate with those charged with governance of the Holding Company, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
12. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

**Other Matters**

13. We did not audit the annual financial statements of three subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 1,507 lakh as at 31 March 2020, total revenues of ₹ 435 lakh, total net loss after tax of ₹ 122 lakh, total comprehensive loss of ₹ 122 lakh, and cash flows (net) of (₹ 11 lakh) for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 9 above.

Further, of these subsidiaries, two subsidiaries, are located outside India, whose annual financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, and which have been audited by other auditor under standard of auditing applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of these subsidiaries, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion is not modified in respect of this with respect to our reliance on the work done by and the reports of the other auditors.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



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by Rohit Arora  
Date:  
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**Rohit Arora**

Partner

Membership No. 504774

UDIN: **20504774AAAACO9361**

**Place:** New Delhi

**Date:** 9 June 2020

## KRBL LIMITED

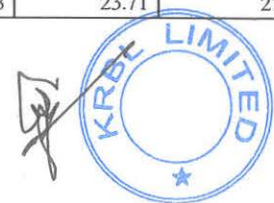
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### STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

(Rs. in lakh except as stated otherwise)

S. No.	Particulars	Quarter ended			Year ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Refer note 9	(Unaudited)	Refer note 9	(Audited)	
<b>1.</b>	<b>Income</b>					
(a)	Revenue from operations	1,06,250	1,32,898	1,19,641	4,49,902	4,12,049
(b)	Other income	941	461	334	2,251	1,515
	<b>Total income</b>	<b>1,07,191</b>	<b>1,33,359</b>	<b>1,19,975</b>	<b>4,52,153</b>	<b>4,13,564</b>
<b>2.</b>	<b>Expenses</b>					
(a)	Cost of materials consumed	74,835	93,375	95,809	3,03,592	3,16,761
(b)	Purchase of stock-in-trade	174	600	174	1,212	1,165
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,699)	3,298	(11,086)	17,395	(28,558)
(d)	Employee benefits expenses	2,278	2,177	2,091	8,562	7,702
(e)	Finance costs	1,848	1,386	2,120	6,244	6,758
(f)	Depreciation and amortisation expense	1,803	1,796	1,535	7,288	6,446
(g)	Other expenses	7,851	9,586	9,590	32,105	29,991
	<b>Total expenses</b>	<b>87,090</b>	<b>1,12,218</b>	<b>1,00,233</b>	<b>3,76,398</b>	<b>3,40,265</b>
<b>3.</b>	<b>Profit before tax (1-2)</b>	<b>20,101</b>	<b>21,141</b>	<b>19,742</b>	<b>75,755</b>	<b>73,299</b>
<b>4.</b>	<b>Tax expense</b>					
(a)	Current tax	5,438	5,415	6,617	20,021	23,016
(b)	Deferred tax charge	(305)	(174)	762	(85)	1,471
(c)	Mat credit entitlement	-	-	(1,490)	-	(1,490)
	<b>Total tax expense</b>	<b>5,133</b>	<b>5,241</b>	<b>5,889</b>	<b>19,936</b>	<b>22,997</b>
<b>5.</b>	<b>Profit after tax (3-4)</b>	<b>14,968</b>	<b>15,900</b>	<b>13,853</b>	<b>55,819</b>	<b>50,302</b>
<b>6.</b>	<b>Other comprehensive income</b>					
(a)	Items that will not be reclassified to profit or loss	(229)	2	(14)	(224)	6
(b)	Income tax relating to items that will not be reclassified to profit or loss *	60	(0)	4	59	(2)
(c)	Items that will be reclassified to profit or loss	(767)	(6)	91	(744)	91
(d)	Income tax relating to items that will be reclassified to profit or loss	223	2	-	224	-
	<b>Total other comprehensive (loss)/income</b>	<b>(713)</b>	<b>(2)</b>	<b>81</b>	<b>(685)</b>	<b>95</b>
<b>7.</b>	<b>Total comprehensive income (5+6)</b>	<b>14,255</b>	<b>15,898</b>	<b>13,934</b>	<b>55,134</b>	<b>50,397</b>
(a)	<b>Net profit attributed to:</b>					
	Owner of the Holding Company	14,968	15,900	13,853	55,818	50,302
	Non controlling interest *	0	0	0	1	0
(b)	<b>Other comprehensive income attributed to:</b>					
	Owner of the Holding Company	(713)	(2)	81	(685)	95
	Non controlling interest *	0	0	0	0	0
<b>8.</b>	Paid-up equity share capital (face value of Re.1/- each)	2,354	2,354	2,354	2,354	2,354
<b>9.</b>	Other equity				3,10,410	2,70,316
<b>10.</b>	<b>Earnings per equity share ("EPS") (face value of Re.1/- each) (EPS for the quarter not annualized)</b>					
(a)	Basic	6.36	6.75	5.88	23.71	21.37
(b)	Diluted	6.36	6.75	5.88	23.71	21.37

\* Rounded off to zero



## KRBL LIMITED

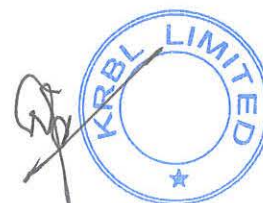
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### NOTES TO THE STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

1. Operating Segments Disclosure as per Ind AS 108 'Operating Segments':

(Rs. in lakh)

S. No.	Particulars	Quarter ended			Year ended	
		31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
		Refer note 9	(Unaudited)	Refer note 9	(Audited)	
<b>1.</b>	<b>Segment revenue</b>					
(a)	Agri	1,03,978	1,31,085	1,17,436	4,37,893	3,99,189
(b)	Energy	4,230	4,432	4,593	20,151	21,457
	<b>Total segment revenue</b>	<b>1,08,208</b>	<b>1,35,517</b>	<b>1,22,029</b>	<b>4,58,044</b>	<b>4,20,646</b>
	Inter segment revenue - Energy	(1,958)	(2,619)	(2,388)	(8,142)	(8,597)
	<b>Net segment revenue</b>	<b>1,06,250</b>	<b>1,32,898</b>	<b>1,19,641</b>	<b>4,49,902</b>	<b>4,12,049</b>
<b>2.</b>	<b>Segment results</b>					
(a)	Agri	21,000	21,277	21,046	74,325	71,763
(b)	Energy	1,004	1,319	811	7,854	8,181
	<b>Total segment results (before finance costs and tax)</b>	<b>22,004</b>	<b>22,596</b>	<b>21,857</b>	<b>82,179</b>	<b>79,944</b>
	Less: Finance costs	1,778	1,308	2,009	5,911	6,201
	Less: Other unallocable expenditures (net of unallocable incomes)	125	147	106	513	444
	<b>Total profit before tax</b>	<b>20,101</b>	<b>21,141</b>	<b>19,742</b>	<b>75,755</b>	<b>73,299</b>
<b>3.</b>	<b>Segment assets</b>					
(a)	Agri	3,76,357	4,11,090	3,97,558	3,76,357	3,97,558
(b)	Energy	65,934	68,457	66,056	65,934	66,056
	<b>Total segment assets</b>	<b>4,42,291</b>	<b>4,79,547</b>	<b>4,63,614</b>	<b>4,42,291</b>	<b>4,63,614</b>
<b>4.</b>	<b>Segment liabilities</b>					
(a)	Agri	63,446	69,659	32,502	63,446	32,502
(b)	Energy	3,775	6,223	5,190	3,775	5,190
(c)	Unallocable	62,217	97,121	1,53,164	62,217	1,53,164
	<b>Total segment liabilities</b>	<b>1,29,438</b>	<b>1,73,003</b>	<b>1,90,856</b>	<b>1,29,438</b>	<b>1,90,856</b>
	<b>Segment revenue - Geographical information:</b>					
(a)	<b>Agri</b>					
	India	54,668	65,561	56,886	2,29,396	2,14,746
	Rest of the world	49,310	65,524	60,550	2,08,497	1,84,443
	<b>Sub-total (a)</b>	<b>1,03,978</b>	<b>1,31,085</b>	<b>1,17,436</b>	<b>4,37,893</b>	<b>3,99,189</b>
(b)	<b>Energy</b>					
	India	4,230	4,432	4,593	20,151	21,385
	Rest of the world	-	-	-	-	72
	<b>Sub-total (b)</b>	<b>4,230</b>	<b>4,432</b>	<b>4,593</b>	<b>20,151</b>	<b>21,457</b>
	<b>Total (a)+(b)</b>	<b>1,08,208</b>	<b>1,35,517</b>	<b>1,22,029</b>	<b>4,58,044</b>	<b>4,20,646</b>
	Inter-segment revenue - Energy	(1,958)	(2,619)	(2,388)	(8,142)	(8,597)
	<b>Total</b>	<b>1,06,250</b>	<b>1,32,898</b>	<b>1,19,641</b>	<b>4,49,902</b>	<b>4,12,049</b>



## KRBL LIMITED

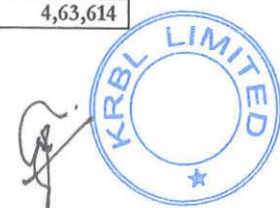
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### NOTES TO THE STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

#### 2 Consolidated Statement of Assets and Liabilities

(Rs. in lakh)

	Particulars	31-03-2020	31-03-2019
A.	ASSETS	(Audited)	(Audited)
1.	<b>Non-current assets</b>		
	(a) Property, plant and equipment	88,740	93,172
	(b) Capital work-in-progress	1,214	59
	(c) Right of use assets	8,138	-
	(d) Investment property	908	833
	(e) Goodwill	16	16
	(f) Other intangible assets	143	101
	(g) Financial assets		
	(i) Loans	929	321
	(ii) Other financial assets	14	6
	(h) Other non-current assets	24,973	11,749
	<b>Sub total non-current assets</b>	<b>1,25,075</b>	<b>1,06,257</b>
2.	<b>Current assets</b>		
	(a) Inventories	2,85,242	3,12,939
	(b) Financial assets		
	(i) Investments	584	765
	(ii) Trade receivables	23,020	39,729
	(iii) Cash and cash equivalents	1,443	425
	(iv) Bank balances other than (iii) above	3,812	102
	(v) Loans	22	35
	(vi) Other financial assets	1,157	1,041
	(c) Other current assets	1,936	2,321
	<b>Sub total current assets</b>	<b>3,17,216</b>	<b>3,57,357</b>
	<b>TOTAL ASSETS</b>	<b>4,42,291</b>	<b>4,63,614</b>
B.	<b>EQUITY AND LIABILITIES</b>		
1.	<b>Equity</b>		
	(a) Equity share capital	2,354	2,354
	(b) Other equity	3,10,410	2,70,316
	<b>Equity attributable to the owners of the Holding Company</b>	<b>3,12,764</b>	<b>2,72,670</b>
	Non-controlling interest	89	88
	<b>Sub total shareholder's fund</b>	<b>3,12,853</b>	<b>2,72,758</b>
	<b>Liabilities</b>		
2.	<b>Non-current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	1,957	3,324
	(ii) Lease liabilities	6,965	-
	(b) Provisions	733	565
	(c) Deferred tax liabilities (net)	14,588	14,673
	<b>Sub total non-current liabilities</b>	<b>24,243</b>	<b>18,562</b>
3.	<b>Current liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	46,270	1,38,151
	(ii) Trade payables		
	- Total outstanding due to micro enterprises and small enterprises	439	688
	- Total outstanding dues of creditors other than micro and small enterprises	37,917	21,691
	(iii) Lease liabilities	615	-
	(iv) Other financial liabilities	16,081	8,566
	(b) Other current liabilities	2,066	2,602
	(c) Provisions	493	287
	(d) Current tax liabilities (net)	1,314	309
	<b>Sub total current liabilities</b>	<b>1,05,195</b>	<b>1,72,294</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>4,42,291</b>	<b>4,63,614</b>



## KRBL LIMITED

Regd. Office: 5190, Lahori Gate, Delhi-110006, CIN: L01111DL1993PLC052845, Email: investor@krblindia.com,  
website: www.krblrice.com, Tel.: +91-11-23968328, Fax: +91-11-23968327

### NOTES TO THE STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

#### 3. Consolidated Statement of Cash Flow

Particulars		(Rs. in lakh)	
		31-03-2020 (Audited)	31-03-2019 (Audited)
A	<b>Cash flow from operating activities</b>		
	Profit before tax	75,755	73,299
	Adjustment for :		
	Depreciation and amortisation expenses	7,288	6,446
	Profit on sale of property, plant and equipment	(6)	(135)
	Unrealised foreign exchange (net)	(167)	(225)
	Loss/(profit) on sale of investment	124	(289)
	Balances written off	130	1,083
	Liabilities/provisions no longer required, written back	(45)	(134)
	Finance costs	6,244	6,758
	Interest income	(709)	(656)
	Dividend income	(38)	(30)
	<b>Operating profit before working capital changes</b>	<b>88,576</b>	<b>86,117</b>
	<b>Adjustments for working capital changes :</b>		
	Increase in financial and other assets	(15,147)	(7,061)
	Decrease/(Increase) in inventories	27,697	(66,667)
	Decrease/(Increase) in trade receivables	16,795	(16,367)
	Increase in trade payables	16,022	11,574
	Increase in liabilities and provisions	6,002	2,883
	<b>Cash generated from operations</b>	<b>1,39,945</b>	<b>10,479</b>
	Income tax paid (net)	(18,757)	(21,965)
	<b>Net cash flow from/(used in) operating activities (A)</b>	<b>1,21,188</b>	<b>(11,486)</b>
B	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment and intangible assets <sup>1</sup>	(4,266)	(2,248)
	Sale of property, plant and equipment	1,229	119
	Sale proceeds from investments	90,058	58,072
	Purchase of investments	(90,000)	(57,649)
	Movement from deposits (net)	(2,938)	3,031
	Interest received	526	665
	Dividend income	38	30
	<b>Net cash (used in)/flow from investing activities (B)</b>	<b>(5,353)</b>	<b>2,020</b>
C	<b>Cash flow from financing activities</b>		
	Repayment of long term borrowings	(1,367)	(3,443)
	Payment of lease liabilities	(564)	-
	Movement in short term borrowings (net)	(92,732)	22,191
	Finance cost paid	(5,895)	(6,283)
	Dividend paid	(11,695)	(5,414)
	Dividend distribution tax paid	(2,564)	(1,102)
	<b>Net cash (used in)/flow from financing activities (C)</b>	<b>(1,14,817)</b>	<b>5,949</b>
D	<b>Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>1,018</b>	<b>(3,517)</b>
	Cash and cash equivalents-opening balance	425	3,942
	<b>Cash and cash equivalents at the year end</b>	<b>1,443</b>	<b>425</b>
E	<b>Cash and cash equivalents</b>		
	Cash in hand	72	79
	Balances with banks	1,371	346
		<b>1,443</b>	<b>425</b>

#### Notes

1. Net of movement in capital work-in-progress and capital advances.
2. The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7, 'Statement of cash flows'.





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### NOTES TO THE STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2020

- 4 The above financial results of KRBL Limited ("the Company") have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 June 2020 and have been audited by the statutory auditors of the Company.
- 5 The financial results have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, specified in Section 133 of the Companies Act, 2013.
- 6 During the year ended 31 March 2019, the Company had received demand notices under section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, amounting to Rs. 75,744 lakh and interest thereon Rs. 51,176 lakh, against which Company had filed appeals with CIT (Appeals), New Delhi. During the quarter and year ended 31 March 2020, CIT(Appeals) granted partial relief on certain matters in favor of the Company, vide orders dated 11 March 2020, and correspondingly, income tax demand has been reduced by Rs. 69,612 lakh and interest thereon by Rs. 47,424 lakh respectively. The Company is in the process of filing appeals before Hon'ble Income Tax Appellate Tribunal ("ITAT") for remaining matters confirmed by CIT(Appeals) in respect of income tax demand of Rs. 6,132 lakh and interest thereupon of Rs. 3,752 lakh, shown under contingent liabilities. As at 31 March 2020, the Company had already paid Rs. 21,900 lakh, under protest against the demand. The management, based on legal assessment, is confident that it has a favorable case and the remaining demand shall also be deleted at the ITAT level.  
The auditors of the Company have invited attention to the aforementioned issue in their audit report for the quarter and year ended 31 March 2020.
- 7 Ind AS 116, Leases, is mandatory for reporting periods beginning on or after 1 April 2019 (being transition date) and has replaced earlier leases accounting and reporting requirements under Ind AS 17 "Leases". The Company has adopted revised reporting i.e. Ind AS 116 with effect from 1 April 2019 using "Modified Retrospective Approach". There is no impact of adoption of Ind AS 116 on the retained earnings of the Company on transition date as the Company has availed practical expedients available in the revised reporting standard for transition.
- 8 The Board of Directors of the Company vide Resolution by Circulation dated 27 February 2020 have declared and paid an interim dividend for the financial year ended 31 March 2020, of Rs. 2.80 (280%) per paid up equity share of Re.1/- each, aggregating to Rs. 6,591 lakh (excluding dividend distribution tax) and the same shall be considered as total dividend for the year ended 31 March 2020.
- 9 Amounts for the quarters ended 31 March 2020 and 31 March 2019 are the balancing amounts between audited amounts for the full financial year and the published year to date amounts upto third quarter of the respective financial year, which were subjected to limited review.
- 10 The outbreak of Coronavirus (Covid 19) has severely impacted business globally including India. On 24 March 2020, Government of India ("GOI") has declared this pandemic a health emergency and ordered temporary closure of all non-essential business, though essential category business were allowed to operate adhering to the guidelines issued by GOI.  
As the nature of business performed by the Company falls under the essential category and the Company continued to operate its manufacturing facilities and distribute its products in accordance with the said guidelines. Though, there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. Further, the management of the Company has also assessed the impact of the situation on the capital, profitability, liquidity positions etc., and based on their assessment, the pandemic doesn't have any material impact on the financial results of the Company. The management will continue to closely monitor any material change to future economic conditions and would take necessary actions accordingly.
- 11 The Enforcement Directorate ("ED") had provisionally attached a portion of land parcels and building thereupon, situated at Dhuri, Tehsil Sangrur District of Punjab, to the extent of value of Rs. 1,532 lacs in connection with its money laundering investigation vide order dated 3 July 2019. The Adjudicating Authority vide their order dated 12 December 2019 has confirmed the said attachment. The Company filed an appeal with Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal ordered to restore the possession in favor of the Company, however, aforesaid attachment may continue till the conclusion of the matter. Against the order of Appellate Tribunal, the ED has filed an appeal before Hon'ble High Court of Delhi, which is pending for hearing.  
As at 31 March 2020, the possession of the said land parcels and building has not been restored physically to Company and therefore, the Company has filed an application with Hon'ble High Court of Delhi on 29 May 2020, for execution of the Appellate Tribunal order. The Company based upon the legal assessments, is confident that it has a favorable case and the said attachment shall be vacated.  
The auditors of the Company have invited attention to the aforementioned issue in their audit report for the quarter and year ended 31 March 2020.
- 12 Effective from 1 April 2019, the Company has designated certain forward contracts and borrowings as eligible hedging instruments for hedge of foreign currency forecast sales. Pursuant to this, the effective portion of change in value of the hedging instruments has been recognised in 'cash flow hedge reserve' in other comprehensive income. Such amount is reclassified to profit or loss as and when the forecast transaction occurs or the hedges are no longer effective.
- 13 The Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 ("Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in quarter ended 30 September 2019, which had resulted in lower tax rate of 25.17% as compared to 34.94% on the taxable profits, computed without any exemption/incentives under the different provisions of the Act. Consequent to such change, the accumulated deferred tax liabilities (net) has been remeasured, which has resulted in a onetime additional charge of Rs. 788 lakh recognised in the Statement of Profit and loss for the year ended 31 March 2020.
- 14 The figures for the corresponding previous periods/year have been regrouped/reclassified, wherever necessary, to make them comparable.

For and on behalf of Board of Directors of  
KRBL Limited

Anoop Kumar Gupta  
Joint Managing Director  
DIN: 00030160



Place: Noida  
Date: 9 June 2020