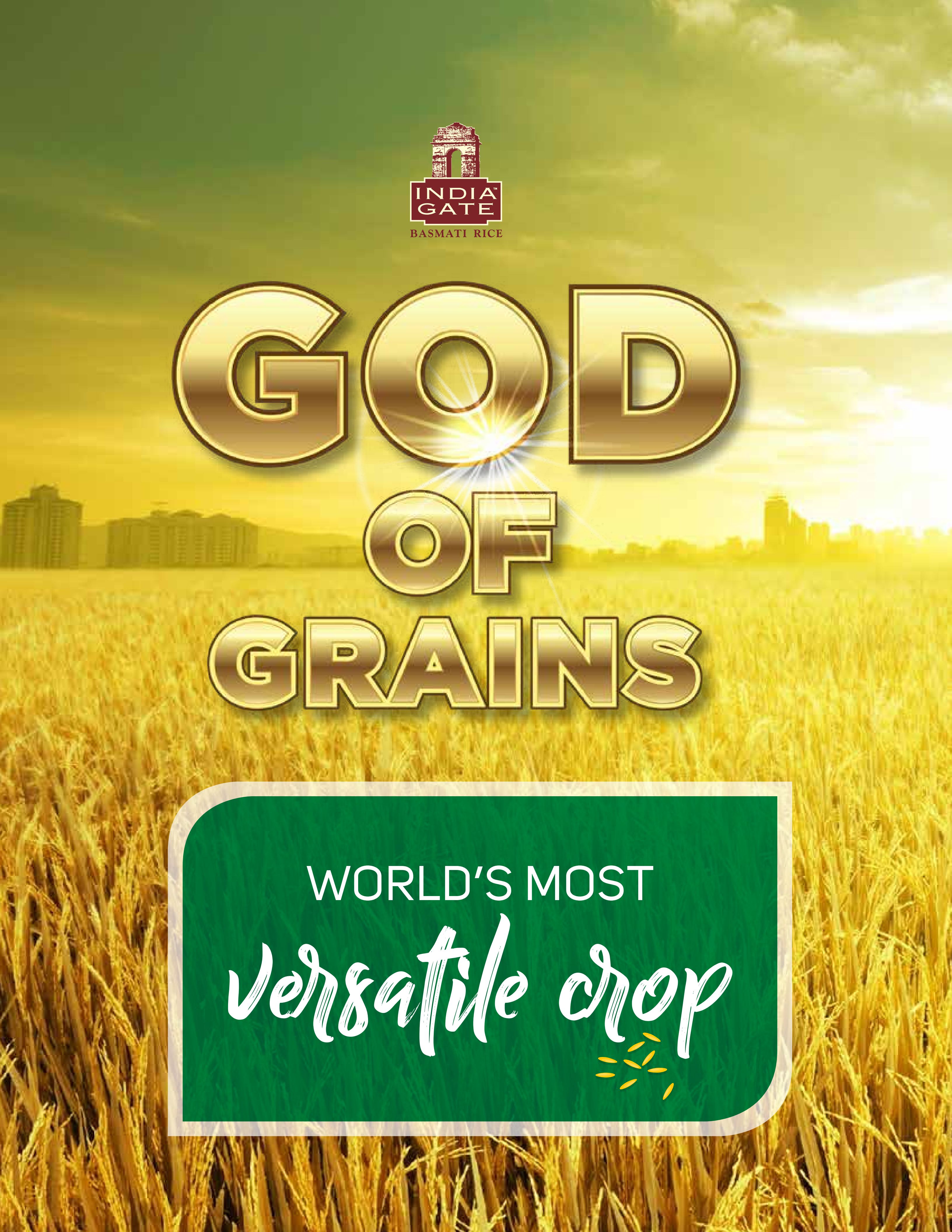
KRBL Limited
WORLD'S LARGEST RICE MILLERS
& BASMATI RICE EXPORTERS

GOD OF GRAINS

ANNUAL REPORT 2018-19

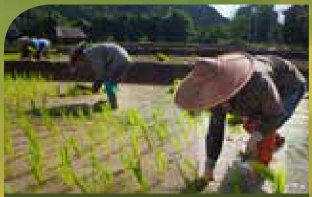

KRBL Limited
WORLD'S LARGEST RICE MILLERS & BASMATI RICE EXPORTERS
BECAUSE TRADITION SAYS, A MEAL IS COMPLETE ONLY WHEN EVERYONE COMES TOGETHER.
There is something special about the age-old traditions, much like the India Gate Basmati Rice. Its fluffy long grains and its delectable taste makes every get-together, special.
India ki Puraani Aadat
2 YEARS AGED RICE
@indiagatefoods
@indiagatefoods
@indiagatefoods
INDIA GATE
BASMATI RICE

Contents


INDIA GATE
BASMATI RICE
GOD
OF
GRAINS
WORLD'S MOST
versatile crop

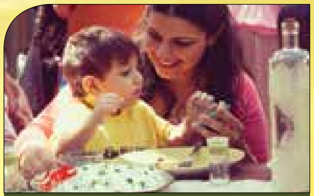
More than
1 billion farmers
make their **living from this crop**

Every third person
on earth **eats it every day** in one form or another



More than
hundred countries
across the globe
grow this crop

It is the **staple diet** of more than
2 billion people



It is the
source of nourishment
for over half the world's population

It is one of the most important
commercial food crops
across the globe

This magic crop is Rice – a crop with more than 130 million years of history and that's cooked all over the world whether in a small hut or a big mansion.

And amongst the thousand varieties of aromatic rice available today, there is a handful which is of great renown across the globe for its distinctive & aromatic smell, length of grain, delicious taste and pearl-like whiteness.

Often referred to as the 'White Pearl', this rice variety is called Basmati Rice.

God of Grains

However, this ancient variety of rice used to have limited availability and due to being extremely expensive, it graced the plates of only the rich and affluent.

This is where our visionary founder, Mr. Anil Kumar Mittal, saw an opportunity and stepped in to transform the Basmati rice industry forever.

From the plates of the select few, Basmati rice is today one of India's major commodity exports. KRBL Limited, the largest exporter of branded Basmati rice in the world and India's first integrated rice company, made this possible.

In recent times, advances in agricultural science have transformed this grain.

It is, however, KRBL and its visionary founder who transformed the Indian Basmati rice industry. Truly believing in the potential of newly developed varieties of Basmati rice, KRBL took the onus of popularizing these new varieties of Basmati rice across the globe.

We helped evolve the value proposition of Basmati rice and modernized the crop. This helped steer the Company's growth in the past and helps sustain growth today and is likely to continue to do so in the future.

We continue to innovate our product offerings while inspiring optimism amidst our many stakeholders. This is why KRBL has never simply catered to an existing market; it has always broadened beyond the existing markets and will always continue to do so.

Corporate **Information**

BOARD OF DIRECTORS

Chairman & Managing Director
Mr. Anil Kumar Mittal

Joint Managing Directors
Mr. Arun Kumar Gupta
Mr. Anoop Kumar Gupta

Whole Time Director
Ms. Priyanka Mittal

Independent Non-Executive Directors
Mr. Alok Sabharwal
Mr. Ashwani Dua
Mr. Devendra Kumar Agarwal
Mr. Shyam Arora
Mr. Vinod Ahuja

CHIEF FINANCIAL OFFICER
Mr. Rakesh Mehrotra

COMPANY SECRETARY AND COMPLIANCE OFFICER
Mr. Raman Sapra

BOARD COMMITTEES

- **Audit Committee**
  Mr. Devendra Kumar Agarwal – Chairman
  Mr. Anoop Kumar Gupta – Member
  Mr. Ashwani Dua – Member
  Mr. Shyam Arora – Member
  Mr. Vinod Ahuja – Member

- **Borrowing and Investment Committee**
  Mr. Anil Kumar Mittal – Chairman
  Mr. Arun Kumar Gupta – Member
  Mr. Anoop Kumar Gupta – Member
  Mr. Rakesh Mehrotra – Member

- **Corporate Social Responsibility Committee**
  Mr. Anil Kumar Mittal – Chairman
  Mr. Anoop Kumar Gupta – Member
  Mr. Ashwani Dua – Member
  Ms. Priyanka Mittal – Member

- **Nomination and Remuneration Committee**
  Mr. Ashwani Dua – Chairman
  Mr. Shyam Arora – Member
  Mr. Vinod Ahuja – Member

- **Risk Management Committee**
  Mr. Arun Kumar Gupta – Chairman
  Mr. Anoop Kumar Gupta – Member
  Mr. Rakesh Mehrotra – Member

- **Stakeholders Relationship Committee**
  Mr. Ashwani Dua – Chairman
  Mr. Shyam Arora – Member
  Mr. Vinod Ahuja – Member

STATUTORY AUDITORS
M/s. Walker Chandiok & Co LLP
Chartered Accountants
21st Floor DLF Square, Jacaranda Marg,
DLF Phase II, Gurgaon -122 002

SECRETARIAL AUDITORS
M/s. DMK Associates
Company Secretaries
31/36, Basement, Old Rajinder Nagar,
Delhi-110 060

INTERNAL AUDITORS
M/s. S S Kothari Mehta & Co.,
Chartered Accountants
Plot No. 68, Okhla Industrial Area,
Phase-III, New Delhi - 110 020

COST AUDITORS
M/s. HMVN & Associates
Cost Accountants
1011, Pearls Best Heights-II, C-9,
Netaji Subhash Place, Pitampura,
Delhi- 110 034

REGISTRAR & SHARE TRANSFER AGENTS
Alankit Assignments Limited
3E/7 Jhandewalan Extension,
New Delhi - 110 055
Phone: 011 - 4254 1955/59

REGISTERED OFFICE
5190, Lahori Gate, Delhi - 110 006
Phone: 011 - 2396 8328
Fax: 011 - 2396 8327
E-mail: investor@krblindia.com
Website: www.krblrice.com
CIN: L01111DL1993PLC052845

CORPORATE OFFICE
C-32, 5th & 6th Floor, Sector 62,
Noida, Uttar Pradesh - 201 301
Phone: 0120 - 4060 300
Fax: 0120 - 4060 398

BANKERS
State Bank of India
ICICI Bank Limited
DBS Bank Limited
HDFC Bank Limited
Kotak Mahindra Bank Ltd.
Karnataka Bank Limited
Corporation Bank
MUFG Bank Ltd.
Induslnd Bank Limited
Coöperatieve Rabobank U.A.

WORKS

- **Gautam Budh Nagar Unit**
  9th Milestone, Post Dujana,
  Bulandshahar Road,
  Distt. Gautam Budh Nagar,
  Uttar Pradesh - 203 207

- **Dhuri Unit**
  Village Bhasaur (Dhuri),
  Distt. Sangrur,
  Punjab - 148 024

- **Alipur Unit**
  29/15-29/16, Village Jindpur,
  G.T. Karnal Road & Plot 258-260,
  Extended Lal Dora
  Both at Alipur, Delhi - 110 036

- **Barota Unit**
  Village Akbarpur Barota,
  Distt. Sonipat, Haryana - 131 104

MANAGEMENT DISCUSSION AND ANALYSIS

Global **Economy Overview**

The uptick in global activity which started in 2016 picked up steam in 2017 and further strengthened in 2018.

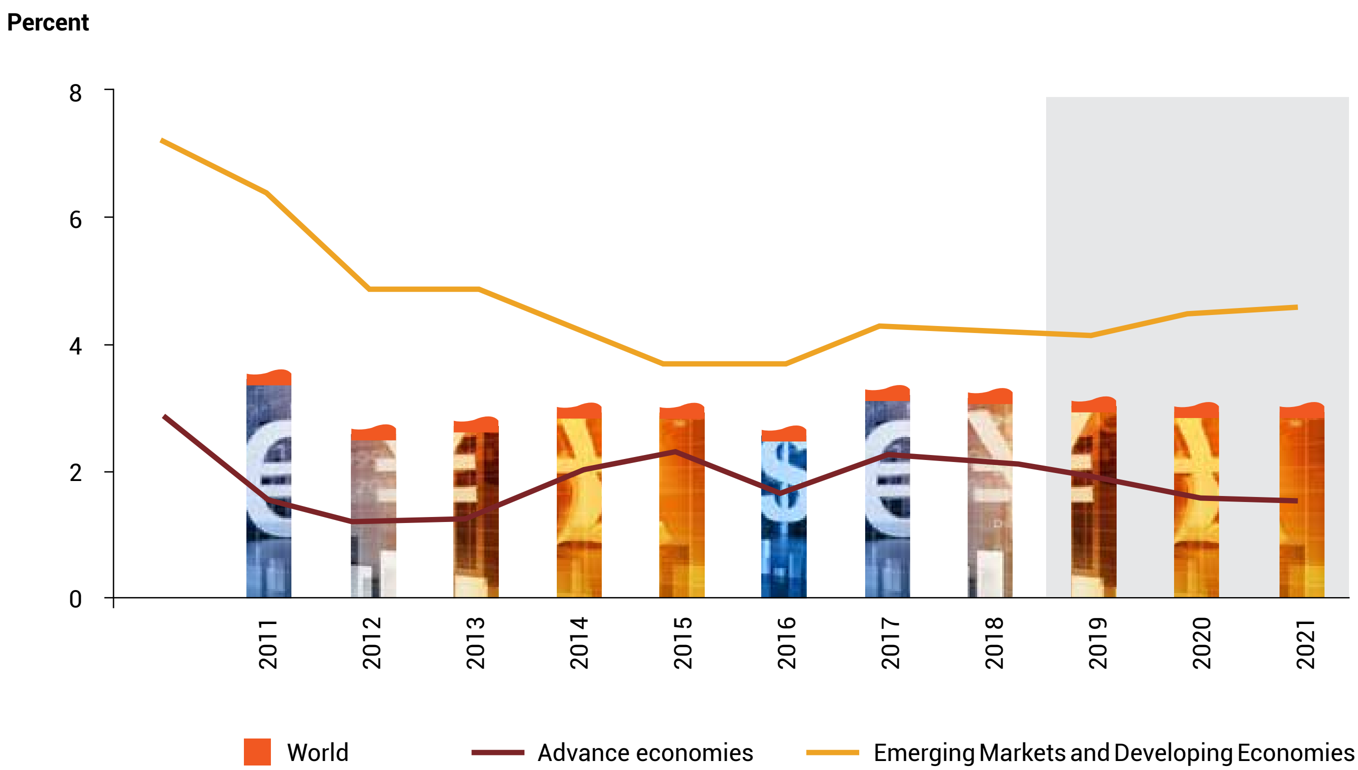
In 2017, global economic growth reached 3.0%, a significant acceleration compared to the growth of just 2.4% in 2016, and the highest rate of global growth recorded since 2011. In 2018, the global GDP grew at 3.7%, according to World Economic Outlook (WEO) despite weaker performance in some economies like Europe and Asia. The global economic growth would be at 3.5% in 2019 and then would pick up slightly to grow at 3.6% in 2020.

Japan, one of the major economies of the world, is all set to grow by 1.1% in 2019. The increased growth percentage reflects additional fiscal support to the economy this year, including measures to mitigate the effects of the planned consumption tax rate increase in October 2019. Following the implementation of the mitigating measures, growth of the economy in 2020 is expected to be around 0.5%.

GDP growth across emerging market economies (EMEs) is expected to hold their composure in 2018 and 2019 and are expected to clock a growth rate of 4.5% for both the years, before improving to 4.9% in 2020. Emerging Asia will remain the growth leader and is expected to clock a growth rate of 6.3% in 2019 compared to 6.5% in 2018, and further recover to 6.4% in 2020. India's economy is poised to pick up in 2019, benefiting from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease.

Sub-Saharan Africa and Latin America indicate a moderate growth rate in 2019. In Latin America, growth is projected to recover over the next two years, from 1.1% in 2018 to 2.0% in 2019 and 2.5% in 2020.

Global Economy Growth



Source: Global Economic Prospects, January 2019, World Bank

U.S. Economic Outlook 2019, 2020, and 2021

Comparative projected rates for growth, unemployment, inflation, and manufacturing

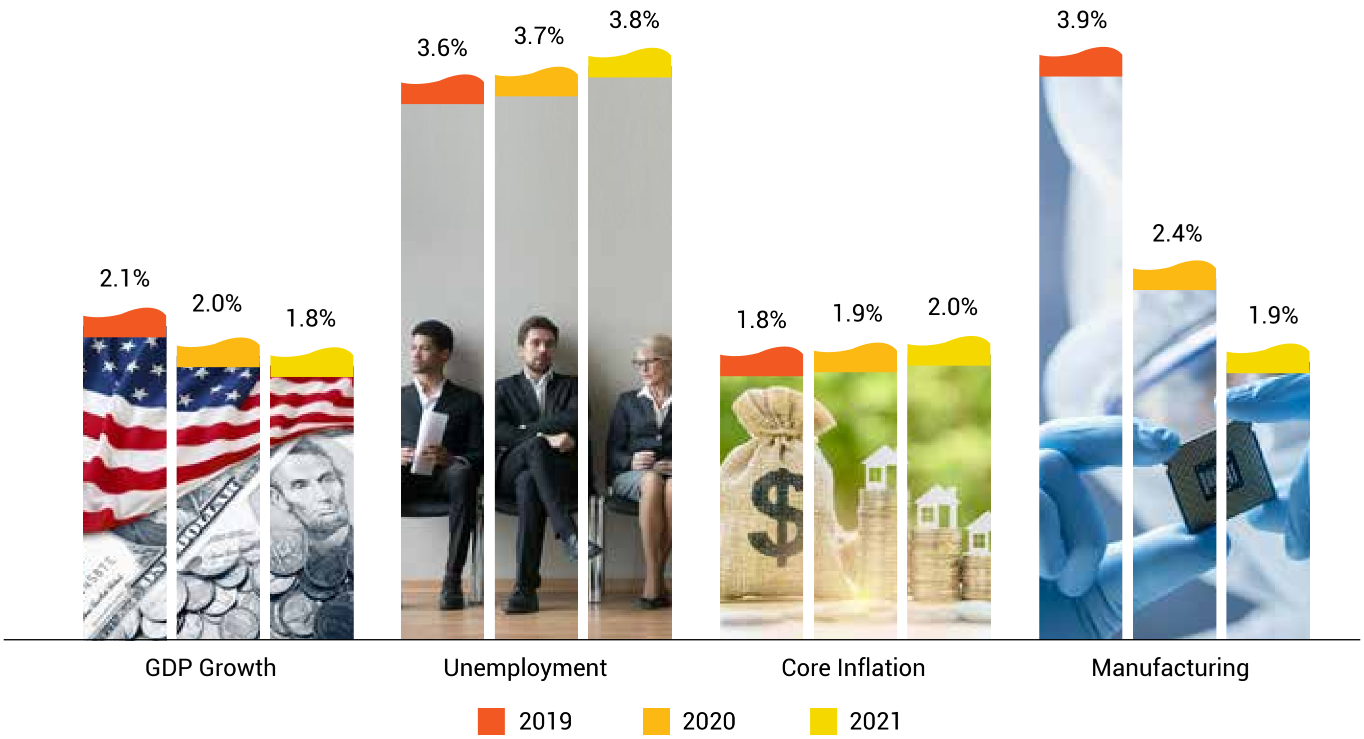


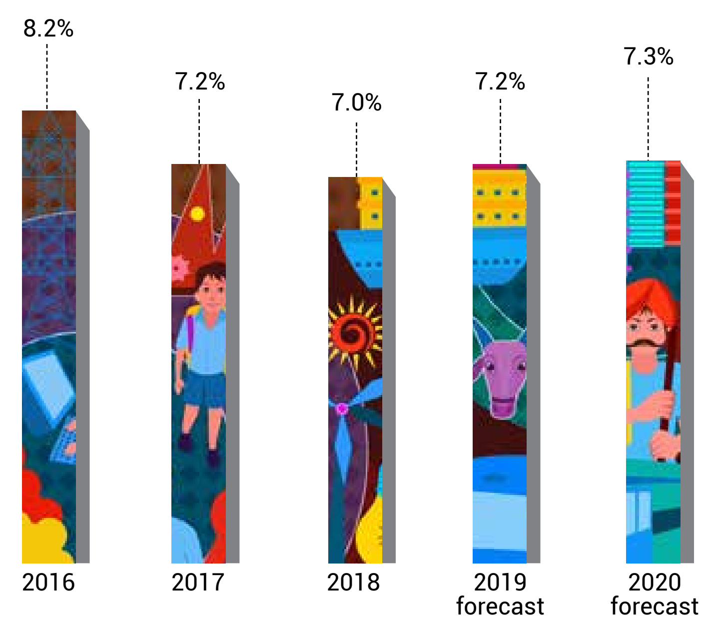
Chart: The Balance **Source:** The Federal Reserve
https://www.thebalance.com/us-economic-outlook-3305669

India **Economy Overview**

Continuing its journey as the fastest growing economy in the world, the Central Statistics Office (CSO) expects the Indian economy to clock a growth rate of 7.2% for the fiscal year 2018-19, and 7.3% in the following two years. Key attributes to this sustained growth of the Indian economy, according to World Bank, are likely to be the upswing in consumption and investment.

Strengthened by the benefits derived from the structural reforms such as the Goods and Services Tax (GST) harmonization and bank recapitalization, uptick in domestic demand gained momentum in 2018. Further impetus was provided by the sustained investment growth, which has firmed as the effects of temporary factors wane.

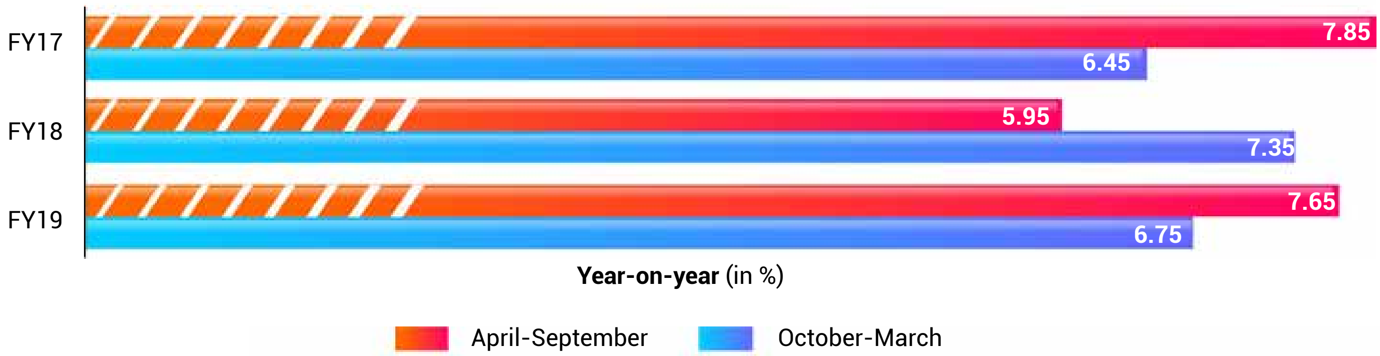
GDP Growth of the Indian economy (y-o-y)



Source: https://www.adb.org/countries/india/economy

GDP growth trends

A slowdown is expected in the second half of FY19 with GDP growth dipping to 6.75% from 7.65% in the first half.

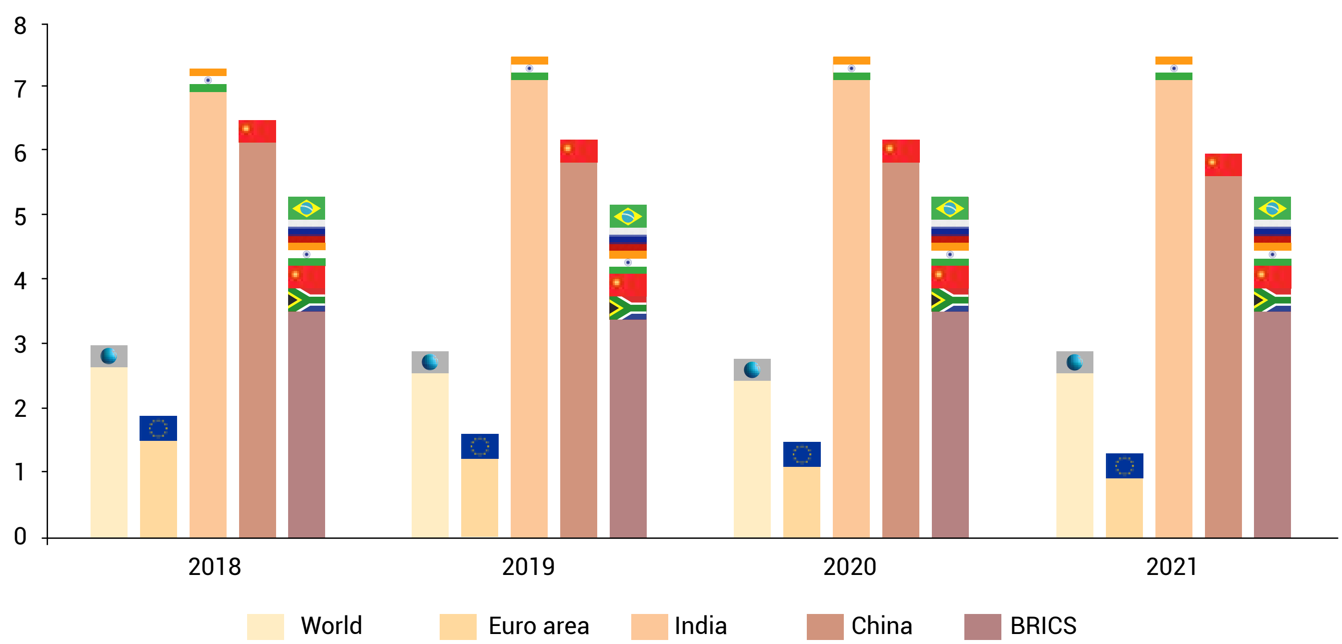


FY17, FY18 and Apr-Sep FY19 are actual figures.
*CSO estimate.

Source: CSO: (https://www.livemint.com/Politics/zxNzYKQfLHUCB2yR3vKE8J/What-India-GDP-growth-rate-forecast-for-2018-19-means.html)

Starting at a high growth for the fiscal 2018-19, the Indian economy recorded a growth rate of 8.2% in the first quarter of FY19 on the back of a strong domestic resilience. However, over the subsequent quarters, growth eased to 7.3% due to rising global volatility, largely from financial volatility, normalized monetary policy in advanced economies, externalities from trade disputes, and investment rerouting. Indian economy still remains one of the fastest growing and possibly the least impacted by the recent global turmoil. Strong macroeconomic fundamentals and proactive policy changes helped the Indian economy absorb the aforementioned external shocks.

India's GDP growth vis-à-vis other nations



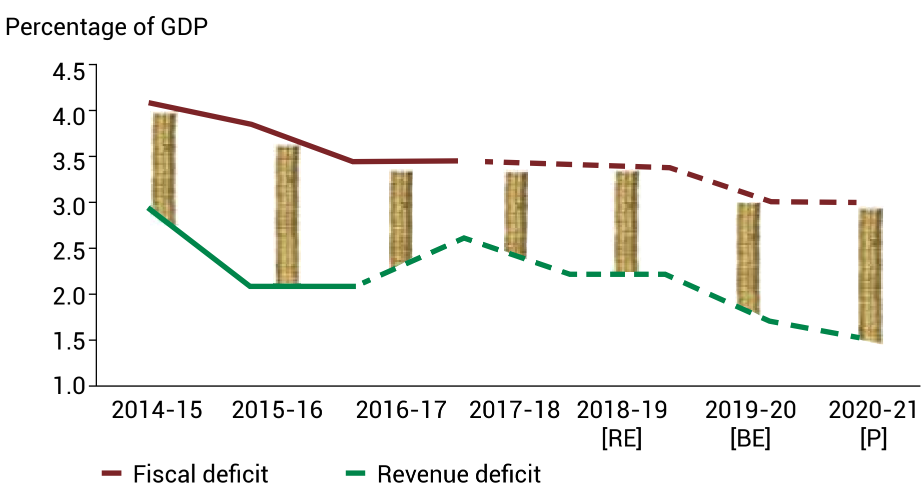
Source: https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-expected-to-grow-at-7-3-in-2018-19/articleshow/67451511.cms)

Slated to clock a growth rate in-between 7.2% to 7.5% range, the Indian economy is expected to grow steadily while prospects of inflationary pressures remain benign. Fiscal expansion remains key to accelerating growth, it may weigh on government coffers if private investment loses steam.

While increased government investments have helped retain a healthy sentiment for capital formation, the stretch in government expenses has already become evident in the expansion of fiscal deficit net. The fiscal deficit target was amended previously, but the recent budget announcement expanded it further to 3.4% of GDP for both FY19 and FY20 (from 3.3% and 3.1% earlier, respectively). This became necessary given the expected higher expenditure toward income support scheme for farm households, pension scheme for the unorganized sector workers, and income tax rebate.

On the macroeconomic front, according to the government data released, India saw its annual retail inflation rate fall to an 18-month low of 2.19% in December as food prices fell for third straight month. Benign inflation rate witnessed

Fiscal deficit vs Revenue deficit



Note: RE, BE, and P denote revised estimates, budget estimates, and provisional as given in the budget document for 2019-20, respectively.

Source: CEIC: Deloitte.

https://www2.deloitte.com/content/dam/Deloitte/in/Documents/finance/DI_India-economic-outlook.pdf

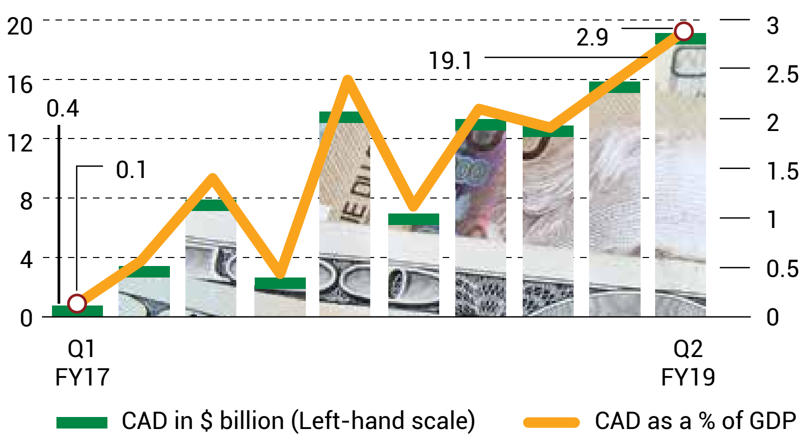
in the recent past has been facilitated by favourable supply side factors associated with food and fuel coupled with lower demand as wage growth has decelerated on account of the negative output gap.

On the export front, government expects the overall Indian merchandise export to stand at $325 billion in 2018-19 compared to $303 billion in 2017-18 after growing by 7.3%, lower than 9.8% clocked in 2017-18. Muted growth of traditional export items such as gems and jewellery, farm and engineering, liquidity crunch, and some other global factors, resulted into slowing export growth. However, total exports from India (merchandise and services) is expected to increase by 8.73% on a year-on-year (y-o-y) basis in

2018-19 (up to February 2019) to US$ 483.92 billion, while total imports expected to have increased by 9.42% on a y-o-y basis to US$ 577.31 billion, according to data from the Ministry of Commerce & Industry. By 2019 end, end exports are expected to reach US$ 540 billion.

Balance of payments: India's current account deficit (CAD) at US$ 19.1 billion (2.9% of GDP) in Q2 of 2018-19 increased from US$ 6.9 billion (1.1% of GDP) in Q2 of 2017-18 and US$ 15.9 billion (2.4% of GDP) in the preceding quarter. The widening of the CAD on a y-o-y basis was primarily on account of a higher trade deficit at US$ 50.0 billion as compared to US$ 32.5 billion a year ago. The goods deficit increased to US$ 49.5 billion from US$ 44 billion a year ago as overall imports rose higher than overall exports. On the other hand, the services surplus increased to US$ 21.3 billion from US$ 20.7 billion, boosted by a rise in net earnings from telecommunications, computer and information services and financial services. The primary income gap decreased to US$ 6 billion from US$ 6.5 billion and the secondary income surplus rose to US$ 17.3 billion from US$ 16.1 billion. Net FDI inflows in H1 of 2018-19 moderated to US$ 17.7 billion from US$ 19.6 billion in H1 of 2017-18.

Rising CAD of India



Source: RBI
https://www.livemint.com/politics/ckdhpgeundxvan/where-is-indias-current-account-deficit-headed.html


INDIA GATE
ARM YOUR
Immunity.
WIN THE WAR AGAINST DISEASES.
Loaded with vitamins, minerals, and essential phenolic components, Brown Rice boosts the immune system of your body. It nourishes the body, accelerates healing and enhances its ability to fight infections, especially in children. So choose from the two variants of India Gate Brown rice and give your body the protection it deserves.
INDIA GATE
BROWN RICE
WEIGHT WATCHERS Special
INDIA GATE
BROWN BASMATI RICE
12MIN
ACTIVE HEALTH SPECIAL
WITH
RICH DIETARY FIBER
LOW IN SUGAR
CHECKS WEIGHT
HIGH FIBRE
BOOSTS IMMUNITY
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Major **budgetary initiatives** 2019

A 750 billion-rupee ($10.5 billion) farm income support program. Farmers with less than two hectares of land will receive 6,000 rupees ($84) each year. This initiative is expected to benefit about 120 million small and marginal farmers.

Increased spending on the animal husbandry and fisheries sectors. An interest subvention plan so that small and medium-sized businesses could benefit the companies with exposure to rural India.

“Mega” pension program for India's informal sector workers with income below ₹ 15,000. The vast majority of the country's workers are employed in small enterprizes, often with little job security and no social security benefits.

Enhanced tax rebate for the tax-payers of the country.

Outlook

Despite the recent budgetary measures taken by the government of India to strike a balance between fiscal prudence and growth, some uncertain risks still loom large in the Indian economy. India needs to solidify its investment position while maintaining fiscal deficit within the targeted range. The need to remain steadfast on fiscal numbers has risen largely from the need to stimulate growth amid pressure to cut taxes, increased budgetary allocations to social sectors, and enhanced infrastructure spending that could pressure public finance. Therefore, meeting the revenue collection and disinvestment targets would be crucial to ensure the budgeted reduction in the fiscal deficit-to-GDP ratio. Overall, the government could do well to carefully manage its public finances and shift focus to projects that can foster private investment. The real challenge is likely to arise from making the right policy decisions about the fiscal expenditure mix and incentivizing private players so as to avoid any long-term costs.

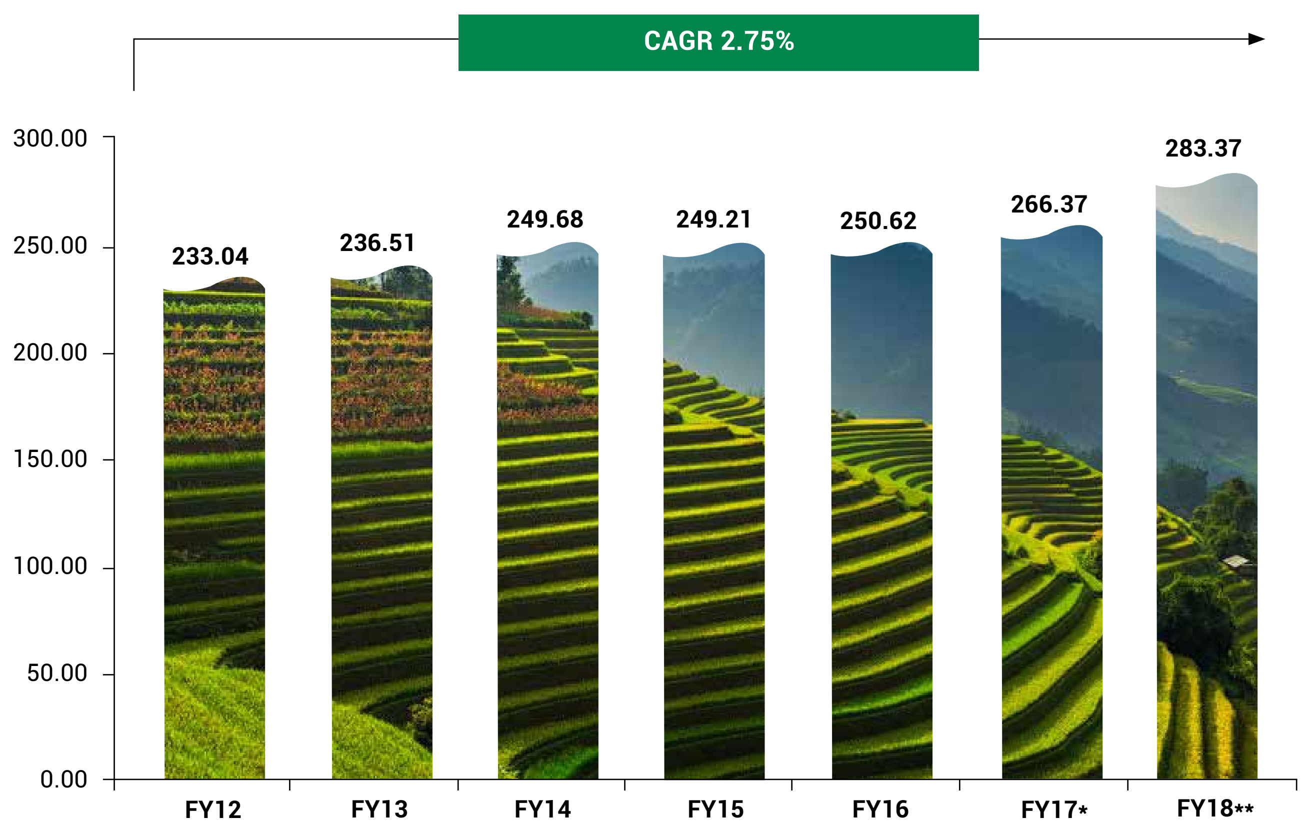
Overview **of the Indian agricultural sector**

One of the main stays of the Indian economy – agriculture, plays an important role in the overall mix of it. The Indian economy is one of the fastest growing economies in the world. Estimated to contribute about 30% to the country's GDP, agriculture is the primary source of livelihood for ~58% of India's population. Playing a big role in improving rural incomes and securing India's food and nutritional needs, agricultural industry of India has been the backbone of the economy for centuries now.

With the 2nd largest arable land in the world, India is the largest producer of spices, pulses, milk, tea, cashew, and jute; and the second largest producer of wheat, rice, fruits & vegetables, sugarcane, cotton, and oilseeds. Further, with 46 out of the 60 soil types in the world, India is the second in the global production of fruits and vegetables along with being the largest producer of mango and banana. According to third advance estimates released by the Department of Agriculture, total food grain production in India is estimated at 283.37 million tonnes during 2018-19 higher by 17.62 million tonnes than the previous five years' (2013-14 to 2017-18) average production of food grain. The total rice production for 2018-19 is estimated to be around 115.63 million tonnes, 2.87 million tonnes higher than the production of 112.76 million tonnes in 2017-18. Wheat production in 2018-19 is estimated to be around 101.20 million tonnes compared to 99.87 million tonnes in the previous year.

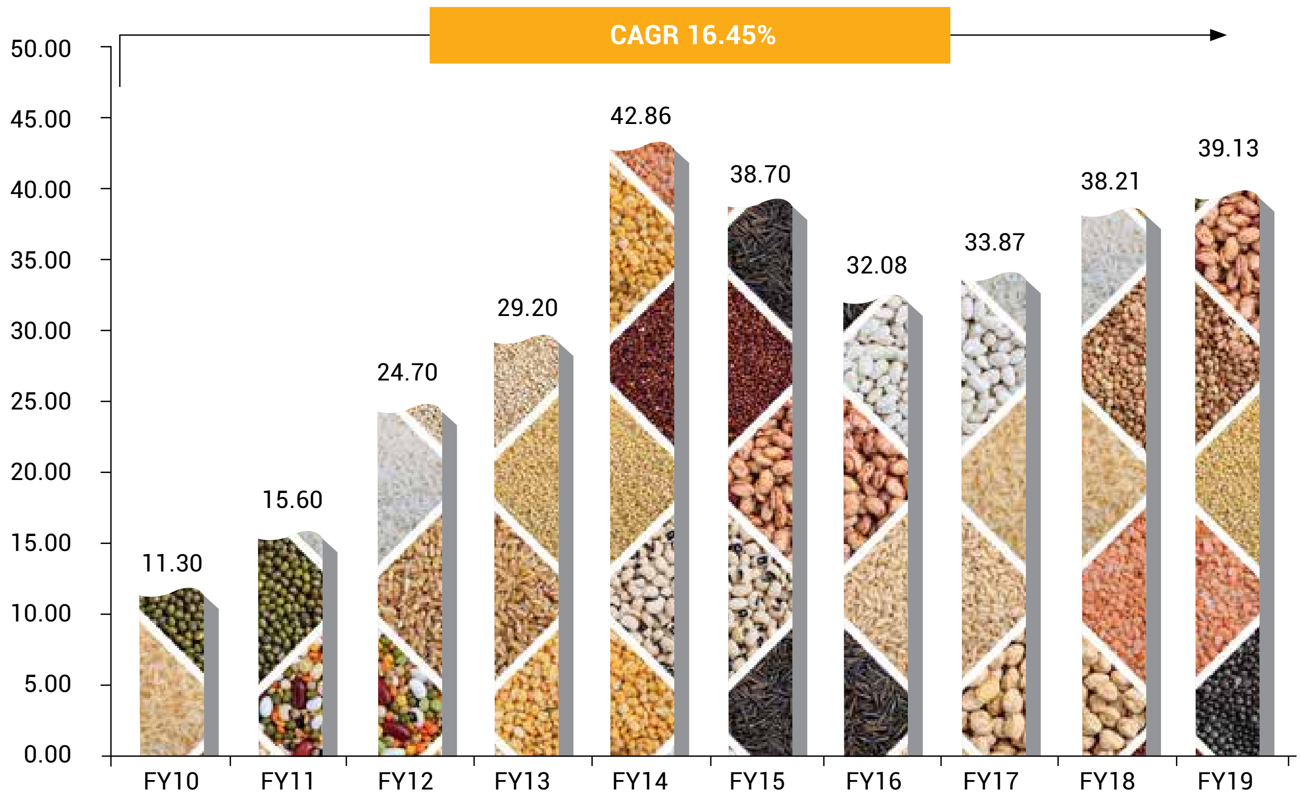
Total pulses production during 2018-19 is estimated at 23.22 million tonnes which is marginally higher than the previous year's 2nd Advance Estimates of 23.95 million tonnes. However, the production of pulses during 2018-19 is higher by

Gross Value Added by Agriculture and Allied sectors (US$ billion, in terms of value)



* 1st revised estimates
** 3rd advance estimates
Source: *https://www.ibef.org/download/Agriculture_and_Allied_Industries_May_2019.pdf*
http://pib.nic.in/newsite/PrintRelease.aspx?relid=190227

Agricultural exports from India (US$ billion in terms of value)



Source: *https://www.ibef.org/download/Agriculture_and_Allied_Industries_May_2019.pdf*

2.96 million tones than the five years' average production of 20.26 million tonnes. Total production of Sugarcane in the country during 2018-19 is estimated at 400.37 million tonnes with an increase by 20.46 million tonnes over 2017-18 (as per 3rd Advance Estimates). Further, the production of sugarcane during 2018-19 is higher by 50.59 million tonnes than the average sugarcane production of 349.78 million tonnes. Total area in India, sown with Rabi crops reached 64.29 million hectares in 2018.

Agricultural item constituting nearly 13% of the total exports, India is among the 15 leading exporters of agricultural products in the world. Total agricultural exports from India grew at a CAGR of 16.45% over FY10-18 to reach US$ 38.21 billion in FY18 and in FY19 total agriculture exports stood at US$ 39.13 billion.

Challenges faced by the Indian agriculture sector

Despite the overwhelming market size, agricultural sector continues to lag in various sections. One of the major parts is that the yields per hectare of crops in India are generally low compared to international standards. Experts in the field of agriculture points out that proper management of water is the primary reason and if systematic water resource management techniques are followed, the country can improve agricultural output greatly.

One of the primary reasons for fall in agricultural productivity is the lack of advanced farming technology. Poor farming communities in the country lack the understanding of modern agriculture methods to improve productivity. Along with these problems, the majority of the farmers lack proper marketing channels and mediums to sell their products, reducing their revenues. An inadequate storage facility and improper marketing channels lead wastage and result in poor agricultural exports and maintaining quality in many cases.

Government Initiatives

In recent years much emphasis has been given on commercializing Indian agriculture. Some of the recent strategies planned and schemes launched in the sector are:

1 Air cargo support to agriculture export	2 Benefit through digital technology	3 Innovation and entrepreneur-ship in agriculture	4 Launched Pradhan Mantri Krishi Sinchai Yojana	5 Extension of the urea subsidy
Planning to provide air cargo support to promote agriculture exports from India.	Allotment of ₹ 2000 Crore (US$ 306.29 million) for computerization of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefited through digital technology.	New AGRI-UDAAN programme launched to boost innovation and entrepreneurship in agriculture.	Launched Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of ₹ 50,000 Crore (US$ 7.7 billion).	Extension of the urea subsidy to the farmers till 2020 estimated at ₹ 45,000 Crore (US$ 6.95 billion).

Growth drivers for the Indian agriculture industry

Growth Drivers

Demand-side drivers

- Population and income growth
- Increasing exports
- Favourable demographics

Supply-side drivers

- Hybrid and genetically modified seeds
- Favourable climate for agriculture: wide variety of crops
- Mechanization
- Irrigational facilities
- Green Revolution in Eastern India

Policy support

- Growing institutional credit
- Increasing MSP
- Introduction of new schemes like Paramparagat Krishi Vikas Yojana, Pradhanmantri Gram Sinchai Yojana, Sansad Adarsh Gram Yojana
- Opening up of exports of wheat and rice
- Approval of National Mission on Food Processing

Outlook

Agriculture is now a sector with great potential of triggering growth. The AgriTech sector is witnessing a number of startups in India. The sustainable intensification of agriculture systems offers synergistic opportunities for combined growth of agriculture and capital investment. India has set to achieve an ambitious target of doubling farm income by 2022. It has also planned to increase the average income of a farmer to ₹ 219,724 (US$ 3,420) by 2022-23 from ₹ 96,703 (US$ 1,505) in 2015-16.

Rice **industry overview**

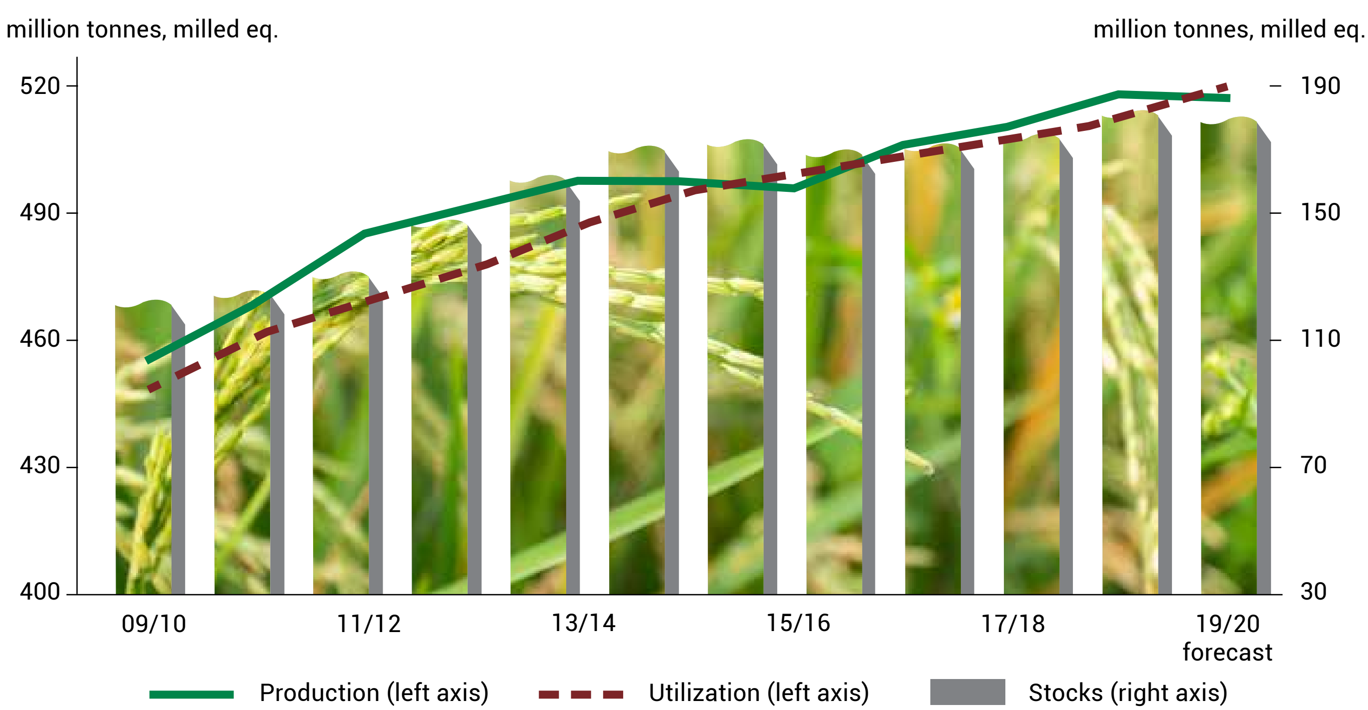
GLOBAL RICE INDUSTRY

Hovering around record 495.9 million, the global rice production in 2018-19 was up by 4.7 million tonnes from the previous forecast largely owing to larger crop forecast for China. Countries like Bangladesh, Madagascar, Nepal, Sri Lanka, Thailand, United States, and Vietnam account for most of the 2018-19 global production increase.

China, one of the largest producers of rice in the world, saw its yield per hectare go up almost 2% from a year earlier and stood at 7.03 tonnes per hectare – the highest on record. China's harvested area is estimated at 30.2 million hectares, up 131,000 hectares from the previous forecast but nearly 2% below a year earlier. This came down as the smallest rice area for China since 2011-12. The 2018-19 area decline is largely due to reduced Government support prices for both indica and japonica rice. The Government of China first reduced support prices in 2016/17, but the price reductions were quite small until 2018-19.

The 2018-19 U.S. crop forecast was also increased, as were production forecasts for Chile, Paraguay, and Suriname. In contrast, Brazil's 2018-19 production forecast was lowered by 0.4 million tonnes to 7.75 million tonnes, 6% below a year earlier. On the 2019 global import side, import forecasts were lowered for Bangladesh, China, Nigeria, and Turkey; but raised for Brazil, Cote d'Ivoire, Nepal, the Philippines, and Venezuela. With 2018-19 global production exceeding consumption, global ending stocks for 2018-19 were increased 5.6 million tonnes to 167.6 million tonnes, the highest on record. Global consumption is projected at a record 492.4 million tonnes, 9.0 million tonnes less than production, with ending stocks of 171.4 million tonnes the highest on record.

Global rice production, utilization and stock



Source: http://www.fao.org/3/ca4526en/ca4526en.pdf

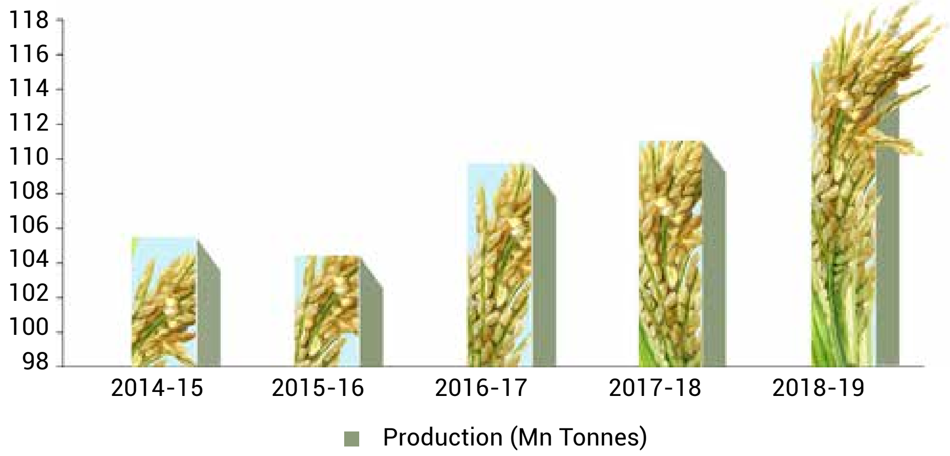
INDIAN RICE INDUSTRY

Nearly 90% rice production happens in Asia and India is second largest producer of rice. Accounting for nearly 40% of the country's food grain production, rice is the most important cereal food crop of India - occupying as much as one-fourth of the gross cropped area of the country. As the basic food crop, rice is cultivated in India comfortably in hot and humid climate and across the year. In India, the crop is mainly grown as a Kharif crop and majorly in the rain fed areas of the country that receive heavy annual rainfall.

Contributing nearly 21% to the global rice production share, India is the second largest rice producer in the world after China. Indian rice production largely depends on monsoon rains but only 59% rice area has assured irrigation. Major rice producing states in India are West Bengal, Uttar Pradesh, Andhra Pradesh, Punjab, Tamil Nadu, Odisha, and Bihar. India has been the top exporter in global rice trade, accounting for 25% of the export in the last four years. Indian rice caters to the Middle East and Africa for non-Basmati, and the EU and the US for Basmati variety.

India has the largest area under rice in the world. Rice is cultivated in 534 districts of the country. Out of which, 218 districts are having productivity more than the national average productivity of 1,947 kg/ha. Remaining 316 districts are having productivity below the national average. Thus, 41% of total rice growing districts are above the national average productivity and remaining 59% districts are below the national average productivity. This year the total rice transplanted area in India has decreased by 2.54% i.e. from 39,396,000 ha to 38,485,000 ha in the kharif 2018-19 season.

India's rice production



Source: http://agricoop.gov.in/sites/default/files/2ndADVEST201819_E.pdf

However, despite patchy rainfall in some parts, total rice production in India in 2018-19 is expected to touch a record 115.6 million tonnes. Total production of Kharif rice is estimated at 99.24 million tonnes. This is higher by 1.74 million tonnes than the last year's production of 97.50 million tonnes. Further, it is higher by 6.64 million tonnes over the average production of Kharif rice during the last five years.

Indian rice export scenario

In 2017-18, the total rice export from India stood at a record 12.71 million tonne ($7.74 billion), up from 10.76 million tonne ($5.75 bn) in the previous year. But for the first six months of 2018-19, India exported

5.8 million tonne (MT) of rice worth $3.8 billion and the total number of export shipments slumped 14% in the first three quarters of 2018-19. While from April to February, the overall export stood at 10.57 million tonnes, after dropping nearly 9.4% compared to the previous year, as leading buyer Bangladesh trimmed its purchases due to a bumper local harvest. The government in the last July increased the paddy MSP by 13% to ₹ 1,750/quintal, the biggest hike in six years. It was part of an electoral promise to ensure farmers get at least 50% profit over cost of crops for which MSPs are fixed. Further to support the farmers, the Government again increased the MSP of kharif crops in line with the rising cost of production. The support price of common variety rises from ₹ 1,750 a quintal to ₹ 1,815 while higher quality 'Grade A' variety rises from ₹ 1,770 to ₹ 1,835 a quintal.

Outlook

Surplus rice stockpiles and improved methods of production have helped India position itself competitively in the global rice trade market. But low productivity and lack of measures to improve productivity have been a reason for worry for the Indian players. The low yield in India is on account of rain fed agriculture and poor irrigation system. In addition, farmers grow multiple crops in a year on the cultivated land and hence, per day productivity of most crops is lower in comparison to the global average. With the government's renewed focus on the rice industry, these are the areas that should be focused on initially.

Rice being a staple crop for 70% of the world and thus the demand for rice is expected to continue to grow in the years ahead. The food security concerns all over the world is likely to drive growth for the India rice industry, which by exporting rice to various countries is contributing towards global food security.

With the climate change, continuous rising demand by consumers and the food security, rice industry is facing the challenge of producing rice without compromising on efficiency, equitability, environmentally-friendly, and more resilience to climate change. It has become imperative to produce rice at lesser land, with lesser water and labor. India is also facing lack of adequate agriculture infrastructure such as technologically advanced equipment, transportation network, and effective public private partnership.

INDIAN BASMATI RICE

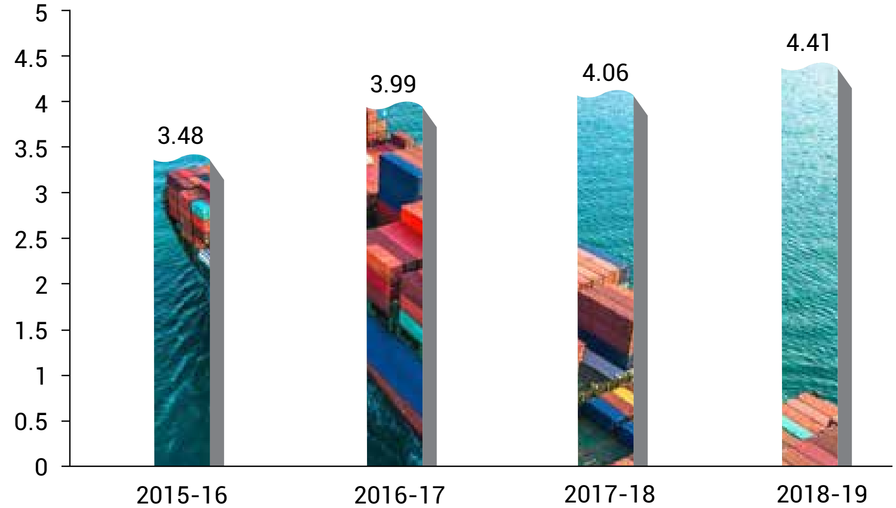
Grown only once a year in the Indo-Gangetic plain, Basmati rice is considered the finest variety of rice produced in India. With India and Pakistan being the only two countries producing Basmati rice, India accounts for over 70% of the world's basmati rice production.

Although by volume, Basmati rice constitutes a very small portion of the total rice produced in India, around 6 to 10%, but in terms of value Basmati rice exports account for ~60% of India's total rice exports.

With the total Basmati rice production in the 7 major Basmati rice producing states of India for 2018-19 is expected to hover somewhere in between 52 - 54 Lacs tonnes, after the initial estimate, compared to 56.43 Lacs tonnes basmati production on last year. The decrease in production can be largely attributed to reduction in the acreage area, about 40 thousand hectare area of basmati acreage has been shifted either to Non-Basmati varieties or shifted to other major competitive crops in 2018-19.

India's 2018-19 (Oct-Sep) basmati rice output at 5.31 million tonnes. At 5.31 million tonnes, basmati rice output projection for 2018 is lower than the industry estimate of 5.56 Million tonnes. For the full sowing year (Jul-Jun) the overall Basmati rice production is likely to hit 5.56 million tonnes, after witnessing a 1.4% year-on-year fall in 2018-19, compared to 5.64 million tonnes achieved in the previous year.

India's export of Basmati Rice (in million tonnes)



Source: http://www.tpci.in/blogs/basmati-rice-time-for-cautious-optimism/
http://agriexchange.apeda.gov.in/indexp/monthexport.aspx

Export scenario

On the verge of clocking its highest ever exports, exports of Basmati rice from India are expected to grow to a record high of ₹ 30,000 Crore in 2018-19 beating the previous record of ₹ 29,300 Crore achieved in FY14. India's total Basmati rice export for FY19 stood at 4.41 million tonnes compared to 4.06 million tonnes in FY18, an increase of 9%. In terms of value, overall exports in FY19 saw a growth of ~22% compared to the previous year from ₹ 26,87,016 Lacs to ₹ 32,80,430 Lacs.

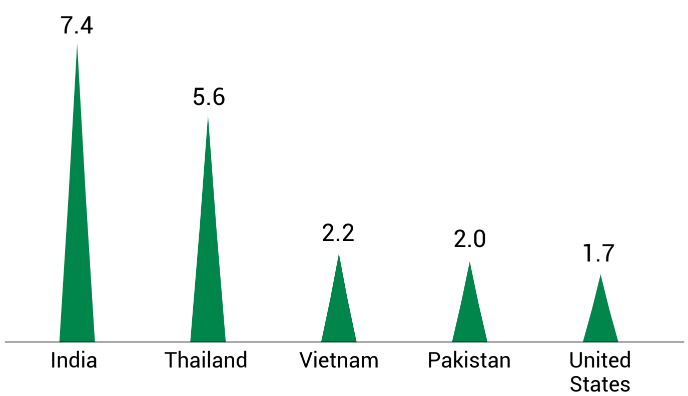
The key factors which helped drive such a growth are strong demand from Iran, improvement in average realizations and consecutively increasing prices of paddy over the last three years. Average export realizations increased by 14% over the previous fiscal year, due to increase in paddy prices and rupee depreciation

Three-year export statement of APEDA for Basmati rice and Non-Basmati rice (Value in ₹ Lacs, Volume in metric tonnes)

Cereals	2016-17		2017-18		2018-19	
	Volume	Value	Volume	Value	Volume	Value
Basmati Rice	39,85,195	21,51,290	40,56,758	26,87,016	44,14,584	32,80,430
Non-Basmati Rice	67,70,804	16,92,987	86,48,488	22,96,782	75,99,674	21,18,527

Source: http://agriexchange.apeda.gov.in/indexp/exportstatement.aspx

Top 5 rice exporting countries in terms of value in 2018 (in US$ billion)



Source: http://www.worldstopexports.com/rice-exports-country/

vis-à-vis the US dollar, while the volumes have only been marginally higher (2%). Further, the fear of US sanctions also helped in the increased export numbers as it prompted aggressive buying by Iran in the first half of FY19. The average export realizations have also firmed up to ₹ 74,053/MT in the first 10 months of FY19, against ₹ 64,997/MT during the same period in FY18. Iran accounted for nearly one-third of the total basmati rice exports from India in FY19.

Basmati rice exporters of India faced a number of challenges during the year, prominent amongst them being planned adoption of strict pesticide rules by Saudi Arabia, the pesticide residue issue in the EU, payment problems with some Iranian importers and imposition of trade sanctions on Iran by the US. The loss owing to EU pesticide rules was estimated at ₹ 1,000 Crore during the first nine months of FY18-19.

Expected consumption drivers in India - Basmati rice

Growing urbanization	Rising income levels	Organized retail growth - spread of modern trade	Gradually changing business trend and customer needs, as more and more consumers are now opting for quality and branded rice

Outlook

The Indian basmati rice industry is expected to continue its growth momentum in 2019-20, with a projected growth of 4-5% on a y-o-y basis. Hike in Basmati rice average realizations is likely to sustain in H1 FY20, given the increase in paddy costs in the recently concluded procurement season and steady international as well as domestic demand outlook. Further exploring other avenues of growth like markets in the other major countries such as China, US and Latin America is something the exporters would like to continue.

Company **Overview**

With more than a century in the industry, KRBL today needs no introduction. Starting off from humble beginnings in 1889 as an agricultural commodities producer in the region of Lyallpur, Faisalabad (Pakistan), the Company has evolved with time to become India's first integrated rice company with a comprehensive product chain under the dynamic leadership of its Chairman & Managing Director, Mr. Anil Kumar Mittal.

The Company has emerged not just as one of the largest branded rice manufacturers in India but also as one of the most integrated rice companies in the country with a presence across a number of other business verticals like energy. Known for its sustainable business practices, the Company's energy division not only helps it in meeting its captive energy requirements but has also helped in opening up a new revenue stream for the Company in terms of selling power to the local grid.

One of the first companies in India's agricultural industry to see a life beyond rice, KRBL is today a global leader in the branded Basmati rice segment after spending more than three generations in perfecting the Basmati grain. It is also a major producer of Non-Basmati rice and milling by-products like bran oil, furfural, rice bran, and de-oiled cakes.

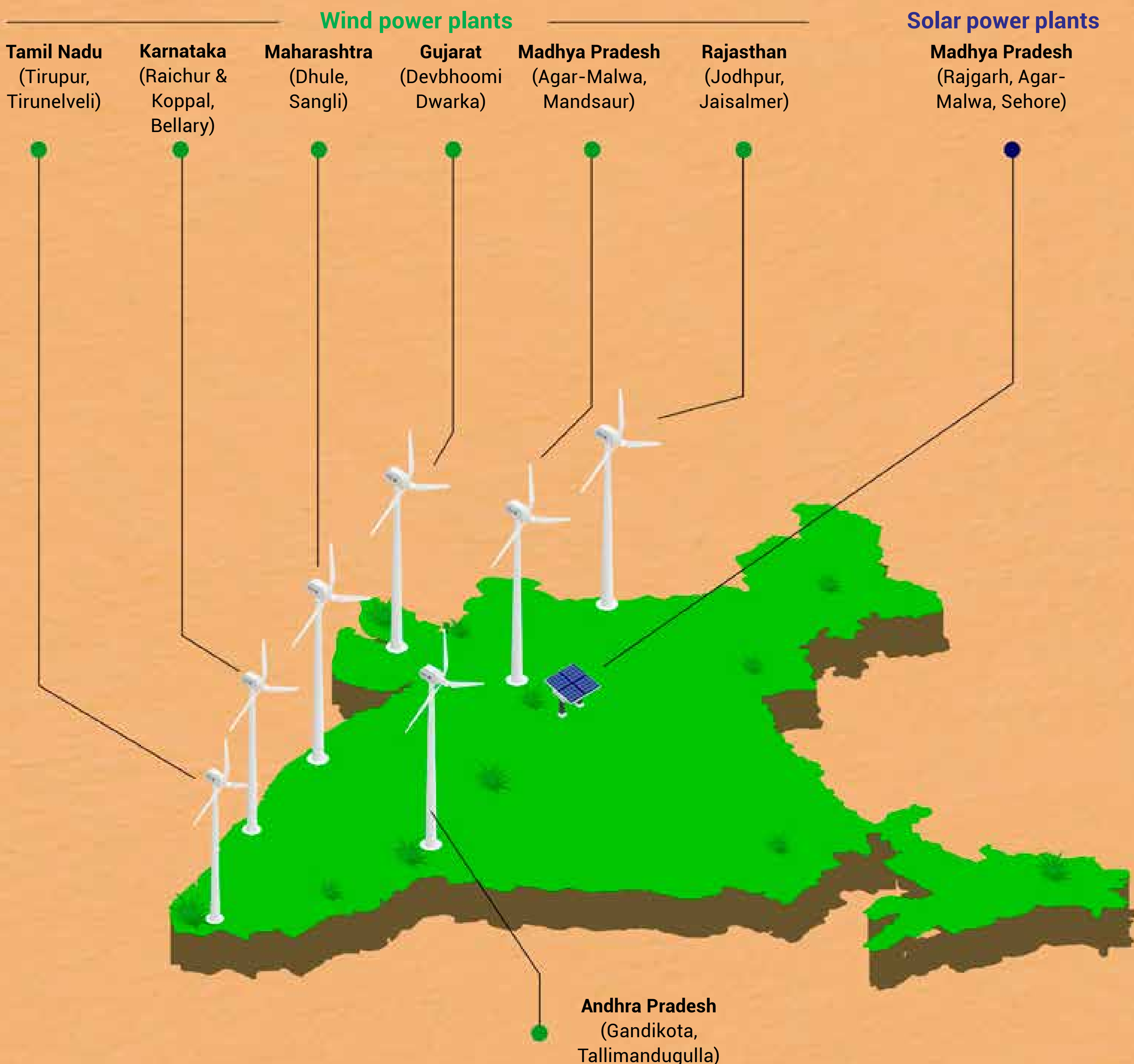
KRBL has built a robust foundation for rice production aptly complemented by corresponding investments in the downstream processing of by-products like power, furfural oil and in the glucose business. Thus, KRBL progressively evolved its personality; what was once principally an agricultural commodity manufacturing company gradually became a rice and other ancillary product manufacturing Company. Contributing to the nation's power requirement by establishing itself as a significant diversified power generator, the Company continues to partner in the nation's growth.

KRBL's agri-business division is the major contributor to the Company's revenue stream which consists of rice, furfural, seed, bran, and bran oil among others. With a presence across the entire value-chain of the rice industry, KRBL Limited today has emerged as a brand name in itself, evoking enormous respect and recognition among the other players in the industry.

The Company's energy division comprises power generated from wind turbines, solar power plants and husk-based power plants.

Power plants **locations**

The Company's power plants are located across seven states in India.



What Makes 'KRBL' Unique

LEGACY

130+
years of rich industry experience

STRENGTH

#1
KRBL is the largest exporter of branded Basmati rice in the world

₹ 4,120
Crore operating revenue in 2019

2,18,320
MT KRBL's total export of Rice in 2019

Largest
KRBL has the world's largest rice milling plant located in Punjab, India spread across 200 acres

PRIDE

#1
KRBL's market status in the Indian Basmati packaged rice segment with more than 35% market share

"God of Grains"
One of KRBL's proudest moment in FY19 was being featured on globally renowned Discovery Channel's flagship series Inside Out in an episode named 'God of Grains' depicting the entire journey of Basmati Rice from Farms of India to the plates of unlimited cuisines across the world and the role played by KRBL in the same

OFFERINGS

#14
Total number of rice brands sold under the banner of KRBL

A wide array of products helps the Company address growing consumer needs (masses to premium). At KRBL, we introduce innovative products, making it possible to address emerging needs

PRESENCE

82
countries where KRBL has its product presence across 6 continents. KRBL exports to 82 countries out of the 156 countries that consume Basmati rice and leads the Basmati rice consuming market in the branded segment

CAPABILITY

195
MT/hour - KRBL's rice milling capacity is the largest in the world

140
MT/hour - KRBL's rice processing and packaging capacity is the largest in the world

10
Lacs MT - KRBL's warehouse capacity

10,500
tests conducted by KRBL's R&D team each day on the different rice varieties

NETWORK

484
KRBL dealers, a good distributor network in India and a strong distribution presence across the world

Largest
KRBL has largest contact farming network coverage for rice

LEVERAGING POWER

₹ 1,851
Crore
Net current assets showcases the financial strength of the Company. Driven by enhanced sales realization and high operating efficiency

52%
Capacity utilization

15%
5 year CAGR growth in net profit

PERFORMANCE HIGHLIGHTS FY19

Augmented by enhanced price realization and increased penetration, FY19 proved to be another important year in the history of the Company as a number decisive steps on the part of the Company coupled with a reasonably favourable business environment, led to the achieving of a number of highs during the year.

Numbers validating our performance

TURNOVER

- Net sales grew by **27%** to ₹ 4,120 Crore in FY19
- Domestic sales grew by **17%** to ₹ 2,275 Crore in FY19
- Export sales grew by **42%** to ₹ 1,845 Crore in FY19

PROFITS

- Achieved highest ever EBIDTA of ₹ 865 Crore, growth of **9%**
- Achieved an EBIDTA margin of **21%** and PAT margin of **12%**
- Achieved highest ever PBT of ₹ 733 Crore, growth of **12%**
- Achieved highest ever PAT of ₹ 503 Crore, growth of **16%**
- EPS stood at ₹ 21.37, growth of **16%**

OTHER HIGHLIGHTS

- Achieved capacity utilization of **52%** and produced 5.49 million metric tonnes of rice in FY19
- Grew net worth by **19%** to stand at ₹ 2,727 Crore
- Declared dividend of ₹ 2.50 per share, **250%** of the face value
- Achieved a debt-equity ratio of **0.52:1** as of 31 March 2019 compared to 0.53:1 as of 31 March 2018

During FY19, the Company's sustained focus on debottlenecking its operations, minimizing costs and making the most of a positive macroeconomic environment resulted in it bettering its performance over the previous year. Achieved higher capacity utilization compared to the previous year resulting into higher throughput.

Being in a working capital and labour-intensive business, we believe that success is derived from the ability to maximize offtake, making it possible to cover fixed costs more effectively. Over the years, the Company has spread its wings not just across the length and breadth of India but also globally. The Company's flagship Basmati rice brand 'India Gate' has established its reputation in both international and Indian markets. KRBL commands a strong presence in Gulf Cooperation Council (GCC) countries and the Middle East Region which contributes nearly 36% to its export revenues. Other countries where KRBL has a substantial market presence includes Australia, Canada, USA, and South Africa among others.

7%

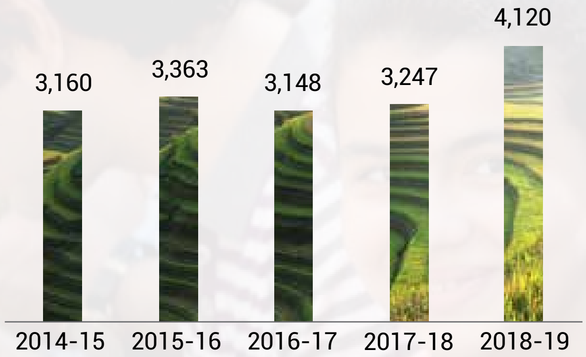
CAGR growth in net sales over the last five years

14%

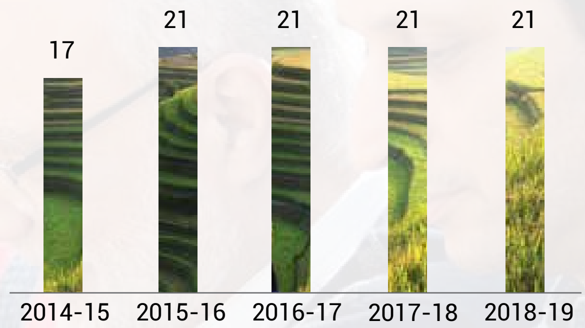
CAGR growth in EBIDTA over the last five years. Enhanced margins have been driven by strong brand, stable business model and focused strategy

KRBL'S STORY IN NUMBERS

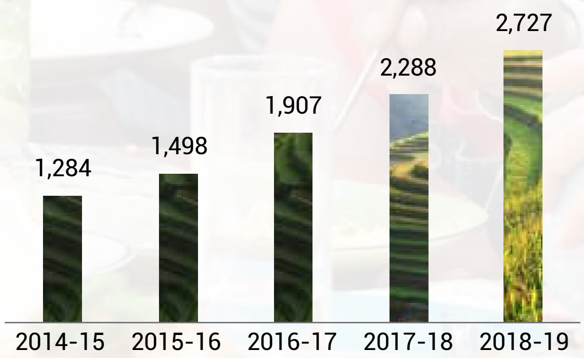
Net sales (₹ Crore)



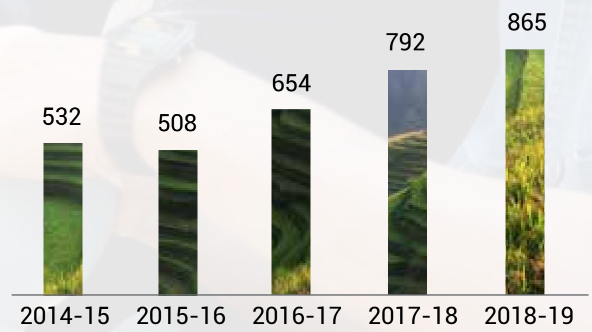
RoACE (%)



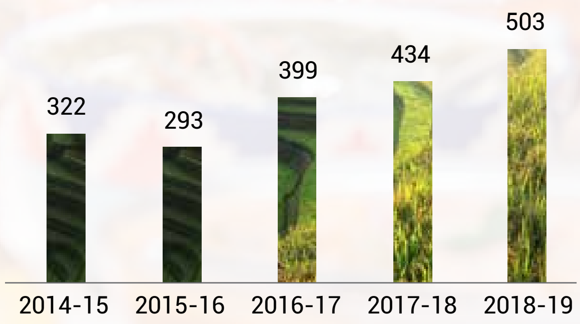
Net worth (₹ Crore)



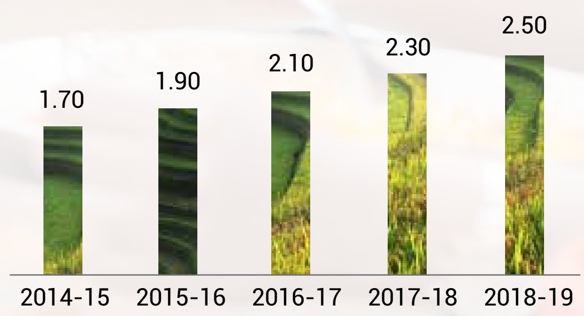
EBIDTA (₹ Crore)



PAT (₹ Crore)



Dividend payout (₹ per share)

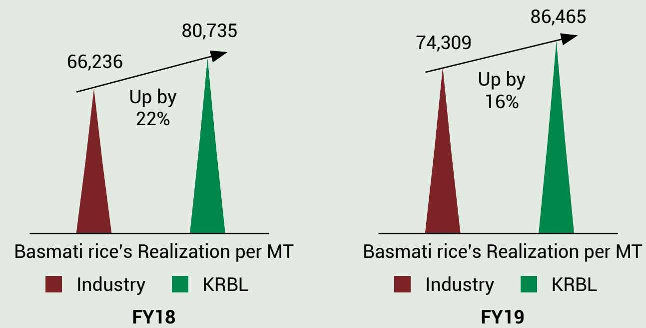


*Based on Consolidated Financials.

KRBL LIMITED. MORE THAN JUST A RICE MANUFACTURING COMPANY

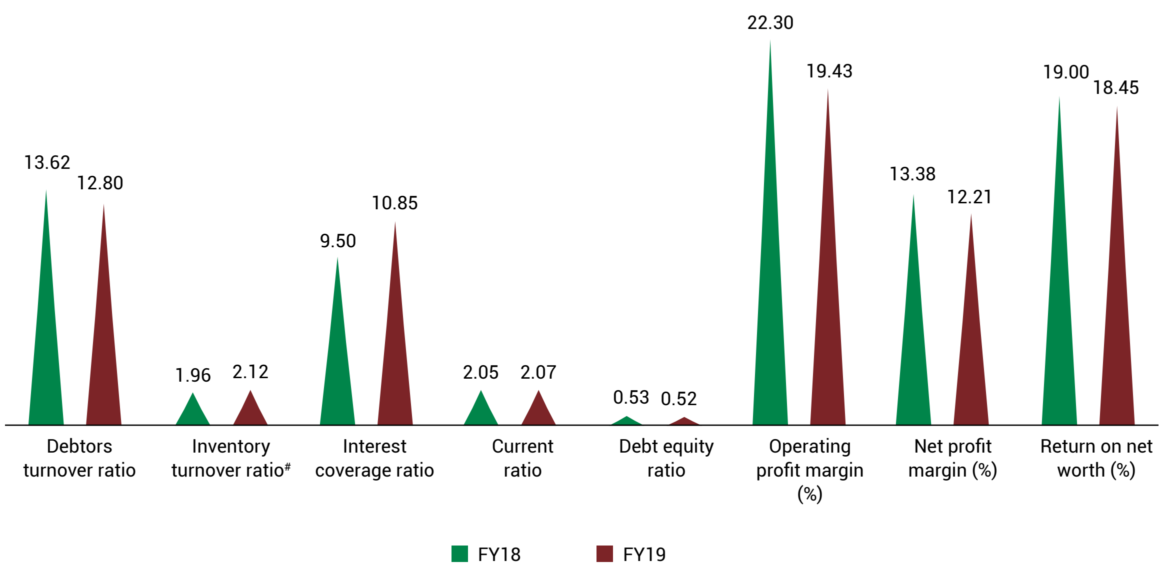
KRBL is world's largest exporter of branded Basmati rice. Also, KRBL's export realization is much higher than the industry average.

KRBL's growing export realization (in ₹)



KRBL is no longer just the No 1 national Basmati brand. It inspires an international brand recall too.

KEY FINANCIAL RATIOS*



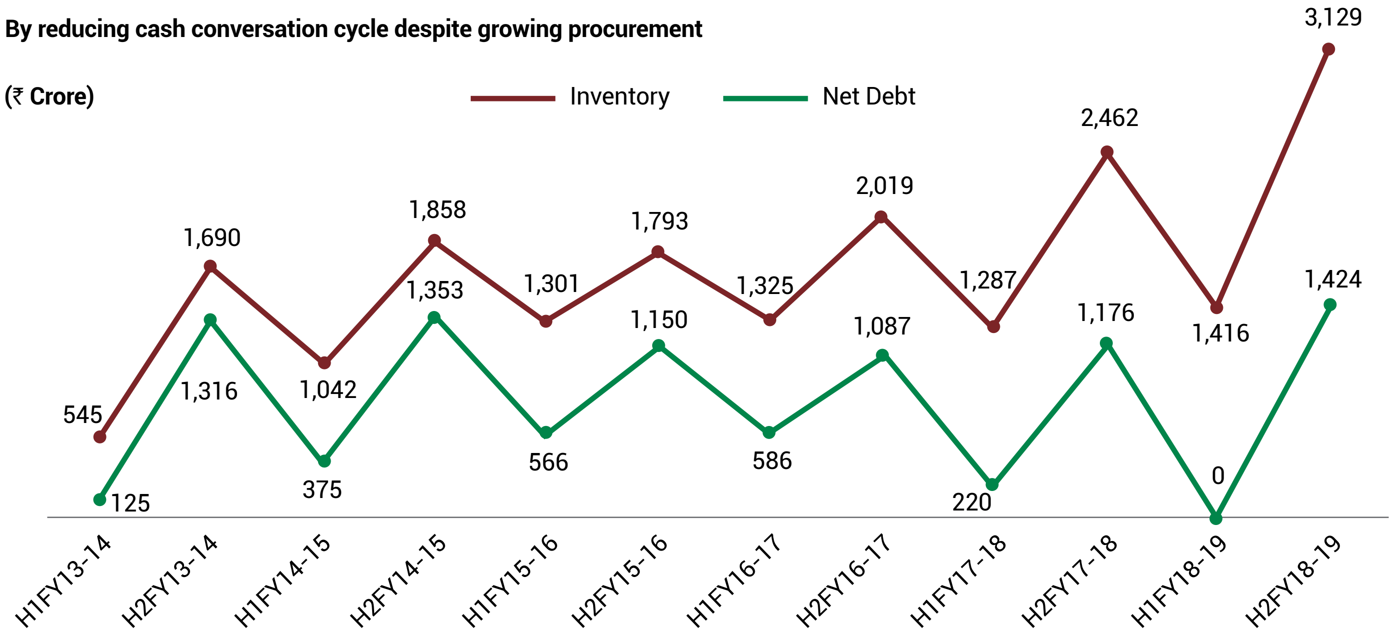
*Based on Consolidated Financials.
Since our Paddy Basmati Season is from October to December every year, the closing inventory as on 30th September has been considered for calculating Inventory turnover ratio.

Formulae used for calculation of the ratios	
Debtors turnover ratio	Net sales/Average of opening and closing trade receivables
Inventory turnover ratio#	Net sales/Average of opening and closing inventories
Interest coverage ratio	Profit before interest, taxes/Finance costs
Current ratio	Current assets/Current liabilities
Debt equity ratio (including financial liabilities)	Debt (Net of cash and cash equivalent and investment in liquid funds)/Equity
Operating profit margin (%)	Profit before interest, taxes and exceptional items/Net sales
Net profit margin (%)	Profit after tax/Net sales
Return on net worth (%)	Profit after tax/Equity

There is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the key financial ratios.

ENHANCING FINANCIAL STABILITY

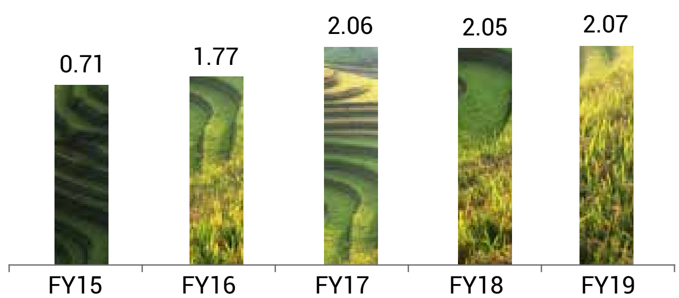
By reducing cash conversation cycle despite growing procurement



Note: The above graph is based on standalone financials.
* As on Sep'18, KRBL is at zero debt with cash surplus of INR 107cr.

The above data indicates the growing financial strength of KRBL as it continues to reduce its dependency on external funds for building its inventory. As of September 2018, KRBL is a zero debt company with a cash surplus of ₹ 107 Crore on the books.

Current Ratio*

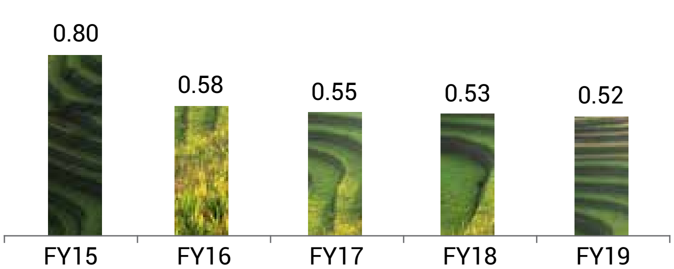


Why this is important?

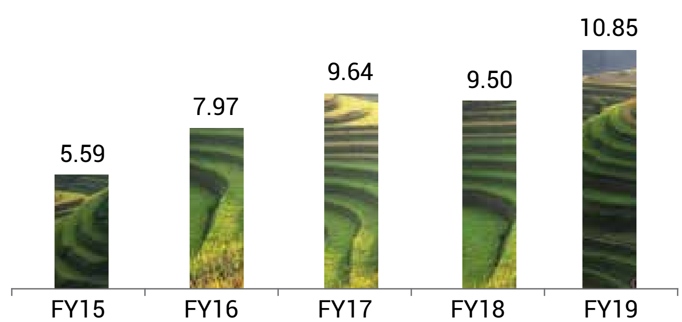
Generally, net debt starts rising with the commencement of procurement period of paddy i.e. H2 every year and reaches the maximum level during the period. But starts coming down significantly by end of H1 of the next financial year. This is a cyclical phenomenon.

And it is during this cycle. KRBL emerged as a zero debt Company.

Total Debt to Equity Ratio*



Interest Coverage Ratio*



*Based on Consolidated Financials.

CORPORATE STRENGTHS

Principal supplier: KRBL enjoys principal supplier status for majority of its institutional customers in the agricultural rice segment, resulting in revenue predictability.

Prominent clients: KRBL is associated with some of the most reputed names of the hospitality industry. Some of KRBL's biggest institutional clients include names like Taj Group of Hotels, The Leela, and ITC Hotels.

Enduring relationships: KRBL enjoys enduring relationships with customers owing to its ability to provide products of consistent quality across different categories. Majority of KRBL's relationships last more than a decade.

Evolving product basket: KRBL over the years has developed an innovative product range that not only met the demanding customer requirements but exceeded them. This positioned the Company as the leader within the branded Basmati rice segment for years now.

Value chain: KRBL's foray into the healthy food segment helped the Company further widen its presence across the value-chain.

Robust distribution system: KRBL's state-of-the-art manufacturing facilities and a deep-rooted distribution model helped the Company deliver its products efficiently and timely across the length and the breadth of the country.

DRIVERS OF SUCCESS

Business enabler I

Manufacturing

In a working capital and labour-intensive Basmati rice business, manufacturing plays a pivotal role in determining the long-term sustainability of a company, since the performance of a company hinges on several uncontrollable external and controllable internal factors. At KRBL, we believe that exercising efficient control over the internal factors is what sets a corporate apart from the rest.

How did KRBL ensure the best possible manufacturing facility within its industry space while matching international standards?

01 **By consistently partnering** with different technological players like Buhler from Switzerland for constant improvement of our manufacturing processes to ensure reduced wastage while ensuring efficient and timely product deliveries to markets

02 **By delving deep** into each component of our manufacturing process and periodically investing in different processes. **Case-in-point:** KRBL invested in customizing milling equipment's to ensure better and longer grains in each milling cycle.

03 **By constantly questioning** ourselves on 'how' we can do better or 'how' we can push the envelope

04 **By utilizing** our long-standing industry experience

05 **By adopting** manufacturing practices which are in line with those of the best in the world

Result: The success of this approach is validated by the fact that today we are one of the most low cost Basmati rice manufacturer in India which has grown at a CAGR of 15% over the last five years on net profit.

Road ahead

Moving forward, the Company plans to undertake periodical enhancement of equipment across all its state-of-the-art manufacturing facilities without compromising productivity in all the manufacturing units and focus on to further improving cost efficiencies and labour productivity. The Company also expects to further enhance the capacity of healthy food segment along with the improvement in the captive power generation capacity.

Business enabler II

Marketing and distribution

The Indian Basmati rice market is highly fragmented and is marked by low entry barriers and increasing number of unorganised players who creates regular price disturbances. In such a competitive scenario, it is imperative to efficiently market products to our customers and then distribute them with speed across the different markets. At KRBL, we feel that it is necessary to market a diverse product range addressing wide customer needs. To do so, the Company created a robust pan-India distribution network to market its high quality packaged Basmati rice.

How did we do that?

- By successfully differentiating itself from industry peers in a highly competitive market with continual change its marketing, branding, and media strategies
- By offering consistent high quality branded Basmati rice to customers
- By investing in building a strong distribution network which helps in putting KRBL's products in every nook and corner of the country
- By creating depth in dealer networks, promoting its brands extensively and opening up new strategic markets

Talking points 2018-19

- Continued to empower its sales force team with GPS-enabled hand-held devices, enabling real-time tracking of orders and better co-ordination with the sales team. Helped the Company geo-tagging of more than 50,000 retail outlets during the year, thereby making them direct service outlets
- Participated in different food exhibitions across the world, which further enhanced the Company's visibility

Result: This has allowed the Company to move upwards on the learning curve and develop a keen insight into the psyche of the customers. KRBL's dedicated media initiatives have translated into a stronger brand recall, resulting into accelerated offtake not only in India but also outside India. It helped the Company achieve higher sales by catering to different segments at different price bands. It also helped in debottlenecking its dealer network, thereby enhancing savings.

Road ahead

Moving forward, the Company plans to further strengthen its domestic and international presence by enhancing its brand equity through effective communications and by strengthening its distribution network. To focus on strengthening relationship with key accounts. Develop differentiated marketing initiatives for different markets, taking into account the channel development as well as consumer trends and competitors' actions.

Business enabler III

Raw material management and procurement

At KRBL, we believe that a prudent raw material management and procurement is the first step towards a quality product. Raw material management at KRBL consists of three key aspects of raw material procurement coming together.

KRBL's competent material management comprises

Strong farmer connect wherein over the years KRBL has built a strong farmer network with more than 70,000 farmers spread across more than 2,50,000 hectares in the states of Western Uttar Pradesh, Uttarakhand, Punjab, and Haryana.

Sincerely believing that farmers community forms the backbone of our business and we can only do well if they are doing well. Hence, we have always considered the farming community to be the torch bearers of the success achieved by the Company consistently. Consequently, we have handed over their share of profits generated from the sales of KRBL's products, responsibly and promptly.

Talking points 2018-19

- ***Advance planning:*** The Company has in place a dedicated procurement team, who based on the demand, plans for the raw material requirement in advance.
- ***Partnership:*** By forging strong ties with different facilitators – by remunerating its vendor on time and every time conducting periodic workshops - translating into lower prices and steady availability of materials and transporters.

Business enabler IV

Quality

We believe that the quality of our products is one of the key determinants of our success. Our persistent emphasis on enhancing the product quality is what helped us successfully meet the customers' expectations along with meeting the desired growth target. The inherent outcome of our quality products is evident in the fact that over the years the Company has gained the preferred supplier status amongst its institutional and retail clients not only in India but also abroad.

Known for its impeccable product quality, the Company enjoys widespread respect as a quality-focused agri-products manufacturer and marketer. KRBL has consistently addressed customer needs by benchmarking products in line with global standards.

KRBL's quality rationale

Thanks to our quality products matching the international standards resulting into greater acceptance not only in India but also in different international markets across the world.

Road ahead

Moving forward we continue to remain committed towards delivering products conforming to national standards and meeting customer requirements to their total satisfaction. We continuously improve the quality performance and effectiveness of our products. We periodically review quality objectives to enhance customer satisfaction and cost-effectiveness.

CERTIFICATIONS

The Company's quality focus is validated by certifications like FSSC 22000, Halal Product Certification, SQF Code Edition 8.0, USFDA and BRC certification, among others.

INVESTMENTS

Truly believing that KRBL is not just another Basmati rice manufacturer, the Company continuously invested in different quality improvement measures so that the Company's quality-intensive innovative product range takes the brand name of the Company ahead.

OTHER HIGHLIGHTS

We invested regularly in our R&D activities which resulted into industry-leading innovative products that helped KRBL differentiate its brands, provide additional value in the marketplace and create new value for the years ahead.

How KRBL intend to deliver value to its customers?

Consumer insights drive our product development, and together with the sector knowledge of our R&D team, differentiate us from our competitors and help us meet consumer needs.

We apply our rich industry experience and manufacturing know-how to produce high-quality agri-products for delivery to our customers across the globe.

We work closely with our customers to understand their needs. Engaging with them earlier and throughout the innovation process helps drive quicker adoption cycles.

Case-in-point: KRBL forayed in the super healthy product segment seeing the rising awareness of healthy food and rapidly growing super premium food segment in India.

Business enabler V

Our people

At KRBL, we truly believe that the exciting journey that we have traversed over the last century has been made possible by the strength of our people. It is the performance, knowledge and skills of our people that we believe played a pivotal role in the success achieved by the Company.

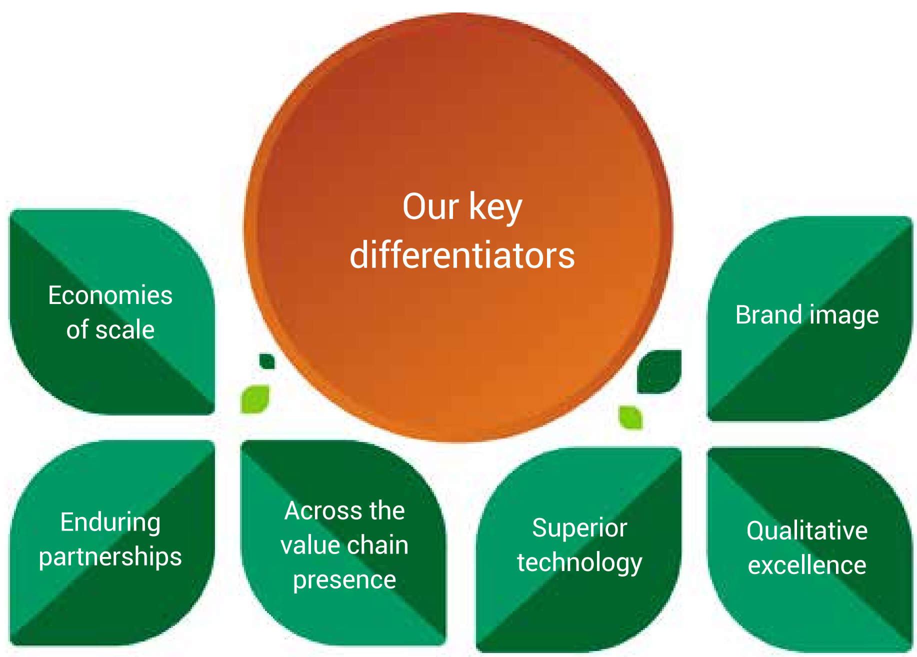
As we continue to reflect on innovation and quality enhancement, we are reminded of who make it all possible – our employees. We are aware that our employees power the success achieved by the Company and we are also committed to empowering theirs. In line with this strategy we have a devolved structure wherein our employees come together to produce ground-breaking and game-changing innovations.

Over the years we tried offering the ideal platform for growth to all our employees and making them future ready, to take up any challenge that comes their way. In line with this tenet, we enable our employees to grow their career in a learning environment by investing in our people, by attracting the best of the available talent and by providing a committed, engaged, fulfilling, rewarding, and responsible work environment along with a structured work-life-balance policy, making the overall journey both meaningful as well as pleasurable.

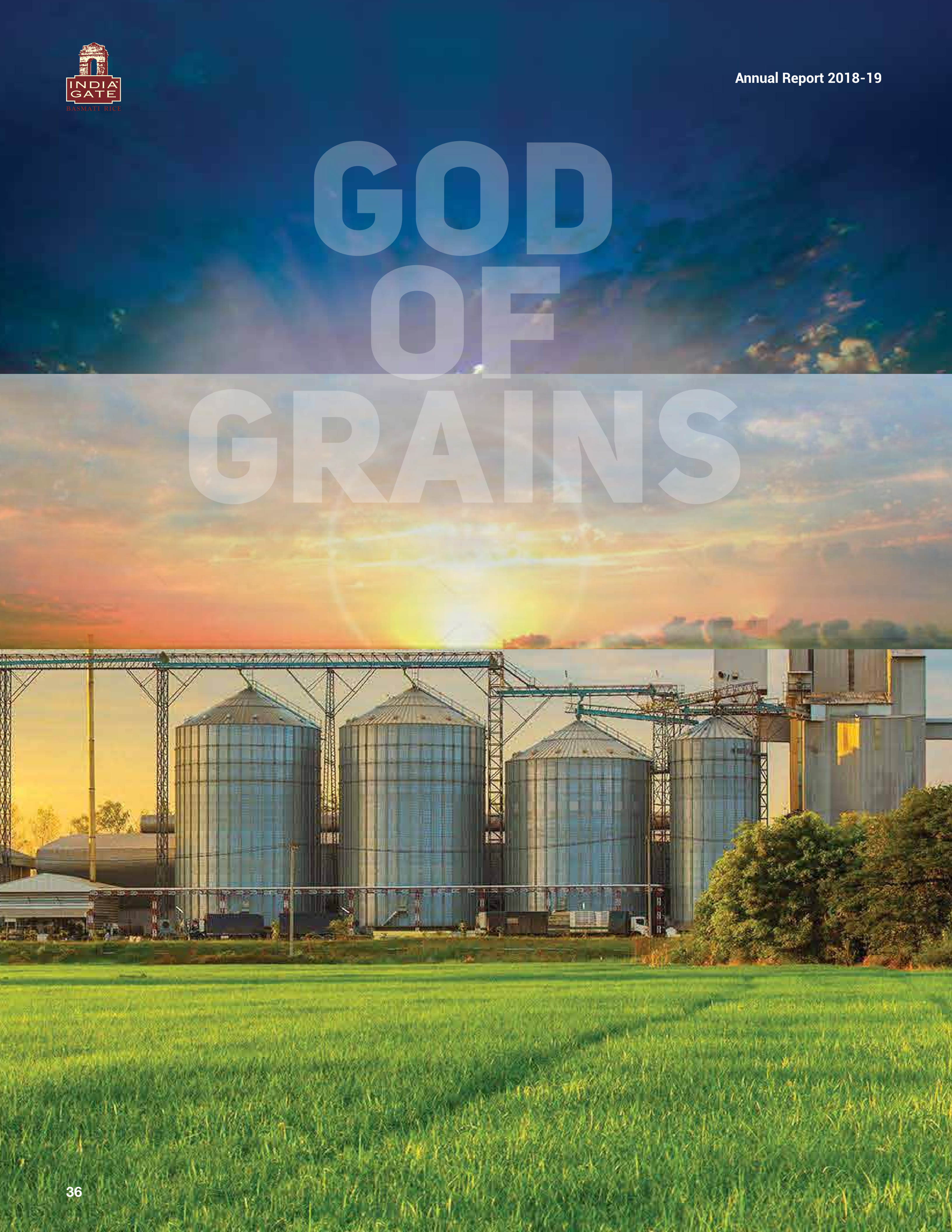
With 2,202 employees as on 31 March 2019, at KRBL, we firmly believe that our employees are key to success and the reason for our competitive edge. Therefore, we never hesitate to invest in them. Only with such talent we are able to foster a healthy and productive environment and ensure excellence through a strong performance.

Road ahead

As we continue to grow bigger and better as an organization, we would continue to focus in the well-being of our people and would continue to invest in them to ensure that we have the right people, teams, and skills to grow our business.



GOD OF GRAINS



A MOMENT OF PRIDE – KRBL GETTING FEATURED ON DISCOVERY CHANNEL

One of KRBL's proudest moment in FY19 was being featured on the internationally reputed Discovery Channel. KRBL was delighted to feature in the channel's flagship series 'Inside Out' in the episode 'God of Grains'.

The program took an inside tour of the Company's plants in Dhuri and its different business practices.

Starting from KRBL's first export order of 1000 MT to its current export order book of more than 2 Lacs MT, it showcased the role played by KRBL in transforming the Basmati rice industry in India and aboard.

It showcased the journey of KRBL from just another rice manufacturing company to an Indian rice superpower with a dominating presence in the Basmati Rice business across India and the world. It also talked about how KRBL ensures the quality of grains and its products which eventually makes the plates of people across the world tastier and more enjoyable.

The episode, thus helped buttress KRBL's image as a global rice superpower as Discovery Channel bestowed KRBL with the tag of the most prestigious rice company in India.

23 February 2019
The special feature got aired on the Discovery Channel

Most prestigious company
Discovery Channel bestowed KRBL with the tag of the most prestigious rice manufacturing company in India

Please scan the QR code given alongside to see KRBL God of Grains.

BUSINESS SEGMENT OVERVIEW

Agri-business division

With a presence across the entire value chain of the rice industry, KRBL has over the years emerged as one of the leading players in the Indian agri-processing and marketing industry. Equipped with a wide range of products, the Company's product portfolio helps address diverse consumer preferences across income classes and geographies. Owing to different brand promotion activities coupled with unflinching product quality, KRBL's flagship Basmati Rice brand 'India Gate' is a market leader within its industry space.

35% is India Gate's market share. The highest market share for any company in the sector in combined urban and rural areas in 2018-19

This is how KRBL has selected to grow its agri-business

• By enhancing distribution efficiency

Over the years, the Company invested substantially in its distribution channels to stay ahead of the curve. Thus, today KRBL distributes its product through both modern and traditional trade channels, including e-commerce.

This is how KRBL has made it happen:

- The Company successfully established diverse strategies for different distribution channels. It enabled KRBL to not only grow its business successfully but has also enabled us to beat competition by supplying quality products to its customers in time.
- In order to sustain its leadership position, KRBL continued to focus on improving the efficiency of its delivery model across different traditional channels while also focusing on further improving its online presence and presence across other modern distribution channels.
- The Company continues to strengthen its delivery network through the ongoing implementation of GPS-enabled tracking devices for the Company employees. Through this the Company was able live track demand and supply scenario and take decisions accordingly.
- Backed by a deep-rooted distribution network of 484 distributors, the Company's product range are available across the length and breadth of the country.

• By attaining economies of scale

Operating in a highly competitive environment, the Company over the years has tried to build a milling capacity which provides it with economies of scale. KRBL today boasts of having the largest rice milling capacity in the world.

How this is beneficial for KRBL:

- This helped KRBL in providing farmers with the confidence that it has abundant processing capacity, thereby ensuring regular raw-material supply.
- Enhanced the Company bargaining strength in the market.
- Made possible for KRBL to address diverse customer types (retail and institutional).
- Enhanced KRBL's preparedness in addressing sudden increases in demand.
- Enabled KRBL to save on costs incurred by an increased level of production.

• By enhancing the brand value

KRBL's position as a unique and industry-leading agro company is backed by its strong brand value. Despite the increased competition from unorganized players, the Company has been successful in not only maintaining its market share but has been successful in gradually increasing its market share.

This is how KRBL has made it possible:

- By adopting a unique business strategy, wherein KRBL offered its customers branded Basmati rice across a wide range of price points.
- By making products more affordable for consumers across various economic levels while also offering them choice of selection, depending on the occasion or budget.
- By innovating new products which helped address the unmet customer needs.
- By focusing on creating brands and products which emerged as its major business drivers, despite being present in a very dynamic and competitive market.

DOMESTIC MARKET PERFORMANCE

Despite the stiff competition in the Indian market, demand for rice in India remained quite strong during the year. Although India still remains one of the highly price sensitive rice markets across the globe, the organized players performed relatively better during the year compared to the unorganized players, thanks to the implementation of GST in the previous financial year.

FY19 proved to be another year of exceptional performance for the Company. Building on our numerous successes of the past years with more passion, in FY19 we continued to improve our profitability. A favourable industry scenario, coupled with the seamless execution of our strategic plans led to visible growth in terms of revenues, profits, volumes as well as values. During the year, the Company reported a 13% y-o-y volume growth and 17% y-o-y value growth at the back of our strong focus on branding, customer engagement, and wide distribution network.

A strong brand image coupled with an impressive product range, catering the needs of the customers across different income segments, is what helped the Company stay ahead of the curve. Over the years, the wide portfolio has translated into the ability to engage with different kinds of customer, grow their exposure, emerge as the preferred supplier and attract new customers, creating a virtuous cycle of growth and profitability.

India Gate brand saw its domestic sales improve in FY19. Vigorous efforts in marketing, trade investments, market development, and in market execution helped achieve the expected growth.

With the growing practice of having healthy food and riding on the health benefits of KRBL's different products in the Healthy Food segment, the segment continued to find increased traction across the different markets. The segment record a 34% sales growth during the year.

Segment competencies

Product mix: A diversified product mix places KRBL in an advantageous position and helped the Company sustain its leadership position in the Indian organized rice market.

Brand: The growing brand recognition of the Company enhanced brand leadership and revenue potential.

Cost control: The Company's strategic locations, near the major raw material sources and also the major consumption centers, make it possible to supply products anywhere in India, saving considerably on freight and transportation costs.

Regulated industry: KRBL enjoys a competitive advantage with the government's imposition of GST which makes it difficult for new entrants or the unorganized players to find a footing.

Relationship-driven approach: The Company evolved from a vendor to a partner to a solutions provider, marked by the ability to convert incipient trends into tangible products, address value-added customer needs and respond with new product development to meet the changing customer requirements.

Road ahead

Being industry leader and the oldest organization in the Indian branded Basmati rice industry, KRBL has closely witnessed the retail evolution. Beginning as an organization pioneering Basmati rice business, we are today transforming ourselves to champion active retailing.

In line with this tenet, we intend to double our retail presence - in terms of value by 2021. To do so, we intend to double our current sales force team, focus on active retailing and reach out to more and more retail outlets. The reason being despite the recent growth of modern trade channels and e-commerce, local kirana stores are still a major contributor in the Indian rice market accounting for nearly 70% of the overall sales. Keeping this in mind, we intend to grow our outreach into more and more kirana stores across India.

Further, we plan to constantly upgrade our distribution and supply chain network and re-frame our go-to market strategies. A careful analysis of the geographies of our presence, product penetration, customer requirements, and purchase behaviour are expected to help in driving more throughput from the existing distribution network. Along with this, we plan to use the different new-age technologies like sales force automation, big data analytics and advanced supply chain tools in taking KRBL a whole new level. We intend to use all these while striving to form an organic growth machine which is constantly navigating through the challenges and steers growth opportunity from within.

CONSUMER PACK SEGMENT

Backed by KRBL's deep-rooted distribution network and strong brand visibility, KRBL's consumer packaging segment continued to grow from strength to strength in FY19.

When majority of the other competing brands focused on gaining market share by lowering the prices or by targeting the bottom of the pyramid, KRBL continued with its premium pricing strategy owing to its impeccable product quality.

Backing our innovative positioning, new packaging strategy and inherent product qualities like the longest rice grain, superior quality, and exotic taste, KRBL's India Gate brand continued its dominance in Indian market.

Overall sales value in FY19 grew by 19% over the previous year, compared to 16% overall industry growth in this segment.

From premium to mass, KRBL has a presence across the value chain enabling the company to serve a wide range of customers.

During the year, the Company adopted an innovative packaging strategy. In line with the tenet, KRBL repackaged its India Gate Classic's 1 kg rice pack to a brand-new occasion special celebration pack.

In FY19, one of the focus areas of the Company was creating strong brand presence for the Unity rice brand in the retail consumer segment. Previously, KRBL's Unity rice brand was majorly catering to the institutional clients. During the year, the Company undertook a conscious decision of introducing the brand in the retail segment as a part of its repositioning strategy. Thus, repositioned Unity as a biryani basmati rice from just a basmati rice brand and for the first time introduced a new pack of the Unity Biryani rice brand in the consumer pack segment.

All these initiatives helped in further enhancing KRBL's brand perception in the consumer packaging segment.

BULK PACK SEGMENT

A specially crafted segment aimed at servicing the needs of the institutional clients like hotels, restaurants, and caterers.

Major brands

Clientele

TAJ

THE LEELA
PALACES HOTELS RESORTS

ITC HOTELS
RESPONSIBLE LUXURY

Growth rationale

A dedicated and well-strategized approach towards enhancing brand visibility and showcasing brand strength has helped the Company's bulk packaging segment grow year after year despite the imposition of GST.

KRBL's approach

Focused on showcasing the distinct quality features of its product, the wide range of product varieties to choose from and the Company's ability to consistently deliver products of top quality across different price points. Thereby, enhancing the brand equity.

Segment growth

Overall sales value in FY19 grew by 22% in this segment.

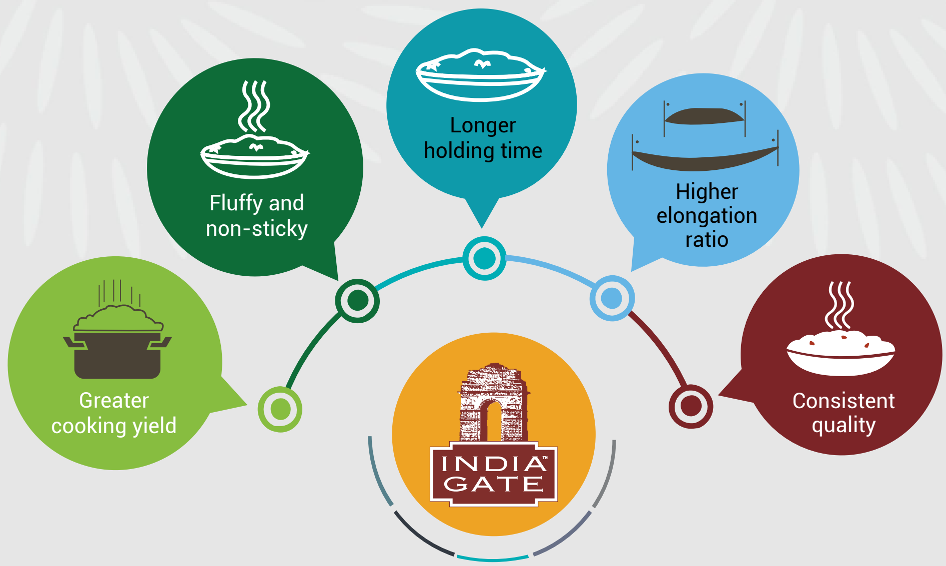
Largest supplier

KRBL is the largest supplier of biryani rice to majority of restaurants in the southern states of India.

Traditional approach

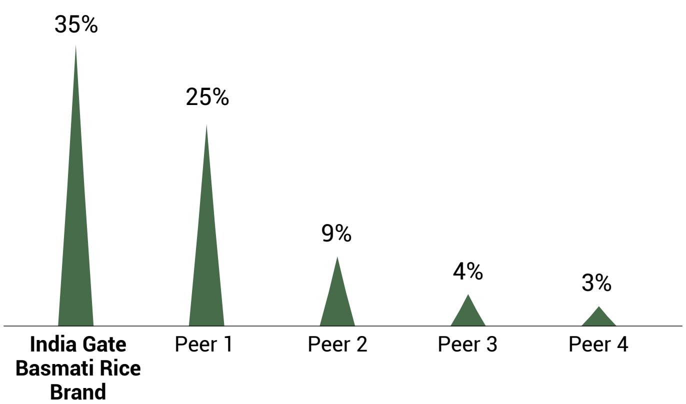
It is perceived that in this segment one can achieve growth by focusing on volume-play at minimum price and not on brand equity. Thus, it not only helped KRBL in consistently growing the bulk packaging segment but also helped KRBL stay ahead of competition.

Why India Gate is the preferred choice in bulk pack segment?



GEOGRAPHY-WISE MARKET SHARE

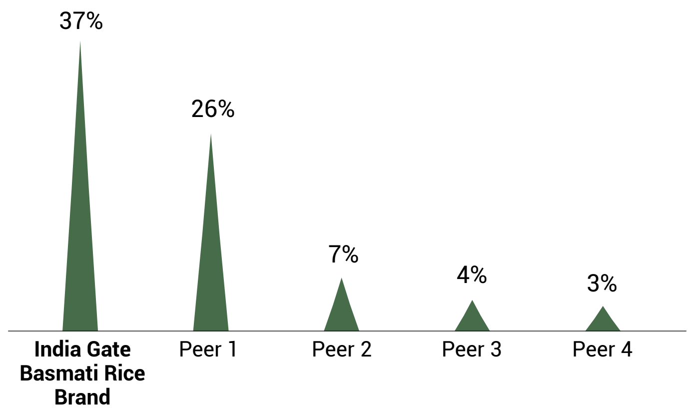
Top 5 Brands (% All India Share) – Value Wise



Highest all India (Urban and Rural combined) market share of KRBL Limited

In value terms, India Gate Basmati Rice brand enjoys a leading position in the Indian urban and rural areas combined with a 35% market share.

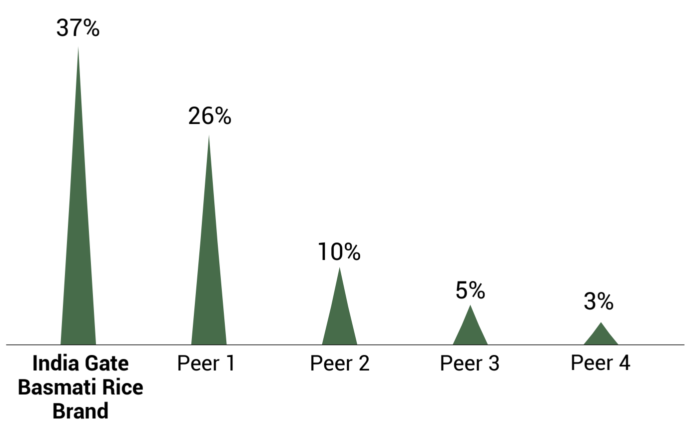
Top 5 Brands (% Share in Town class I) – Value Wise



Highest all India Town class I market share of KRBL Limited

In value terms, India Gate Basmati Rice is a dominant brand in town class I cities with a 37% market share.

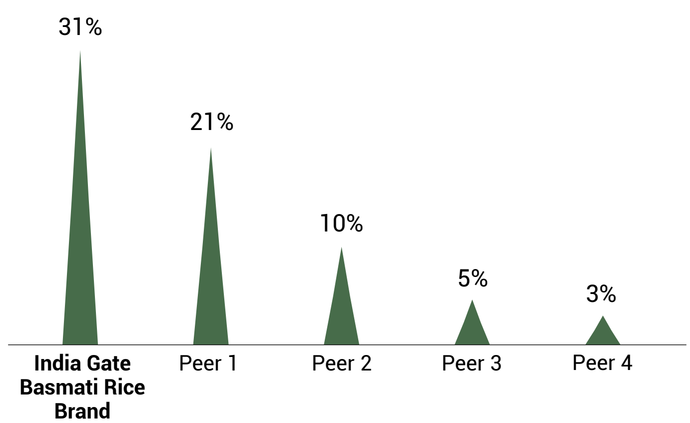
Top 5 Brands (% Share in Metro Market) – Value Wise



Highest all India Metros market share of KRBL Limited

In value terms, India Gate Basmati Rice is a dominant brand in Indian Metropolitan area with a 37% market share.

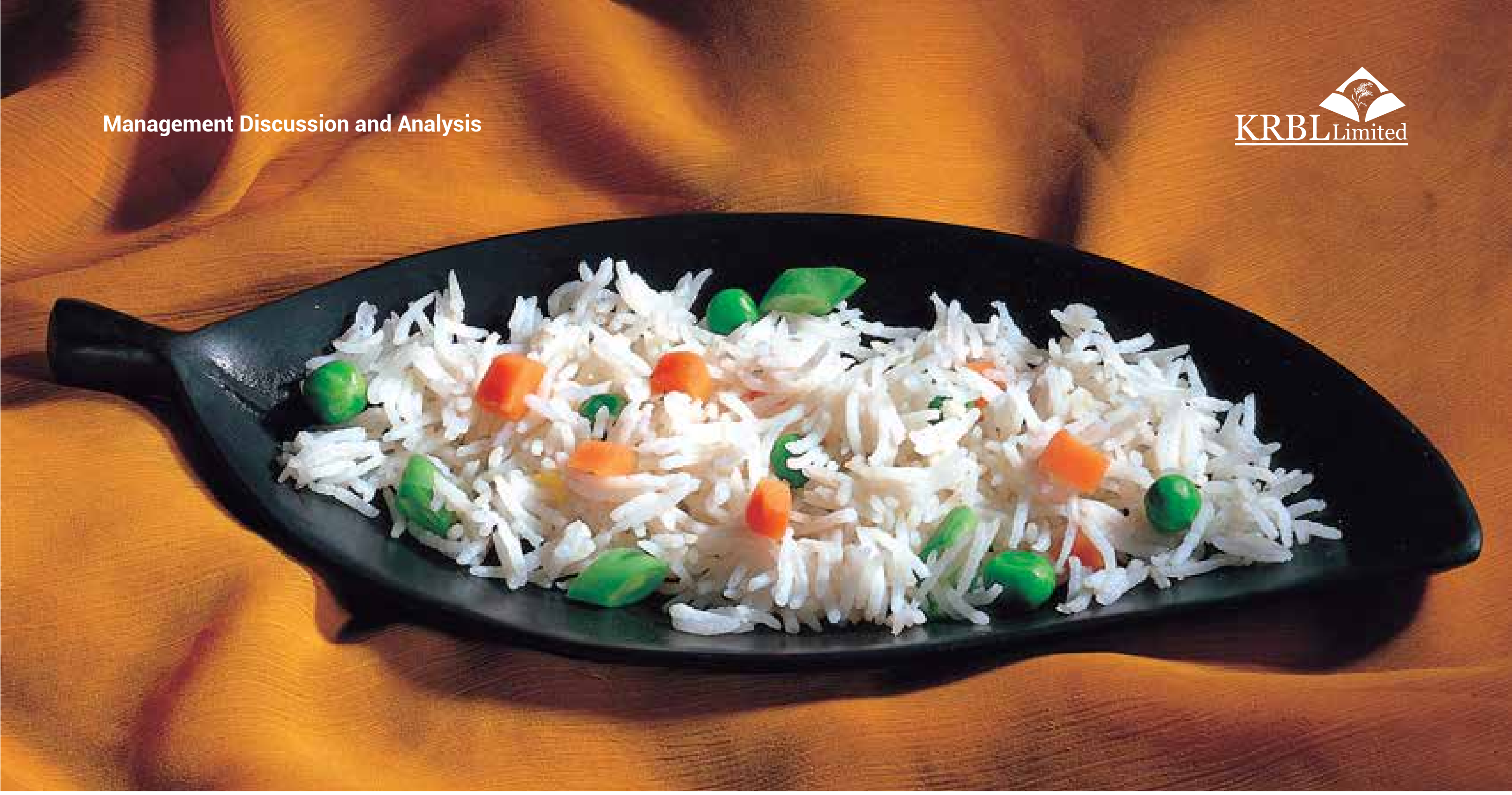
Top 5 Brands (% Share in Traditional Market) – Value Wise



Highest all India Traditional Trade Market Share of KRBL Limited

In value terms, India Gate Basmati Rice is a leading brand dominating the all India traditional trade with a 31% market share.

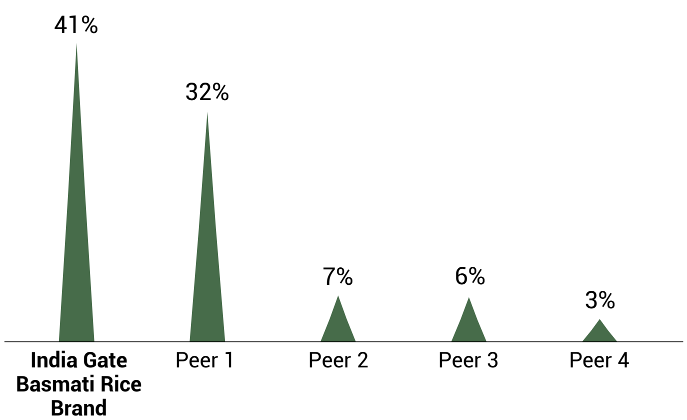
Source: AC Nielsen MAT March 2019 data



MODERN TRADE

In its modern trade distribution channel, the Company has enhanced its presence to more than 8,800 stores, while growing market share from 39% to 41% in value terms. Initiatives undertaken by the Company towards retail activation and dominating shelf-space, has resulted in improved same-store sales and category share. The Company's strong business development team undertakes significant research and analysis to identify the right city, right catchment area, and right store. This facilitates the Company in consistently growing its market share.

Top 5 Brands (% Share in Modern Trade) – Value Wise



Highest All India Modern Trade Market Share of KRBL Limited

In value terms, India Gate Basmati Rice is a leading brand dominating the all India modern trade with a 41% market share.

Source: AC Nielsen MAT March 2019 data

E-COMMERCE PRESENCE

With an eye on cashing in on the increasing opportunity from the online distribution network, KRBL continued to strengthen its e-commerce presence in FY19. Regular introduction of its different products on the different e-commerce platforms and increasing its strategic tie-ups with different e-commerce players were KRBL's major strategy for expanding its e-commerce presence.

The e-commerce business has transformed the way business is done in India. Propelled by rising smartphone penetration, the launch of 4G networks and increasing consumer wealth, the Indian e-commerce market is expected to grow to US$ 84 billion by 2021. Online retail sales growth is expected to be driven by the major e-commerce giants like Flipkart, Amazon, and Paytm among others.

Ensured presence across all the major e-commerce players in the country.

GROWING OPPORTUNITIES IN THE INDIAN FOOD PROCESSING INDUSTRY

The Indian food processing industry is today one of the fastest growing industries in India and nurtures the potential for substantial growth in the foreseeable future as well. This exciting growth has been fuelled by many factors.

Factors fuelling the growth of the Indian food processing industry

01

Growing popularity of e-commerce

Provides the business houses with an unprecedented reach across Tier I and Tier II cities

02

Wide penetration of low cost/free internet

03

Rising incomes will drive higher consumption

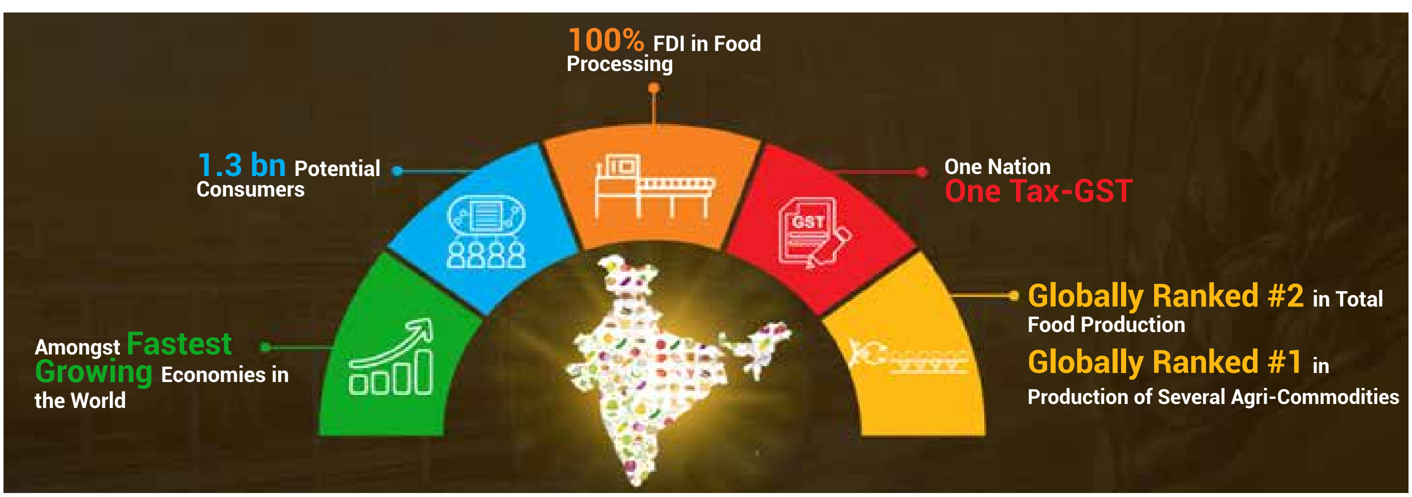
04

Favourable macro-economic picture

Heightened yearly contributions in the domestic as well as global food trade business

All these favourable factors are likely to create a favourable position for the Indian food industry, especially its food processing segment.

The India food processing industry at a glance



INNOVATION AT KRBL HEALTH FOOD SEGMENT

As we position ourselves as an innovation and research led agri-products company, it is imperative that we deliver innovative and tailored solutions for our customers which helps meet their evolving needs. With the rising consciousness among urban consumers to keep a watch on one's diet and weight, growing instances of increasing stress levels and growing health issues owing to sedentary lifestyle, consumers were on a constant lookout for healthy foods within their staple diet which help control their diet and minimize the stress levels yet they are good to eat and not low on nutrition content. KRBL answered this with the launch of its 'Health Food' segment.

As a proactive Company, KRBL ventured into the health food segment a couple of years back keeping in mind the increasing trend of consumers wanting to have healthy and nutritionally superior food. Over the years, KRBL positioned itself as a manufacturer of 'healthy' food products. This not only helped the Company to tap a new customer segment but also enabled to enhance offtake in the packaged rice segment as more and more consumers opted for branded rice from established players such as KRBL, instead of purchasing it from the unorganized sector.

The new 'Health' product offerings of the Company helped to strengthen its already enriched and diversified product basket. The different product offerings of the Company are strategically positioned to cater to different categories of consumers at different geographical locations and across different price points to enhance affordability and greater offtake.

HEALTH FOOD

Basmati Brown Rice

- Great source of dietary fiber
- Ready to serve in just 12 minutes
- A nutrient-rich alternative to carb-based diets, which supports an active lifestyle

Non Basmati Brown Rice

- 100% whole grain brown rice
- Low GI (glycaemic index) levels
- High on fibre density

Quinoa

- Provides balanced nutrition
- Protein-rich grain
- Rich in minerals
- High on dietary fibre

KRBL'S MEDIA OUTREACH

Key trends that played a major role in defining KRBL's media strategy in FY19

KRBL's **Media Strategy** 2018-19

Overview

In an endeavor to remain at the top of its business and competition, the Company through its flagship brand India Gate continues to offer products which have transformed to be more meaningful to customers right at the point of purchase.

In line with this tenet, KRBL has formulated a different marketing and promotion strategy which aims at transforming the consumer's perception about the Company, its products and the different brands. Majority of the advertisement and marketing campaigns of the Company are aimed at making the consumers aware about how the Company is continuously striving to answer the core requirements of its customers and that it's not just available as mere options on the shelf.

Through its differentiated media strategy, the Company has not only been able to stay ahead of the competition but has been highly successful in taking the conversation away from price while intimating the customers what value it brings to the table.

Backed by a dedicated media and marketing team, the Company strived towards engaging its customers through innovative product range and packaging along with relevant advertising campaigns.

Further, keeping in mind the importance of festivals in India, in FY19 the Company devised tactical promotional campaigns along with revamping the packaging of its flagship brand India Gate Classic in an all new avatar.

As a market leader in the branded Basmati rice segment, KRBL is intimately aware of the role media outreach can play in both consolidating and augmenting its growth potential in the industry.

In a first-of-its-kind effort, the Company launched two new festival special television commercial during the 2018 festive season with one celebrating the concept of Diwali while the second emphasizing on the importance of festivals and occasions in our life.

A well crafted media strategy across different channels and media, over the years, has helped KRBL showcase the right product to the right customer segment across the nation as well as in the international markets.

Key Highlights – **FY19**

Masterfully balancing old with new - 'India ki Puraani Aadat' & Festive Celebration Campaign

KRBL continued to promote its highly successful 'India ki Puraani Aadat' brand promotional advertising campaign in FY19 whilst bringing in some new marketing initiatives like repackaging and relaunching 'India Gate's' flagship brand 'India Gate Classic' rice 1 kg pack in an all-new occasion special 'Celebration Pack'.

KRBL added a new dimension to the campaign, by focusing on specific geographies and introducing India Gate Classic as a product which is affordable as a festive buy for everyone.

Blending the old with new, the Company in FY19 launched a massive media campaign surrounding its India Gate Classic brand called 'Iss Tyohaar Sirf Classic Banega'.

Iss Tyohaar Sirf Classic Banega

Truly believing that special days deserve something special on your plate, KRBL launched a massive 360-degree advertising campaign during the festive season of 2018. Thus, making it perfectly aligned with the sentiments of the season and the value of its flagship brand. During the year, the Company undertook extensive promotional activities across different media platforms like TV, radio, newspaper, magazines, and digital for the 'Iss Tyohaar Sirf Classic Banega' advertisement campaign. Further KRBL, undertook focused trade level marketing initiatives like dealer distributor boards, diverse POSM elements and introduced a growth focused dealer scheme to further boost the visibility of the Classic brand. All these initiatives helped the Classic brand reach new heights in terms of brand visibility as well as revenue.

Campaigns **Outreach**

YouTube

4,00,00,000+

Digital impressions across media platforms like **YouTube**

16,000+ Radio spots

across **20 cities**

15,000+ Retail outlets

covered by POSM

3,860 Television spots

across **51 channels**

609 OOH units

across **22 cities** in India

500 Premium outlet

branding

50 National magazines and dailies

which showcased **Iss Tyohaar Sirf Classic Banega** advertisement

This multi-channel campaign helped enhance the visibility of the newly launched packaging of the India Gate Classic and establishing it as an occasion special product in households across India.

Campaign's impact

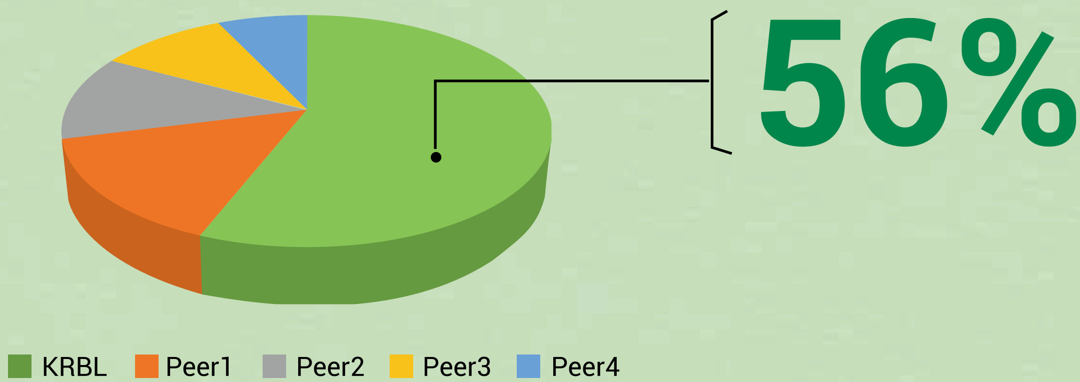
47%

Retail penetration growth achieved by KRBL's 'India Gate Classic' brand in FY19

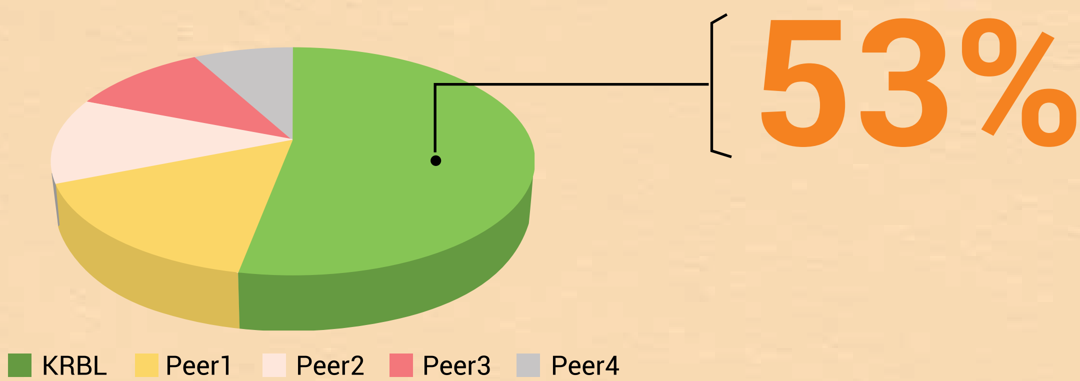
Media Initiatives – **FY19**

KRBL is not just the market leader in different product categories but is also the leader within the Indian rice industry in terms of total investment in the media and advertising segment.

KRBL's Share of Expense (Media and Advertising)



KRBL's Share of Voice (Media and Advertising)



India Gate-Today the brand is synonymous to the best quality Basmati Rice and has emerged as the most preferred packaged rice brand in India and abroad.

CELEBRATION PACK
INDIA GATE
BASMATI RICE
CLASSIC
1 kg

Dominant **Media Presence**

Television

The ubiquitous presence and reach of television meant that we continued to strive for greater presence in the medium the past year. Likewise, KRBL through their brand India Gate invested heavily in television campaigns and doggedly pursued partnerships with some of the most talked-about TV serials and films produced in the country. These collaborations proved very successful as it massively enhanced the visibility of KRBL's different brands and helped us connect better with our customer.

Kasauti Zindagi Ki

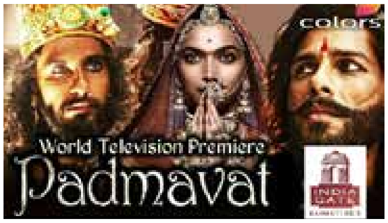
Show featured advertisement from Shahrukh Khan, helping KRBL clock higher viewership compared to industry peers.

Jhansi ki Rani

A popular TV serial on 'Colors' channel.

Master Chef Canada

Helped KRBL enhance brand visibility in an international market which has a significant South-Asian diasporic community.



Padmavat

2018's Biggest Bollywood movie premier. Provided visibility across different channels like 'Colors', 'Colors (Tamil)', 'Cineplex' and 'MTV'.

Big Boss (Tamil)

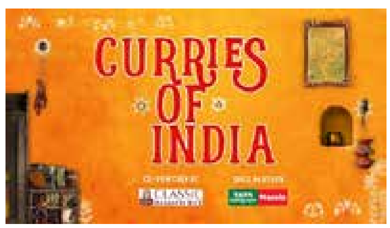
Captured the attention of more than **3,30,000** people across the state of Tamil Nadu.

Yari Gunttu Yarigalla

Popular women's game show on 'Zee Kannada'. Helped KRBL to reach many female viewers in the Southern states of India.

Big Boss (Kannada)

Provided visibility across channels like 'Colors Super' and 'Colors Kannada'. Teamed up with 'Big Boss' housemates to prepare biryani with the India Gate Classic rice for the unprivileged children.



Curries of India on 'Living Foodz'

Popular food show featuring Chef Kunal Kapoor and Chef Ranveer Brar. Use of 'India Gate Classic Basmati Rice' on the show gave the brand a widespread visibility.

Hungry for Home Cooked Food

Highly appropriate partnership - 'TLC' channel show seeks out home-cooked food prepared by housewives. Its viewers are a potential consumer base.

Result, a dominating screen presence

53,000+
Spots in 73 channels

7,68,000+
Seconds of screen presence
screen presence

4,300+
Total GRP mapping across India

46%
Spots in premium channels

3,600+
Total promo tags

13
Total sponsorships in FY19, one of the highest within its industry space

20+
Total integrations in FY19

Dominant **Media Presence**

Radio

Well-thought out radio advertising campaigns continue to be immensely popular and have massive reach. During the year under review, KRBL launched several innovative promotion campaigns targeting all the metro cities and also the Tier I, Tier II, and Tier III cities. India Gate remained the main brand in focus in most of the campaigns.

National channels where KRBL's radio advertisements got aired

16,000
Spots

4,00,000
Total running period of the spots for a period of three weeks

Print

Print, likewise, remains ever important medium of advertising for the Company. KRBL targeted its promotional campaigns at select publications, including regional ones, to reach our target consumer base. Keeping in mind that Indian households still tend to reflect a traditional division of labour within households, with women being responsible for meeting the nutritional needs of family members, KRBL ensured an advertising presence in all leading women's magazines and dailies across India.

50+
Total ad insertions
placed by KRBL

24+
Magazines
where ad insertions have been placed

North India, Maharashtra, Karnataka, West Bengal, and Tamil Nadu

Important regions where the advertisements have been published

Outdoor

Being strategic in its approach, KRBL's BTL activities were based on the choice of opportune locations and innovative ideas.

Outdoor initiatives undertaken in FY19

Wrapped an entire metro train in Classic Celebration Campaign with the 'India Gate Classic' brand – for the first time in the history of KRBL

Launched one of KRBL's biggest outdoor campaigns with the 'India Gate Classic' brand

Diverse and innovative advertising displays across different mediums like metro trains and digital screens

This helped the Company with an enhanced visibility and positioned its brands around 'health', 'affordable' and 'choice' translating into an ability to provide safe and healthy products across diverse price points.

22

Cities covered by KRBL's biggest outdoor campaigns with the 'India Gate Classic'

600

Sites across the 22 cities

Dominant **Media Presence**

Digital

Being a proactive company, KRBL has always been ahead of the curve in terms of product innovations and strategic marketing innovations and is also accelerating these through pertinent digital interventions. Digital promotion strategies now form a core part of KRBL's growth and promotion strategies and going forward it would continue to hold the limelight.

Why there is so much emphasis on going digital now?
With a paradigm shift towards a digital economy, there is an increasing need to blend traditional marketing strategies with new-age digital ones.

This is how KRBL continued to enhance its digital presence in FY19
We continued to enhance our digital presence through strategic investment in different digital marketing initiatives and social media drives. By effectively utilizing the digital platform both from the social media prospective as well as television prospective. We continued enhancing our digital presence by forming a dedicated team of professionals who helped us in building capabilities, devise effective media strategy and create specialized content targeting different customer segment. Strategic tie-ups with different e-commerce giants and other electronic media platforms coupled with regular release of different promotional videos on YouTube and other social media platforms also helped us in expanding our digital presence.

Digital associations in FY19

India's Digital Chef

For the promotion of KRBL's brown rice, the Company associated with Master Chef Sanjeev Kapoor, Master Chef Saransh Goirala, and active TV personality Amrita Raichand in an original digital show called 'India's Digital Chef'. This unique association provided KRBL with a great mileage across different social media platforms and also helped in popularising the brands across the different platforms.

The association helped the Company get huge amount of user generated content from its customers on different social media channels like Facebook and Instagram through specific contests targeting at with specific customer groups like office goers, gym enthusiasts, and kids. This activity helped in promoting India Gate Brown rice brand across the different digital media platforms.

22.4 million people
Reached through India's Digital Chef

6.9 million views
Total views garnered by the show on Sanjeev Kapoor's YouTube Channel

4.3 million minutes
Total watch time of the show across different platforms

Big Boss Kannada & Big Boss Tamil

Got associated with the show on Voot, the show's digital broadcasting partner. It was one of the most popular and engaging shows in the market with a massive following on both TV and Digital platform. KRBL's biryani preparation activity with the India Gate Classic rice for the underprivileged children along with the teammates was also showcased on different social media platforms and it garnered a huge viewership.

A special campaign – Mother's Day Campaign

KRBL created a special campaign on the occasion of 'Mother's Day' which received an overwhelming response and did wonders for the digital visibility of KRBL's brands. In a span of just six weeks, it received over 2 million views across different social media sites like YouTube, Facebook and some other social media platforms.

All these initiatives helped the Company further strengthen its visibility across the digital channel and entrench its brands in the minds of the young population of the nation. KRBL also focused on customizing its digital campaigns around different products and different customer segments.

Social media reach

For India Gate classic campaign

2 Crores+	62 Lacs+	2 Crores+	20 Lacs+
Views on Hotstar	Views on VOOT	Views on YouTube	Views on Facebook

'Corporate Master Chef'

A strategic brand promotion activity undertaken by the Company during the year. Through this activity, we tried to promote and popularize the Brown Rice products to different corporate houses by relating its health benefits. It proved to be a highly successful activity as it got the attention of a large number of audiences in over 30 corporates. It also helped KRBL's India Gate Brown rice brand garner a strong digital footprint.

Thinking differently – India Gate touches hearts across India

In FY19, KRBL began a new campaign called 'India Dega Aashirwad - For a Hunger Free India' that advocates against the wastage of rice on occasions like weddings so that it can be distributed among the needy and the hungry. As a part of this unique campaign, the Company created different videos and posts and has spread the same across different social media platforms so that it reaches thousands of people.

2 million people
Reach of the campaign till date

1 million +
Total video views of the campaign till date

10,000
Total packets of rice received by KRBL till date

INTERNATIONAL MARKET PERFORMANCE

The Company ventured into the international market in 1985 with a small order of basmati exports of 1,000 tonnes from the UAE. Over the next few years, KRBL Limited developed a strong network of distributors in 82 countries across the globe.

Positioning itself as a global agri product manufacturing company, KRBL has built a strong international presence over the years and is today one of the largest Indian players in the branded rice segment to have such a global outreach. A household name in several international markets, KRBL has built a strong presence in a number of Gulf countries.

FY19 proved to be another year of great performance for KRBL's export business as the Company continued to widen its international presence during the fiscal year. Contributing nearly 45% to the overall revenue mix, KRBL's export revenue grew by 42% during the year to record an overall export sales of ₹ 1,845 Crore compared to ₹ 1,303 Crore in FY18.

Continuing to hold the leadership position in the UAE market, KRBL's flagship Basmati rice brand India Gate commanded a market share of 33% (in terms of value) in the region compared to its next best peer who commanded a market share of 11%. India Gate is also a well-recognised brand in some of the other markets like GCC countries, Australia, and South-East Asian markets, among others.

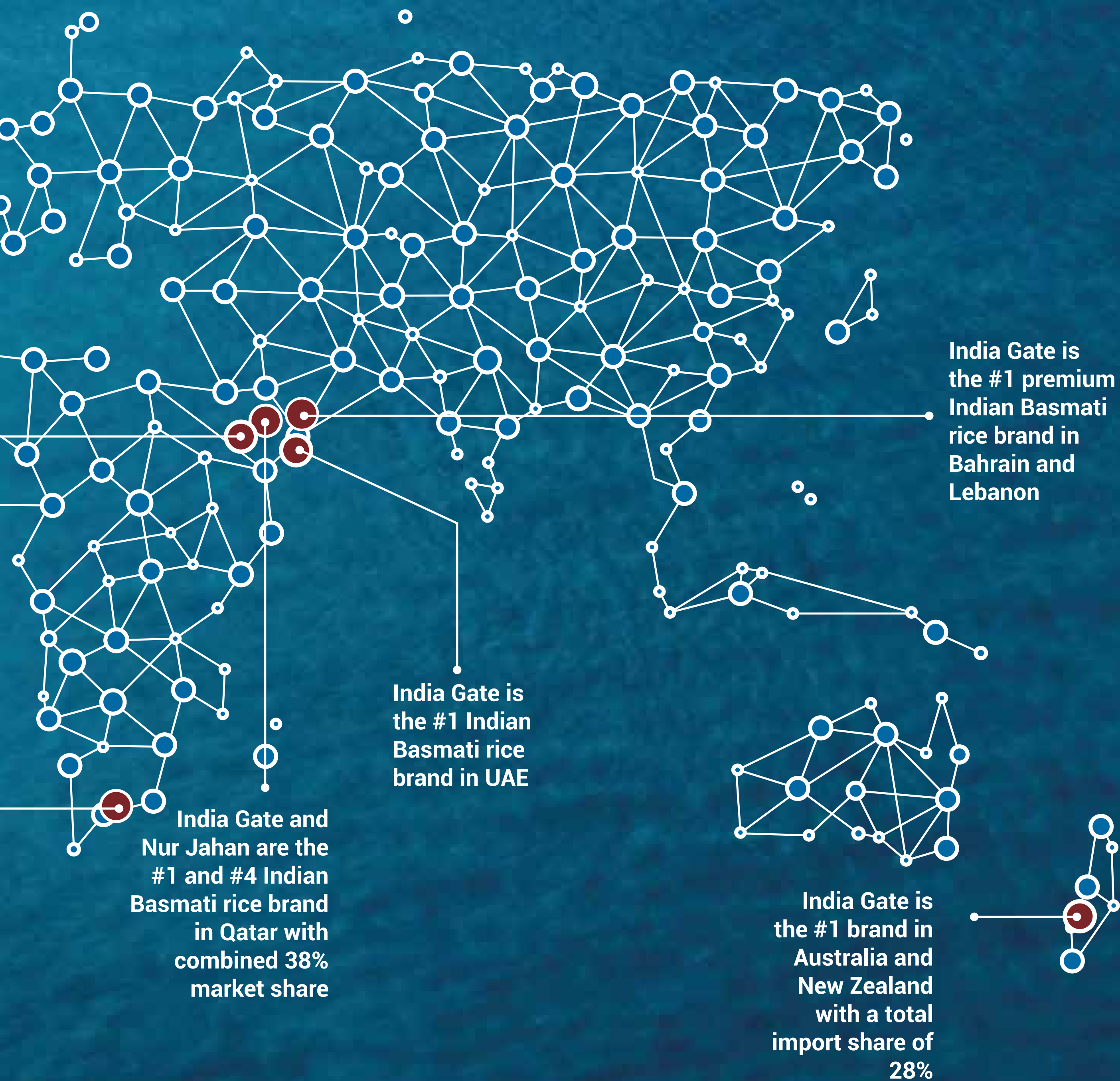
KRBL's export business

India Gate is the #1 Indian Basmati brand in Canada both in Ethnic and Modern Trade

India Gate and Bab Al Hind are the #2 brand in the Indian Basmati white rice segment in Saudi Arabia

Nur Jahan emerged as the #1 brand in South Africa commanding a total import share of 32% with KRBL brands in South Africa

Source: Retail Data, Distributors Data, APEDA Data, KRBL Export Data


India Gate is the #1 premium Indian Basmati rice brand in Bahrain and Lebanon
India Gate is the #1 Indian Basmati rice brand in UAE
India Gate and Nur Jahan are the #1 and #4 Indian Basmati rice brand in Qatar with combined 38% market share
India Gate is the #1 brand in Australia and New Zealand with a total import share of 28%

Media initiatives in international market

Growing the PR Drive in the Gulf Region

We at KRBL strive to push the boundaries of the business constantly and innovate with our PR strategies to take the message of our brand, expertize and quality of products in newer ways to existing as well as to new markets.

Within the Gulf region, we have exponentially grown our Public Relations outreach in the past year, aiming to consolidate and strengthen our engagement with consumers and customers.

Two major aims in FY19

- To enhance brand awareness and top of the mind recall amongst our target consumers
- To create an attractive buzz and awareness around our healthy foods category which was recently launched in the region

Recently launched healthy food products

How KRBL's PR team create the buzz?

1. Actively disseminating press releases and articles introducing the new products
2. Highlighting the nutritive benefits and USP of the products
3. Developing innovative health stories and features around the health attributes
4. By reaching out to target consumers through digital and social media channels to great effect
5. By clearly conveying the Company's view in the form of publications (in various industry story feature) or through radio channel interviews of the top management
6. By directly interacting with our target consumers through regular blogger collaborations
7. By creating editorial opportunities for the brand by crafting creative media alerts based on occasions and features relevant to the local media through sharing of tips and recipes

Publication features

dubaieye 103.8 | entrepreneur me inspire | motivate | change | THRIVE GLOBAL | THE REPORT Dubai 2019

6,798,829 AED Total estimated PR value

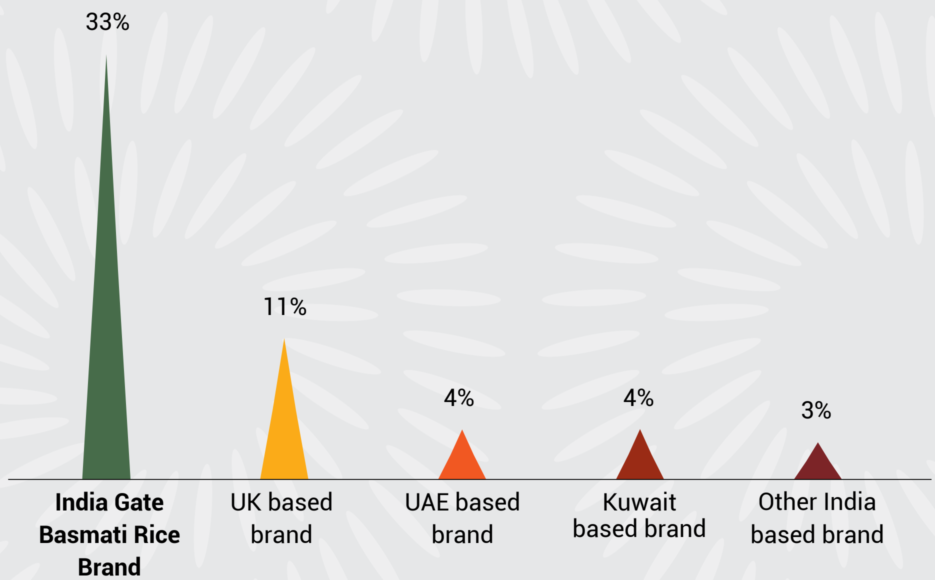
202 Media Alerts & Recipes features

PR Activity	Total	No. of Coverage
Interviews	5	Print = 1 Online = 4
Media Alert Features	161	Print = 12 Online = 149
Press Releases	6	Print = 1 Online = 5
Blogger Collaborations	35	English = 19 Arabic = 16
Recipes Featured	41	Print = 10 Online = 31
Articles	8	Print = 4 Online = 4
Industry Stories Featured	5	Print = 3 Online = 2
Total PR Value Estimated	AED 6,798,829*	

*(*Above shown results are achieved from April 2018 until March 2019)*

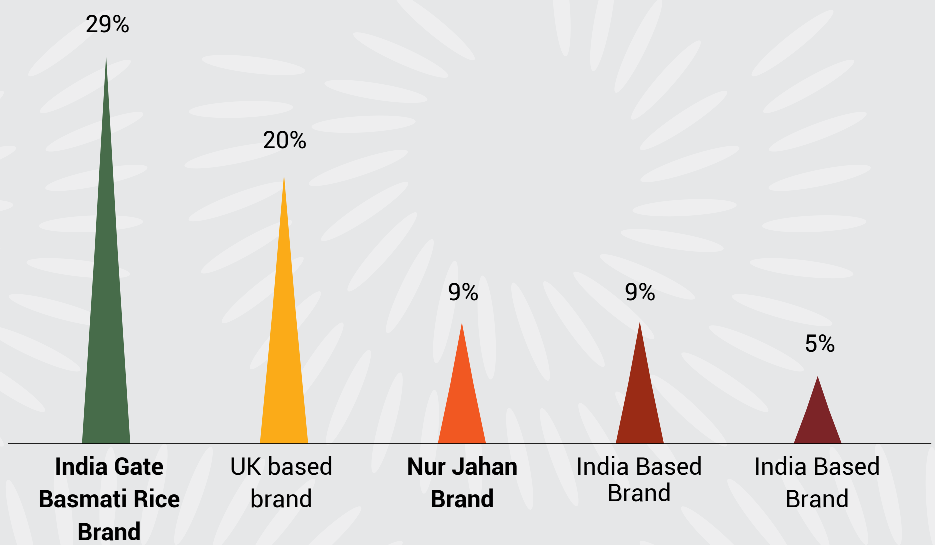
KRBL presence in the international market

Market Share of various rice brands in UAE Basmati Rice Market Top 5 Brands (Value Wise)



In value terms, India Gate Basmati Rice is the largest selling Basmati Brand in UAE Basmati Rice market with 33 % Market Share.

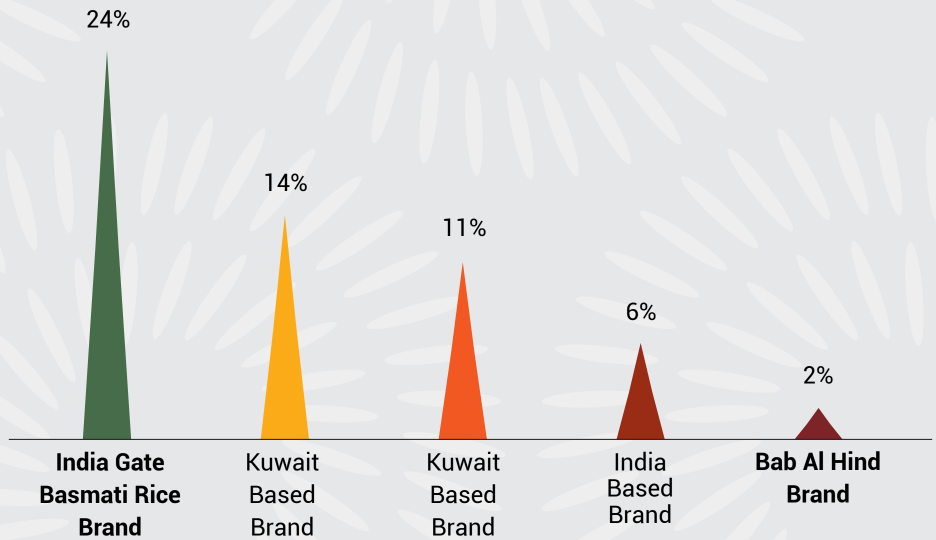
Market Share of various rice brands in Qatar Basmati Rice Market Top 5 Brands (Value Wise)



In value terms, India Gate Basmati Rice is a leading brand in Qatar Basmati Rice market with 29% market share. While, Nur Jahan Basmati Rice is gaining traction with 9% market share.

Source: AC Nielsen Middle East - for the period Feb 2018 - Jan 2019)

Market Share of various rice brands in Kuwait Basmati Rice Market Top 5 Brands (Value Wise)



In value terms, India Gate Basmati Rice is a leading brand in Kuwait Basmati Rice market with 24% market share. Being a newly introduced brand in the market, Bab Al Hind is slowly & steadily picking up pace with respect to other brands.

Source: AC Nielsen Middle East - for the period Feb 2018 - Jan 2019)

KRBL'S Traditional Marketing Initiatives in MENA Region

At KRBL, we set our sights on becoming internationally recognized and loved by consumers coming from diverse cultural and geographical backgrounds. It makes us proud that our products transcend the limitations of language, ethnicities, cultures, eating habits, and geographical locations. In the past year, we reinforced this essence of the brand by continuously investing in and communicating with our consumer universe across the world.

KRBL adopted an aggressive BTL strategy to reach out to the Arabic, Asian, and Western expat target consumer base within the MENA region, promoting 'India Gate Classic', 'India Gate Super', 'India Gate Quinoa', 'India Gate Chia Seeds', 'India Gate Flax Seeds', and 'India Gate GABA Rice'.

Consumer Activation in GCC

At KRBL, we have always believed that we are a company built by farmers and loyal consumers and constantly strive to reward our consumers who believe in the brand and quality of our products. We were delighted to launch a scheme that offered a Free Electric Kettle with every pack of 5kg 'India Gate Classic Rice' across the Gulf and LEVANT regions.

Strategic partnership: KRBL's Corporate Membership of Emirates Culinary GUILD

KRBL made yet another innovative move by partnering with the Emirates Culinary Guild (ECG) in FY19. The ECG is an association of professional chefs in the UAE and is a non-profit organization run by volunteers dedicated solely to the advancement of the culinary arts in the UAE.

Through this partnership, KRBL is working towards many goals, including:

- Encouraging and inspiring young chefs through training and competitions and enhancing the culinary prestige of the UAE internationally;
- Encouraging UAE nationals in considering a career within the hospitality industry;
- The partnership is likely to enhance KRBL's brands and brand value in the UAE chef community
- Help KRBL further enhance awareness about the Company in terms of the varieties of rice offered by KRBL and KRBL's health food range among others.

Event participation in the Gulf region

KRBL at HORECA Kuwait 2019

KRBL participation at the prestigious HORECA Kuwait 2019 exhibition was one of the major events that transpired during the year.

HORECA Kuwait

Country's biggest B2B Hospitality Exhibition, where all companies in food and food related sectors participate to showcase their latest products, technologies and services to the hospitality industry, which is the fastest growing market in Kuwait.

The event also boasts about a Hospitality Salon Culinary, where top chefs from Kuwait participate in various cooking shows judged by international Master Chef's from all over the world. The event is strictly for hospitality visitors and this year was attended by more than 7,000+ visitors from the Food & Beverage Industry.

KRBL made a strong appearance at the event, courtesy our food service team and local distributor who took charge of setting everything up. KRBL's stand drew many visitors and our team made the most of this opportunity by proactively connecting with visitors and customers personally and briefing them about the brand portfolio.

KRBL at Gulfood 2019

Yet another feather in the cap for KRBL's PR goals for this year was a strong showing at the world's largest annual food and beverages trade exhibition, Gulfood.

A global food sector power brand, Gulfood's 24th iteration at the Dubai World Trade Centre (DWTC) was held from 17-21 February 2019. With more than 1,00,000 visitors coming to the five-day event, it witnessed the latest global trends in the Food & Beverages industry.

The KRBL stand was inaugurated by our Hon'ble Chairman & Managing Director Mr. Anil Kumar Mittal and Director Ms. Priyanka Mittal. The Hon'ble CMD put forward the Company's vision, mission and launch rationale of the India Gate Health range during the event and also showcased how the Company would like to expand its healthy food segment keeping in mind the increasing trend for healthy food across the globe.

Power sector

In a power-intensive business like rice milling and processing, the onus is on the Company's ability is to maximize the generation of power from the downstream utilization of byproducts.

Keeping this in mind, KRBL ventured in the business of captive power generation to ensure constant power supply for its operations and has currently total installed capacity of 146.94 MW across different verticals like biomass, wind, and solar power segment. KRBL today enjoys one of the largest renewables and alternate power generation capacities within India's agricultural industry.

This investment not just helped in meeting the captive power requirements of the Company, resulting into a substantial saving in the power and fuel costs, but also opened up a new revenue stream for KRBL.

₹ 129 Crores
Total revenue generated from the sale of power in FY19

4%
Growth in the revenue generated from the sale of power compared to FY18

114.35 MW
KRBL's total wind power generation capacity*

*Wind power generation capacity as of 31 March 2019.

Details of KRBL's power generation capacity

Installed Power Generation Capacity	
Particulars	**2018-19**
Total Wind power project capacity	114.35 MW
Total Solar power project capacity	15.00 MW
Total Biomass capacity	17.59 MW

Power Generated		
Details of Project	**Details of Units Generated**	
	2018-19	**2017-18**
(A) Wind		
Maharashtra		
Dhule (1.25 MW *10)	1,89,53,268	1,50,99,718
Sangli (2.10 MW *10)	3,84,21,679	3,09,94,362
Tamil Nadu		
Tirupur (1.50 MW *4)	1,18,76,098	1,29,12,740
Tirunelveli (2.10 MW *1)	29,14,432	35,14,361
Karnataka		
Raichur & Koppal (1.50 MW *6)	2,29,06,389	2,14,54,617
Bellary (2.10 MW *1)	44,68,932	41,81,339
Rajasthan		
Jodhpur (1.50 MW *4)	1,01,82,737	87,01,054
Jaisalmer (2.10 MW *1)	30,83,634	24,69,005
Jodhpur (1.25 MW *3)	59,10,624	47,60,563
Andhra Pradesh		
Kaddappa (2.10 MW *1)	47,98,664	38,96,984
Anantapuram (2.10 MW *4)	1,73,20,659	1,55,83,296
Madhya Pradesh		
Agar-Malwa (1.50 MW *4)	1,18,94,254	1,02,14,077
Mandsaur (1.50 MW *4)	89,62,121	80,02,830
Gujarat		
Devbhoomi Dwarka (2.10 MW *13)	7,77,78,007	7,06,46,652
Sub Total (A)	23,94,51,905	21,24,31,598
(B) Solar		
Madhya Pradesh		
Rajgarh (2.50 MW)	40,71,360	41,28,907
Agar-Malwa (6.63 MW)	1,10,93,848	1,12,76,427
Agar-Malwa (5.60 MW)	94,19,467	95,21,330
Sehore (0.27 MW)	3,75,049	4,93,626
Sub Total (B)	**2,49,59,724**	**2,54,20,290**
TOTAL (A+B)	**26,44,11,629**	**23,78,51,888**

Power Business		
Plant Location	**Function**	**Capacity (MW)**
Dhuri	Biomass	12.34
Gautam Budh Nagar	Biomass	5.25
Sub-Total (A)	**Biomass**	**17.59**
Maharashtra	Wind	33.50
Rajasthan	Wind	11.85
Tamil Nadu	Wind	8.10
Karnataka	Wind	11.10
Andhra Pradesh	Wind	10.50
Madhya Pradesh	Wind	12.00
Gujarat	Wind	27.30
Sub-Total (B)	**Wind**	**114.35**
Madhya Pradesh	Solar	15.00
Sub-Total (C)	**Solar**	**15.00**
Total (A+B+C)	**Biomass / Wind / Solar**	**146.94**

15.00 MW

KRBL's total solar power generation capacity*

17.59 MW

KRBL's total biomass power generation capacity*

*Wind power generation capacity as of 31 March 2019.

Research and development

At KRBL, we feel that our research and development is a critical enabler of our growth and has been our key differentiator. New product development and launches coupled with product upgradation year after year has ensured that KRBL address the changing demand pattern of its customers. Further, new product launches contribute to the efficiency and sustainability of product portfolio and improved profitability.

Thus, KRBL is known today for pioneering several cropping methodologies and harvesting techniques which have enormously helped the farmers enhance their yield. Collaborating with some of the renowned agricultural academic/ research institutions of the nation, the core focus of KRBL's R&D unit is to develop new Basmati seed varieties which are of superior quality. With a keen eye on continuously upgrading the seed quality, KRBL's R&D team works closely with the Indian Agriculture Research Institute (IARI), New Delhi to develop new and improved seed varieties. Constant improvement of process and enhancement of operational efficiency in line with the international standards is also an area where the R&D teams look into.

KRBL's core R&D strength lies in developing modern seed farm and product testing. The four members R&D team of KRBL endeavours to make existing products better and develop niche products through continuous process development. Every R&D activity at KRBL is vetted through stringent quality checks to ensure that the products adheres to established parameters.

Pioneer

KRBL pioneered the development and use of premium PUSA 1121 Basmati seed variety. This variety is considered superior than the Pakistan Basmati seed variant.

Certifications endorsing KRBL's quality quotient

FSSC 22000

issued by Cotecna, an internationally recognized certification.

Halal Product Certification

issued by Halal Certification Services India Pvt. Ltd.

SQF Code Edition 8.0

issued by Intertek. An internationally recognized certification on food quality hazards as well as food safety.

US- FDA

USFDA

Registered

GMP Certification

for export to US & China
(Issued by NPPO)

BRC certification

issued by Intertek

KRBL's SWOT Analysis

Strengths

Rich legacy: With a successful track record of more than a century, KRBL today is an established and respected business entity in the agri-food industry.

Strong management team: Thanks to KRBL's well-qualified and highly experienced management team aptly assisted by a strong team of dedicated, committed and talented people, helped the Company grow from strength to strength over the years overcoming different challenges and adverse market conditions.

Strong R&D capabilities: Backed by a state-of-the-art R&D capability, the Company has been successful in developing high yielding varieties of rice seeds along with innovative rice products that helped meet the unmet needs of the customers.

Extensively integrated: KRBL is one of few fully integrated agri-product manufacturers in India with a presence across the entire value chain.

Strong farmer connect: Since inception we remain committed to create value for our farmer community. We continue our association with farmers beyond business by assisting them with different knowledge-based technical know-how on best agricultural practices and facilitating them in sourcing quality inputs.

Widespread distribution network: A strong supply chain network spread across the length and breadth of India, enables the Company's products to reach the farthest and remotest corner of India.

Global footprint: India Gate, the Company's flagship rice brand, is exported to more than 80 countries across the globe.

Scale: KRBL is India's largest exporter of branded Basmati rice. The Company is also the largest rice miller of the world.

Weakness

Highly dependent on weather conditions: Rice production is heavily dependent on the weather conditions, shortage of water, rainfall or adverse climatic conditions.

High risk of crop damage: Being an agricultural commodity, rice is highly prone to different plant diseases which can adversely impact plant yield.

High working capital requirement: As the entire rice production process from creating facilities for aging of rice to enhancing and maintaining quality takes quite some time, thus the working capital requirement is quite high.

Higher propensity of inventory loss: As paddy is a perishable goods, fluctuation in the market prices may lead to lower offtake which in turn can lead to inventory loss.

Opportunities

Evolving consumer preferences and changing lifestyle: With the rise in the per capita income, more and more customers are preferring premium, branded and healthy products instead of low quality and cheap ones. This is likely to push up demand for branded and healthy rice products like Basmati rice across modern retail chains.

Increasing count of working women: An increase in the young working population, especially women, with rising incomes and increasing purchasing power is likely to fuel growth of the sector - consumer spending in India is expected to grow from US$ 1.5 trillion at present to nearly US$ 6 trillion by 2030, according the WEF.

Global market expansion and increased consumption

With the growing popularity of Basmati rice owing to its aromatic and aesthetically pleasing features, demand for Basmati rice has seen a constant rise over the last decade and especially in the Middle East region where rice-based delicacies are world famous.

Changing landscape of rural India

Extreme rural poverty has declined from 94% in 1985 to 61% in 2005 and is projected to drop to 26% by 2025. With the rise in affordability of the rural economy, rural retailing is another area of prime focus for many branded players now. Rural India accounts for two-fifths of the total consumption in India. Thus, the industry players do not want to be left out and are devising strategies especially for the rural consumer.

Increased household spending

With rising affluence in India, households are climbing up the income ladder to drive nearly 3.5 times growth in consumption. This growth, fundamentally, is driven by two main factors—average spend per household and the total number of households.

Greater acceptability

Increasing acceptance of rice as a staple diet has enhanced accessibility of Basmati rice across different markets round the globe.

Threats

Competition from unorganised segment

Despite the recent trend of increasing preferences for branded products, unorganized players, operating at low margins and accounting for nearly 40-45% of the Basmati market, pose a threat to the large organized players. Non-inclusion of unbranded rice products in GST has further compounded the situation.

Economic slowdown and currency fluctuations

Looming threat of tariff war started by the US administration, coupled with geo-political tensions in Iran and Russia among others, and sharp fluctuations in currency exchange valuations could adversely impact international/export business.

Growing competition from Pakistan

Increasing competition from Pakistan may impact India's dominance in the global Basmati market.

Risk management

Risk which is the manifestation of business uncertainty, affecting corporate performance and prospects, is an integral part of all businesses but can be controlled through awareness, discipline, and commitment.

As a proactive company, KRBL has a systems-based approach to risk management. Its risk mitigation framework comprises a study of emerging business trends, framing policies and strategies, and structured reporting and control.

At KRBL, risk management is addressed through a three-pronged approach:

Industry risk: Sectoral slowdown could impact growth. The demand for agri-products is directly linked with the economic growth of the country. A slowdown in the economy may adversely impact growth of the industry.

How will KRBL be protected?

- KRBL is the market leader of branded segment of Basmati Rice and is the most aspirational brand for high/ middle income groups who are least affected by this risk.
- Basmati rice industry is expected to witness significant growth, reflecting in a growing demand for affordable and quality products.
- With the growing health consciousness among the consumers, healthy food segment is likely to witness significant growth going forward.
- Although the Company has a strong international presence but going forward the Company plans to further increase its presence in some of the under-penetrated global geographies.

Raw material risk: Non-timely availability of raw materials may impact the production and which in turn may have an impact on the sales and profitability of the Company. At the same time, high cost of raw materials may also impact the bottom-line.

How will KRBL be protected?

- The major raw material required to produce premium quality rice is quality of Basmati paddy. Further over the decades, the Company has built a strong farmer connect through its well-established contact farming system, ensuring KRBL the supply of quality Basmati Paddy which is GI product and grown in highly irrigated areas and therefore availability of Basmati paddy will not be a constraint.

Brand risk: In a crowded marketplace, KRBL's brand might lose recall, resulting in sluggish offtake, lower realizations and reduced profitability. Inability to keep pace with evolving preferences could affect growth.

How will KRBL be protected?

- Over the years, KRBL has been successful in positioning itself as a quality rice manufacturer marketed under different brands. This has translated into a market share of 35%, making it the number one brand in India. Thanks to its innovative and strategic marketing and advertising campaigns coupled with strategic associations, total rice sales have increased by 28% in FY19.

  A strong brand recall has enabled KRBL to establish itself as the largest exporter of branded Basmati rice in the world.

Competition risk: Rising competition from the organized and unorganized players and other major rice producing nations could impact sales and in turn profitability.

How will KRBL be protected?

- KRBL is the market leader of branded segment of Basmati rice which is grown only in India and Pakistan and therefore risk from other rice producing nations is mitigated.
- Enduring market goodwill as an ethical and transparent company and a supplier of quality agricultural products.
- Enhanced focus on a 360-degree brand building exercise comprising of successful brand promotions and engaging customers at multiple points resulting in an integrated communication approach. Thereby, has been successful in maintaining its leadership position for years now.
- Attractive price-value propositions helping the Company in creating new product categories.

Quality risk: KRBL's brand value and customer loyalty has been over its product quality. Any fluctuation in the product quality would result into a reputational damage, loss of faith and a drop-in offtake.

How will KRBL be protected?

- The Company has always strengthened its culture of checks and balances at all production points to ensure that the product is of high standard and best quality.
- From sourcing of quality raw materials to testing of the final output, quality check is prevalent at each and every stage.
- Sustained investment in R&D, state-of-the-art equipment and manufacturing facilities and indifferent process improvement measures, has helped the Company to maintain its quality quotient.

Foreign currency risk: With export revenues contributing a significant chuck to the overall revenue mix, any unwanted fluctuations in the foreign currency rates could adversely impact the bottom line.

How will KRBL be protected?

- The company has already put in place a well thought-out and well-structured foreign exchange risk management policy which safeguards the Company from any unwanted foreign currency fluctuations by competently hedging all the foreign currency exposures.

Cost risk: Owing to KRBL's nature of business, it requires huge storage facilities to store the rice safely for aging to enhance its premiumness. This involves huge working capital and operational cost which in turn makes the business highly capital intensive. Any compromise in the storage facilities would lead to fluctuation in the product quality, which might lead to decreased offtake and finally to decline in margins.

How will KRBL be protected?

- Products of KRBL are of premium and much superior quality as compared to its peers which helps the Company in commanding a higher price and in turn helps recover the various overhead costs.
- Further, the Company has in place different SKU's for all pricing levels which ensure a steady cash inflow.
- The Company has also diversified in the power business, which not only helps in reducing the power cost but also adds a new revenue stream.

Geopolitical risk: KRBL markets and sells products across the globe. A geopolitical tension or event in any of the major markets can impact the business of the Company. US recently imposed trade and economic sanctions against Iran. This might have a serious impact on the company's export business as Iran is one of India's biggest export markets for Basmati Rice for a number of players including KRBL.

How will KRBL be protected?

- The Company embarked on strengthening its counter-initiative by widening its global footprint. Further, KRBL deepened its presence in select countries with an objective to graduate from mere shop share to national share. This multi-country presence is likely to moderate the risks arising from geopolitical instability in any select region or country.
- In Iran KRBL exports only rice, which is a food item and is out of the purview of the sanctions. Further, to mitigate from such country specific risks the company enters into Letter of Credit (LC) contracts with its foreign counter-party which safeguards the Company from payment defaults.

Regulatory risk: Any sudden change in the regulatory policies can adversely affect the industry which in turn can impact the Company's business.

How will KRBL be protected?

- With a wide product basket, the Company has ensured its presence across the value chain.
- Presence in different countries also facilitates in negating downfall in sales from one country with focused increase in sales in the other.
- Company's major source of revenue is Basmati rice which is not poor man's food and therefore there is no such risk of sudden change in regulation policies.

Human Resource (HR) Development

At KRBL, we believe that people who feel truly associated with the organisation are the ones who perform to their peak capability. As a core part of our business strategy, we're committed to providing an environment where all of our employees feel enabled and have a sense of belonging. We believe greater diversity within our business will maximize our collective capability, allow us to leverage diversity of thought, better reflect and understand our diverse customer base. This should in turn lead to better decision making and higher shareholder value.

The Company's human resource strategy is to consistently provide a work environment where our employees are encouraged to pursue their passion for excellence. Equipping everyone with opportunities, we ensure the growth and sustainability of our single largest investment, our employees, and in turn, the success of our organization.

We invest in recruitment, development, and wellbeing programmes supporting a diverse & inclusive, safe, transparent, and rewarding workplace. We have been successful in building a strong team of passionate, dedicated, and highly skilled workforce because we believe that our people are fundamental to our great products, services, and reputation. We invested towards nurturing, developing, and training our employees and also recruiting high-calibre talent to ensure we have the right people, teams, and skills to grow our business. Ensuring that our employees are well accomplished, safe, motivated, and productive is an essential element of our business model. The Company's total employee strength as on 31 March 2019 stands at 2,202.

Information Technology

Information technology (IT) has been an integral part of the process of the Company and has been one of the key driving forces behind the growth achieved by KRBL. Effective management of the Company's vast network of distribution channels is facilitated by its use of top-of-the-line technology. We are thus consistently scaling up our IT investments to upgrade our technological processes and evolve an infrastructure capable of maximizing the potential of the countless growth opportunities in the digital universe.

The Company uses SAP to manage employee and distributor data, which also allows it to track information flow in real time at the distributor and sub-distributor level. This has greatly improved qualitative control and strengthened supply chain efficiencies. Further, processes have been standardized across the board in order to ensure streamlining of systems across the operational value chain. The Company is also investing heavily in data analytics to optimize its sales and distribution strategy.

Audit Systems

The Company puts the highest priority on transparency, ethics, and good corporate governance and has established strong internal controls which have been integral to its growth process. It maintains proper accounting control and monitoring of operational efficiency; its policies ensure strict compliance with laws and it works towards maintaining reliable financial and operational information. KRBL's Audit Committee is consistent in its periodic review of all audit reports, audit plans, audit findings, adequacy of internal controls and compliance with Indian Accounting Standards (Ind AS). Over and above this, the Audit Committee proposes improvements whenever necessary.

Outlook

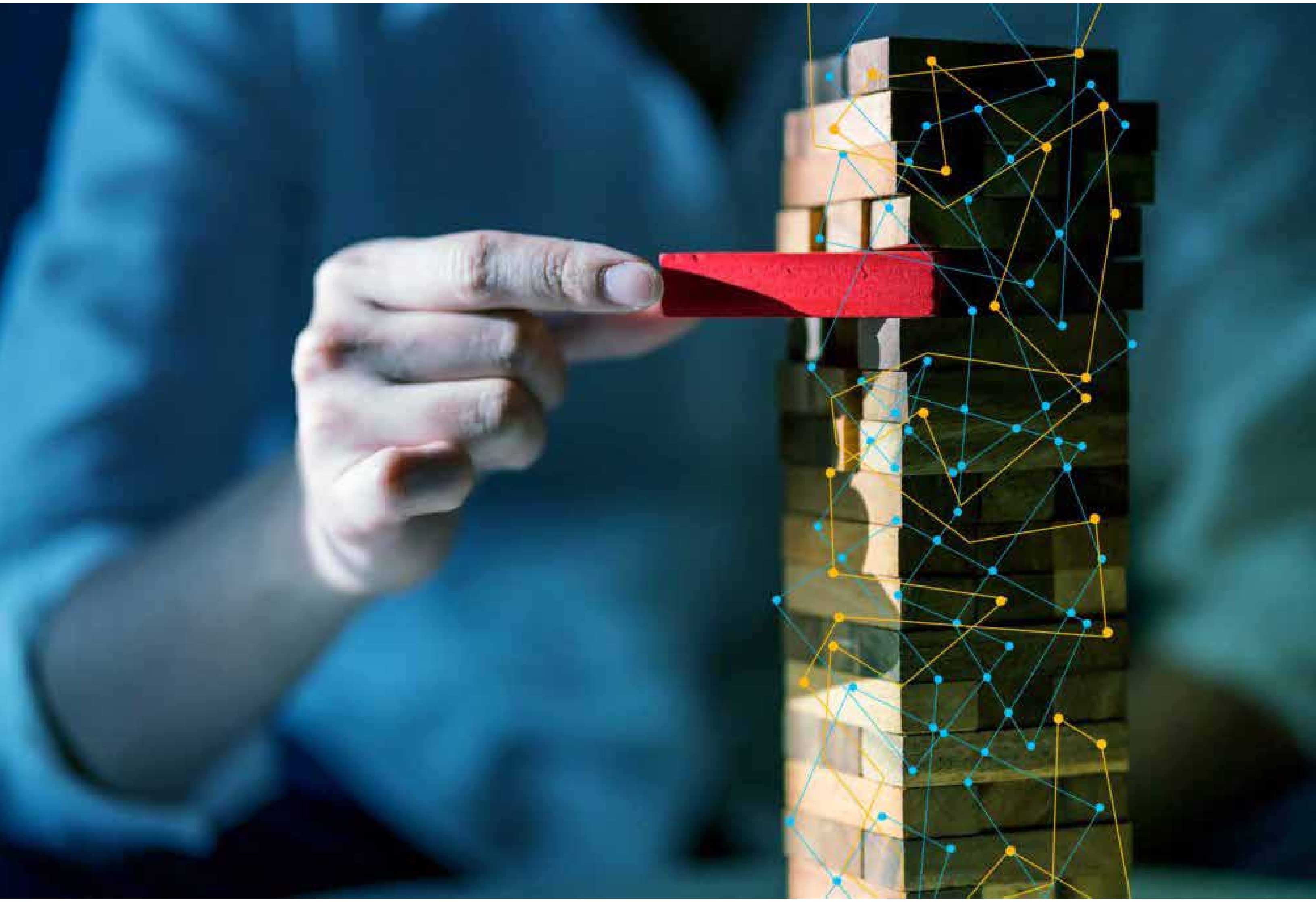
After having established itself as a leading supplier of quality rice products, the management is once again brainstorming on how to optimally leverage its existing strengths. Being an agile and proactive Company, it has been on a constant lookout for different avenues of growth which would help KRBL sustain its leadership position and also sustain its future growth strategy. Venturing into the healthy food segment is one such initiative, moving forward the Company would continue further cement its place in this newly formed segment and would be on a constant lookout to further widen its offering within this segment.

Going forward with an increased focus on coming up with consumer-centric products instead of price-centric products, the Company has embarked on the path making it ready for the future which would allow them to sustain the growth momentum over the long-run. Over the years, KRBL has been successful in creating niche for itself in terms of suppliers of superior quality rice, thereby has been successful in garnering better margins and secured increased returns for its different stakeholders. Moving forward, the Company is likely to continue working on these areas also. Innovation across different verticals like product manufacturing, packaging, raw material procurement, marketing, and distribution among others, has been the key differentiator for the Company. Additionally, the Company is likely to continue its focus on innovation to help it stay ahead of the curve.

The Company expects to reinforce its presence in the industry through continuous investments in technological upgradation and infrastructural development. Widening the farmer network would also be an area of focus for the company in the years ahead, as it plans to undertake a number of farmer initiatives to further strengthen the relations with farmers. A strong farmer base coupled with an aptly strong people strength; the Company is likely to sustain as the market leader within its industry space in the years to come.

Forward-Looking Statements

Statement in this report, particularly those which relate to Management Discussion and Analysis, describing your Company's objectives, projections, estimates and expectations may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may materially differ from those expressed or implied.



DIRECTORS' REPORT

DIRECTORS' REPORT

To
The Members,
KRBL Limited
5190, Lahori Gate,
Delhi - 110 006

Your Directors are delighted to present the Twenty Sixth Annual Report on Company's Business Operations along with the Standalone and Consolidated Audited Financial Statements for the year ended 31 March 2019.

1. RESULTS OF OUR OPERATIONS

The Company's financial performance for the year under review has been encouraging. Key aspects of Consolidated and Standalone Financial Performance of the Company for the current financial year 2018-19 along with the previous financial year 2017-18 are tabulated below:

(₹ in Lacs, except as stated)

Particulars	Consolidated		Standalone	
	Year Ended 31 March 2019	Year Ended 31 March 2018	Year Ended 31 March 2019	Year Ended 31 March 2018
Revenue from Operations	4,12,049	3,24,652	4,11,957	3,24,644
Other Income	1,515	1,781	1,490	4,034
Total Income	4,13,564	**3,26,433**	4,13,447	**3,28,678**
Operating Expenditure	3,27,061	2,47,259	3,26,929	2,46,782
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	86,503	**79,174**	86,518	**81,896**
Finance cost	6,758	6,895	6,756	6,893
Depreciation and amortisation expenses	6,446	6,778	6,438	6,768
Profit before Tax (PBT)	73,299	**65,501**	73,324	**68,235**
Tax expense:				
Current tax	23,016	20,233	23,016	20,232
Deferred tax	1,471	1,824	1,471	1,824
MAT credit entitlement	(1,490)	-	(1,490)	-
Profit for the year (PAT)	50,302	**43,444**	50,327	**46,179**
Other Comprehensive Income	95	40	4	17
Total Comprehensive Income for the year	50,397	**43,484**	50,331	**46,196**
Balance as per the last Financial Statements	1,77,718	**1,45,684**	1,78,712	**1,43,942**
Appropriations				
i) Final Dividend including Tax on Dividend	6,516	5,426	6,516	5,426
ii) Transfer to General reserve	7,000	6,000	7,000	6,000
Retained Earnings	2,14,508	**1,77,718**	2,15,527	**1,78,712**
Earning per share (Face Value of ₹ 1 each)				
i) Basic (In ₹)	21.37	18.46	21.38	19.62
ii) Diluted (In ₹)	21.37	18.46	21.38	19.62

KRBL Limited

2. FINANCIAL REVIEW

Pushed by strong shift in consumer preference towards branded basmati rice in the domestic market and export market, KRBL reported excellent numbers during the year 2018-19. The Company performed extremely well and the highlights of the performance on consolidated basis are as under:

- Company's Revenue from Operations increased by 27% to ₹ 4,12,049 Lacs (31 March 2018 ₹ 3,24,652 Lacs).
- Company is able to maintain its strong Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and the same increased by 9% to ₹ 86,503 Lacs (31 March 2018 ₹ 79,174 Lacs).
- Company's Profit before Tax (PBT) increased by 12% to ₹ 73,299 Lacs (31 March 2018 ₹ 65,501 Lacs).
- Company's Profit after tax (PAT) increased by 16% to ₹ 50,302 Lacs (31 March 2018 ₹ 43,444 Lacs).
- Company's Return on Capital Employed (ROCE) stands at 21%.
- Net Worth of the Company increased by 19% to ₹ 2,72,670 Lacs (31 March 2018 ₹ 2,28,790 Lacs).
- Market Capitalization of the Company stands at ₹ 7,92,205 Lacs.
- 5 years Net Sales growth at CAGR of 7% and EBITDA growth at CAGR of 14%.
- Earning per Equity Share (EPS) increased to ₹ 21.37 (31 March 2018 ₹ 18.46).
- Dividend payable by the Company on the Profits earned in FY 2018-19 is 250% (i.e. ₹ 2.50 per equity share of face value of ₹ 1 each) as compared to 230% (i.e. ₹ 2.30 per equity share of face value of ₹ 1 each for FY 2017-18.)

3. DIVIDEND

Based on Company's performance in the current year, the Board of Directors of the Company in their meeting held on 15 May 2019, has recommended a final dividend @ 250% i.e. ₹ 2.50 per equity share of face value of ₹ 1/- each for the year ended 31 March 2019. The same shall be paid subject to the approval of shareholders in the ensuing Annual General Meeting ("AGM") of the Company. The Dividend proposed is in accordance with the dividend distribution policy of the company framed pursuant to Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "SEBI Listing Regulations"). The Dividend Distribution Policy may be accessed on the company's website at the link http://www.krblrice.com/policy-guidelines/REVISED_DIVIDEND_DISTRIBUTION_POLICY.pdf The details of Dividend declared by the Company for the financial year 2018-19 as compared to financial year 2017-18 are as below:

(Amount in ₹ Lacs)

Particulars of Dividend	Total Dividend Declared (Excluding Dividend Distribution Tax)	
	31 March 2019	31 March 2018
Final Dividend on 23,53,89,892 equity shares of ₹ 1 each @ ₹ 2.50 per equity share.	5,885	-
Final Dividend on 23,53,89,892 equity shares of ₹ 1 each @ ₹ 2.30 per equity share.	-	5,414

4. NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

During the financial year ended 31 March 2019, no entity became or ceased to be the subsidiary, joint venture or associate of the Company.

5. TRANSFER TO RESERVES

In view of the robust financial strength, the Company has voluntarily transferred ₹ 7,000 lacs (31 March 2018 ₹ 6,000 lacs) from retained earnings to general reserve and an amount of ₹ 2,15,527 Lacs has been carried over to the Balance Sheet.

6. SHARE CAPITAL

The paid up equity share capital of the Company as on 31 March 2019 was ₹ 2354 Lacs. There has been no change in the Equity Share Capital of the Company during the year. The Company has no other type of securities except equity shares forming part of Equity share capital.

7. TRANSFER OF UNCLAIMED DIVIDEND/ SHARES TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules), all dividend which were unpaid or unclaimed for seven consecutive years or more are liable to be transferred to Investor Education and Protection Fund (IEPF) Authority. Accordingly, the Company during the year 2018-19 has transferred an amount aggregating to ₹ 7,05,844 to the Investor Education and Protection Fund. This amount was lying unclaimed with the Company for a period of seven years after declaration of dividend for the financial year 2010-11.

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) the Company in the previous year 2017-18 has transferred 41,042 equity shares, which belongs to total 45 Shareholders whose dividend was not been paid or claimed for seven consecutive years or more, to the demat account of IEPF Authority. Upon the same, the Company during the year 2018-19 has transferred underlying dividend aggregating to ₹ 94,397 to the Investor Education and Protection Fund towards final dividend of ₹ 2.30/- per equity share pertaining to 2017-18 as paid by the Company during the year 2018-19.

Further, Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) during the financial year 2018-19 the Company has transferred 21,578 equity shares which belongs to total 153 Shareholders whose dividend has not been paid or claimed for seven consecutive years or more to the demat account of IEPF Authority i.e. INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS, bearing DP ID IN300708 and Client ID 10656671, being maintained with NSDL. Before transferring the above mentioned shares, the Company has published the newspaper advertisement and also sent individual letters to the shareholders concerned who have not claimed or encashed their dividend for seven or more consecutive years, to claim the same.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and till the date of this Report.

9. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There is no change in the nature of business of the Company during the financial year 2018-19.

10. SEGMENT REPORTING

A separate reportable segment forms part of notes to the financial statements.

11. CASH FLOW STATEMENT

The Statement of cash flows for the year ended 31 March 2019 prepared in accordance with Ind AS 7, 'Statement of Cash Flows' is attached and forming part of the financial statements of the Company.

12. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

Pursuant to Regulation 25(7) of the SEBI Listing Regulations, the Company familiarizes its directors with their role and responsibilities at the time of their appointment through a formal letter of appointment. Presentations are regularly made at the meetings of the Board and its various Committees on the relevant subjects. All efforts are made to keep Independent Directors aware. The familiarization programme of Independent directors may be accessed on the Company website at the link http://www.krblrice.com/Familarization-Programs-for-Independent-Directors.pdf

13. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has two subsidiaries viz., KRBL DMCC, Dubai, UAE and K B Exports Private Limited, India and one step down subsidiary viz. KRBL LLC, USA. There are no associate companies within the meaning of Section 2(6) of the Companies Act, 2013. Further, there has been no material change in the nature of business of the subsidiaries during the financial year 2018-19.

The Consolidated Financial Statements of the Company for the financial year 2018-19 are prepared in compliance with applicable provisions of the Companies Act, 2013, read with the Rules issued thereunder, applicable Indian Accounting Standards (Ind-As) and SEBI Listing Regulations. The consolidated financial statements have been prepared by consolidating the audited financial statements of the Company and its subsidiaries. Further, pursuant to the proviso of sub section (3) of section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the financial statements of Subsidiaries of the Company in the prescribed form AOC-1 is attached as **'Annexure 1'** and forms part of this report.

The financial statements of the subsidiary companies and related information are also available for inspection by the members at the Registered Office / Corporate Office of the Company during business hours on all days except Sunday and holiday upto the date of AGM as required under Section 136 of the Companies Act, 2013. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office / Corporate Office of the Company. The financial statements including the consolidated financial statements, financial statements of subsidiaries and all other documents are also available on the Company's website http://www.krblrice.com under the link Investors Relations.

14. BOARD OF DIRECTORS

Board Composition

As on 31 March 2019, the Company's Board has a strength of 9 (Nine) Directors including 1 (One) Woman Director. The Chairman of the Board is an Executive Director. The composition of the Board is as below:

Category	Number of Directors	% to Total Number of Directors
Executive Directors (Including Woman Director)	4	44
Independent Non-Executive Directors	5	56

The detailed section on 'Board of Directors' is given in the 'Report on Corporate Governance' forming part of the Annual Report.

Re-appointment of Independent Non-Executive Directors for a second term of 5 (five) consecutive years

The term of office of Mr. Vinod Ahuja, Mr. Shyam Arora, Mr. Ashwani Dua and Mr. Devendra Kumar Agarwal, is going to expire in the ensuing AGM of the Company. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 01 August 2019 has recommended their re-appointments as Independent Non-Executive Directors of the Company for a second term of 5 (five) consecutive years, subject to the approval of the members by way of special resolution in the ensuing AGM of the Company.

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all directors except Independent Directors are liable to retire by rotation. The Independent Directors of the Company will hold office for 5 (Five) consecutive years from 14 September 2019 to 13 September 2024 (except Mr. Alok Sabharwal who will continue to hold office for 5 (Five) consecutive years w.e.f. 11 August 2016).

Declaration by Independent Directors

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the criteria of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics laid down for the Board of Directors, Senior Management Personnel and Other Employees.

Retirement by rotation and subsequent re-appointment

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all directors except Independent Directors are liable to retire by rotation. Accordingly, Ms. Priyanka Mittal (DIN 00030479), Whole Time Director of the Company, being the longest in the office amongst the directors liable to retire by rotation, retire from the Board by rotation this year and being eligible, has offered her candidature for re-appointment. This shall not constitute a break in her office as the Whole Time Director of the Company.

Re-appointment of Executive Directors for a period of 5 (five) years

The existing tenure of Mr. Anil Kumar Mittal (DIN: 00030100) as Chairman & Managing Director is going to expire on 02 December 2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in its meeting held on 01 August 2019, has recommended for further approval of shareholders to re-appoint Mr. Anil Kumar Mittal as Chairman & Managing Director of the company, for a further period of five years w.e.f 02 December 2019 to 01 December 2024. Mr. Anil Kumar Mittal will continue to hold the position of chairman of the board till the appointment of any non- executive director as a Chairman of the Company in compliance with the provisions of Regulation 17(1B) of the SEBI Listing Regulations.

The existing tenures of Mr. Arun Kumar Gupta (DIN: 00030127) and Mr. Anoop Kumar Gupta (DIN: 00030160) both Joint Managing Directors, are going to expire on 02 December 2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in its meeting held on 01 August 2019, has recommended for further approval of shareholders to re-appoint both Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta as Joint Managing Directors of the company for a further period of five years w.e.f 02 December 2019 to 01 December 2024.

Cessation of directorship of Mr. Ashok Chand Whole Time Director

Mr. Ashok Chand, Whole Time Director of the Company has resigned from directorship w.e.f. 23 July 2018. The Board placed on record its appreciation for the assistance and guidance provided by Mr. Ashok Chand during his tenure.

Brief Resume of the Directors being re-appointed

As required under Regulation 36 of the SEBI Listing Regulations, the brief resume of the Directors being re-appointed, the nature of their expertise in specific functional areas, names of companies in which they have held Directorships, Committee Memberships/ Chairmanships, their shareholding, etc. are forming part of the Notice calling AGM of the Company.

The special resolutions for the above re-appointments are included in the Notice calling AGM of the Company. The Board recommends their re-appointment at the ensuing AGM.

15. AUDIT COMMITTEE

In compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations, as on 31 March 2019, the Audit Committee of KRBL Limited comprises of following 5 (five) Members, 4(four) members are Independent Non-Executive Directors and 1 (one) is Executive Director:

Name	Designation	Category
Mr. Devendra Kumar Agarwal	Chairman	Independent Non-Executive
Mr. Ashwani Dua	Member	Independent Non-Executive
Mr. Vinod Ahuja	Member	Independent Non-Executive
Mr. Shyam Arora	Member	Independent Non-Executive
Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director

The recommendation made by the Audit Committee from time to time was accepted by the Board of Directors. The details of the terms of reference, meetings held during the year, attendance of directors at such meetings etc. are provided in the Report on Corporate Governance forming part of this Annual Report.

16. KEY MANAGERIAL PERSONNELS

The details of Key Managerial Personnels (KMPs) of the Company in accordance with the provisions of Section 2(51) and Section 203 of the Companies Act, 2013, read with rules framed thereunder, are as follows:

S.No.	Name of KMPs	Designation
1.	Mr. Anil Kumar Mittal	Chairman & Managing Director
2.	Mr. Arun Kumar Gupta	Joint Managing Director
3.	Mr. Anoop Kumar Gupta	Joint Managing Director
4.	Ms. Priyanka Mittal	Whole Time Director
5.	Mr. Rakesh Mehrotra	Chief Financial Officer
6.	Mr. Raman Sapra	Company Secretary

During the year Mr. Ashok Chand, Whole Time Director of the Company who falls under the category of KMPs has resigned from directorship w.e.f. 23 July 2018. Apart from this there is no change (appointment or cessation) in the office of KMPs.

17. POLICY ON REMUNERATION OF DIRECTORS, KMPs, SENIOR MANAGEMENT PERSONNEL AND OTHER EMPLOYEES

The remuneration paid to the Executive Directors is in accordance with the Nomination and Remuneration Policy of KRBL Limited formulated in accordance with Section 134(3)(e) and Section 178(3) of the Companies Act, 2013 read with Regulation 19 of SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy have been outlined below:

i) To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

ii) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees of KRBL Limited.

iii) To formulate the criteria for evaluation of Independent Director and the Board.

iv) To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

v) To recommend to the Board on all Remuneration in whatever form, payable to the Directors, Key Managerial Personnel and Senior Management.

vi) To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

vii) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

viii) To develop a succession plan for the Board and to regularly review the plan.

ix) To assist the Board in fulfilling responsibilities.

x) To implement and monitor policies and processes regarding principles of corporate governance.

The Nomination and Remuneration policy of KRBL Limited is available on the website of the company at the weblink http://www.krblrice.com/policy-guidelines/nomination-renumeration-policy.pdf

18. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2018-19, 4 (Four) meetings of the Board of Directors were held on 10 May 2018, 24 July 2018, 29 October 2018 and 08 February 2019. For details thereof kindly refer to the section 'Board Meeting and Procedures - Details of Board Meetings held and attended by the directors during the financial year 2018-19' in the Report on Corporate Governance forming part of this Annual Report.

19. PERFORMANCE EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

As the ultimate responsibility for sound governance and prudential management of a company lies with its Board, its imperative that the Board remains continually energized, proactive and effective.

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

The aspects covered in the evaluation included the contribution to and monitoring of corporate governance practices, participation in the long-term strategic planning and the fulfillment of Directors' obligations and fiduciary responsibilities, including but not limited to, active participation at the Board and Committee meetings.

The Companies Act, 2013, not only mandates board and director evaluation, but also requires the evaluation to be formal, regular and transparent. Subsequently, SEBI Listing Regulations has also contained the provisions regarding requirement of performance evaluation of independent directors by the entire board of directors.

In accordance with the framework as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors, the Board of Directors of the Company in their Meeting held on 08 February 2019, had carried out the performance evaluation process.

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

In compliance with the provisions of SEBI Listing Regulations, the Board of Directors has also carried out evaluation of every Independent Director's performance during the year.

The Board members had submitted to Nomination and Remuneration Committee, their response in the form of scaling from 5 (Excellent) to 1 (Performance Needs Improvement) for evaluating the entire Board, respective Committees of which they are members and of their peer Board members, including Chairman of the Board.

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

The Directors expressed their satisfaction with the evaluation process.

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

20. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, the Directors confirm:

i) that in the preparation of the Annual Accounts for the year ended 31 March 2019, the applicable Indian Accounting standards (Ind AS) have been followed and that there are no material departures;

ii) that appropriate accounting policies have been selected and applied consistently and judgments and estimates that are reasonable and prudent have been made so as to give a true and fair view of the state of affairs as at 31 March 2019 and of the profit of the Company for the financial year ended 31 March 2019;

iii) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the annual accounts for the year ended 31 March 2019 have been prepared on a going concern basis;

v) that they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

vi) that they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

21. OPERATIONS, PERFORMANCE AND FUTURE OUTLOOK OF THE COMPANY

A detailed review of operations and performance and future outlook of the Company is given separately under the head ‘Management Discussion and Analysis’ Report pursuant to Regulation 34 read with Part B of Schedule V of SEBI Listing Regulations, and the same is annexed and forms part of this Annual Report.

22. ENERGY CONSERVATION, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to provisions of Section 134 (3) (m) of the Companies Act, 2013 read with rules framed thereunder, the details of activities in the nature of Energy Conservation, Research and Development, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as **‘Annexure 2’** and forms part of this report.

23. PARTICULARS OF REMUNERATION OF DIRECTORS AND KMPs

A statement containing the details of the Remuneration of Directors and KMPs as required under Section 197(12) of the Companies Act, 2013 read with rules framed thereunder, is attached as **‘Annexure 3’** and forms part of this Report.

24. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with rules framed thereunder, an extract of the Annual Return in Form MGT-9 is attached as **‘Annexure 4’** and forms part of this Report. The same is also available on the Company's website http://www.krblrice.com under the link Investor Relations.

25. AUDITORS AND AUDITORS’ REPORT

I.) STATUTORY AUDITORS

In accordance with the provisions of Section 140 of the Companies Act, 2013 read with rules framed thereunder one of our Joint Statutory Auditors i.e. M/s S S A Y & Associates, Chartered Accountants, (Firm Registration No. 012493N) have resigned from the position of Joint Statutory Auditors of the Company w.e.f. 16 October 2018.

Pursuant to the above, M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), having their office at 21st Floor, DLF Square, Jacaranda Marg, DLF Phase II, Gurgaon-122002, the other Joint Statutory Auditors of the Company, whose appointment was recommended by the board of directors in their meeting on 24 July 2018 and accordingly approved by the Shareholders of the Company in the last AGM held on 20 August 2018, is continuing to act as the Statutory Auditors of the Company to hold office till the conclusion of 30th AGM of the Company to be held in the year 2023.

Since M/s. Walker Chandiok & Co LLP is appointed as Joint Statutory Auditors and presently acting as statutory auditors pursuant to the resignation of M/s S S A Y & Associates, the Company in its ensuing AGM is also recommending for confirmation for the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants as statutory auditors of the Company to hold office till the conclusion of the 30th AGM to be held in the year 2023.

The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remark.

During the year, there have been no instances of fraud reported by the Statutory Auditors under Section 143(12) of Companies Act, 2013 read with rules framed thereunder, either to the Company or to the Central Government.

II.) COST AUDITORS

As per Section 148 of the Companies Act, 2013 read with notification issued by Ministry of Corporate Affairs regarding the Cost Audit of Power Generation segment, the Company is required to have the audit of its cost records pertaining to power segment by a Cost Accountant in Practice. In this connection, considering the recommendation of Audit Committee, the Board of Directors has approved the re-appointment of M/s. HMVN & Associates, Cost Accountants, having their office at, 1011, Pearls Best Heights-II, C-09, Netaji Subhash Place, Pitampura, Delhi-110034, as Cost Auditors of the Company to conduct the Cost Audit for the financial year 2019-20.

As required under the provisions of Companies Act, 2013, a resolution seeking members approval for the remuneration payable to the Cost Auditors for the financial year 2019-20, forms part of the Notice convening the AGM of the Company.

The Company is maintaining the requisite cost records pertaining to power segment whose turnover for the financial year 2018-19 is ₹ 12,860 lacs (excluding inter-unit sale).

Further the Cost Audit Report for the financial year 2017-18 has filed with Ministry of Corporate Affairs.

III.) SECRETARIAL AUDITORS

As required under Section 204(1) of the Companies Act, 2013 read with rules framed thereunder, the Company has appointed M/s. DMK Associates, Company Secretaries, having their office at, 31/36 Basement, Old Rajender Nagar, Delhi-110060, to conduct the Secretarial Audit for the financial year 2019-20.

The Secretarial Audit Report submitted by M/s DMK Associates in the prescribed form MR- 3 is attached as **‘Annexure 5’** and forms part of this Report.

As per the observations given by the Secretarial Auditors, the explanation to the same has been given to them which forms part of the Secretarial Audit Report. Further the justification for unspent Corporate Social Responsibility (CSR) amount is also been given in **'Annexure 6'** under Annual Report on CSR Activities and forms part of this Report.

The Company is taking all necessary steps to comply with the observations given by the secretarial auditors.

26. CORPORATE GOVERNANCE

At KRBL Limited, it is our firm belief that the quintessence of Good Corporate Governance lies in the phrase 'Your Company'. It is 'Your Company' because it belongs to you –the stakeholders. The Chairman and Directors are 'Your' fiduciaries and trustees.

Your Company has evolved and followed the corporate governance guidelines and best practices sincerely to not just boost long-term shareholder value, but to also respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Your Company is devoted to benchmarking itself with global standards for providing Good Corporate Governance. The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under SEBI Listing Regulations.

The Board has also evolved and implemented a Code of Conduct based on the principles of Good Corporate Governance and best management practices being followed globally. The Code is available on the Company's website at the web link: http://www.krblrice.com/codes/Code-of-Business-Conduct-and-Ethics.pdf A separate section titled 'Report on Corporate Governance' has been included in this Annual Report along with Secretarial Auditors Certificate on Corporate Governance.

The Company has also adopted the below mentioned policies and codes in line with corporate governance requirements:

- Policy on preservation of documents and archival.
- Policy on sexual harassment .
- Nomination and remuneration policy.
- Vigil mechanism (whistle blower policy).
- Corporate social responsibility policy.
- Dividend distribution policy.
- Policy for determination of materiality.
- Policy on related party transactions.
- Policy for determining material subsidiaries.
- Policy on board diversity.
- Code of practice and procedure for fair disclosure of unpublished price sensitive information.
- Code of conduct to regulate, monitor and report trading by insiders.
- Code of business conduct and ethics for the board of directors, senior management personnel and other employees.

All the above mentioned policies and codes are available on the Company's website www.krblrice.com under the link Investors Relations.

27. CORPORATE SOCIAL RESPONSIBILITY (CSR)

KRBL Limited believes sustained growth of business lies on triple bottom line that is growth of people around our operation, protection of environment where we operate and profit from our business. We understand wellbeing of the community around our business which helps in growth of business and hence we value people around our operational locations and promote inclusive growth.

We endeavour to serve the society and achieve excellence. We continue to remain focused on improving the quality of life and engaging communities through ensuring environment sustainability, promoting healthcare, promoting education and many more activities.

Pursuant to Section 135 of the Companies Act, 2013, read with rules framed thereunder, the Company is having in place the Corporate Social Responsibility (CSR) Committee under the chairmanship of Mr. Anil Kumar Mittal, Chairman & Managing Director. The other members of the Committee are Mr. Anoop Kumar Gupta, Joint Managing Director, Ms. Priyanka Mittal, Whole Time Director and Mr. Ashwani Dua, Independent Non-Executive Director.

The Company's policy on CSR envisages expenditure in areas falling within the purview of Schedule VII of the Companies Act, 2013. The detailed CSR policy is available on the company's website at the weblink: http://www.krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf

The Annual Report on CSR activities is attached as **'Annexure 6'** and forms part of this report.

28. BUSINESS RESPONSIBILITY REPORT (BRR)

Fulfilment of environmental, social and governance responsibilities is part of KRBL's business culture. KRBL Limited is fortunate to be among the top 500 listed entities and finds itself within the ambit of SEBI Listing Regulations, which mandate the inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for the top 500 listed entities based on market capitalization. In compliance with SEBI Listing Regulations, the BRR disclosures are integrated into the Annual report and aimed at describing KRBL's initiatives in discharging responsibilities from an environmental, social and governance perspective. The BRR is attached as **'Annexure 7'** and forms part of this report.

29. INTERNAL FINANCIAL CONTROL SYSTEM

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

The Company has a well-placed, proper and adequate internal financial control system which ensures that all assets are safeguarded and protected and that the transactions are authorized, recorded and reported correctly.

The Company has appointed M/s. S S Kothari Mehta & Co., Chartered Accountants, having their office at Plot No. 68, Okhla Industrial Area, Phase-III, New Delhi-110020, as the Internal Auditor of the Company to focus on internal audit function of the company. The independence of the audit and compliance is ensured by direct reporting of internal audit team to the audit committee of the company.

30. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Companies Act, 2013, re-emphasizes the need for an effective Internal Financial Control System in the Company. The system should be designed and operated effectively. Rule 8(5)(viii) of Companies (Accounts) Rules, 2014, requires the information regarding adequacy of Internal Financial Controls with reference to the financial statements to be disclosed in the Board report.

To ensure effective Internal Financial Controls the Company has laid down the following measures:

- The Company's books of accounts are maintained in SAP and transactions are executed through SAP (ERP) setups to ensure correctness/effectiveness of all transactions, integrity and reliability of reporting.
- The Company is having in place a risk management framework.
- The Company is having in place a well-defined Vigil Mechanism (Whistle Blower Policy).
- Compliance of secretarial functions is ensured by way of secretarial audit.
- Compliance relating to cost records of the company is ensured by way of cost audit.
- Compliance relating to internal control system of the company is ensured by way of internal audit.

31. RISK MANAGEMENT

The Board of Directors of the Company has constituted a Risk Management Committee to frame, implement, and monitor the risk management plan for the Company and ensuring its effectiveness. The purpose of this committee shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regards to the identification, evaluation and mitigation of operational, strategic and external environmental risks. The committee has overall responsibility for monitoring and approving the risk policies and associated practices of the company. The Company is having a duly approved risk management policy.

32. RATINGS

During the financial year 2018-19 the Company is holding various ratings, which are as follows:

- **ICRA:** In August 2018, "ICRA" has reviewed and reaffirmed [ICRA] AA Stable (pronounced as ICRA double A Stable) rating for Fund Based Working Capital Limits and Term Loans Limits and [ICRA] A1+ (pronounced as ICRA A One Plus) for Non-Fund Based Facilities of KRBL Limited.
- **ICRA:** In August 2018, "ICRA" has also reviewed and reaffirmed [ICRA] A1+ (pronounced as ICRA A One Plus) rating for Commercial Paper (CP) programme of KRBL Limited.
- **CARE:** In September 2018, "CARE" has given the [CARE] A1+ (pronounced as CARE A one plus) rating for Commercial Paper (CP) of KRBL Limited.

33. DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the Financial Year 2018-19 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any Unpaid or Unclaimed Deposits at the end of the Financial Year.

34. PARTICULARS OF EMPLOYEE

During the year under review, no employees, whether employed for the whole or part of the year, was drawing remuneration exceeding the limits as laid down under Section 197(12) of the Companies Act, 2013 read with rules framed thereunder.

The particulars regarding the remuneration of directors and KMPs as per Section 197 of the Companies Act, 2013, ("the Act") read with rules framed thereunder, is attached as **"Annexure 3"** forms part of the Directors' Report. However, as per the provisions of Section 136 of the Act, the report and accounts are being sent to the Members and others entitled thereto, excluding the information on employees' remuneration particulars. The same is available for inspection by the members at the Registered Office/Corporate Office of the Company during business hours on all days except Sunday and holiday upto the date of the ensuing AGM. Any member desirous of obtaining a copy thereof may write to the Company Secretary at the Registered Office / Corporate Office of the Company.

35. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to provide a protective environment at workplace for all its woman employees. To ensure that every woman employee is treated with dignity and respect and as mandated under "The Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company has in place a formal policy for prevention of sexual harassment at work place and the Company has also Constituted the Internal Complaint Committee in compliance with the requirement of the Act. The policy is available on company's website at the weblink: http://www.krblrice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf

The Company has not received any Complaints on Sexual Harassment during the year. The Internal Complaints Committees of the Company has also submitted its Annual Report on Sexual Harassment to Mr. Anoop Kumar Gupta, Joint Managing Director and also to Concerned District officer where the Committee locates declaring that no Complaints were received during the year.

36. DEPOSITORY SYSTEMS

The Company's shares are compulsorily tradable in electronic form. As on 31 March 2019, almost 99.92% of the Company's Paid-up Equity Share Capital representing 23,51,94,260 Equity Shares are in dematerialized form with both the depositories.

The Company has established connectivity with both depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the depository system, members holding Shares in physical mode are requested to avail of the dematerialization facility with either of the depositories.

The Company has appointed M/s. Alankit Assignments Limited, a Category-I SEBI registered R&T Agent as its Registrar and Share Transfer Agent across physical and electronic alternative.

37. CHANGE IN CAPITAL STRUCTURE AND LISTING OF SHARES

During the year under review there was no change in Capital Structure and Listing of Shares. The Company's shares are listed and actively traded on the below mentioned Stock Exchanges:-

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

II. **BSE Limited (BSE)**
25th Floor, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

38. PARTICULARS OF LOAN(S), GUARANTEE(S) OR INVESTMENT(S) UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the financial year ended 31 March 2019, the Company has neither made any investment(s) nor given any loan(s) or guarantee(s) or provided any security.

39. CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES UNDER SECTION 188(1) OF THE COMPANIES ACT, 2013

During the financial year 2018-19, the Company has entered into transactions with related parties. The transactions as entered into by the company with the related parties were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013, read with the rules framed thereunder and the SEBI Listing Regulations. Further, there were no transactions with related parties which qualify as material transactions under the SEBI Listing Regulations.

The Audit Committee of KRBL Limited has considered, approved and recommended to Board for Omnibus Approval and criteria for omnibus approval for entering into transactions with related parties for the financial year 2018-19, which was further approved by the Board. The transactions entered pursuant to the omnibus approval so granted and statement giving details of all transactions with related parties are placed before the Audit Committee for their review on a periodic basis.

The details of the related party transactions as per Indian Accounting Standard Ind AS 24 are set out in Note 40 to the Financial Statements forming part of this report.

Further, Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with rules framed thereunder, the disclosure of particulars of contracts/arrangements with related parties in Form AOC-2 is attached as **'Annexure 8'** and forms part of this Report.

The Company has also adopted a Policy on related party transactions, the same is also available on the Company's website at the weblink http://www.krblrice.com/policy-guidelines/Policy-on-Related-Party-Transactions.pdf

40. DISCLOSURE ON VIGIL MECHANISM (WHISTLE BLOWER POLICY)

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI Listing Regulations, the Company has established a mechanism called 'Vigil Mechanism (Whistle Blower Policy)' for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics, policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company.

'The Vigil Mechanism (Whistle Blower Policy)' as approved by the Board, is uploaded on the Company's website at the weblink http://www.krblrice.com/policy-guidelines/Vigil-Mechanism-(Whistle-Blower%20Policy).pdf

41. ENVIRONMENT, HEALTH AND SAFETY

The Company is continues to focus on employee well-being, developing safe and efficient products, minimizing environmental impact of our operations and products and minimizing the impact of our operations on society. Company is conducting its operations in such a manner so as to ensure safety of all concerned, compliances of environmental regulations and preservation of natural resources.

For safety and protection of employees, the company has formulated and implemented a policy on preservation of sexual harassment at the workplace with a mechanism of lodging complaints.

42. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERNS STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

43. DISCLOSURE ON INCOME TAX DEMAND

The Company has 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 ₹ 75,744 lacs and interest thereon ₹ 51,176 lacs. The Board of Directors of the Company in its meeting held on 08 February 2019 reviewed the demand and approved to challenge same through the appellate process enunciated in the Income Tax Act, 1961 on the grounds of it being erroneous in facts and in law.

The management of the Company has contested this demand at CIT (Appeals), New Delhi. Further, the Company is required to pay ₹ 25,384 lacs under protest for contesting such demand. Till 31 March 2019, the Company has paid ₹ 7,500 lacs under protest and thereafter, required to pay monthly installments of ₹ 1,200 lacs as agreed with the income tax department. The management, based on legal assessment, is confident that it has a favourable case and that the demand shall be deleted at the appellate stage.

44. INDUSTRIAL RELATIONS

The Company has maintained healthy, cordial and harmonious industrial relations at all levels. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the Industry. It has taken various steps to improve productivity across organization.

The Company is continue to receive co-operation and unstinted support from the distributors, retailers, stockiest, suppliers and others associated with the Company as its trading partners. The Directors wish to place on record their appreciation for the same and the Company will continue its endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other and consistent with consumer interest.

45. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards - 1 and Secretarial Standards - 2 issued by the Institute of Company Secretaries of India and approved by the Central Government.

46. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, KRBL Limited is having the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company has also adopted and revised its Code in accordance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019. The said Code is available on the website of the Company at the web link http://www.krblrice.com/codes/Code-of-Conduct-to-Regulate,-Monitor-and-Report-Trading-by-Insiders.pdf

47. APPRECIATION

It is our strong belief that caring for our business constituents has ensured our success in the past and will do so in future. The Board acknowledges with gratitude the co-operation and assistance provided to the company by its bankers, financial institutions, and government as well as Non-Government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. The Company has achieved impressive growth through the competence, hard work, solidarity, cooperation and support of employees at all levels. Your Directors gives their sincere gratitude to the customers, clients, vendors and other business associates for their continued support in the Company's growth.

The Board also takes this opportunity to express its deep gratitude for the continued co-operation and support received from its valued shareholders.

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Place: Noida, Uttar Pradesh
Date: 01 August 2019

KRBL Limited

Annexure-1

FORM AOC-1

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/ JOINT VENTURES

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

(₹ in Lacs except as stated)

S. No.	Particulars	Name of the Subsidiary			
		KRBL DMCC		K B Exports Private Limited	
		As on 31 March 2019	As on 31 March 2018	As on 31 March 2019	As on 31 March 2018
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA
2.	Reporting currency	AED	AED	INR	INR
3.	Exchange rate to ₹ as on the last date of the relevant Financial year in the case of foreign subsidiaries	18.889	17.718	NA	NA
4.	Share Capital (₹ in Lacs)	217	217	300	300.00
5.	Reserves & Surplus	925	860	(5)	(5)
6.	Total Assets	1,174	1,085	295	295
7.	Total Liabilities	31	8	0.16	0.13
8.	Details of investments	-	-	-	-
9.	Turnover	92	59	-	-
10.	Profit/(Loss) before taxation	(25)	(164)	-	-
11.	Provision for taxation	-	-	-	-
12.	Profit/(Loss) after taxation	(25)	(164)	-	-
13.	Proposed dividend	-	-	-	-
14.	% of Shareholding	100%	100%	70%	70%

a) K B Exports Pvt. Ltd. has not commenced commercial activities since incorporation and currently is not operational.

b) Part B of the Annexure is not applicable as there are no associate companies/ joint ventures of the Company as on 31 March 2019.

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman &
Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing
Director
DIN-00030160

Place: Noida, Uttar Pradesh
Date: 01 August 2019

Raman Sapra
Company Secretary
M.No. F9233

Rakesh Mehrotra
Chief Financial Officer
M.No. 84366

Annexure-2

Disclosure Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014:

A. CONSERVATION OF ENERGY

(a) Energy Conservation Measures Taken:
The Company is committed to continuously reduce energy consumption at its various units. Besides sustaining previous year initiatives, new measures were implemented during the year under report. The Company has been striving to ensure environment friendly initiatives when implementing various projects on energy saving at its units. List of initiatives taken in this regard are as under:

At Gautam Budh Nagar Unit of KRBL Limited:

Following are the key changes done during the year to conserve energy and to provide automation for optimum production:

i) AC Drive installed on Compressor to operate the compressor in close loop.

ii) AC Drive installed for Centrifugal Blower.

iii) Power Capacitors installed for improvement of Power Factor.

iv) Replacement of traditional light with new LED lights.

v) Replacement of old motor with high efficient IE3 motor.

vi) Water Harvesting to conserve water

At Dhuri Unit of KRBL Limited:

Following are the key changes done during the year to conserve energy and to provide automation for optimum production:

i) Installed 1 X 18.5 KW AC on pump TG cooling tower.

ii) Installed 1 X 5.5 KW AC on pump in furfural.

iii) Installed 2 X 2.2 KW AC on new worm motors old sella.

iv) Installed 2 X 11 KW AC on new dryer in old sella.

v) Installed 2 X 11 KW AC on organic and inorganic pumps mini ETP.

vi) Installed 1 X 5.5 KW AC on nakku blower.

vii) Installed 1 X 37 KW AC on new CWC pump furfural.

viii) Installed 2 X 1.5 KW AC on printing conveyor old 20TPH.

ix) Installed 1 X 75 KW AC on new ID fan LP boiler.

(b) Additional Investments and proposals, if any, being implemented for reduction of consumption of energy: Nil

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods: Energy conservation measures have helped the Company in its drive towards cost reduction.

Disclosure of Particulars with Respect to Conservation of Energy: 2018-19:

(a) Power and Fuel Consumption

S. No.	Particulars	Current Year	Previous Year	Reason for Variation
1.	**Electricity**			
	(A) Purchased			
	Unit	**1,68,30,720**	66,07,156	Quantity increased due to Production and unit rate has decreased due to reduction in Demand Load Charges & Fuel Surcharge
	Total Amount	**11,35,26,903**	4,96,35,502	
	Rate/Unit	**6.75**	7.51	
	(B) Own Generation			
	(i) Through Diesel Generator (DG)			
	Unit	**14,29,652**	7,25,849	Dependency on diesel generated increased due to increase in plant capacity and production. Also Cost of diesel per unit has increased due to increase in price of diesel.
	Units Per ltrs. of Diesel Oil	**3.69**	3.41	
	Cost/Unit	**16.46**	15.36	
	(ii) Through Steam Turbine			
	Unit	**5,49,79,339**	5,51,01,188	The variation in cost per unit is due to increase in Husk rate.
	Husk/Unit (in KG)	**1.35**	1.33	
	Cost/Unit	**5.49**	4.91	
2.	**Coal (Specify quantity and where used)**			
	Quantity (Tonnes)	-	-	-
	Total Cost	-	-	-
	Average Rate	-	-	-
3.	**Furnace Oil**			
	Quantity (k. ltrs.)	-	-	-
	Total Cost	-	-	-
	Average Cost	-	-	-
4.	**Other/Internal Generation**			
	Quantity	-	-	-
	Total Cost	-	-	-
	Rate/Unit	-	-	-

(b) Total Energy Consumption and Energy Consumption per MT of Production:

Total Energy Consumption is as under:

(In Units)

Particulars	As at 31 March 2019	As at 31 March 2018
Production Unit-Gautam Budh Nagar	**1,84,37,966**	1,71,40,179
Production Unit-Dhuri	**4,53,06,423**	3,62,59,760
Packaging Unit-Barota	**44,54,073**	38,65,235

Energy Consumption per MT of Production is as under:

(In Units)

Particulars	As at 31 March 2019	As at 31 March 2018
Production Unit-Gautam Budh Nagar		
Rice	**145**	97
Production Unit-Dhuri		
Rice Bran Oil	**183**	195
Rice	**120**	115
Packaging Unit-Barota		
Rice	**38**	37

B. RESEARCH AND DEVELOPMENT (R & D)

Disclosure of Particulars with Respect to Research and Development (R & D): 2018-19

a) The Company continues to pursue innovation and applied research as means to sustain its global leadership in a competitive environment. Following are the areas in which the R&D is being carried out by the Company in the Financial Year 2018-19:

i) Development, testing and specification setting of packaging materials.

ii) Formulation and evaluation of Agricultural inputs to enhance farm productivity, crop quality and for other such applications.

b) Benefits derived as a result of the above R&D:

i) Cost reduction, import substitution and strategic resource management.

ii) Quality evaluation of finished products and raw materials.

iii) Ensuring product quality.

iv) Entering new market segments.

c) Future plan of action:
The Company's creative & innovation team will continue to work on energy efficient process like:

i) Reducing packaging weight / volume.

ii) Roll out of new range of differentiated products of international quality.

iii) Improvement of process and resource use efficiencies.

iv) Enlarge the scope of Agri-inputs options.

v) All the efforts are being continued in the directions of product/process development as mentioned above.

d) Expenditure on R & D (₹in Lacs)

The Company has incurred the following expenditure on R & D in the Financial Year 2018-19 as compared to previous year:

		2018-19	2017-18
i)	Capital	Nil	Nil
ii)	Recurring	523	480
iii)	Total	523	480
iv)	Total R & D expenditure as a percentage of total turnover	0.13%	0.14%

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Disclosure of Particulars with Respect to Technology Absorption, Adaptation and Innovation: 2018-19

a) Efforts, in brief, made towards technology absorption, adaptation and innovation:

Technologies were successfully absorbed, resulting in a desired production and in meeting the existing and new customer requirements.

Technology innovations were successfully implemented to achieve the desired production and reduce the consumption of raw material, energy and utilities.

b) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.:

Cost reduction in manufacturing in spite of increase in inputs. Launch of New product variants in addition to existing product basket.

a) Imported Technology (imported during the last three year reckoned from the beginning of the financial year):

I) Technology Imported (during the financial year 2018-19):

i) During the financial year 2018-19, company has imported capital goods like S5 screen, high speed door control panel screen, cover hood welded grinding wheel along with other spare parts and accessories from Turkey, China, Germany and Switzerland.

ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.

iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

II) Technology Imported (during the financial year 2017-18):

i) During the Financial year 2017-18, Company has imported Capital Goods like Petkus Cleaner A 12, Petkus Multi Cleaner M 12, Petkus Gravity Table G40 and Petkus Seed Treator CT10 with screen and accessories from Germany.

ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.

iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

III) Technology Imported (during the financial year 2016-17):

i) During the Financial year 2016-17, Company has imported Capital Goods like Sortex Colour Sorting Machine, Flow Controller, Gas Chromatography Paddy Separator, Floor Washer, Mysilo 5.5mtr dia Commercial Hopper, Adaptive Frequency Drive Kit, Sweeper set with essential parts and Metal Separator from U.K., Germany, Singapore Thailand, China, Italy, Turkey and USA.

ii) Has technology been fully absorbed: Yes, Technology imported was fully absorbed.

iii) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action: N.A.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosure of particulars with respect to foreign exchange initiatives taken, earnings and Outgo: 2018-19

i) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products, services and export plans:

The Company major income comes from rice, which are sold throughout the world and company's highly professional teams of marketing personnel, distributors, dealers and retailers continuously steering the Company's growth strategy in the global markets. Company Brand India Gate continued to command a significant premium over most other brands in the Global industry. Company's other brand is also have overwhelming response in overseas market.

The Company is certified as BRC Certification for meeting the requirements of Global Standard for Food Safety issued by Intertek and also meeting the requirements of the SQF 8th Edition for Comprehensive Safety and Quality Management System issued by Intertek. The Company is also certified for Food Safety System Certification FSSC-22000 issued by Cotecna, an internationally recognized certification. The Company is also certified by Halal Product Certification issued by Halal Certification Service India Private Limited.

All these above mentioned certifications represent a clear endorsement of its strong quality thrust.

ii) Total foreign exchange used and earned:

The Company, on Standalone basis, expended ₹ 8,412 Lacs (P.Y. ₹ 3,377 Lacs) in foreign exchange while earnings in foreign exchange on mercantile basis were ₹ 1,49,342 Lacs (P.Y.₹ 1,30,725 Lacs). Thus the net inflow in foreign exchange was ₹ 1,40,930 Lacs (P.Y. ₹ 1,27,348 Lacs) during the year under review.

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Place: Noida, Uttar Pradesh
Date: 01 August 2019

Annexure-3

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016:

PARTICULARS OF REMUNERATION

A. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the Financial Year 2018-19:

S. No.	Nature of Directorships Held & Name of Directors	Ratio of Median Remuneration
1	**Executive Directors***	
a)	Mr. Anil Kumar Mittal	60.22:1
b)	Mr. Arun Kumar Gupta	60.22:1
c)	Mr. Anoop Kumar Gupta	60.22:1
d)	Ms. Priyanka Mittal	31.28:1
2	**Non-Executive Directors****	
a)	Mr. Ashwani Dua	0.14:1
b)	Mr. Devendra Kumar Agarwal	0.47:1
c)	Mr. Shyam Arora	0.47:1
d)	Mr. Vinod Ahuja	0.47:1
e)	Mr. Alok Sabharwal	0.47:1

* The remuneration paid to Mr. Ashok Chand as a Whole Time Director of the Company was not considered while calculating the Median Remuneration since he has resigned from the directorship w.e.f. 23 July 2018.

** Non-Executive directors are being paid with the sitting fees for attending the Board Meetings.

B. The Percentage Increase in Remuneration of each Director, Chief Financial Officer and Company Secretary in the Financial Year 2018-19:

S. No.	Name of the Director	% Increase in remuneration
1	Mr. Anil Kumar Mittal	10%
2	Mr. Arun Kumar Gupta	10%
3.	Mr. Anoop Kumar Gupta	10%
4.	Mr. Ashwani Dua*	Nil
5.	Mr. Devendra Kumar Agarwal*	Nil
6.	Ms. Priyanka Mittal	Nil
7.	Mr. Shyam Arora*	Nil
8.	Mr. Vinod Ahuja*	Nil
9.	Mr. Alok Sabharwal*	Nil
10.	Mr. Rakesh Mehrotra, Chief Financial Officer	5%
11	Mr. Raman Sapra, Company Secretary	10%

* Non-Executive directors are being paid with the sitting fees for attending the Board Meetings.

C. The Percentage Increase in the Median Remuneration of Employees in the Financial Year 2018-19: There was increase of 7 % in the median remuneration of employees in the financial year 2018-19.

D. The Number of Permanent Employees on the rolls of Company: 2202

E. Average Percentile Increase already made in the Salaries of Employees other than the Managerial Personnel in the last Financial Year and its Comparison with the Percentile Increase in the Managerial Remuneration: The average increase in salaries of employees other than managerial personnel in 2018-19 was 9%, average percentage increase in the managerial remuneration for the year was 8%.

F. Affirmation that the remuneration is as per the remuneration policy of the Company: The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company's endeavors to attract, retain, develop and motivate a high performance staff. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms that the remunerations are as per the Nomination and Remuneration Policy of the Company.

G. Employees employed throughout the financial year ended on 31 March 2019 and was in receipt of Remuneration for that financial year, in the aggregate not less than Rupees One Crore Two Lacs only:-

Name	Designation	Gross Remuneration (in ₹)	Age (In years)	Date Commencement of Employment	Qualifications	Experience (In Years)	Name of Previous Employer	Nature of Employment
Mr. Anil Kumar Mittal	Chairman & Managing Director	1,08,63,600	68	30 March 1993	Arts Graduate from Delhi University	43	-	Contractual
Mr. Arun Kumar Gupta	Joint Managing Director	1,08,63,600	62	30 March 1993	Commerce Graduate from Delhi University	37	-	Contractual
Mr. Anoop Kumar Gupta	Joint Managing Director	1,08,63,600	60	30 March 1993	Science Graduate from Delhi University	33	-	Contractual

Notes:

1. The nature of employment in all above cases is contractual as per the rules and conditions of the Company.
2. Remuneration includes basis salary, allowances, perquisites, contribution to provident fund and other funds as per Company Policy.

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Place: Noida, Uttar Pradesh
Date: 01 August 2019

Annexure-4

Form MGT-9
EXTRACT OF ANNUAL RETURN
FOR THE YEAR ENDED 31 MARCH 2019
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

S.No.	Particulars	
1.	CIN	L01111DL1993PLC052845
2.	Registration Date	30 March 1993
3.	Name of the Company	KRBL Limited
4.	Category / Sub-Category of the Company	Public Limited Company /Indian Non-Government Company
5.	Address of the Registered office and contact details	5190, Lahori Gate, Delhi-110006 Tel : (011) 23968328, Fax : (011) 23968327 Email Id- investor@krblindia.com Website : www.krblrice.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s. Alankit Assignments Limited Alankit Heights, 3E/7 Jhandewalan Extension, New Delhi-110055 Tel: (011)-42541955,59, Fax : (011)- 42541201 Email Id: info@alankit.com Website : www.alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Business activities of the company contributing 10% or more of the total turnover is stated as below:-

S. No.	Name and Description of Main Products	NIC Code of the Product	% to Total Turnover of the Company
1.	Rice	10612	92%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: -

S. No.	Name and Address of the Company	CIN/GLN/ License No.	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	KRBL DMCC Unit No. AG-06-K, AG Tower, Plot No. JLT-PH1-I1A, Jumeirah Lake Towers, Dubai, United Arab Emirates	Trading License No. DMCC-30637	Subsidiary	100%	2(87)(ii)
2.	K B Exports Private Limited 5190, Lahori Gate, Delhi-110006	CIN: U70200DL1998PTC096113	Subsidiary	70%	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) CATEGORY-WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2018)				No. of Shares held at the end of the year (As on 31 March 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. SHAREHOLDING PATTERN OF PROMOTER AND PROMOTER GROUP									
1. INDIAN									
a) Individuals/Hindu Undivided Family	1,57,51,000	-	1,57,51,000	6.69	1,57,51,000	-	1,57,51,000	6.69	-
b) Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
c) Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
d) Any Other (Trust)	12,26,88,916	-	12,26,88,916	52.12	12,26,88,916	-	12,26,88,916	52.12	-
Sub-total (A) (1):	**1,38,439,916**	**-**	**1,38,439,916**	**58.81**	1,38,439,916	-	1,38,439,916	58.81	-
2. FOREIGN									
a) Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b) Government	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):	-	-	-	-	-	-	-	-	-
TOTAL SHAREHOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)	**1,38,439,916**	**-**	**1,38,439,916**	**58.81**	1,38,439,916	-	1,38,439,916	58.81	-
B. SHAREHOLDING PATTERN OF PUBLIC SHAREHOLDERS									
1. INSTITUTIONS									
a) Mutual Funds	23,090	-	23,090	0.01	19,48,447	-	19,48,447	0.83	0.82
b) Venture Capital Funds	-	-	-	-	-	-	-	-	-
c) Alternate Investment Funds	2,15,931	-	2,15,931	0.09	43,476	-	43,476	0.02	(0.07)
d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
e) Foreign Portfolio Investor	1,72,43,851	-	1,72,43,851	7.33	1,62,91,459	-	1,62,91,459	6.92	(0.41)
f) Financial Institutions / Banks	39,482	-	39,482	0.02	55,504	-	55,504	0.02	0.00
g) Insurance Companies	-	-	-	-	-	-	-	-	-
h) Provident Funds/Pension Funds	-	-	-	-	-	-	-	-	-
i) Any Other (Specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):	**1,75,22,354**	**-**	**1,75,22,354**	**7.45**	1,83,38,886	-	1,83,38,886	7.79	0.34

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01 April 2018)				No. of Shares held at the end of the year (As on 31 March 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. CENTRAL GOVERNMENT / STATE GOVERNMENT(S) / PRESIDENT OF INDIA	**20**	**-**	**20**	**-**	**64,94,911**	**-**	**64,94,911**	**2.76**	**2.76**
Sub-total (B)(2):	**20**	**-**	**20**	**-**	**64,94,911**	**-**	**64,94,911**	**2.76**	**2.76**
3. NON-INSTITUTIONS									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lacs	1,66,26,964	2,57,914	1,68,84,878	7.17	1,67,72,233	1,90,632	1,69,62,865	7.21	0.04
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lacs	1,81,35,061	-	1,81,35,061	7.70	1,81,35,487	-	1,81,35,487	7.70	-
b) NBFC Registered with RBI	23,155	-	23,155	0.01	34,055	-	34,055	0.01	-
c) Employee Trust	-	-	-	-	-	-	-	-	-
d) Overseas Depositary (Holding DRs)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)									
i) Bodies Corporate	22,11,099	5,000	22,16,099	0.94	21,37,738	5,000	21,42,738	0.91	(0.03)
ii) Limited Liability Partnership	9,46,383	-	9,46,383	0.40	63,822	-	63,822	0.03	(0.37)
iii) Clearing Member /Clearing House	65,83,554	-	65,83,554	2.80	1,33,873	-	1,33,873	0.06	(2.74)
iv) Foreign Nationals	89,38,330	-	89,38,330	3.80	89,38,330	-	89,38,330	3.80	-
v) Foreign Body Corporate	2,29,00,000	-	2,29,00,000	9.73	2,29,00,000	-	2,29,00,000	9.73	-
vi) Hindu Undivided Family/ Association of Persons	4,46,846	-	4,46,846	0.19	4,63,556	-	4,63,556	0.20	0.01
vii) Trust	6,230	-	6,230	-	46,726	-	46,726	0.02	0.02
viii) Investor Education and Protection Fund (IEPF)	41,042	-	41,042	0.02	62,570	-	62,570	0.03	0.01
ix) Non-Resident Indian-Non Repatriable	7,67,815	-	7,67,815	0.33	7,11,665	-	7,11,665	0.30	(0.03)
x) Non-Resident Indian- Repatriable	15,38,209	-	15,38,209	0.65	15,20,492	-	15,20,492	0.65	(0.01)
Sub-total (B)(3):-	**7,91,64,688**	**2,62,914**	**7,94,27,602**	**33.74**	**7,19,20,547**	**1,95,632**	**7,21,16,179**	**30.64**	**(3.10)**
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2))+(B)(3)	**9,66,87,062**	**2,62,914**	**9,69,49,976**	**41.19**	**9,67,54,344**	**1,95,632**	**9,69,49,976**	**41.19**	**-**
C. SHAREHOLDING PATTERN OF NON PROMOTER-NON PUBLIC SHAREHOLDER									
1. CUSTODIAN/DR HOLDER	-	-	-	-	-	-	-	-	-
Sub-total (C)(1):-	-	-	-	-	-	-	-	-	-
2. EMPLOYEE BENEFIT TRUST (Under SEBI (Share based Employee Benefit), Regulations, 2014)	-	-	-	-	-	-	-	-	-
TOTAL NON PROMOTER-NON PUBLIC SHAREHOLDING (C)=(C)(1)+(C)(2)	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A+B+C)	**23,51,26,978**	**2,62,914**	**23,53,89,892**	**100.00**	**23,51,94,260**	**1,95,632**	**23,53,89,892**	**100.00**	**-**

(ii) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP:

S. No.		Shareholding at the beginning of the year (As on 01 April 2018)			Shareholding at the end of the year (As on 31 March 2019)			% Change during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
Individuals/HUF								
1.	Ms. Rashi Gupta	100	-	-	**100**	-	-	-
2.	Ms. Neha Gupta	100	-	-	**100**	-	-	-
3.	Ms. Priyanka Mittal	100	-	-	**100**	-	-	-
4.	Mr. Ayush Gupta	100	-	-	**100**	-	-	-
5.	Mr. Akshay Gupta	100	-	-	**100**	-	-	-
6.	Mr. Anil Kumar Mittal Karta of Mr. Anil Kumar Mittal (HUF)	35,99,900	1.53	-	**35,99,900**	**1.53**	-	-
7.	Mr. Kunal Gupta	100	-	-	**100**	-	-	-
8.	Mr. Ashish Mittal	100	-	-	**100**	-	-	-
9.	Mr. Arun Kumar Gupta Karta of Mr. Arun Kumar Gupta (HUF)	48,49,900	2.06	-	**48,49,900**	**2.06**	-	-
10.	Ms. Anulika Gupta	100	-	-	**100**	-	-	-
11.	Ms. Binita Gupta	100	-	-	**100**	-	-	-
12.	Ms. Preeti Mittal	100	-	-	**100**	-	-	-
13.	Mr. Anoop Kumar Gupta Karta of Mr. Anoop Kumar Gupta (HUF)	72,99,900	3.10	-	**72,99,900**	**3.10**	-	-
14.	Mr. Anil Kumar Mittal	100	-	-	**100**	-	-	-
15.	Mr. Anoop Kumar Gupta	100	-	-	**100**	-	-	-
16.	Mr. Arun Kumar Gupta	100	-	-	**100**	-	-	-
17.	M/s. Anil Mittal Family Trust	4,25,45,864	18.07	-	**4,25,45,864**	**18.07**	-	-
18.	M/s. Arun Kumar Gupta Family Trust	4,12,93,714	17.54	-	**4,12,93,714**	**17.54**	-	-
19.	M/s. Anoop Kumar Gupta Family Trust	3,88,49,338	16.50	-	**3,88,49,338**	**16.50**	-	-
Total Shareholding of Promoters		13,84,39,916	58.81	-	**13,84,39,916**	**58.81**	-	-

iii) CHANGE IN PROMOTERS' SHAREHOLDING:

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	13,84,39,916	58.81	13,84,39,916	58.81
Changes during the year, if any	-	-	-	-
At the End of the year	13,84,39,916	58.81	**13,84,39,916**	**58.81**

(iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

S. No.	Shareholder's Name			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the company
1.	**Reliance Commodities DMCC**						
	At the beginning of the year			2,29,00,000	9.73	2,29,00,000	9.73
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares	-	-	-	-
		Nil	Nil				
	At the end of Financial Year					2,29,00,000	9.73
2.	**Mr. Anil Kumar Goel**						
	At the beginning of the year			93,41,845	3.97	93,41,845	3.97
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		06.04.2018	371			93,42,216	3.97
		27.04.2018	759			93,42,975	3.97
		29.06.2018	1,87,025			95,30,000	4.05
		06.07.2018	20,000			95,50,000	4.06
		24.08.2018	341			95,50,341	4.06
		21.09.2018	1,659			95,52,000	4.06
		28.09.2018	38,000			95,90,000	4.07
		05.10.2018	28,092			96,18,092	4.09
		12.10.2018	12,908			96,31,000	4.09
		19.10.2018	2,000			96,33,000	4.09
		26.10.2018	51,015			96,84,015	4.11
		02.11.2018	26,085			97,10,100	4.11
		09.11.2018	4,900			97,15,000	4.13
		30.11.2018	11,000			97,26,000	4.13
		07.12.2018	898			97,26,898	4.13
		14.12.2018	102			97,27,000	4.13
		28.12.2018	1,000			97,28,000	4.13
		08.02.2019	(2,083)			97,25,917	4.13
		15.02.2019	(29,917)			96,96,000	4.12
		22.02.2019	1,000			96,97,000	4.12
		29.03.2019	10,000			97,07,000	4.12
	At the end of Financial Year					97,07,000	4.12
3.	**Joint Director of Enforcement, Central Region***						
	At the beginning of the year			-	-	-	-
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		14.12.2018	64,94,891			64,94,891	2.76
	At the end of Financial Year					64,94,891	2.76

S. No.	Shareholder's Name			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the company
4.	**Kotak Mahindra International Limited**						
	At the beginning of the year			61,99,270	2.63	61,99,270	2.63
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		01.03.2019	(38,121)			61,61,149	2.62
	At the end of Financial Year					6,16,1149	2.62
5.	**Mr. Omar Ali Obaid Balsaraf**						
	At the beginning of the year			42,50,000	1.81	42,50,000	1.81
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		Nil	Nil				
	At the end of Financial Year					42,50,000	1.81
6.	**Mr. Som Nath Aggarwal**						
	At the beginning of the year			36,55,438	1.55	36,55,438	1.55
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		Nil	Nil				
	At the end of Financial Year					36,55,438	1.55
7	**Mr. Abdullah Ali Balsharaf**						
	At the beginning of the year			35,88,330	1.52	35,88,330	1.52
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		Nil	Nil				
	At the end of Financial Year					35,88,330	1.52
8.	**Ms. Seema Goel**						
	At the beginning of the year			27,99,000	1.19	27,99,000	1.19
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		Nil	Nil				
	At the end of Financial Year					27,99,000	1.19

S. No.	Shareholder's Name	As on benpos date	No. of Shares	Shareholding at the beginning of the year: No. of Shares	Shareholding at the beginning of the year: % of total Shares of the Company	Cumulative Shareholding during the year: No. of Shares	Cumulative Shareholding during the year: % of total Shares of the company
9.	**Reliance Capital Trustee Company Limited A/c Reliance Growth Fund**						
	At the beginning of the year			-	-	-	-
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		25.05.2018	5,18,097			5,18,097	0.22
		01.06.2018	1,14,538			6,32,635	0.27
		15.06.2018	4,18,021			10,50,656	0.45
		22.06.2018	2,70,565			13,21,221	0.56
		06.07.2018	1,00,000			14,21,221	0.60
		20.07.2018	99,950			15,21,171	0.65
		14.09.2018	9,037			15,30,208	0.65
		28.09.2018	18,523			15,48,731	0.66
		05.10.2018	89,866			16,38,597	0.70
		12.10.2018	1,00,918			17,39,515	0.74
		26.10.2018	1,13,779			18,53,294	0.79
	At the end of Financial Year					18,53,294	0.79
10.	**Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund**						
	At the beginning of the year			14,74,543	0.63	14,74,543	0.63
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares				
		04.05.2018	(3,140)			14,71,403	0.63
		11.05.2018	(2,983)			14,68,420	0.62
		01.06.2018	(2,355)			14,66,065	0.62
		22.06.2018	(7,052)			14,59,013	0.62
		29.06.2018	(11,352)			14,47,661	0.61
		06.07.2018	(4,644)			14,43,017	0.61
		13.07.2018	(7,396)			14,35,621	0.61
		01.02.2019	13,456			14,49,077	0.62
		08.02.2019	26,414			14,75,491	0.63
		15.02.2019	16,506			14,91,997	0.63
		29.03.2019	5,313			14,97,310	0.64
	At the end of Financial Year					14,97,310	0.64

*. Not in the list of Top 10 shareholders as on 31 March 2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31 March 2019.

The above details are given as on 31 March 2019. The Company is listed and 99.92% shareholding of the Company is in dematerialized form. Hence, it is not feasible to track movement of shares on daily basis. The aforesaid holdings by top ten shareholders are due to market operations. Further, Company has not allotted/transferred or issued any bonus or sweat equity shares during the year.

(v) **SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (IN INDIVIDUAL CAPACITY):**

S. No.	Shareholder's Name	Shareholding at the beginning of the year		Change in Shareholding during the year		Shareholding at the end of the year	
		No. of Shares	% of total Shares of the Company	Date of Change and No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Directors							
1.	Mr. Anil Kumar Mittal	100	0.00	-	-	100	-
2.	Mr. Arun Kumar Gupta	100	0.00	-	-	100	-
3.	Mr. Anoop Kumar Gupta	100	0.00	-	-	100	-
4.	Ms. Priyanka Mittal	100	0.00	-	-	100	-
5.	Mr. Ashok Chand*	-	-	-	-	-	-
6.	Mr. Ashwani Dua	-	-	-	-	-	-
7.	Mr. Devendra Kumar Agarwal	-	-	-	-	-	-
8.	Mr. Shyam Arora	-	-	-	-	- -	
9.	Mr. Vinod Ahuja	-	-	-	-	-	-
10.	Mr. Alok Sabharwal	-	-	-	-	-	-
Key Managerial Personnel							
11.	Mr. Rakesh Mehrotra	-	-	-	-	-	-
12.	Mr. Raman Sapra	-	-	-	-	-	-

V. INDEBTEDNESS

INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT:

(Amount in ₹ Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year (01 April 2018)				
i) Principal Amount	1,04,655	19,871	-	1,24,525
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	164	-	-	164
Total (i+ii+iii)	**1,04,818**	**19,871**	**-**	**1,24,689**
Change in Indebtedness during the financial year				
Addition	73,051	20,000	-	93,051
Reduction	(58,101)	(15,727)	-	(73,828)
Exchange Difference	(455)	-	-	(455)
Net Change	**14,495**	**4,273**	**-**	**18,769**
Indebtedness at the end of the financial year (31 March 2019)				
i) Principal Amount	1,18,674	24,144	-	1,42,819
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	639	-	-	639
Total (i+ii+iii)	**1,19,313**	**24,144**	**-**	**1,43,458**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR AND WHOLE-TIME DIRECTORS:

(Amount in ₹ Lacs)

S. No.	Particulars of Remuneration	Name of Managing Directors and Whole-time Directors					Total Amount
		Mr. Anil Kumar Mittal	Mr. Arun Kumar Gupta	Mr. Anoop Kumar Gupta	Mr. Ashok Chand *	Ms. Priyanka Mittal	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	108.24	108.24	108.24	10.00	56.03	390.75
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	0.40	0.40	-	0.40	1.60
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-	-
2.	Stock option	-	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission -as % of profit -Other, specify	-	-	-	-	-	-
5.	Other, please specify	-	-	-	-	-	-
Total (A)		**108.64**	**108.64**	**108.64**	**10.00**	**56.43**	**392.35**
Overall Ceiling as per the Act		10% of Net profit for all Executive Directors - Managing and Whole-time Directors i.e. ₹ 7371 Lacs					

* Resigned w.e.f. 23 July 2018.

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in ₹Lacs)

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Ashwani Dua	Mr. Devendra Kumar Agarwal	Mr. Alok Sabharwal	Mr. Shyam Arora	Mr. Vinod Ahuja	
1.	Independent Directors						
	• Fee for attending board meetings	0.25	0.85	0.85	0.85	0.85	3.65
		-	-	-	-	-	-
	• Committee meetings	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-
	• Others						
	Total(1)	**0.25**	**0.85**	**0.85**	**0.85**	**0.85**	**3.65**
2.	Other Non-Executive Directors			None			
	• Fee for attending board meetings • Committee meetings • Commission • Others			N.A.			
	Total (2)	-	-	-	-	-	-
Total (B)=(1+2)		**0.25**	**0.85**	**0.85**	**0.85**	**0.85**	**3.65***
Overall Ceiling as per the Act		1% of Net Profits of the Company for all Non-Executive Directors i.e. ₹ 737 Lacs					

* The Above is the sitting fees and the same is excluding GST.

C. **REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR AND WHOLE-TIME DIRECTORS:**

(Amount in ₹ Lacs)

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Rakesh Mehrotra, CFO	Mr. Raman Sapra, CS	Total
1.	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	79	14	93
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit	-	-	-
	-Other, specify	-	-	-
5.	Other, please specify	-	-	-
Total (C)		**79**	**14**	**93**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ Court]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			**None**		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			**None**		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			**None**		
Compounding					

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Place: Noida, Uttar Pradesh
Date: 01 August 2019

Annexure-5

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,
M/s. KRBL Limited
5190, Lahori Gate,
Delhi -110 006

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31 March 2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with **Annexure 1** attached to this report:-:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment (ODI) and External Commercial Borrowings (ECB); **(No FDI, ODI and ECB was taken by the company during the Audit Period)**

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

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the Audit Period);**

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not applicable to the Company during the Audit Period)**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period) ;**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable as the Company is not registered as Registrar to an issue and Share Transfer Agent during the Audit Period) ;**

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **(Not applicable to the Company during the Audit Period) ; and**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not applicable to the Company during the Audit Period)**

VI. OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT

1) Foods Safety & Standards Act, 2006 & Foods Safety & Standards (Licensing & Registration of Food Business), Regulations, 2011;

2) The Uttar Pradesh Krishi Utpadan Mandi Adhiniyam, 1964 and rules made thereunder;

3) Legal Metrology Act, 2009 and Rules & Regulations made there under;

4) The Punjab Agricultural Produce Market Act, 1961 and rules made thereunder;

5) Electricity Act, 2003 and the respective State Government Policy/ Guidelines for the Wind and Solar Power Projects.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India;

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. mentioned above subject to following:

a) As per provision of section 135 of the Companies Act, 2013, the eligible amount required to be spent on Corporate Social Responsibility (CSR) by the Company is ₹1098 lacs during the financial year 2018-19, however as per information provided, the Company has spent ₹17 lacs towards CSR during the said financial year.

b) It is observed that certain statutory requirements of general laws applicable on the company's units located at Alipur, Haryana have not been complied with, however as per information provided, it was informed that only sorting / grading / packing of rice activity are done at the said unit & the unit has no production capacity.

Based on the information received and records maintained, we further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, woman and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting in compliance of the Act.

3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) issued by General Manager-Gautam Budh Nagar Plant Mr. Manoj Saxena, Chief Operating Officer-Dhuri Plant Mr. Ravinder Kumar Sharma, Vice President-Sonepat Plant Mr. Puneet Bindlesh, Chief Financial Officer Mr. Rakesh Mehrotra and Company Secretary & Compliance Officer Mr. Raman Sapra of the Company and taken on record by the Board of Directors at their meeting(s).

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

We further report that during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc.

For **DMK Associates**
Company Secretaries

(Deepak Kukreja)
FCS, LL.B, ACIS(UK)
Partner
FCS No. 4140, C.P. No. 8265

Place: New Delhi
Date: 01 August 2019

APPENDIX-1 TO THE SECRETARIAL AUDIT REPORT

To,

The Members,
M/s. KRBL Limited
5190, Lahori Gate
Delhi -110006

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2019 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices, we followed provide a reasonable basis to our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. As per the information provided by the Company, there are certain disputes / cases filed by or against the Company, which are currently lying pending with the various Courts/authorities. Also the Company has 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 ₹ 75,744 lacs and interest thereon ₹ 51,176 lacs. Vide writ petition filed, the Company has obtained an order from Hon'ble High Court of Delhi that no coercive action shall be taken against the Company. The management of the Company has contested this demand at CIT (Appeals), New Delhi and the said appeal is currently lying pending.

For **DMK Associates**
Company Secretaries

(Deepak Kukreja)
FCS, LL.B, ACIS(UK)
Partner
FCS No. 4140, C.P. No. 8265

Place: New Delhi
Date: 01 August 2019

Annexure-6

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. **Company's policy on CSR — An Overview:**

Every organization has the right to exist in a society. With the right, there comes a duty to give back the society a portion of what it receives from it. As a corporate citizen we receive various benefits out of society and it is our coextensive responsibility to pay back in return to the society.

KRBL strongly believe that creation and maximization of value to stakeholders is paramount, and it generates profit in long term. The Company is committed to improving the quality of life of the workforce and their families as well as of the local community and society at large. With the Companies Act, 2013 mandating the Corporate to contribute for social development and welfare, KRBL would fulfil this mandate and supplement the government's efforts.

KRBL strongly believe that the Company plays a very significant role in improving the quality of the society within which it operates and the Company can flourish only if it operates in a society that is healthy, orderly, just and which grants freedom and scope to individuals and their lawful enterprises.

2. **Our CSR Vision:**

Endeavour to serve the society and achieve excellence.

3. **Our CSR Mission:**

Strive to improve our image in the eyes of all the stakeholders by ensuing wellbeing of community around our operation.

4. **Composition of the CSR Committee:**

Name of Committee Members	Designation	Category
Mr. Anil Kumar Mittal	Chairman	Executive-Chairman & Managing Director
Mr. Ashwani Dua	Member	Independent Non-Executive-Director
Mr. Anoop Kumar Gupta	Member	Executive-Joint Managing Director
Ms. Priyanka Mittal	Member	Executive-Whole-Time Director

5. **Average Net Profit of the Company for last three Financial Years:** ₹ 54891 Lacs.

6. **Required CSR Expenditure (Two Percent of the amount as in item 5 above):** ₹ 1098 Lacs.

7. **Reason for not spending the prescribed 2% amount:**

During the year the Company undertook various CSR Projects and had a meetings with various CSR consultants of the repute to have the CSR Budget of the Company fully utilized.

At KRBL we believe that we are a company built by farmers. Since inception we remain committed to create value for our farmer community. We continue our association with farmers beyond business by assisting them with different knowledge-based technical knowhow on best agricultural practices and facilitating them in sourcing quality inputs. With the sincere believe that farming community forms the backbone of the business and in order to promote their education the Company has plans to set up the World Class Grain Milling and Skill Development Centre for the farming community. This centre envisages working in an integrated manner for the farmer wellbeing. Under that Centre multiple interventions related to farming, employment and entrepreneurship may be carried out. Technical training and expert sessions on different agriculture and allied sector practices including water management, land levelling, disposal management, better farming practices with the target beneficiaries may be conducted.

In order to implement this CSR project the Company plans to meet CSR consultants of repute to setup Grain Milling and Skill Development Centre for the farmers and their families. The CSR Committee of KRBL Limited had an initial discussion with LabourNet Services India Private Limited and requested them to submit the Detailed Project Report for this project. The company is proposing to finalize this project in the financial year 2019-20.

Considering the overall status of CSR Projects, as on date the company has CSR Projects in hand/in process which inter-alia includes the Akshaya Patra kitchen project, the Rural Development Project, the project for setting up a World Class Grain Milling and Skill Development Centre.

During the year, the Company was unable to contribute ₹ 2,00,00,000 (Rupees Two Crore Only) in the project Setting up Centralized Rice & Roti-Based Kitchen in Ghaziabad, Uttar Pradesh due to the various hurdles faced by the Akshaya Patra Foundation.

The Company's CSR initiatives usually involve setting of various projects/programs at a medium/small scale to learn from on-ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefit to the community. The Company believes in following a planned model for CSR activities which are sustainable over long-term and has a direct impact on the life of the beneficiaries of such programs.

Since it took time to identify the projects that serve and match the needs of the society at large, the company could not to spend whole budgeted allocable amount towards CSR Activities due to which the expenditure incurred on the CSR activities has been less than the limits prescribed under Companies Act, 2013.

During the year, the CSR Committee of KRBL Limited met three times to discuss the CSR Initiatives. For the year 2019-20 the Company has identified CSR projects/programmes wherein it can deploy the CSR expenditure amount and going forward the Company's endeavour will be to spend on CSR activities in accordance with the prescribed limits.

8. Details of CSR spent during the financial year:

a) Amount spent during the year: ₹ 17 Lacs
b) Amount unspent, if any: ₹ 1,081 Lacs;
c) Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹ Lacs)

1	2	3	4	5	6		7	8
S. No.	CSR Project or Activity	Sector in which the Project is covered	Location where project was undertaken State (Local Area/ District)	Amount outlay (budget) project or programme wise	Amount spent on the project or programmes		Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
					Direct expenditure	Overheads		
A. CSR PROJECTS IDENTIFIED IN THE YEAR 2018-19 AND SUCCESSFULLY COMPLETED								
1	Project for Sponsoring Scholarship for providing Education to the Students*	Promoting Education including Special Education	Sangrur, Punjab	0.30	0.30	-	0.30	Direct
2.	Eradicating Hunger	Eradicating Hunger and Poverty	Sangrur, Punjab	2.00	2.00	-	2.00	Direct
TOTAL (A)				**2.30**	**2.30**	**-**	**2.30**	
B. CSR PROJECTS IDENTIFIED IN THE YEAR 2018-19 AND IN PROCESS								
1	Setting up of Centralized Kitchen in Ghaziabad Uttar Pradesh**	Eradicating Hunger, Poverty and Malnutrition	Gautam Buddha Nagar, Uttar Pradesh	400.00	-	-	200.00	Implementing through Akshaya Patra Foundation- Non-Profit Organisation (NPO)
2.	Village Development Activity	Rural Development Project	Sonepat, Haryana	100.00	14.86	-	14.86	Direct
TOTAL (B)				**500.00**	**14.86**	**-**	**214.86**	
Total expenditure on CSR initiatives upto the reporting period total (A+B)				**502.00**	**17.16**	**-**	**217.16**	

* This is a continuous project and will also be continued in the next year.

**KRBL in line with its CSR strategy to support social impact initiatives in the area of nutrition and education had committed support for setting up of a centralised kitchen for mid-day meal program for school children in Ghaziabad. This project was conceived and being executed in a PPP model. Due to various hurdles faced by the Akshaya Patra Foundation the execution of the project was delayed. This inadvertent delay had led to non-utilization of CSR funds disbursed till date. We are hopeful of progress during 2019-20 and completing the project at the earliest.

9. Responsibility Statement of the CSR Committee for the implementation and monitoring of CSR policy in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the policy of the Company.

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Place: Noida, Uttar Pradesh
Date: 01 August 2019

Annexure-7

BUSINESS RESPONSIBILITY REPORT

INTRODUCTION

The National Voluntary Guidelines which are a major part of Business Responsibility Reporting were released by the Ministry of Corporate Affairs in December 2009. They were drafted together after significant inputs from diverse stakeholders groups across the country were put together. Business responsibility report showcases the basic requirements for businesses to function responsibly, thereby ensuring inclusive, as well as wholesome economic growth.

Enterprises are at this time and age is accountable to not just their shareholders and investors, but also to the larger society, which also forms out to be an important stakeholder. Adoption of responsible business practices in the interest of the society and the environment is as important as a company's operational and economic performance. This is all the more relevant for listed entities considering the fact that they have accessed funds from the public, have an element of public interest involved, and are obligated to make exhaustive continuous disclosures on a regular basis.

Ministry of Corporate Affairs, Government of India, in July 2011, came out with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business'. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices and a structured business responsibility reporting format requiring certain specified disclosures, demonstrating the steps taken by companies to implement the said principles. SEBI had introduced requirements with respect to Business Responsibility Reporting as on 13 August 2012.

SEBI vide circular dated 06 February 2017, has mandated the requirement of submission of Business Responsibility Report ('BRR') for top 500 listed entities under Regulation 34(2)(f) of SEBI Listing Regulations. The key principles which are required to be reported by the entities pertain to areas such as environment, governance, stakeholder's relationships, etc.

Fulfilment of environmental, social and governance responsibilities is part of KRBL's business culture. KRBL Limited is fortunate to be among the top 500 listed entities and finds itself within the ambit of SEBI Listing Regulations, which mandate the inclusion of the Business Responsibility Report (BRR) as part of the Annual Report for the top 500 listed entities based on market capitalization. In compliance with SEBI Listing Regulations, the KRBL's business responsibility report describes the initiatives taken by the company from an environmental, social and governance perspective, in the format as specified by the BRR and NVG.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L01111DL1993PLC052845
2. Name of the company	KRBL Limited
3. Registered Address	5190, Lahori Gate, Delhi – 110006
4. Website	www.krblrice.com
5. E-mail ID	investor@krblindia.com
6. Financial year reported	2018-19
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	**Agri Division- Group: 106 & Group: 011** Group: 106 Rice and Other By-products (Class: 1061, Sub-Class: 10612 - Rice Milling) Quinoa (Class: 1061, Sub-Class: 10614 - Grain milling other than wheat, rice and dal) Seed Class: 1061, Sub-Class: 10619 - Other grain milling and processing) Glucose (Class: 1062, Sub-Class: 10623 - Manufacture of glucose, glucose syrup, maltose etc.) Group: 011 Chia Seed and Flax Seed (Class: 0111, Sub-Class: 01119- Other Oil Seeds) **Energy Division- Group: 351** Solar Power Plant (Class: 3510, Sub-Class: 35105 - Electric power generation using solar energy) Wind Power Plant (Class: 3510, Sub-Class: 35106 - Electric power generation using other non-conventional sources)
8. List three key products/services that the company manufactures/ provides.	KRBL is India's Largest Rice producer, with a 130 year old heritage, having national as well as international presence. 1) Rice- India Gate, Unity, Nur Jahan 2) Solar Power Plant 3) Wind Power Plant

9. **Number of locations where business activities are undertaken by the company.**	**Agri division:** **Manufacturing Capacities:** Gautam Budh Nagar, Uttar Pradesh Dhuri, Punjab **Other capacities (grading, sorting and packaging):** Sonipat, Haryana Alipur, Delhi **Energy Division:** **Wind Division** Maharashtra (Dhule, Sangli), Rajasthan (Jodhpur, Jaisalmer), Tamil Nadu (Tirupur, Tirunelveli), Karnataka (Raichur & Koppal, Bellary), Andhra Pradesh (Kaddappa, Anantapuram), Madhya Pradesh (Agar-Malwa, Mandsaur), Gujarat (Devbhoomi Dwarka) **Solar Division -** Madhya Pradesh (Rajgarh, Agar-Malwa, Sehore) Biomass - Dhuri, Gautam Budh Nagar **Corporate office-**Noida-Uttar Pradesh **Registered Office-**Lahori Gate, Delhi
10. **Markets served by the company Local/State/ National/ International**	KRBL has a strong distributor network spread across India. KRBL exports to 82 countries out of the 156 countries and leads the basmati rice consuming market in the branded segment.

Section B: Financial Details of the Company

1. **Paid Up Equity Share Capital (₹):** ₹ 2,354 Lacs
2. **Total Turnover (₹):** ₹ 4,11,957 Lacs
3. **Total Profit after Taxes (₹):** ₹ 50,327 Lacs
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)**
   The company spent a total of ₹17 Lacs on CSR activities during the financial year under review, representing 0.03% of average net profit of the company in the previous three financial years.
5. **List of activities in which the expenditure in 4 above has been incurred.**
   Please refer board report Section "Annual Report on Corporate Social Responsibility (CSR) Activities".

Section C: Other Details

1. **Does the company have any Subsidiary Company/ Companies?**
   The Company has two subsidiaries viz., KRBL DMCC, Dubai, UAE and K B Exports Private Limited, India and one step down subsidiary viz. KRBL LLC, USA.
2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)?**
   No.
3 **Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)**
   No, however, KRBL works with all its farmers towards ensuring that they participate in sustainable agricultural practices- by providing them with training on the latest agricultural practices, and supplying high quality seeds to ensure less resource consumption and maximum rice production.

Section D: BR Information

1. **Details of Director responsible for Business Responsibility**
   a) Details of the Director and Business Responsibility Head responsible for implementation of the Business Responsibility policy/policies
      - Name Mr. Anil Kumar Mittal
      - DIN 00030100
      - Designation Chairman & Managing Director
      - Telephone number 0120-4060300
      - E-mail Id investor@krblindia.com
2. **Principle-wise (as per NVGs) BR Policy/Policies:**
   The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility.
   Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
   Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
   Principle 3: Businesses should promote the wellbeing of all employees.
   Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.
   Principle 5: Businesses should respect and promote human rights.
   Principle 6: Business should respect, protect, and make efforts to restore the environment.
   Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
   Principle 8: Businesses should support inclusive growth and equitable development.
   Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

a. **If answer against any principle, is 'No', please explain why: (Tick up to 2 options):**

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the principles	NA								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done in the next 6 months									
5	It is planned to be done in the next year									
6	Any other reason (please specify)									

3. **Governance related to BR**

a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**
KRBL assesses the business performance every 6 months.

b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**
The Business Responsibility Report is published annually. The same is forming part of Directors' Report in Annual Report 2018-19 and is available on company website http://www.krblrice.com/investorrelation.html under FY 2018-19.

Section E: Principle Wise Performance

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

1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**
KRBL's policies on ethics, bribery and corruption- i.e. its code of conduct covers not only its employees, but also includes other people associated with it- contractors/suppliers. KRBL's code of conduct or "Vigil Mechanism (Whistle Blower Policy)" constantly promotes ethical behaviour in all its business activities in accordance with the best international governance practices through its directors, employees, business associates and other stakeholders, KRBL has established a system to report unethical behaviour, malpractices, fraud and other incidents of misconduct. KRBL has a policy in place in which all the directors, employees and business associates have the ability to directly access the Chairman of Audit Committee, who then work towards resolving the issues. KRBL is putting in a mechanism in place to develop a supply chain policy to ensure that best practices are followed throughout its supply chain.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so?**
During this year, we have not received any significant complaint related to unethical practices across all our operations.

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

1. **List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**
   1) All rice brands- India Gate, Unity, Nur Jahan etc.
   2) Solar Power Plant
   3) Wind Power Plant

2. **For each product, provide the following details:**

(i) **Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**

Division	Resources	Reduction
Rice	Energy Savings	6,24,960 kwh
	Carbon Reduction	5,11,367 CO2

(ii) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**
Not Applicable.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**
KRBL have a policy for sustainable sourcing. KRBL is mostly involved in rice processing, and its major suppliers are farmers. KRBL ensures that farmers follow best agricultural practices to ensure reduction in resource consumption in the agricultural phase. Through modern agricultural techniques reduction in energy and water is achieved and utilization of materials like fertilizer and pesticides is also reduced. KRBL ensures that farmers maintain good soil conditions throughout agricultural processes.

4 **Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

KRBL sources rice only from local farmers in the basmati rice growing regions around the places where it operates. In order to ensure that all the farmers that it works along with gain good quality harvest, KRBL provides them with quality seeds that are a result of extensive research and development, it provides them with adequate training on agricultural techniques to maximize produce- optimal pesticide and fertilizer usage, best agricultural equipment to use, etc. They are also paid right prices for their agricultural produce. KRBL ensures that the farmers that it works along with are a part of its CSR activities too, and it has put various projects into place to improve their livelihood.

5. **Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**
   Yes, KRBL has a mechanism in place to recycle waste. KRBL ensures that none of its operational by-products go to waste. KRBL uses the state-of-the-art processing technologies within its divisions to ensure that a minimal amount of waste is generated within all its facilities. The main by-products generated in KRBL's facilities are Rice Bran and Paddy Husk. Rice bran can be used to make edible oil, and paddy husk is used in the manufacture of rice husk boards, silica gel and manufacture of furfural. Soluble rice bran is also used as cattle feed. KRBL uses the rice husk that's generated in its facilities to produce non-conventional power, to meet along with its power requirements. Any excess energy generated is sold to the Punjab State Electricity Board. All of KRBL's by-products are recycled. Within its energy division, the cotton waste that is generated and the oil waste are given to recycling vendors.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the total number of employees**
   We have 2202 as on Employees as on 31 March 2019.

2. **Please indicate the total number of employees hired on temporary/ contractual/casual basis.**
   We have 700 Contractual Employees as on 31 March 2019.

3. **Please indicate the number of permanent woman employees.**
   We have 65 permanent woman employees as on 31 March 2019.

4. **Please indicate the number of permanent employees with disability.**
   Nil

5. **Do you have an employee association that is recognized by management?**
   No unions within the company.

6. **What percentage of the permanent employees are a member of this recognized employee association?**
   N.A.

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
   KRBL has not received any complaints on any labour issues including child labor, forced labour, involuntary labour and sexual harassment during the reporting period.

8. **What percentage of the under mentioned employees were given safety and skill up-gradation training in the last year?**
   KRBL provides training to all employees for enhancement of performance and skill development. In the year 2018-2019, training sessions of 7-8 hours/month were conducted for employees. Different types of training programs were conducted- ISO/SQF/BRC, Personal Hygiene, Quality Parameter, Stock rotation, fire safety, first Aid, Machine operation, Regular affairs, site security, maintenance related to food safety, pest control, rice grain identification, industrial relation, problem solving etc.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

1. **Has the company mapped its internal and external stakeholders? Yes/No**
   Yes, KRBL has mapped its internal and external stakeholders.

   Internal Stakeholders:
   - Management
   - Employees
   - Farmers

   External Stakeholders:
   - Customers
   - Partners
   - Suppliers
   - Vendors
   - Retailers
   - Government authorities/regulators
   - Local communities

2. **Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?**
   Yes

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable, and marginalized stakeholders? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   Yes, the Company has undertaken special initiatives like funding education of children studying in govt. schools, interacting with farmers to consult them on various agricultural aspects, Rural Development projects in the form of Construction of Roads, Construction of sewage lines, Toilet facilities etc.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   KRBL's human rights policy extends across all its operations. It covers all its employees, suppliers, farmers and contractors

associated with it. KRBL is in process of further extending its human rights policy across different stakeholder groups.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   We have not received any complain related to human rights violation during the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/others.**
   The Company has Environment protection policy which aims to ensure that environmental considerations are taken into account in all our operations in order to reduce environmental footprint and protect the environment at different levels. The policy extends to employees, service partners, vendors and farmers.

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**
   KRBL is actively involved in addressing issues in relation to environment. In order to reduce energy consumption within its rice division, KRBL has undertaken various initiatives- the major one being setting up a biomass energy generation facility that uses rice husk (byproduct generated at KRBL facility) as fuel.

   KRBL is committed to continuously reduce energy consumption at its various units. List of initiatives taken in this regard are mention in **"Annexure 2"** of Directors' Report.

   Moreover, KRBL recycles waste water within its facilities.

   KRBL's energy division was started to reduce dependency on fossil fuels, with wind and solar energy assets. Further details can be viewed on the hyperlink http://www. krblrice.com/ ourstrengths.html

3. **Does the company identify and assess potential environmental risks? Y/N**
   Yes, KRBL has identified and assessed potential environmental risks in relation to its operations. The key risks are
   1) Climate change risks
   2) Water availability risks
   3) Agricultural risks
   4) Raw material risk

   The Company has environment protection policy which identified the environment risks and take steps to reduce negative environment impact on the business.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**
   Yes, KRBL has a project in relation to Clean Development Mechanism for its biomass generation facility.

   With a vision to reduce energy consumption and GHG impact, KRBL implemented rice husk based cogeneration plants in Dhuri and Ghaziabad. These cogeneration plants have reduced the energy usage in Dhuri as well as Ghaziabad by reducing the amount of diesel and grid electricity that would otherwise have been consumed. The biomass powered plants also displace possible GHG emissions from use of DG. Through the biomass powered plants, KRBL's requirement of thermal energy is being met.

Baseline emissions (tons CO_2)	Emissions (tons per GWh)	Energy displaced (GWh)
16,934	800	21.168

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**
   KRBL's rice division has a biomass power generation unit to meet along with its energy requirements, thus reducing its dependency on grid electricity and DG.

   KRBL is committed to continuously reduce energy consumption at its various units. List of initiatives taken in this regard are mention in **"Annexure 2"** of Directors' Report.

   KRBL's energy division is completely focused on production of solar and wind energy. Focusing on clean energy production, KRBL is working extensively towards clean energy portfolio having 146.94 MW in 2018-2019.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
   Yes, KRBL's emission and generated waste are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   Nil

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is the company a member of any trade and chamber or association? If Yes, Name only those major ones that the business deals with:**
   Yes, the Company has been associated with India Basmati Farmers from last many decades. Even in the face of severe competition, KRBL continues to receive the support from its network of farmers, distributors, retailers, stockists, suppliers and trading partners.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
   As a part of India Basmati Farmers, KRBL is associated with various farmers with whom it works to improve basmati rice agricultural process at different levels, by providing them with high quality seeds, providing them with training to ensure that sustainable agricultural practices are followed, that reduce resource consumption- water, energy, pesticide, fertilizers, and at the same time, increase the rice that is produced.

Principle 8: Businesses should support inclusive growth and equitable development

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   KRBL has a CSR Committee that is responsible for the development of the company's CSR activities and to monitor and review various CSR initiatives as specified under Companies Act, 2013 relative to environmental protection as well as community involvement and development. At KRBL, CSR projects and programs are undertaken after identifying the communities that require development.

   KRBL has undertaken initiatives for supporting inclusive growth and equitable development through its CSR activities. Details of CSR initiatives taken by company are given in **"Annexure 6"** of Directors' Report.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?**
   KRBL has a dedicated in-house team which undertakes CSR activities and initiatives. Further the company is also doing CSR Project for setting up of Centralized Kitchen in Ghaziabad Uttar Pradesh through Akshaya Patra Foundation a Non-Profit Organisation (NPO).

3. **Have you done any impact assessment of the initiative?**
   Yes, the Company assess the impact of CSR Projects and Programs undertaken at its CSR committee meetings.

4. **What is the company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   The Company has spent ₹ 17 Lacs as part of its CSR initiatives. Details of CSR initiatives taken by company are given in **"Annexure 6"** of Directors' Report.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   Yes, KRBL frequently monitors its initiatives and projects to ensure that it's successfully adopted by the community. It also conducts regular feedback surveys to ensure the successful implementation of its projects. KRBL's CSR policy ensures effective implementation of various CSR programs by monitoring them on a constant basis.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**
   No customer complaints/consumer cases are pending as on the end of financial year.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A./Remarks (additional information)**
   Yes, product information details are always displayed on the label over and above what is mandated as per local laws. Being a rice processing company, product safety is of extreme importance to KRBL.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   No

4. **Did the company carry out any consumer survey/ consumer satisfaction trends?**
   No

Annexure-8

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. **Details of contracts or arrangements or transactions not at arm's length basis**
   –None; during the reporting period, all transactions were at arm's length basis.
   (a) Name(s) of the related party and nature of relationship: **N.A.**
   (b) nature of contracts/ arrangements/ transactions: **N.A.**
   (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
   (e) Justification for entering into such contracts or arrangements or transactions: **N.A.**
   (f) Date(s) of approval by the Board: **N.A.**
   (g) Amount paid as advances, if any: **N.A.**
   (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: **N.A.**

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   None; during the reporting period, there was no material* contract or arrangement.

   (*As defined under SEBI Listing Regulations and adopted by the Board of Directors in the Policy on Related Party Transactions of the Company, "Material Related Party Transaction" means a transaction with a related party if the transaction/ transactions to be entered into individually or taken together with previous transactions during a Financial Year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.)
   (a) Name(s) of the related party and nature of relationship: **N.A.**
   (b) Nature of contracts/ arrangements/ transactions: **N.A.**
   (c) Duration of the contracts/ arrangements/ transactions: **N.A.**
   (d) Salient terms of the contracts or arrangements or transactions including the value, if any: **N.A.**
   (e) Date(s) of approval by the Board, if any: **N.A.**
   (f) Amount paid as advances, if any: **N.A.**

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Place: Noida, Uttar Pradesh
Date: 01 August 2019

REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

"Good governance is treating development as a mass movement in order to see that fruits of development reach the poor and the downtrodden."

Hon'ble P.M. Narendra Modi

KRBL Limited ('KRBL' or 'the Company') believe that good corporate governance is all about ensuring that companies are managed as efficiently as possible in the interests of the stakeholders. Efficient corporate governance requires a clear understanding of the respective roles and responsibilities of the Board and of senior management and their relationships with others in the corporate structure. The relationship of the Board and management shall be characterized by sincerity, their relationship with employees shall be characterized by fairness, their relationship with the communities in which they operate shall be characterized by good citizenship, and their relationship with government shall be characterized by a commitment to compliance.

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

In KRBL, Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and growth as well as enhancing investor confidence level. The Board of Directors has the important role of overseeing management performance on behalf of Stakeholders. Stakeholders necessarily have little voice in the day to day management of corporate operations, but have the right to elect representatives (Directors) to look out for their interests and to receive the information they need to make investment and voting decisions.

Over the last few years, the Board of Directors of your Company has from time to time developed corporate governance practices to enable the Directors to effectively and efficiently discharge their responsibilities individually and collectively to the shareholders of the Company in the areas of; - fiduciary duties - oversight of the Management - evaluation of the Management performance-support and guidance in shaping company policies and business strategies.

KRBL's Corporate Governance has been a high priority both in letter as well as in spirit. The Company's Board of Directors represents the Stakeholders interest in perpetuating a successful business and optimizing long term financial returns in a manner consistent with applicable legal requirements and ethical considerations. The Board is responsible for identifying and taking reasonable actions to help and assure that the Company is managed in a way designed to achieve this result.

The Company is compliant with the mandatory requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations") formulated by the Securities and Exchange Board of India.

2. BOARD OF DIRECTORS

A. SIZE AND COMPOSITION OF BOARD

The present policy of KRBL regarding size and composition of the Board is to have an optimum combination of Executive and Non-Executive Directors along with Woman Director which clearly demarcate the functions of governance and management.

As on 31 March 2019, the Board comprises of 9 (Nine) members, 5 (five) of which are Independent Non- Executive Directors constituting 55.56% of the Board's strength and remaining 4 (Four) are Executive Directors including 1 (One) Woman Director. Out of 4 (Four) Executive Directors, 1 (One) is Chairman & Managing Director and 2 (Two) are Joint Managing Directors and 1 (One) is Whole Time Director. During the year the composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations as well as the Companies Act, 2013 read with the rules issued thereunder.

As per Regulation 17(1)(b) of the SEBI Listing Regulations, where the listed entity does not have a regular Non-Executive Chairperson, at least half of the Board of Directors shall comprise of Independent Directors. The Chairperson of KRBL Board is an executive director and a promoter as well. Accordingly, at least half of the Board of KRBL should comprise of Independent Non- Executive Directors.

Further, at present there are 5 (five) Independent Non-Executive directors on the Board of KRBL Limited which is in compliance with the provisions of Composition of Board as per SEBI Listing Regulations.

B. ROTATION/REAPPOINTMENT OF DIRECTORS

Retirement by rotation and subsequent re-appointment

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company all directors except Independent Directors are liable to retire by rotation. Accordingly, Ms. Priyanka Mittal (DIN 00030479), Whole Time Director of the Company, being the longest in the office amongst the directors liable to retire by rotation, retire from the Board by rotation this year and being eligible, has offered her candidature for re-appointment. This shall not constitute a break in her office as the Whole Time Director of the Company.

Re-appointment of Independent Non-Executive Directors for a second term of 5 (five) consecutive years

The term of office of Mr. Vinod Ahuja, Mr. Shyam Arora, Mr. Ashwani Dua and Mr. Devendra Kumar Agarwal, Independent Non-Executive Directors of the Company, are going to expire in the ensuing AGM of the Company. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 01 August 2019 has recommended their re-appointments as Independent Non-Executive Directors of the Company for a second term of 5 (five) consecutive years, subject to the approval of the members by way of special resolution in the ensuing AGM of the Company.

Pursuant to the provisions of Section 149(13) of the Companies Act, 2013 and Articles of Association of the Company, all Directors except Independent Directors are liable to retire by rotation. The Independent Directors of the Company will hold office for 5 (Five) consecutive years from the conclusion of ensuing AGM of the Company (except Mr. Alok Sabharwal who will continue to hold office for 5 (Five) consecutive years w.e.f. 11 August 2016).

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In the opinion of the Board, the Independent Directors, fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and they all independent of the management. The Independent Directors have also confirmed that they have complied with the Company's Code of Business Conduct & Ethics for the Board of Directors, Senior Management Personnel and Other Employees.

All Independent Directors are drawn from amongst eminent professionals with expertise in Business/ Finance/Law/Public Enterprises and other allied field. All Independent Directors adhere to the criteria defined under Regulation 16(1)(b) of SEBI Listing Regulations read with the provisions of Section 152, 149 and other applicable provisions of the Companies Act, 2013.

Re-appointment of Executive Directors for a period of 5 (five) years

The existing tenure of Mr. Anil Kumar Mittal (DIN: 00030100) as Chairman & Managing Director is going to expire on 02 December 2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in its meeting held on 01 August 2019, has recommended for further approval of shareholders to re-appoint Mr. Anil Kumar Mittal as Chairman & Managing Director of the company, for a further period of five years w.e.f. 02 December 2019 to 01 December 2024. Mr. Anil Kumar Mittal will continue to hold the position of Chairman of the Board till the appointment of any non- executive director as a Chairman of the Board in compliance with the provisions of Regulation 17(1B) of the SEBI Listing Regulations.

The existing tenures of Mr. Arun Kumar Gupta (DIN: 00030127) and Mr. Anoop Kumar Gupta (DIN: 00030160) both Joint Managing Directors, are going to expire on 02 December 2019. Considering the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company in its meeting held on 01 August 2019, has recommended for further approval of shareholders to re-appoint both Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta as Joint Managing Directors of the company for a further period of five years w.e.f. 02 December 2019 to 01 December 2024.

All the Executive Directors of the Company are entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and have been vested with the requisite powers, authorities and duties.

C. DIRECTORS ATTENDANCE RECORD AND THEIR OTHER DIRECTORSHIP(S) AND COMMITTEE MEMBERSHIP(S)

As mandated by Regulation 26 of the SEBI Listing Regulations, none of the Director is a member of more than 10 (Ten) Board level Committees or Chairman of more than 5 (Five) Committees across all listed companies in which he/she is a Director. Directors' attendance at the Board Meetings during the financial year and the last AGM and also their Directorships and Memberships in other committees is given below:

Composition of the Board, Attendance Record, Directorships and Committee Membership for the Financial Year 2018-19:

Brief Information about Directors		Attendance record during Financial Year 2018-19			Directorship/Membership /Chairmanship as on 31 March 2019		
Name of the Directors	Directors Identification Number (DIN)	Number of Board Meeting held and attended		Attendance at the last AGM	Number of Directorships in all Companies* as on 31 March 2019	Number of Committee Positions held in all Companies** as on 31 March 2019	
		Held	Attended			Chairman	Member
Executive Directors							
Mr. Anil Kumar Mittal	00030100	4	4	Yes	14	1	1
Mr. Arun Kumar Gupta	00030127	4	4	Yes	14	-	-
Mr. Anoop Kumar Gupta	00030160	4	4	Yes	14	-	2
Mr. Ashok Chand***	00030318	1	1	N.A.	-	-	-
Ms. Priyanka Mittal	00030479	4	1	No	3	-	1
Independent Non-Executive Directors							
Mr. Ashwani Dua	01097653	4	1	Yes	5	2	4
Mr. Devendra Kumar Agarwal	06754542	4	4	No	1	1	1
Mr. Shyam Arora	00742924	4	4	Yes	2	-	3
Mr. Vinod Ahuja	00030390	4	4	Yes	15	-	3
Mr. Alok Sabharwal	03342276	4	4	Yes	1	-	-

*This includes Directorships in all Companies, including KRBL Limited, (Listed, Unlisted Public and Private Limited Companies) incorporated in India.

** For the purpose of considering the limit of the committees on which a directors can serve, all public limited companies, whether listed or not, including KRBL Limited is considered. Further in addition to the Audit Committee and Stakeholders Relationship Committee as prescribed under explanation to Regulation 26(1)(b) of the SEBI Listing Regulations, the Nomination and Remuneration Committee and CSR Committee is also taken into consideration.

*** Mr. Ashok Chand resigned as Whole Time Director of the Company w.e.f. 23 July 2018.

D LIMIT ON THE NUMBER OF DIRECTORSHIPS

Pursuant to the provisions of Section 165 of the Companies Act, 2013, no person shall hold the office as a director, including any directorship in more than twenty five companies at the same time, provided that the maximum number of Public Companies in which a person can be appointed as a director shall not exceed ten.

In compliance with Regulation 25 of the SEBI Listing Regulations, the Independent Directors on the Board of the Company does not serve as an Independent Directors in more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Also as required under Regulation 17A of the amended SEBI Listing Regulations, 2015, the Board members of the Company does not serve as a director in more than 8 (eight) listed entities and in case he/she is serving as Independent Director on the Board of the Company, does not hold position as an Independent Director in more than more than 7 (Seven) Listed Companies and in case he/she is serving as a Whole Time/Managing Director in any Listed Company, does not hold position as an Independent Director in more than 3 (Three) Listed Companies.

Accordingly, all directors are in compliance with the above mentioned provisions of Companies Act, 2013 and SEBI Listing Regulations.

E. MAXIMUM TENURE OF INDEPENDENT DIRECTORS

In accordance with the provisions of Section 149(11) of the Companies Act, 2013, the current tenure of Independent Directors of the Company has been fixed for a period of 5 (Five) consecutive years from the conclusion of AGM held on 09 September 2014 (except Mr. Alok Sabharwal whose tenure has been fixed for a period of 5 (Five) Years commence from 11 August 2016) upto the conclusion of the ensuing AGM of the Company. Considering the recommendation of Nomination and Remuneration Committee and the Board of

Directors of KRBL Limited at their respective meetings on 01 August 2019 has recommended the re-appointments of Independent Non-Executive Directors of the Company for a second term of 5 (five) consecutive years, subject to the approval of the members by way of special resolution in the ensuing AGM of the Company.

F. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

a. In accordance with the provisions of SEBI Listing Regulations read with Schedule IV of the Companies Act, 2013, the Company has issued formal letters of appointment to all the Independent Directors.

b. The terms and conditions of Appointment of Independent Directors has been disseminated on the Company's website at the web link http://www.krblrice.com/Terms-&-Conditions-of-Appointment-of-Independent-Directors.pdf

G. PERFORMANCE EVALUATION OF INDEPENDENT DIRECTORS

The Nomination and Remuneration Committee, in its meeting held on 08 February 2019, has laid down the criteria for performance evaluation of Board of the Company, its Committees and the individual Board members, including Independent Directors.

The performance evaluation of Independent Directors was done by the entire Board of Directors excluding the directors being evaluated.

H. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year, a separate Meeting of the Independent Directors of the Company was held on 23 February 2019, at M-31 A, Greater Kailash Part-II, New Delhi-110048, where in inter-alia following items as enumerated under Schedule IV of the Companies Act, 2013, read with Regulation 25 of the SEBI Listing Regulations were discussed:

- Review of Performance of Non-Independent Directors and Board as a whole.
- Review of Performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.
- Assessment of the quality, quantity and timeliness of flow of information between the Company, Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Mr. Vinod Ahuja was appointed as the chairman to lead the meeting of the Independent Directors.

I. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In compliance with the provisions of Regulation 25 of the SEBI Listing Regulations, all Independent Directors are familiarized about the company, through various programs from time to time, including the following:

- Nature of the industry in which the company operates.
- Business model of the Company.
- Roles, rights and responsibilities of Independent Directors.
- Any other relevant information.

The policy on the familiarization programs for Independent Directors has been uploaded on the Company's website at the web link http://www.krblrice.com/Familarization-Programs-for-Independent-Directors.pdf

J. BOARD MEMBERSHIP CRITERIA AND LIST OF CORE SKILLS/EXPERTISE/ COMPETENCIES IDENTIFIED IN THE CONTEXT OF THE BUSINESS

The Board of Directors are collectively responsible for selection of a Member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board. The criteria for appointment to the Board include:

- Composition of the Board, which is commensurate with the size of the Company, its portfolio, geographical spread and its status as a listed Company.
- Desired age and diversity on the Board.
- Size of the Board with optimal balance of skills and experience and balance of Executive and Non-Executive Directors consistent with the requirements of law.
- Professional qualifications, expertise and experience in specific area of relevance to the Company.
- Balance of skills and expertise in view of the objectives and activities of the Company.
- Avoidance of any present or potential conflict of interest.
- Availability of time and other commitments for proper performance of duties.
- Personal characteristics being in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset.

In terms of requirement of SEBI Listing Regulations, the Board has identified the following core skills/expertise/competencies of the Directors in the context of the Company's business for effective functioning as given below:

Skills and its description	Mr. Anil Kumar Mittal	Mr. Arun Kumar Gupta	Mr. Anoop Kumar Gupta	Ms. Priyanka Mittal	Mr. Vinod Ahuja	Mr. Ashwani Dua	Mr. Shyam Arora	Mr. Devendra Kumar Agarwal	Mr. Alok Sabharwal
Leadership experience of running large enterprise*	√	√	√	√	√		√	√	
Experience of crafting Business Strategies**	√	√	√	√	√	√	√		√
Finance and Accounting Experience***	√		√	√				√	
Experience of large Companies and understanding of the changing regulatory landscape****	√	√	√	√	√	√	√	√	√

* **Leadership experience of running large enterprise -** Experience in leading well-governed large organisations, with an understanding of organisational systems and processes complex business and regulatory environment, strategic planning and risk management, understanding of emerging local and global trends and management of accountability and performance.

** **Experience of crafting Business Strategies -** Experience in developing long-term strategies to grow consumer / Rice business, consistently, profitably, competitively and in a sustainable manner in diverse business environments and changing economic conditions.

*** **Finance and Accounting Experience -** Leadership experience in handling financial management of a large organisation along with an understanding of accounting and financial statements.

**** **Experience of large Companies and understanding of the changing regulatory landscape -** Experience of having served in large public companies in diverse industries to provide Board oversight to all dimensions of business and Board accountability, high governance standards with an understanding of changing regulatory framework.

K. NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON- EXECUTIVE DIRECTORS

Non-Executive Directors neither holds any Equity Shares nor hold any convertible instruments of the company.

L. ROLES AND RESPONSIBILITIES OF THE BOARD

The primary role of the Board is that of trusteeship to protect and enhance shareholders value through strategic direction to the company. As trustee, the Board of Directors has fiduciary responsibility to ensure that the company has clear goals aligned to shareholders value and its growth. The Board exercises its duties with care, skill and diligence and exercises independent judgment. The Board sets strategic goals and seeks accountability for their fulfillment. The Board also directs and exercises appropriate control to ensure that the Company is managed in a manner that fulfills stakeholders aspirations and societal expectations.

- **Disclosure of Information**
  - Members of Board of Directors and key managerial personnel shall disclose to the Board of Directors whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.
  - The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

- **Key functions of the Board**
  - The Board reviews and guides Corporate Strategy, Major Plans of Action, Risk Policy, Annual Budgets and Business Plans; Setting Performance Objectives; Monitoring Implementation and Corporate Performance; and Overseeing Major Capital Expenditures, Acquisitions and Divestments.
  - Board monitors the effectiveness of the Company's governance practices and making changes as needed.
  - Selects, Compensates, Monitors and when necessary, replaces key executives and overseeing succession planning.
  - Ensures a transparent board nomination process with the diversity of thought,

experience, knowledge, perspective and gender in the Board.

- Monitors and manages potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.

- Ensures the integrity of the Company's accounting and financial reporting systems, including the Independent Audit, and that appropriate systems of control are in place, in particular, systems for Risk Management, Financial and Operational Control, and Compliance with the law and relevant standards.

- Oversees the process of disclosure and communications.

- Monitors and reviews Board Evaluation Framework.

- Aligned key managerial personnel and remuneration of Board of Directors with the longer term interests of the company and its shareholders.

- Company has well established committees of the Board of Directors, and their mandate, composition and working procedures have been well defined and disclosed by the Board of Directors.

• **Other responsibilities**

- The Board provides the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.

- The Board sets corporate culture and the values by which executives throughout a group will behave.

- Board members acts on a fully informed basis, in good faith, with Due Diligence and Care, and in the best interest of the Company and the shareholders.

- The Board encourages continuing directors training to ensure that the Board members are kept up to date.

- Where Board decisions affect different shareholder groups differently, the Board treats all shareholders fairly.

- The Board applies high ethical standards. It takes into account the interests of stakeholders.

- The Board is able to exercise objective independent judgement on Corporate Affairs.

- Board considers assigning a sufficient number of Non-Executive Board Members capable of exercising Independent Judgement to tasks where there is a potential for conflict of interest.

- The Board ensures that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.

- The Board has ability to 'Step Back' to assist executive management by challenging the assumptions underlying: Strategy, Strategic Initiatives (such as acquisitions), Risk Appetite, Exposures and the Key areas of the Company's focus.

- Board members should be able to commit themselves effectively to their responsibilities.

- In order to fulfil their responsibilities, board members have access to accurate, relevant and timely information.

- The Board and Senior Management facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

• **Role of Independent Directors**

Independent Directors have emerged as the cornerstones of the worldwide Corporate Governance movement. Their increased presence in the boardroom has been hailed as an effective deterrent to fraud and mismanagement, inefficient use of resources, inequality and unaccountability of decisions and as a harbinger for striking the right balance between individual, economic and social interests.

Independent Directors plays a key role in the decision-making process of the Board. The Independent Directors are committed to act in what they believe to be in the best interest of the Company and its Shareholders. The Independent Directors are professionals, with expertise and experience in general corporate management, Public Policy, Finance, Financial Services and Other allied fields. This wide knowledge of their respective fields of expertise and best-in-class boardroom practices helps foster varied, unbiased, Independent and experienced perspective. The company benefits immensely from their inputs in achieving its strategic direction.

M. INTER-SE RELATIONSHIP AMONGST DIRECTORS

Mr. Anil Kumar Mittal, Chairman & Managing Director, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta, both Joint Managing Directors, all three are brothers and Ms. Priyanka Mittal, Whole Time Director is the daughter of Mr. Anil Kumar Mittal, Chairman & Managing Director of the Company.

3. BOARD MEETINGS AND PROCEDURES

A. BOARD MEETINGS

Company's Corporate Governance Policy requires the Board to meet at least four times in a year. The maximum gap between two board meetings should not be more than 120 (One hundred and twenty) days as prescribed under Regulation 17 of the SEBI Listing Regulations. Additional board meetings may be convened to address the specific needs of the Company. In case of business exigencies or matters of urgency, the board may also approve resolution by circulation as permitted by the Companies Act, 2013.

B. BOARD PROCEDURE

Board Meetings are governed by a structured agenda. The Agenda is prepared in consultation with the Chairman of the Board and all other Board Members. The agenda for the meetings of the board together with the appropriate supporting documents are circulated well in advance to all the Board members. Detailed presentations are also made to the Board covering operations, Business Performance, Finance, Sales, Marketing, Global and Domestic Business Environment and related details. All necessary information including but not limited to those as mentioned in Part-A Schedule II of the SEBI Listing Regulations are placed before the Board to enable it to discharge its responsibility of strategic supervision of the Company. The Board also reviews periodical compliances of all laws, rules and regulations. At the Board Meeting, members have full freedom to express their opinion and decisions are taken after detailed deliberations. Members of the senior management team are invited to attend the Board Meetings as and when required, which provides additional inputs to the items being discussed by the Board.

C. DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS DURING THE FINANCIAL YEAR 2018-19

S. No.	Date of Board Meetings	Board Strength	Number of Directors Present	% of attendance
1.	Thursday, 10 May 2018	10	9	90.00
2.	Tuesday, 24 July 2018	9	7	78.00
3.	Monday, 29 October 2018	9	8	89.00
4.	Friday, 08 February 2019	9	7	78.00

In terms of Regulation 17 of the SEBI Listing Regulations the gap between any two meetings did not exceed 120 (One hundred and twenty) days.

D. SHAREHOLDING OF DIRECTORS

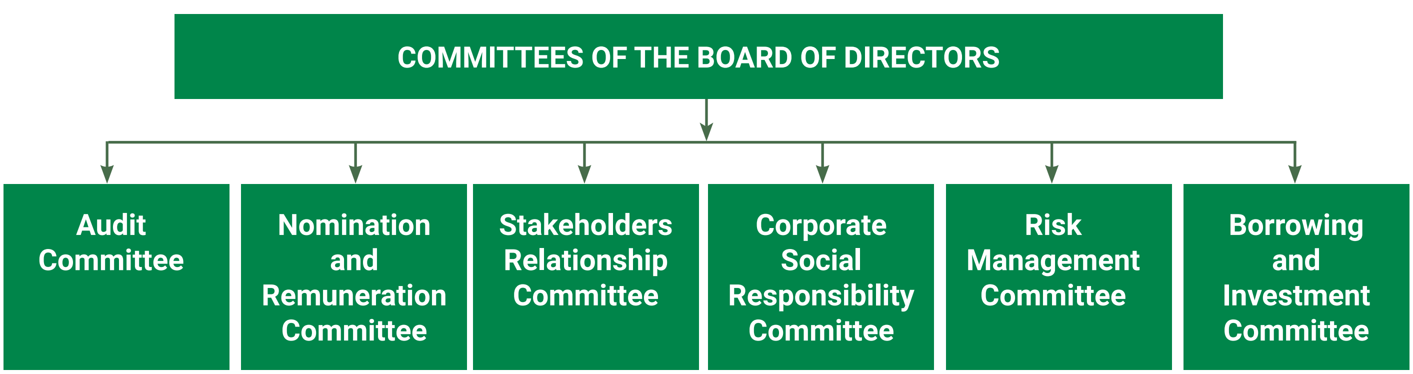
The Shareholding of Directors (Holding in individual capacity) as on 31 March 2019 are given below:

Name	Number of Shares Held
Mr. Anil Kumar Mittal	100
Mr. Arun Kumar Gupta	100
Mr. Anoop Kumar Gupta	100
Ms. Priyanka Mittal	100

The Independent Non- Executive Directors are not holding any shares in the Company as on 31 March 2019.

4. COMMITTEES OF THE BOARD

KRBL has 6 (six) Board level Committees:



DETAILS OF ROLE AND COMPOSITION OF THESE COMMITTEES, INCLUDING THE NUMBER OF MEETINGS HELD DURING THE FINANCIAL YEAR AND THE RELATED ATTENDANCE ARE PROVIDED BELOW:

A. AUDIT COMMITTEE

I. Composition of the Committee

As on 31 March 2019, the Audit Committee of KRBL comprises of following members:

Name	Designation	Category
Mr. Devendra Kumar Agarwal	Chairman	Independent Non-Executive
Mr. Ashwani Dua	Member	Independent Non-Executive
Mr. Vinod Ahuja	Member	Independent Non-Executive
Mr. Shyam Arora	Member	Independent Non-Executive
Mr. Anoop Kumar Gupta*	Member	Executive & Joint Managing Director

* Appointed w.e.f. 24 July 2018.

All the members of the Committee have good knowledge of Finance, Accounts and Business Management. The Chairman of the Committee, Mr. Devendra Kumar Agarwal, has considerable accounting and related Financial Expertise. The Statutory Auditors, the Internal Auditors and the Cost Auditors of the Company attend the meetings of the Committee on the invitation of the Chairman.

The composition of the Audit Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013, read with Regulation 18 of SEBI Listing Regulations.

The primary objective of the Audit Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures, with the highest levels of transparency, integrity and quality of financial reporting.

The audit committee oversees the work carried out in the financial reporting process by the management, the internal auditors and the independent auditors notes the process and safeguards employed by each of them.

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Audit Committee.

II. Terms of Reference

The roles, powers and functions of the Audit Committee of KRBL Limited are in accordance with the provisions of Section 177 of the Companies Act, 2013, read with Regulation 18 and PART-C of Schedule II of the SEBI Listing Regulations.

The Audit Committee of KRBL has powers, which includes the following:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
- The Audit Committee shall have authority to investigate into any matter in relation to the items specified above or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

The Role of the Audit Committee of KRBL Limited includes the following:

- The recommendation for appointment, remuneration and terms of appointment of auditors of the company.
- Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- Examination of the financial statement and the auditors' report thereon.
- Approval or any subsequent modification of transactions of the company with related parties.
- Scrutiny of Inter-Corporate Loans and Investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of Internal Financial Controls and Risk Management Systems.
- Monitoring the end use of funds raised through public offer and related matters.
- Oversight of the Company's Financial Reporting Process and the disclosure of its Financial Information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
- Reviewing, with the management, the Annual Financial Statements before submission to the board for approval, with particular reference to:
  - Matters required being included in the Directors' Responsibility Statement to be

included in the Board's Report in terms of Section 134 (5) of the Companies Act, 2013.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by management.
- Significant adjustments made in the Financial Statements arising out of Audit Findings.
- Compliance with Listing and Other Legal requirements relating to Financial Statements.
- Disclosure of any Related Party Transactions.
- Qualifications in the draft Audit Report.

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing, with the management, performance of statutory and Internal Auditors, adequacy of the Internal Control Systems.
- Approval or any subsequent modification of transactions of the listed entity with related parties;
- Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing the adequacy of Internal Audit function, if any, including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussion with Internal Auditors any significant findings and follow up there on.
- Reviewing the findings of any Internal Investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control Systems of a material nature and reporting the matter to the board.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of Non-payment of declared dividends) and creditors.
- To review the functioning of the Vigil Mechanism/ Whistle Blower, in case the same is existing.
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- Carrying out any other function as is mentioned in the Terms of Reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary in case if exceeds ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower.

The Audit Committee of KRBL Limited reviews the following information:

- Management discussion and analysis of financial condition and result of operation;
- Statement of significant related party transaction (as defined by the audit committee) submitted by management;
- Management letter/letter of internal control weaknesses issued by the statutory auditor;
- Internal audit reports relating to internal control weakness; and
- The appointment, removal and term of remuneration of the internal auditor shall be subject to review by audit committee.

III. Meetings and Attendance

During the financial year 2018-19, 4 (four) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by members during the financial year 2018-19 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Thursday, 10 May 2018	4	3	75.00
2.	Tuesday, 24 July 2018	5	4	80.00
3.	Monday, 29 October 2018	5	5	100.00
4.	Friday, 08 February 2019	5	4	80.00

The attendance details of the Audit Committee members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Devendra Kumar Agarwal	Chairman	4	4	100.00
2.	Mr. Ashwani Dua	Member	4	1	25.00
3.	Mr. Shyam Arora	Member	4	4	100.00
4.	Mr. Vinod Ahuja	Member	4	4	100.00
5.	Mr. Anoop Kumar Gupta	Member	3	3	100.00

* Mr. Anoop Kumar Gupta, Joint Managing Director of the Company, was inducted to the Audit Committee w.e.f. 24 July 2018.

B. NOMINATION AND REMUNERATION COMMITTEE

I. Composition of the Committee

As on 31 March 2019, the Nomination and Remuneration Committee of KRBL comprises of following members:

Name	Designation	Category
Mr. Ashwani Dua	Chairman	Independent Non-Executive
Mr. Shyam Arora	Member	Independent Non-Executive
Mr. Vinod Ahuja	Member	Independent Non-Executive

The primary objective of the Nomination and Remuneration Committee is to screen and to review individuals who are qualified to serve as Key Managerial Personnel/Executive Directors, Non-Executive Directors and Independent Directors and to recommend to board for the their appointment/change in remuneration from time to time. Also Nomination and Remuneration Committee's primary role is to identify persons who may be appointed in senior management and to change their remuneration from time to time.

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Nomination and Remuneration Committee.

II. Terms of Reference

The role of the Nomination and Remuneration Committee of KRBL also covers such functions and scope as prescribed under Section 178 of the Companies Act, 2013 read with allied Rules framed thereunder and Regulation 19 and Part-D of Schedule II of the SEBI Listing Regulations.

The Role of the Nomination and Remuneration Committee of KRBL includes the following:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel, Senior Management Personnel and other employees of KRBL;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal; and
- Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
- Recommend/Approve to the board, all remuneration, in whatever form, payable to key managerial personnel and Senior Management.

The Nomination and Remuneration Committee of KRBL have the following Duties and Responsibilities:

- To identify the persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees of KRBL.
- To formulate the criteria for evaluation of Independent Director and the Board.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board and to determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of Independent Directors.
- To approve/recommend to the Board on Remuneration payable to the Directors and Key Managerial Personnel and Senior Management.
- To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- To develop a succession plan for the Board and to regularly review the plan.

- To assist the Board in fulfilling responsibilities.
- To implement and monitor policies and processes regarding principles of corporate governance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Iii. Meetings and Attendance

During the financial year 2018-19, 3 (Three) meetings of Nomination and Remuneration Committee were held. Details of Nomination and Remuneration Committee Meetings held and attended by members during the financial year 2018-19 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Thursday, 10 May 2018	3	2	66.67
2.	Tuesday, 24 July 2018	3	2	66.67
3.	Friday, 08 February 2019	3	2	66.67

The attendance details of the Nomination and Remuneration Committee members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Ashwani Dua	Chairman	3	-	0.00
2.	Mr. Shyam Arora	Member	3	3	100.00
3.	Mr. Vinod Ahuja	Member	3	3	100.00

In the absence of Mr. Ashwani Dua, Mr. Vinod Ahuja was appointed as the Chairman of the Meeting.

IV. Remuneration Policy

The Remuneration policy of the Company is to lay down a framework in relation to remuneration of Directors, KMP, Senior Management Personnel and other Employees and directed towards rewarding performance, based on review of achievements on periodic basis.

The remuneration paid to Directors is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors in the Board Meeting, subject to the approval of the shareholders and such other authorities, if any, as the case may be and the remuneration paid to Senior Management and KMPs other than Directors is approved/recommended by Nomination and Remuneration Committee to the Board of directors of the Company.

The Non-Executive Directors will be paid with the sitting fee, subject to the approval of Board of Directors/ including any sub-committee thereof, upto the limit as specified under the Companies Act, 2013 read with SEBI Listing Regulations.

The Nomination and Remuneration policy is available on the Company's website at the web link http://www.krblrice.com/policy-guidelines/nomination-renumeration-policy.pdf

V. Remuneration of Directors

i. Remuneration to Non- Executive Directors

The Non-Executive Directors are being paid with the sitting fees for attending Board Meetings. The Company has paid ₹ 25000/- per Board Meeting as sitting fee and actual reimbursement of out of pocket expenses incurred by the Non-Executive Directors for attending Board Meetings.

The Company has also taken a Directors & Officers liability insurance policy.

Details of Sitting Fees paid to the Independent Non- Executive Directors during the Financial Year 2018-19 are as follows:

(Amount in ₹ Lacs)

Name of the Directors	Sitting Fees Paid FY 2018-19*		No. of shares held as on 31 March 2019
	Board Meeting	Committee Meeting	
Mr. Ashwani Dua	0.25	-	Nil
Mr. Devendra Kumar Agarwal	0.85	-	Nil
Dr. Alok Sabharwal	0.85	-	Nil
Mr. Shyam Arora	0.85	-	Nil
Mr. Vinod Ahuja	0.85	-	Nil

* The same is excluding GST.

ii Remuneration to Executive Directors

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration

Committee based on criteria such as industry benchmarks, the Company's performance, responsibilities shouldered, performance/track record of the director etc. and is approved by the Board of Directors.

The Company pays remuneration by way of salary, perquisites and allowances to its Executive Directors within the limits prescribed under the Companies Act, 2013 and approved by the shareholders.

Details of Remuneration on account of salary and perquisites paid to the Executive Directors during the Financial Year 2018-19 are as follows:

(₹ in Lacs)

Name & Designation of Director	Salaries	Perquisites	Total
Mr. Anil Kumar Mittal Chairman & Managing Director	108	0.40	109
Mr. Arun Kumar Gupta Executive & Joint Managing Director	108	0.40	109
Mr. Anoop Kumar Gupta Executive & Joint Managing Director	108	0.40	109
Ms. Priyanka Mittal Executive & Whole Time Director	56	0.40	56
Mr. Ashok Chand# Whole Time Director	10	-	10

Resigned w.e.f. 23 July 2018.

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

I. Composition of the Committee

As on 31 March 2019, the Stakeholders Relationship Committee of KRBL comprises of following members:

Name	Designation	Category
Mr. Ashwani Dua	Chairman	Independent Non-Executive
Mr. Shyam Arora	Member	Independent Non-Executive
Mr. Vinod Ahuja	Member	Independent Non-Executive

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Stakeholders Relationship Committee.

II. Terms of Reference

The terms of reference and the ambit of powers of Stakeholders Relationship Committee are as per Regulation 20 and Part-D of Schedule II of SEBI Listing Regulations read with Section 178 of the Companies Act, 2013, and allied rules as may be notified from time to time.

The Stakeholders Relationship Committee of KRBL Limited is responsible for the Duties and functions which includes the following:

- To approve or deal with applications for Transfer, Transmission, Transposition and Mutation of Share Certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

III. Meetings and Attendance

During the financial year 2018-19, 4 (four) meetings of Stakeholders Relationship Committee were held. Details of Stakeholders Relationship Committee Meetings held and attended by members during the financial year 2018-19 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Thursday, 10 May 2018	3	2	66.67
2.	Tuesday, 24 July 2018	3	2	66.67
3.	Monday, 29 October 2018	3	3	100.00
4.	Friday, 08 February 2019	3	2	66.67

The attendance details of the Stakeholders Relationship Committee members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Ashwani Dua	Chairman	4	1	25.00
2.	Mr. Shyam Arora	Member	4	4	100.00
3.	Mr. Vinod Ahuja	Member	4	4	100.00

IV. INVESTORS GRIEVANCE REDRESSAL

Pursuant to the Regulation 13 of SEBI Listing Regulations, KRBL has duly filed with the recognized stock exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, a statement giving the number of investor complaints pending at the beginning of the quarter, those received during the quarter, disposed off during the quarter and those remaining unresolved at the end of the quarter.

No complaints were pending at the beginning of the year and one complaints were received by the company during the year which is resolved within specified time. No complaints were outstanding as on 31 March 2019. No requests for Transfer/Transmission and for Dematerialization were pending for approval as on 31 March 2019. The Registrar and Share Transfer Agents (RTA), M/s. Alankit Assignments Limited dealt with all grievances of the Shareholders and Investors received directly through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Company maintains continuous interaction with the RTA and takes proactive steps and actions for resolving complaints/queries of the shareholders/Investors and also takes initiatives for solving critical issues. Shareholders are requested to furnish/update their telephone numbers and/or e-mail addresses to facilitate prompt action. The Company has designated the e-mail id: investor@krblindia.com exclusively for the purpose of registering complaints by investors electronically. All other investors information are available on the Company's website at the web link http://www.krblrice.com/fy-2012/corporate-governance-and-other/krbl-investors-information.pdf

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In accordance with provisions of Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has a well established Corporate Social Responsibility (CSR) Committee at the Board Level along with the CSR Monitoring Committee and Unit CSR Teams under the CSR Committee, to formulate and recommend the CSR activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013 and to recommend the amount of expenditure to be incurred on such activities and to monitor the Corporate Social Responsibility Policy of the company from time to time.

I. Composition of the Committee

As on 31 March 2019, the CSR Committee of KRBL comprises of following 4 (Four) Members out of which 3 (Three) are Executive Directors and 1 (one) is Independent Non-Executive Director:

Name	Designation	Category
Mr. Anil Kumar Mittal	Chairman	Executive & Chairman & Managing Director
Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
Mr. Ashwani Dua	Member	Independent Non-Executive Director
Ms. Priyanka Mittal	Member	Executive & Whole-Time Director

Mr. Raman Sapra, Company Secretary, acts as Secretary to the CSR Committee.

II. Terms of Reference

The Terms of Reference of CSR Committee includes the duties and functions of the CSR Committee of KRBL Limited are as per Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee of KRBL Limited is responsible for the functions which includes the following:

- Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be under taken by the company as specified in Schedule VII of the Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the activities referred in the CSR policy.
- Monitor CSR Policy of the company from time to time.
- Prepare transparent monitoring mechanism for ensuring implementation of the projects, programmes, activities proposed to be undertaken by the Company.

The duties of the CSR Committee of KRBL includes the following:

- Consider and formulate the Company's value and strategy as regards to CSR.
- Develop and review the CSR policies relating to workplace quality, environmental protection, operating practices and community involvement.
- Identify CSR issues, and related risks and opportunities that are relevant to the Company's operations, and incorporate the issues or factors into the Company's existing risk management.

- Monitor and oversee the implementation of the Company's CSR policies and practices to ensure compliance with the applicable legal and regulatory requirements.
- Evaluate and enhance the Company's CSR performance and make recommendation to the Board for improvement.
- Review and endorse the Company's Annual CSR Report for Board's approval for public disclosure.
- Contribute towards better society and a Cleaner Environment.
- Obtain the views of the CSR Monitoring Committee and the Unit CSR Teams in developing annual activity plans, budgets, ensure effective execution of the approved annual plans etc.
- Prepare Transparent monitoring mechanism for ensuring implementation of the projects, programs, activities proposed to be undertaken by KRBL.

The company has formulated the CSR Policy in line with Schedule VII of the Companies Act, 2013, which is available on the website of the Company at the web link http://www.krblrice.com/policy-guidelines/policy-corporate-social-responsibility.pdf

III. Meeting and Attendance

During the financial year 2018-19, 3 (Three) meetings of Corporate Social Responsibility Committee were held. Details of Corporate Social Responsibility Committee Meetings held and attended by members during the financial year 2018-19 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Tuesday, 24 July 2018	4	2	50.00
2.	Monday, 29 October 2018	4	3	75.00
3.	Friday, 08 February 2019	4	2	50.00

The attendance details of the Corporate Social Responsibility Committee members are as follows:

S. No.	Name	Position held	Meetings held	Meetings attended	% of attendance
1.	Mr. Anil Kumar Mittal	Chairman	3	3	100.00
2.	Mr. Anoop Kumar Gupta	Member	3	3	100.00
3.	Mr. Ashwani Dua	Member	3	1	50.00
4.	Ms. Priyanka Mittal	Member	3	0	0.00

E. RISK MANAGEMENT COMMITTEE

Pursuant to the provisions of Regulation 21(5) of the amended SEBI Listing Regulations, applicable w.e.f. 01 April 2019, which requires Top 500 Listed Companies on the basis of Market Capitalization to constitute a Risk Management Committee. The Board of Directors of the Company has already constituted a Risk Management Committee in February 2015 to frame, implement, and monitor the risk management plan for the Company and ensuring its effectiveness. The purpose of this committee shall be to assist the Board in fulfilling its corporate governance oversight responsibilities with regards to the identification, evaluation and mitigation of operational, strategic and external environmental risks. The committee has overall responsibility for monitoring and approving the risk policies and associated practices of the company. The Company is having a duly approved risk management policy.

I. Composition of the Committee

As on 31 March 2019, the Risk Management Committee of KRBL comprises of following 3 (Three) Members out of which 2 (Two) are Executive Directors and 1 (one) is Chief Financial Officer:

S. No.	Name	Designation	Category
1.	Mr. Arun Kumar Gupta	Chairman	Executive & Joint Managing Director
2.	Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
3.	Mr. Rakesh Mehrotra	Member	Chief Financial Officer

* Mr. Ashok Chand, whole time director who was also a member of the committee has resigned from the Board and other services w.e.f. 23 July 2018.

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Risk Management Committee.

I. Terms of References

The role of the Risk Management Committee of KRBL Limited is to identify the risks impacting Company's business and formulate and administer Policies/ Strategies aimed at risk minimization and risk mitigation as part of risk management.

The Risk Management Committee of KRBL Limited is responsible for the Duties and functions which includes the following:

- The Risk Management Committee shall review and approve the Risk Management Policy and associated frameworks, processes and practices of the Company.
- The Risk Management Committee shall ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

- The Risk Management Committee shall evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
- The Risk Management Committee may form and delegate authority to sub-committees when appropriate.
- The Risk Management Committee shall have access to any internal information necessary to fulfill its oversight role. The risk management committee shall also have authority to obtain advice and assistance from internal or External Legal, accounting or other advisors.

III. Meeting and Attendance

During the Financial Year 2018-19, one Meeting of the Risk Management committee was held. Meeting and Attendance details of Risk Management Committee meeting are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Friday, 08 February 2019	3	3	100

The attendance details of the Risk Management Committee members are as follows:

S. No.	Name	Position held	Meetings held	Meetings attended	% of attendance
1.	Mr. Arun Kumar Gupta	Chairman	1	1	100.00
2.	Mr. Anoop Kumar Gupta	Member	1	1	100.00
3.	Mr. Rakesh Mehrotra	Member	1	1	100.00

F. BORROWING AND INVESTMENT COMMITTEE

The Board of Directors of the Company in its meeting held in September 2016, constituted a non-mandatory committee namely **"Borrowing and Investment Committee"**, to formulate the timely and effective decisions related to availing of borrowings and investments made by the Company from time to time.

I. Composition of the Committee

As on 31 March 2019, the Borrowing and Investment Committee of KRBL comprises of following 4 (Four) Members out of which 3 (Three) are Executive Directors and 1 (one) is Chief Financial Officer:

S. No.	Name	Designation	Category
1.	Mr. Anil Kumar Mittal	Chairman	Executive & Chairman & Managing Director
2.	Mr. Arun Kumar Gupta	Member	Executive & Joint Managing Director
3.	Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
4.	Mr. Rakesh Mehrotra	Member	Chief Financial Officer

Mr. Raman Sapra, Company Secretary, acts as Secretary to the Borrowing and Investment Committee.

II. Terms of References

The Borrowing and Investment Committee of KRBL Limited is responsible for the duties and functions which includes the following:

- To approve all investment proposals, related borrowings and execution of instruments in relation thereto.
- To approve any significant disposition of any investment that would have strategic implication for an asset or class of asset when deemed appropriate.
- To identify and assessment of risks associated with while taking the decisions of investments and borrowings and introduce the measures to mitigate such risks.
- The committee shall ensure that the Company is taking appropriate measures to achieve prudent balance between investments and borrowings.
- The committee may form and delegate authority to sub-committees when deem appropriate. The committee shall make regular reports to the Board.
- The committee shall have access to any internal information necessary to fulfill its oversight role.
- The committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors.

III. Meeting and Attendance

During the Financial Year 2018-19, 2 (Two) Meeting of the Borrowing and Investment Committee were held. Meeting and Attendance details of Borrowing and Investment Committee meeting are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Saturday, 30 June 2018	4	4	100.00
2.	Monday, 29 October 2018	4	4	100.00

The attendance details of the Borrowing and Investment Committee members are as follows:

S. No.	Name	Position held	Meetings Held	Meetings attended	% of attendance
1.	Mr. Anil Kumar Mittal	Chairman	2	2	100.00
2.	Mr. Arun Kumar Gupta	Member	2	2	100.00
3.	Mr. Anoop Kumar Gupta	Member	2	2	100.00
4.	Mr. Rakesh Mehrotra	Member	2	2	100.00

5. SUBSIDIARY COMPANIES – MONITORING FRAMEWORK

KRBL does not have any material subsidiary as defined under Regulation 16(1)(c) of the SEBI Listing Regulations read with amended SEBI Listing Regulations. Material Subsidiary means a Subsidiary Company whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20% (10% w.e.f. 01 April 2019) of the consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

The Company's Audit Committee reviews the Consolidated Financial Statements of the Company as well as the Financial Statements of the subsidiaries, including the investments made by the subsidiaries. The minutes of the Board Meetings, along with a report of the significant transactions and arrangements of the unlisted subsidiaries of the Company are periodically placed before the Board of Directors of the Company.

The Company has formulated a policy for determining its Material Subsidiaries and the same is available on the website of the Company at the weblink: http://www.krblrice.com/policy-guidelines/Policy-For-Determining-Material-Subsidiaries.pdf

6. GENERAL BODY MEETINGS

A GENERAL BODY MEETING HELD DURING LAST 3 YEARS

Year	Time, Day, Date and Location	Summary of Special Resolutions passed in the AGM
25th AGM-2018	11.00 A.M. Monday 20 August 2018 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	- No Special Resolution was passed in AGM.
24th AGM-2017	11.00 A.M. Tuesday 26 September 2017 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	- No special Resolution was passed in AGM.
23rd AGM-2016	11.00 A.M. Thursday 08 September 2016 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	- Consider and approve issue of Redeemable Non-convertible Debentures on private placement basis.

B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE FINANCIAL YEAR 2018-19

During the Financial Year 2018-19, no Special Resolution was passed through postal ballot. Also, no Special Resolution is proposed to be conducted through postal ballot.

7. DISCLOSURES

A. MANAGEMENT DISCUSSION AND ANALYSIS

A detailed section on 'Management Discussion and Analysis' forms part of this report.

B. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

The Company has disclosed the related party transactions as per Indian Accounting Standard Ind AS 24 in Note 40 to the Standalone Financial Statements forming part of this report. These are not having any potential conflict with the interest of the Company.

Further, there were no transactions with related parties which qualify as material related party transactions under SEBI Listing Regulations.

The Company has also formulated a Policy on Related Party Transactions in accordance with the provisions of the Companies Act, 2013 read with Regulation 23 of the SEBI Listing Regulations. The same is also available on the Company's website at the web link http://www.krblrice.com/policy-guidelines/Policy-on-Related-Party-Transactions.pdf

C. DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company has complied with the Indian Accounting Standards (Ind As) as laid down by the Institute of Chartered Accountants of India (ICAI) and notified by the Ministry of Corporate Affairs in preparation of its financial statements. The Basis of preparation, measurement and significant accounting policies may be referred in Note No. 2 to the financial statements of the Company.

D. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

Your Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchanges. Consequently, there has been no instance of non-compliance with stock exchanges or SEBI Regulations. Also no penalties or strictures were imposed by any Stock Exchange or SEBI or any other statutory authorities for any violation related to the capital market during the last 3 (three) years.

E. PROCEEDS FROM PUBLIC ISSUES, RIGHT ISSUES, PREFERENTIAL ISSUES, ETC.

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilized issue proceeds.

F. VIGIL MECHANISM POLICY

The Company promoted ethical behavior in all its business activities and in line with the best international governance practices, KRBL has established a system through which Directors, employees, business associates may report unethical behavior, malpractices, wrongful conduct, fraud, violation of Company's code of conduct without fear of reprisal. The Company has a Vigil Mechanism (Whistle Blower Policy) under which all Directors, Employees and other Business Associates have direct access to the Chairman of the Audit Committee. The Policy has been disclosed on the website of the company at the weblink http://www.krblrice.com/policy-guidelines/Vigil-Mechanism-(Whistle-Blower%20Policy).pdf

G. PECUNIARY RELATIONSHIP OR TRANSACTIONS WITH NON-EXECUTIVE DIRECTORS

There is no pecuniary relationship or transactions with Non-Executive Directors except payment of sitting fee to Non- Executive Directors.

H. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Disclosure regarding Directors appointed/re-appointed is given under the head Directors. Further, the relevant details also forming part of Notice calling AGM of the Company.

I. RISK MANAGEMENT

As required under Regulation 21 of the SEBI Listing Regulations, the Company has a review procedure to apprise the Board of Directors of the Company on the key risk assessment areas and to suggest risk mitigation mechanism.

J. CORPORATE SOCIAL RESPONSIBILITY

The detailed Annual Report on Corporate Social Responsibility is disclosed as **Annexure-6** in the Directors' Report Section of the Annual Report.

K. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Company is committed to provide a protective environment at workplace for all its employees' man and women to ensure that every employee is treated with dignity and respect. As mandated under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has also formulated policy for prevention of sexual harassment at the workplace. The Policy is available on the Company's website at the weblink http://www.krblrice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf

A statement giving details of Sexual Harassment Complaints is as below:

S. No.	Particulars	No. of Complaints
1.	No. of complaints received during the financial year	Nil
2.	No. of complaints disposed of during the financial year	Nil
3.	No. of complaints pending as on end of the financial year	Nil

L. CEO/ CFO CERTIFICATION

The CEO and CFO certification on the Financial Statements is attached and forming part of this Report.

8. MEANS OF COMMUNICATION

FINANCIAL RESULTS AND ANNUAL REPORTS ETC.

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board of Directors of the Company are published during the year under review in Leading National Newspapers, i.e. Economic Times, Business Standard, Financial Express, Jansatta, Nav Bharat Times etc. and are also sent immediately to all the Stock Exchanges wherein the equity shares of the Company are listed.

The Quarterly and Annual Financial Statements, the Annual Report of the Company and other information can also be retrieved by Investors from the website of the Company www.krblrice.com, under the link investor relations.

INVESTOR RELEASES/ PRESENTATIONS

Official press releases, presentations made to the media, analysts, investors, conference call transcripts and all other information which is mandatorily required to be placed on the website as per SEBI Listing Regulations may be retrieved by Investors from the website of the Company www.krblrice.com under the head investor relations.

9. GENERAL SHAREHOLDER'S INFORMATION

i. ANNUAL GENERAL MEETING

Day, Date & Time	:	Friday, 13 September 2019, 11.00 A.M.
Venue	:	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110003
Financial Calendar	:	The Financial year of the Company start from 1st April each year and ends on 31st March of the following year.

ii. FINANCIAL REPORTING

Financial Year	01st April to 31st March
For the Financial Year 2018-19 results were announced on:	
1st Quarter ended 30 June 2018	24 July 2018
2nd Quarter and Half Year ended 30 September 2018	29 October 2018
3rd Quarter ended 31 December 2018	08 February 2019
4th Quarter and Year ended 31 March 2019	15 May 2019

For the Financial Year 2019-20, result are likely to be announced on: (Tentative and subject to change)	
1st Quarter ended 30 June 2019	By First week of August 2019
2nd Quarter and Half Year ended 30 September 2019	By Last week of October 2019
3rd Quarter ended 31 December 2019	By Last week of January 2020
4th Quarter and Year ended 31 March 2020	By First week of May 2020

10. CODE OF CONDUCT

The Company has adopted a Code of Business Conduct and Ethics for Board of Directors, Senior Management Personnel and Other Employees. The code of Business Conduct and Ethics for Board of Directors, Senior Management Personnel and Other Employees is available on the website at the weblink http://www.krblrice.com/codes/Code-of-Business-Conduct-and-Ethics.pdf

The Company has also obtained affirmation for adherence to the Code. The declaration from the Chairman & Managing Director to the effect forms a part of this report.

Declaration as required under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Directors, Senior Management and every employee of the Company have affirmed compliance with the KRBL Code of Business Conduct and Ethics for the Financial Year ended 31 March 2019.

Anil Kumar Mittal
Chairman & Managing Director
DIN: 00030100

Noida, Uttar Pradesh
01 August 2019

11. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF PRACTICE AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

In accordance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, KRBL Limited is having the Code of Conduct to Regulate, Monitor and Report Trading by Insiders. The Company has also adopted and revised its Code in accordance with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

Further pursuant to Regulation 8 of the SEBI (Prohibition of Insider Trading) Regulations, 2015, read with SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019, the Company has also adopted a Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information in adherence to the principles set out in Schedule A to the said Regulations. The said Code is available on the website of the Company at the web link http://www.krblrice.com/codes/Code-of-Fair-Disclosure.pdf

12. DATE OF BOOK CLOSURE

The dates of Book Closure shall be from Friday, 30 August 2019 to Friday, 13 September 2019 (both days inclusive).

13. DIVIDEND PAYMENT DATE

The Board of Directors in its meeting held on 15 May 2019 had recommended the final Dividend of ₹ 2.50 (250%) per equity shares of ₹ 1/- each aggregating to ₹ 5,885 Lacs (Excluding Dividend Distribution Tax) for the financial year 2018-19. The final dividend shall be paid to those shareholders whose names will be provided by the depositories after the close of business hours on 29 August 2019, being record date fixed for the purpose. The Final Dividend as recommended by the Board of Directors and approve by the shareholders in the ensuing AGM will be paid on or before 12 October 2019.

14. REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Alankit Assignments Limited, having its office at Alankit Heights, 3E/7, Jhandewalan Extension, New Delhi-110055 as its Registrar and Transfer Agent (RTA) for electronic mode of Transfer of Share of both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as well as physical transfer of shares.

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the provisions of Regulation 40 of SEBI Listing Regulations, physical shares sent for transfer are duly transferred, if they are complete in all respects; or if company has any objection are returned back such share, as the case may be, within 15 days of receipt of the documents. Share transfers in physical form can be lodged with Alankit Assignments Limited, Registrar & Transfer Agents (RTA) at the above mentioned address.

The Stakeholders Relationship Committee reviews the Share transfers approved by the RTA, Company Secretary or Manager-Corporate Affairs, who have been delegated with requisite authority. All requests for Dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Members holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DP) regarding change of address, change of bank mandates and nomination.

15. DEMATERIALIZATION OF SHARES AND LIQUIDITY

Pursuant to the provisions of Regulation 31 of SEBI Listing Regulations, the Company's shares are required to be traded compulsorily in the Dematerialized form and are available for trading under both the depository systems in India – NSDL and CDSL. The International Securities Identification Number (ISIN) allotted to the Company's Equity Shares under the depository system is INE001B01026. The Annual Custodial Fees for the Financial Year 2018-19 has been paid to both the depositories.

During the year under review 61,282 shares of the Company covered in 21 requests were converted into Dematerialized form and 6,000 shares of the Company, which were in physical form, were transferred to the demat account of IEPF Authority. As on 31 March 2019, 235,194,260 shares of the company constituting 99.92% of the Paid-up share capital are in Dematerialized form.

For guidance on depository services, shareholders may write to the Company or to the respective depositories:

National Securities Depository Limited (NSDL)	Central Depository Services (India) Limited (CDSL)
Trade World, 4th Floor, Kamala Mills Compound Senapati Bapat Marg, Lower Parel Mumbai-400013 Telephone: 1800-222-990, 022-24994200 E-mail: investor@nsdl.co.in Website: www.nsdl.co.in	Unit No. A-2501, Marathon Futurex, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E) Mumbai- 400013 Telephone: 1800-225-533, 022-2305-8640 E-mail: info@cdslindia.com Website: www.cdslindia.com

16. SHARE TRANSFER SYSTEM

All share transfer and other communications regarding share certificates, change of address, dividends etc. should be addressed to Registrar and Share Transfer Agent of the Company. The Committee has delegated authority for approving transmission of shares and other related matters to the Stakeholders Relationship Committee of the Company. A summary of all transmissions etc. so approved by officers of the Company is placed in subsequent meeting of the Stakeholders Relationship Committee of the Company. All share transmissions are completed within statutory time limit from the date of receipt, provided the documents meet the stipulated requirement of statutory provisions in all respects. The Company obtains from a Company Secretary in whole time practice the half yearly certificate of compliance for share transfer/transmission formalities as required under Regulation 40(9) of SEBI Listing Regulations and files a copy of the same with the Stock Exchanges.

17. LISTING ON STOCK EXCHANGES

The Company's shares are listed and actively traded on the below mentioned Stock Exchanges:

I. NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)
Exchange Plaza" C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051
Website: www.nseindia.com
Symbol: KRBL, Series: Eq.

II. BSE LIMITED (BSE)
Floor 25, Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Website: www.bseindia.com
Stock Code: 530813

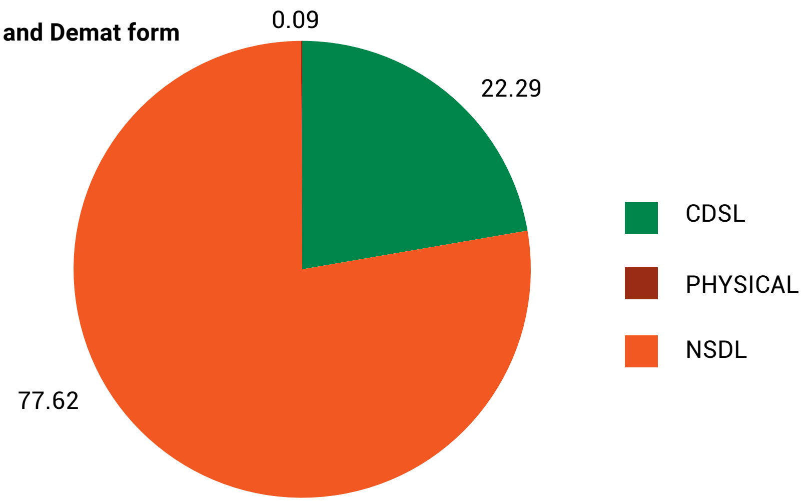
Your Company has paid the listing fees to NSE and BSE for the Financial Year 2018-19.

18. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2019

Number of Shares held (₹ 1 each)	Folios		Shares of ₹ 1/- Fully Paid up	
	Numbers	%	Numbers	%
1 – 50	12,621	37.3%	2,48,882	0.1%
51 – 100	4,050	12.0%	3,54,040	0.2%
101 – 500	10,571	31.3%	32,79,716	1.4%
501 – 1000	3,556	10.5%	26,44,450	1.1%
1001 – 5000	2,323	6.9%	48,46,295	2.1%
5001 – 10000	292	0.9%	21,28,226	0.9%
10001 – 50000	259	0.8%	50,76,073	2.2%
50001 – 100000	39	0.1%	29,17,635	1.2%
100001 & Above	54	0.2%	21,38,94,575	90.8%
Total	**33,765**	**100%**	**23,53,89,892**	**100%**

19. SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM AS ON 31 MARCH 2019 (IN %)

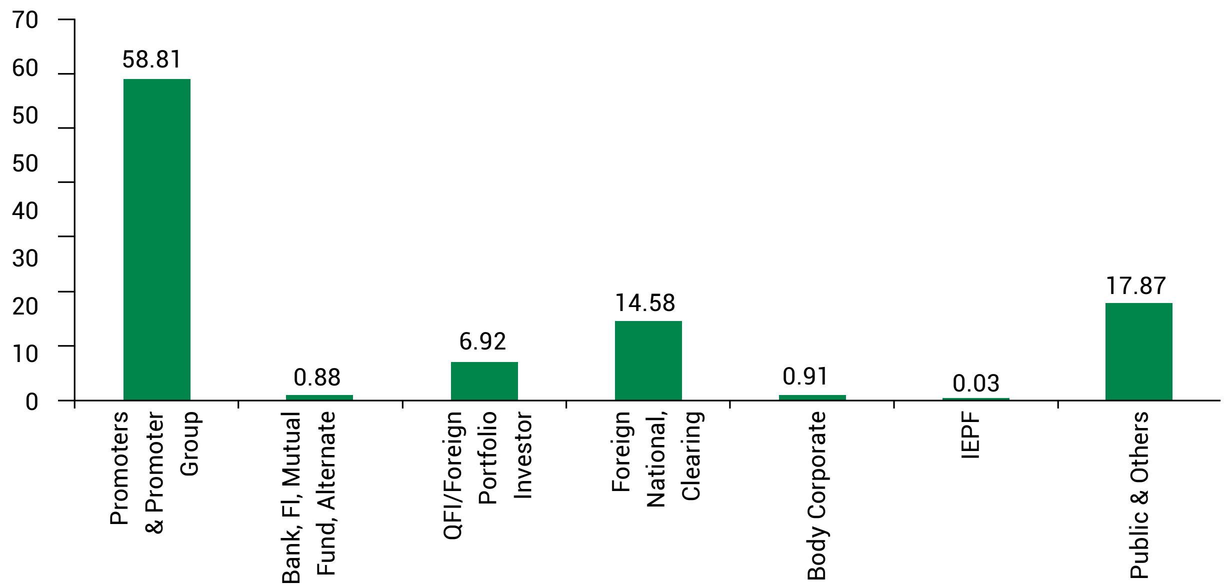
Shares held in Physical and Demat form



20. CATEGORY OF SHAREHOLDING AS ON 31 MARCH 2019

Category	Number of Shares held	%
Promoter & Promoter Group	13,84,39,916	58.81%
Banks, FIs, Insurance Companies, Venture Capital Fund, Provident Fund, Mutual Fund, Alternate Investment Fund & NBFC's	20,81,482	0.88%
Qualified Foreign Investor, Foreign Portfolio Investor & Foreign Venture Capital Investor	1,62,91,459	6.92%
Foreign Nationals, Clearing Members, Trust, Employee Trust, NRIs, LLPs, Foreign Body Corporate	3,43,14,908	14.58%
Body Corporate	21,42,738	0.91%
Investor Education and Protection Fund (IEPF)	62,570	0.03%
Public and Others	4,20,56,819	17.87%
Total	**23,53,89,892**	**100.00%**

Category of Shareholders (%)



21. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON 31 MARCH 2019

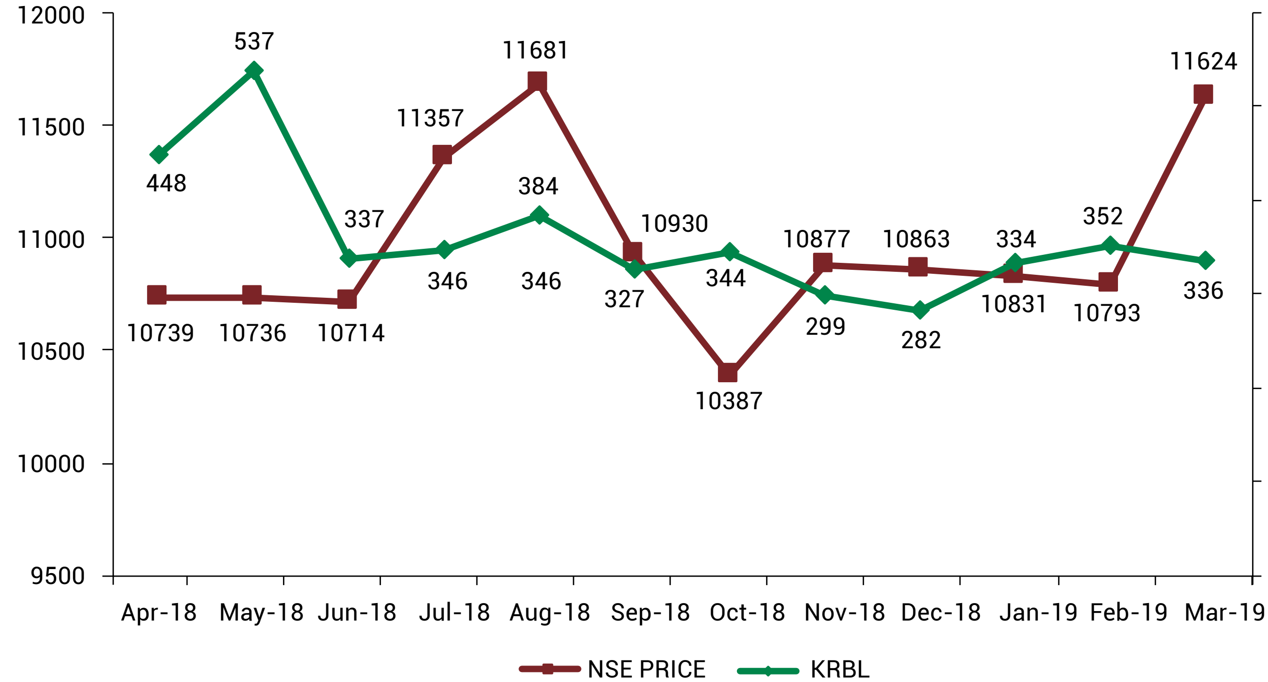
S. No.	Name	Number of Shares
1.	Reliance Commodities DMCC	2,29,00,000
2.	Anil Kumar Goel	97,07,000
3.	Joint Director of Enforcement, Central Region	64,94,891
4.	Kotak Mahindra (International) Limited	61,61,149
5.	Omar Ali Obaid Balsaraf	42,50,000
6.	Som Nath Aggarwal	36,55,438
7.	Abdullah Ali Balsharaf	35,88,330
8.	Seema Goel	27,99,000
9.	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	18,53,294
10.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds	14,97,310

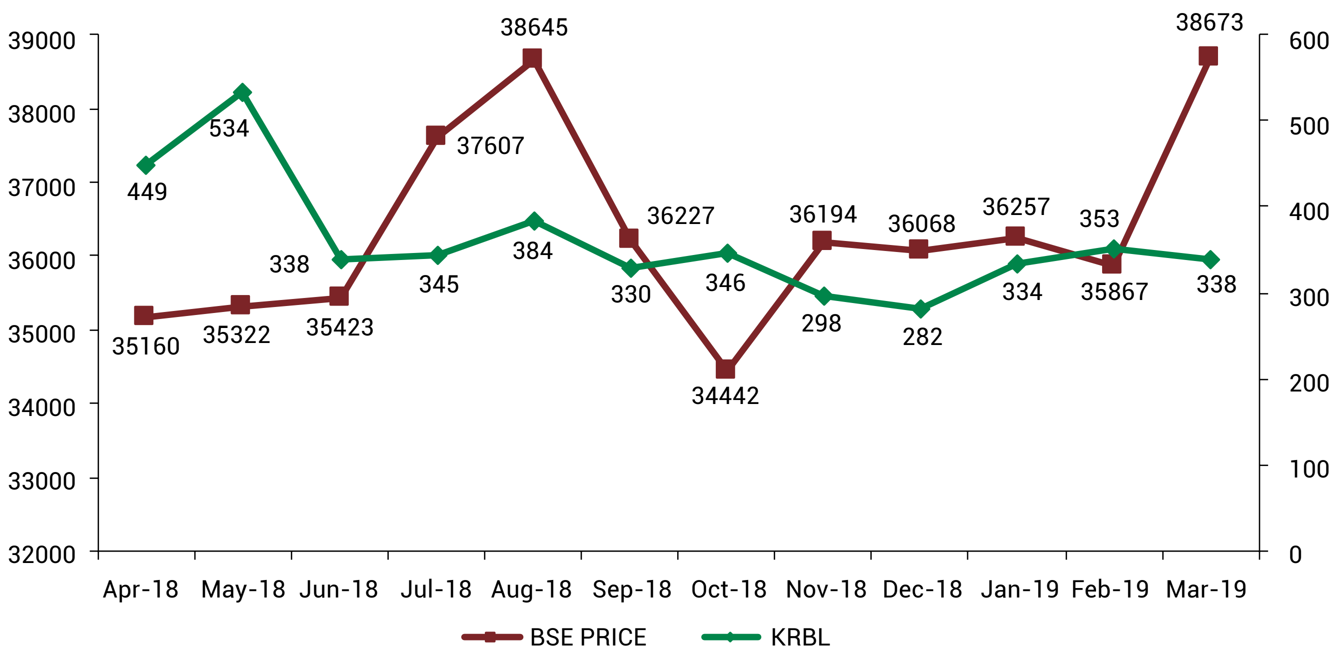
22. MARKET PRICE DATA

Monthly High and Low quotes and volume of shares traded on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE):

Month	National Stock Exchange of India Limited				BSE Limited			
	High (₹)	Low (₹)	Number of Shares Traded	Turnover (₹ in Lacs)	High (₹)	Low (₹)	Number of Shares Traded	Turnover (₹ in Lacs)
April, 2018	473	430	29,86,353	13,431	471	430	1,87,219	834
May, 2018	565	430	75,91,369	37,845	564	433	5,46,049	2,728
June, 2018	556	298	185,40,714	71,708	558	296	16,92,670	6,402
July, 2018	359	303	75,34,969	24,907	359	303	7,30,035	2,394
August, 2018	404	336	34,87,232	13,051	412	335	3,28,563	1,225
September, 2018	398	325	20,83,122	7,733	399	327	1,76,206	649
October, 2018	365	308	50,44,764	17,076	365	306	3,50,286	1,184
November, 2018	355	288	19,33,713	6,415	354	288	1,59,830	524
December, 2018	322	278	12,34,718	3,632	319	277	7,64,919	2,181
January, 2019	386	279	85,61,437	29,265	387	279	9,14,907	3,170
February, 2019	378	297	43,29,468	14,686	378	299	3,98,976	1,364
March, 2019	390	330	21,82,306	7,871	391	332	2,03,367	739

23. STOCK PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES:





24. OUTSTANDING ADRs/GDRs/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS AND LIKELY IMPACT ON EQUITY

The Company had allotted 3,428,594 nos. of underlying equity shares of ₹ 10/- each at a premium of ₹145.08 aggregating to ₹ 5,316.94 Lacs pursuant to the offer of 1,714,297 Global Depository Receipts (GDRs) made by the Company on 24 February 2006 to Foreign Investors, in accordance with the provisions of Section 81 and 81(1A) of the Companies Act, 1956 and Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipts Mechanism) Scheme, 1993, on preferential basis.

The Company's Global Depository Receipts (GDRs) were listed on the Luxembourg Stock Exchange (Code: US4826571030), at de la Bourse de Luxembourg, 11, av de la Porter – Neuve, L-2227 Luxembourg. As all GDRs were converted into Equity Shares, so company delisted its GDRs from Luxembourg Stock Exchange w.e.f. 07 July 2010. However, listing of the underlying equity shares are continued on the BSE Limited and National Stock Exchange of India Limited.

25. RECONCILIATION OF SHARE CAPITAL AUDIT

Mr. Deepak Kukreja Proprietor, Deepak Kukreja & Associates, FCS Number 4140, CP Number 8265, Practicing Company Secretaries, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the Reconciliation of Total Issued and Listed Capital with that of total share capital admitted / held in Dematerialized form with NSDL and CDSL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed and is also placed before the Stakeholders Relationship Committee and Board of Directors of the Company.

26. UNPAID DIVIDEND

Pursuant to the provisions of Section 124 read with Section 125 of the Companies Act, 2013, (previously Section 205C of the Companies Act, 1956), the Company is required to transfer the Dividend unpaid for a period of 7 (seven) years from the due date to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the unclaimed Final Dividend for the year ended 2010-11 have been transferred and necessary Statement in Form IEPF-1 pursuant to rule 5(4) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 has been filed.

The time frame for transfer of Unclaimed Dividends, which are lying in the Unclaimed Dividends Accounts of the company, to Investor Education and Protection Fund (IEPF) is as below:

Date of Declaration of Dividend	Dividend for the year	Due Date of transfer to IEPF
25 September 2012	2011-12	01 November 2019
23 September 2013	2012-13	30 October 2020
09 September 2014	2013-14	16 October 2021
28 September 2015	2014-15	05 November 2022
10 March 2016	2015-16 (Interim)	16 April 2023
26 September 2017	2016-17	02 November 2024
20 August 2018	2017-18	26 September 2025

Attention is drawn that the Unclaimed Final Dividend for the Financial Year 2011-12 will be due for transfer to IEPF later this year. Communication has been sent by the Company to the concerned shareholders advising them to lodge their claim with respect to unclaimed Dividend. Once unclaimed Dividend is transferred to IEPF, no claims will lie in respect thereof with the company.

27. DETAILS OF DEMAT / UNCLAIMED SUSPENSE ACCOUNT

The Company does not have any shares in the demat suspense account or unclaimed suspense account.

28. FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

During the year 2018-19, the Company had managed the foreign exchange risk and hedged it to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of financial risk management under the head financial instruments are disclosed in Note No. 38 to the Standalone Financial Statements forming part of this Annual report.

29. CERTIFICATE PURSUANT TO THE REGULATION 34 AND SCHEDULE V (C)(10)(I) OF SEBI LISTING REGULATIONS READ WITH SECTION 164 OF COMPANIES ACT, 2013 REGARDING QUALIFICATION/DISQUALIFICATION TO ACT AS DIRECTOR

The Company has received obtained the certificate from Mr. Deepak Kukreja, Partner, DMK Associates, FCS Number 4140, CP Number 8265, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.

30. CERTIFICATE PURSUANT TO THE REGULATIONS 17 TO 27 AND CLAUSES (B) TO (I) OF REGULATION 46(2) AND PARAGRAPHS C AND D OF SCHEDULE V OF SEBI LISTING REGULATIONS

The Company has received the certificate from Mr. Deepak Kukreja, Partner, DMK Associates, FCS Number 4140, CP Number 8265, Practicing Company Secretaries, confirming compliance with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI Listing Regulations. The same is attached and forming part of this Report.

31. AUDITORS' REMUNERATION

The Company has appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No.001076N/ N500013) as the Statutory Auditors. The particulars of payment to Statutory Auditors' by the Company during the financial year 2018-19 are as below:

Particulars	Amount (₹ in Lacs)
Statutory audit (including fees for limited reviews)	36
Other matters	-
Out of pocket expenses	1
Total	**37**

Note: Auditor remuneration for the year ended 31 March 2019 doesn't includes the remuneration paid by Company to the erstwhile auditors.

32. RATINGS

During the financial year 2018-19 the Company has received various ratings, which are as follows:

- **ICRA:** In August 2018, "ICRA" has reviewed and reaffirmed [ICRA] AA Stable (pronounced as ICRA double A Stable) rating for Fund Based Working Capital Limits and Term Loans Limits and [ICRA] A1+ (pronounced as ICRA A One Plus) for Non-Fund Based Facilities of KRBL Limited.
- **ICRA:** In August 2018, "ICRA" has also reviewed and reaffirmed [ICRA] A1+ (pronounced as ICRA A One Plus) rating for Commercial Paper (CP) programme of KRBL Limited.
- **CARE:** In September 2018, "CARE" has given the [CARE] A1+ (pronounced as CARE A one plus) rating for Commercial Paper (CP) of KRBL Limited.

During the year there are no revisions in all the above credit ratings obtained by the company.

33. NON-MANDATORY REQUIREMENTS

In addition to the mandatory requirements, the Company has also adopted the following non-mandatory requirements as per Regulation 27(1) of SEBI Listing Regulations:

i) **Shareholders' Rights**

The Company has a policy of announcement of the audited/unaudited, quarterly/half yearly/annual financial results.

In the next few days from the announcement of the audited/unaudited, quarterly/half yearly/annual financial results, the company generally organizes webcast live investor conference calls and the media interactions with the management, where the management responds to the various queries.

ii) **Reporting of Internal Auditor**

The Internal Auditors directly reports to the Audit Committee.

34. COMPLIANCE OFFICER

Raman Sapra
Company Secretary
5190, Lahori Gate, Delhi-110 006
Phone: (011) 23968328
E-mail: investor@krblindia.com
CIN: L0111DL1993PLC052845

35. REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE

5190, Lahori Gate,
Delhi-110 006
Phone: (011) 23968328
Fax: (011) 23968327
E-mail: investor@krblindia.com
Website: http://www.krblrice.com
CIN: L01111DL1993PLC052845

ADDRESS FOR CORRESPONDENCE

CORPORATE OFFICE:

C-32, 5th & 6th Floor,
Sector 62, Noida-201301,
Gautam Budh Nagar,
Uttar Pradesh
Phone: 0120-4060300
Fax: 0120-4060398

PLANT LOCATIONS

- 9th Milestone, Post-Dujana, Bulandshahr Road, Dist. Gautambudh Nagar, Uttar Pradesh-203207.
- Village Bhasaur, (Dhuri), Distt. Sangrur, Punjab-148024.
- Village Akbarpur Barota, Distt. Sonipat, Haryana-131104
- 29/15-29/16, Village Jindpur, G. T. Karnal Road, Alipur, Delhi-110036.
- Plot Number 258-260, Extended Lal Dora, Alipur, Delhi-110036.

36. ADDRESS OF REDRESSAL AGENCIES TO LODGE THE GRIEVANCES

MINISTRY OF CORPORATE AFFAIRS

'A' Wing, Shastri Bhawan, Rajendra Prasad Road, New Delhi – 110 001
Tel.: (011) 2338 4660, 2338 4659
Website: www.mca.gov.in

SEBI

Plot No.C4-A, 'G' Block, Bandra-Kurla Complex,
Bandra (East),Mumbai – 400051, Maharashtra
Tel : +91-22-26449000 / 40459000
Fax : +91-22-26449019-22 / 40459019-22
Tel : +91-22-26449950 / 40459950
Toll Free Investor Helpline: 1800 22 7575
E-mail : sebi@sebi.gov.in
Website: www.sebi.gov.in

SEBI COMPLAINTS REDRESS SYSTEM (SCORES)

The investors' complaints are also being processed through the centralized web base complaint redressal system of SEBI. The salient features of SCORES are availability of centralized database of the complaints, uploading online action taken reports by the Company.

Through SCORES the investors can view online, the action taken and current status of the complaints. SEBI vide its Circular dated 26 March 2018 have streamlined the process of filing investor grievances in the SCORES in order to ensure speedy and effective resolution of complaints filed therein. The said Circular can be accessed on the website of SEBI at the weblink https://www.sebi.gov.in/legal/circulars/mar-2018/investor-grievance-redress-mechanism-new-policy-measures_38481.html

STOCK EXCHANGES
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051
Tel No: (022) 26598100 - 8114
Fax No: (022) 26598120
Website: www.nseindia.com

BSE Limited
Phiroze Jeejeebhoy Towers, 25th Floor,
Dalal Street
Mumbai – 400001
Phones : 91-22-22721233/4,
91-22-66545695 (Hunting)
Fax : 91-22-22721919
Email: corp.comm@bseindia.com
Website: www.bseindia.com

DEPOSITORIES
National Securities Depository Limited (NSDL)
Trade World, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg, Lower Parel
Mumbai – 400013
Telephone: 1800-222-990, 022-24994200
E-mail: investor@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited (CDSL)
Unit No. A-2501, Marathon Futurex, Mafatlal Mills Compound, N.M. Joshi Marg, Lower Parel (E) Mumbai Mumbai City MH 400013 IN
Telephone: 1800-225-533, 022-2305-8640
E-mail: info@cdslindia.com
Website: www.cdslindia.com

REGISTRAR & SHARE TRANSFER AGENT
M/s. Alankit Assignments Limited
Alankit Heights, 3E/7,
Jhandewalan Extension,
New Delhi-110055
TEL: (011)-42541955,59, Fax : (011)-23552001
Email id- info@alankit.com
Website : www.alankit.com

For **and on behalf of the Board of Directors**

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Place: Noida, Uttar Pradesh
Date:01 August 2019

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
M/s. KRBL Limited
5190, Lahori Gate,
Delhi- 110006

We have examined the compliance of the conditions of Corporate Governance by KRBL Limited ('the Company') for the year ended on 31 March 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub regulation (2) of Regulation 46 and paragraph C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of 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, and the representations made by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on 31 March 2019.

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

For **DMK Associates**
Company Secretaries

Deepak Kukreja
FCS, LL.B, ACIS(UK)
Partner
FCS No. 4140, C.P. No. 8265

Place: New Delhi
Date: 01 August 2019

CEO'S AND CFO CERTIFICATION

We, Anil Kumar Mittal, Chairman & Managing Director and Rakesh Mehrotra, Chief Financial Officer, responsible for finance function certify that:

1. We have reviewed financial statements and the cash flow statement for the year ended on 31 March 2019 and that to the best of our knowledge and belief:

    (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

    (b) These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended on 31 March 2019 which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

4. The Company's other certifying officers and we have disclosed, based on our recent evaluation, wherever applicable, to the Company's Auditors and through them to the Audit Committee of the Company's Board of Directors:

    i. significant changes in internal control over financial reporting during the year 2018-19.

    ii. significant changes in accounting policies during the year 2018-19 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.

Place: Noida, Uttar Pradesh
Date: 15 May 2019

Anil Kumar Mittal
Chairman & Managing Director

Rakesh Mehrotra
Chief Financial Officer

STANDALONE FINANCIALS

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

To the Members of KRBL Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of KRBL Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

4. We draw attention to Note 41 to the standalone financial statement, whereby the Company has received an income tax demand, which is being contested by the Company. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of Goods Refer Note 2 in the Summary of significant accounting policies and other explanatory information The Company recognised an amount of ₹ 411,957 lacs revenue for the year ended 31 March 2019, as disclosed in Note 22 to the standalone financial statements. Revenue for the Company majorly comprises of revenue from sale of manufactured goods (rice) and by products.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the process of each revenue stream, particularly of sale of rice and other food products; • Evaluated the design and implementation and tested the operating effectiveness of controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc.;

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

Key audit matter	How our audit addressed the key audit matter
The Company has adopted the new revenue accounting standard Ind AS 115, Revenue from Contracts with Customers, from the current year, which required management to re-assess the revenue recognition accounting policy by making key judgements such as identification of distinct performance obligations in contracts with customers, determination of transaction price including assessment of variable consideration elements, and selection of appropriate methods to allocate the transaction price to the performance obligations in accordance with the new accounting standard, which was considered to be a complex exercise in the current year. Further, in accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiplicity of Company's products, multiple channels for sales, various categories of customers and the volume of the sales made to them. Due to the above factors, we have identified testing of revenue recognition as a key audit matter.	• Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end with supporting documents, such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payment; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries for recording revenue, credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; • Evaluated disclosures made in the standalone financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.
Inventory existence and valuation Refer Note 2 in the Summary of significant accounting policies and other explanatory information. Inventory of the Company consists primarily of variety of rice, paddy and their by-products, manufactured during the process of conversion of paddy into rice. The Company held inventories amounting to ₹ 312,885 lacs as at 31 March 2019. The inventory primarily comprises of Paddy as raw material and finished goods in the form of rice and by-products. Inventory holding is generally significant considering the finished goods are aged for 18-24 months and also due to seasonality of the purchase of paddy. Such inventory is stored in plants, warehouses and silos. High volume of inventory makes physical verification of inventory, an extensive procedure for the management, at the year end.	Our audit work included, but was not limited to the following procedures: <u>Existence:</u> • Obtained understanding the management's process of inventory management and inventory physical verification performed at year-end; • Evaluated the design effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness; • Observed physical count carried out by the management at locations selected based on materiality and risk factors; • During the above said observation, noted whether the instructions given by senior management to stock count teams were followed, including ensuring proper segregation of stock, use of calibration scales/charts, separate identification of goods received after year end, identification of damaged inventory, if any, etc.;

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>The valuation of finished rice and by product is a comprehensive exercise and is carried out manually considering the determination of:

• Allocable overhead;
• Consideration of net realizable value of by products such as husk, bran etc; and
• Consideration of NRV of the different variety of finished products

Accordingly, existence and valuation of the inventory, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.</td><td>• Recounted inventory, on sample basis, to match with inventory records and results of management conducted count;
• Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management;
• For the inventory lying with the third party, obtained the confirmation that the management obtained from the third parties and for the inventory lying at foreign ports (in the course of sale), tested the subsequent clearance and original bill of lading for the said export.

<u>Valuation:</u>
• Obtained the understanding of management process of inventory valuation;
• Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness;
• Tested inputs into the valuation process from source documents/ general ledger accounts;
• Tested reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate the amount of yield during the year and to identify any abnormal production loss;
• Compared key estimates, including those involved in computation of overhead absorption, to prior years and enquired reasons for any significant variations,
• Checked net realisable value of by-products from actual sale proceeds near/ subsequent to the year-end;
• Tested arithmetical accuracy of valuation calculations; and
• Evaluated appropriateness of disclosure of inventory year-end balance in the financial statements.</td></tr>
<tr><td>Initial Audit Engagement - Opening Balances

We have been appointed as the statutory auditors of Company for year ended 31 March 2019.

Standard on Auditing 510, Initial Audit Engagements – Opening Balances, in conducting an initial audit engagement, several considerations are involved which are generally not associated with recurring audits. The audit transition, including the audit of the opening balances requires additional planning activities and considerations necessary to establish an appropriate audit plan and strategy. This includes:</td><td>Our audit work included, but was not limited to, the following procedures:
• Prepared a detailed transition plan, including ensuring compliance with independence requirements, prior to the start of the audit;
• Inspected management's process and control documentation to assist us in obtaining and understanding of the Company's financial reporting and business processes, including control environment;
• Obtained and read management reports, policies, instructions as well as planning and governing documents, minutes of the board of directors, audit committee and other committees of the board, internal audit reports;</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

Key audit matter	How our audit addressed the key audit matter
• Gaining an initial understanding of the Company and its business including its control environment and information systems, sufficient to make an audit assessment and develop the audit strategy and plan. • Obtaining sufficient appropriate audit evidence regarding the opening balances including the selection and application of accounting policies. • Communicating with the predecessor auditors, as required and permitted under applicable professional regulations. The aforesaid activities required involvement of considerable audit efforts, and accordingly, audit of the opening balances was identified as a key audit matter for the current year audit.	• Held discussions with the management at various levels of the Company and heads of the Business and Finance functions, to understand their roles in the business and company's financial reporting process; • Obtained an understanding of and evaluated appropriateness and consistency of the accounting policies used in the preparation of the financial statements of the Company for the financial year ended 31 March 2018, particularly in respect of inventory, property, plant and equipment, trade receivables, etc; • Read previous year financial statements to identify material opening balances. Obtained underlying accounting schedules prepared by the management and scanned for unusual items. • Traced the account balances from the trial balance for the previous financial year to the audited financial statements, and traced the balance sheet account balances to the opening trial balance of the current year. • On a sample basis, tested the opening balances for financial line items including property, plant and equipment, bank balances, borrowings, share capital, and other current assets and liabilities, as considered necessary.

Information other than the Financial Statements and Auditor's Report thereon

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. The financial statements of the Company for the year ended 31 March 18 were audited by the predecessor auditor, S S A Y and Associates, Chartered Accountants, who have expressed an unmodified opinion on those financial statements vide their audit report dated 10 May 2018.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL STATEMENTS

the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

18. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order.

19. Further to our comments in Annexure A, as required by section 143(3) of the Act, we report that:
    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 15 May 2019 as per Annexure B expressed an unmodified opinion; and

    g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

       i. the Company, as detailed in Note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

       ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

       iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

       iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774

Place: Noida
Date: 15 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited, on the Standalone Financial Statements for the year ended 31 March 2019

Annexure A

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed Assets (in the nature of Property, Plant and Equipment and other intangible assets)

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties, as disclosed in Note 3(a) to the standalone financial statements:

Particulars	Land (freehold)	Building
Total number of cases	78	1
Gross block as on 31 March 2019 (₹ in lacs)	845	153
Net block on 31 March 2019 (₹ in lacs)	845	153

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and stocks lying with third parties. For stocks lying with third parties at the year-end, written confirmations have been obtained by the management. No material discrepancies were noticed on the aforesaid verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited, on the Standalone Financial Statements for the year ended 31 March 2019

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates	Forum where dispute is pending
Punjab value Added Tax Act, 2005	Value Added Tax	3,199	-	F.Y 2009-2010	Hon'ble Punjab and Haryana High Court Chandigarh
Punjab value Added Tax Act, 2005	Value Added Tax	1,708	641	F.Y 2005-2007 and F.Y 2010-2014	Vat Tribunal, Chandigarh.
Central Excise Act, 1944	Excise Duty	684	25	F.Y 2014-2017	Deputy Excise and Taxation Commissioner, Patiala
Central sale tax Act, 1956	Sale Tax	39	39	F.Y 2014–2016	Deputy Commissioner of Sales Tax (Appeal), Mumbai
Central sale tax Act, 1956	Sale Tax	2	1	F.Y 2017–2018	Deputy Commissioner of Sales Tax, Greater Noida
Central sale tax Act, 1956	Sale Tax	2	2	F.Y 2013–2014	Additional Commissioner Grade-2 (Appeal), Noida
Income-tax Act, 1961	Income-tax	126,920	7,500	F.Y 2009–2016	Commissioner of Income-tax (Appeal), New Delhi

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company has no loans or borrowings payable to government and did not have any outstanding debentures during the year.

(ix) In our opinion, the Company has applied moneys raised by way of the term loans for the purposes for which these were raised. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments).

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774

Place: Noida
Date: 15 May 2019

Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited, on the Standalone Financial Statements for the year ended 31 March 2019

Annexure B

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the Standalone financial statements of KRBL Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also,

Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited, on the Standalone Financial Statements for the year ended 31 March 2019

projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774

Place: Noida
Date: 15 May 2019

Standalone Balance sheet

as at 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	92,856	96,574
Capital work in progress	3(a)	59	225
Investment property	3(c)	-	411
Intangible assets	3(b)	101	111
Financial assets			
- Investments	4	427	427
- Loans	5	316	289
- Other financial assets	6	6	109
Other non-current assets	7	11,699	3,547
Sub total non-current assets		1,05,464	1,01,693
Current assets			
Inventories	8	3,12,885	2,46,161
Financial assets			
- Investments	4	765	899
- Trade receivables	9	39,729	24,670
- Cash and cash equivalents	10	366	3,869
- Other bank balances	11	91	3,030
- Loans	5	35	25
- Other financial assets	6	1,016	1,350
Other current assets	12	2,313	3,162
Sub total current assets		3,57,200	2,83,166
TOTAL ASSETS		4,62,664	3,84,859
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	2,354	2,354
Other equity	14	2,69,391	2,25,576
Sub total equity		2,71,745	2,27,930
Liabilities			
Non current liabilities			
Financial liabilities			
- Borrowings	15	3,324	5,195
Provisions	16	565	512
Deferred tax liabilities (net)	17	14,673	13,202
Sub total non-current liabilities		18,562	18,909
Current liabilities			
Financial liabilities			
- Borrowings	18	1,38,151	1,16,414
- Trade payables	19		
- Total outstanding dues of micro and small enterprises		688	-
- Total outstanding dues of creditors other than micro and small enterprises		21,729	11,128
- Other financial liabilities	20	8,591	8,254
Other current liabilities	21	2,602	1,245
Provisions	16	287	228
Current tax liabilities (net)		309	751
Sub total current liabilities		1,72,357	1,38,020
TOTAL EQUITY AND LIABILITIES		4,62,664	3,84,859
The accompanying notes form an integral part of these standalone financials statements	1 - 48		

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

Standalone Statement of Profit and Loss

for the year ended 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	22	4,11,957	3,24,644
Other income	23	1,490	4,034
Total income		**4,13,447**	**3,28,678**
Expenses			
Cost of materials consumed	24	3,16,761	2,25,454
Purchase of stock-in-trade	25	1,165	1,221
Changes in inventories of finished goods and stock-in-trade	26	(28,623)	(9,863)
Excise duty		-	83
Employee benefits expenses	27	7,419	6,702
Finance cost	28	6,756	6,893
Depreciation and amortisation expenses	29	6,438	6,768
Other expenses	30	30,207	23,185
Total expenses		**3,40,123**	**2,60,443**
Profit before tax		**73,324**	**68,235**
Tax expense	33		
Current tax		23,016	20,232
Deferred tax		1,471	1,824
MAT credit entitlement		(1,490)	-
Total tax expense		**22,997**	**22,056**
Profit for the year		**50,327**	**46,179**
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		6	24
Tax on above		(2)	(7)
Other comprehensive income for the year		4	17
Total comprehensive income for the year		**50,331**	**46,196**
Earnings per share (face value of ₹ 1 each)	31		
- Basic (in ₹)		**21.38**	**19.62**
- Diluted (in ₹)		**21.38**	**19.62**
The accompanying notes form an integral part of these standalone financials statements	1 - 48		

This is the Standalone Statement of Profit and Loss referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

Standalone Cash flow Statement

for the year ended 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A	**Cash flow from operating activities**		
	Profit before tax	73,324	68,235
	Adjustment for :		
	Depreciation and amortisation expenses	6,438	6,768
	(Profit)/loss on sale of property, plant and equipment	(135)	4
	Net unrealised foreign exchange (gain)/loss	(240)	515
	(Profit)/loss on sale of investment	(289)	23
	Balance credit impaired	1,083	-
	Liabilities/provisions no longer required written back	(134)	-
	Finance costs	6,756	6,893
	Interest income	(655)	(1,032)
	Dividend income	(30)	(2,605)
	MTM (profit) on derivatives	-	(11)
	Operating profit before working capital changes	86,118	78,790
	Adjustments for working capital changes :		
	(Increase)/decrease in financial and other assets	(7,006)	2,285
	(Increase) in inventories	(66,724)	(44,297)
	(Increase) in trade receivables	(16,365)	(1,208)
	Increase/(decrease) in trade payables	11,554	(15,399)
	Increase in liabilities and provisions	2,914	2,378
	Cash generated from operations	10,491	22,549
	Income tax paid (net)	(21,965)	(18,967)
	Net cash (used in)/flow from operating activities (A)	(11,474)	3,582
B	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets[1]	(2,248)	(3,835)
	Sale of property, plant and equipment	119	191
	Sale proceeds from investments	58,072	31,590
	Purchase of investments	(57,649)	(31,500)
	Movement from deposits (net)	3,031	(2,512)
	Interest received	665	1,012
	Dividend income	30	2,605
	Net cash flow from/(used in) investing activities (B)	2,020	(2,449)
C	**Cash flow from financing activities**		
	(Repayment) of non current borrowings	(3,443)	(4,456)
	Movement in current borrowings (net)	22,191	19,275
	Finance cost paid	(6,281)	(6,920)
	Dividend paid	(5,414)	(4,946)
	Dividend distribution tax paid	(1,102)	(483)
	Net cash flow from financing activities (C)	5,951	2,470

KRBL Limited

Standalone Cash flow Statement

for the year ended 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
D	**Net (decrease)/increase in cash and cash equivalents during the year (A+B+C)**	**(3,503)**	**3,603**
	Cash and cash equivalents-opening balance	**3,869**	**266**
	Cash and cash equivalents at the year end	**366**	**3,869**
E	**Cash and cash equivalents (refer note 10)**		
	Cash in hand	**129**	134
	Balances with banks	**237**	3,735
		366	**3,869**

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'.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

Standalone Statement of Changes in Equity

for the year ended 31 March 2019

A. Equity share capital (refer note 13)

(All amounts stated in ₹ lacs, unless otherwise stated)

Equity shares of ₹1 each, fully paid up	Number of shares	Amount
As at 1 April 2017	**23,53,89,892**	**2,354**
Movement during the year	-	-
As at 31 March 2018	**23,53,89,892**	**2,354**
Movement during the year	-	-
As at 31 March 2019	**23,53,89,892**	**2,354**

B. Other equity (refer note 14)

Particulars	Reserve and surplus					
	Retained earnings	General reserve	Securities premium	Capital reserve	Capital redemption reserve	Total
Balance as at 1 April 2017	**1,43,942**	**31,050**	**9,655**	**82**	**77**	**1,84,806**
Profit for the year	46,179	-	-	-	-	46,179
Other comprehensive income for the year:-						
Remeasurement of defined benefit obligations (net of tax)	17	-	-	-	-	17
Total comprehensive income as at 31 March 2018	1,90,138	31,050	9,655	82	77	2,31,002
Transaction with owners						
Dividends paid (refer note 44)	(4,943)					(4,943)
Dividend distribution tax paid	(483)	-	-	-	-	(483)
Transferred to general reserve[1]	(6,000)	-	-	-	-	(6,000)
Transferred from profit and loss account[1]	-	6,000	-	-	-	6,000
Balance as at 31 March 2018	**1,78,712**	**37,050**	**9,655**	**82**	**77**	**2,25,576**
Balance as at 01 April 2018	**1,78,712**	**37,050**	**9,655**	**82**	**77**	**2,25,576**
Profit for the year	50,327	-	-	-	-	50,327
Other comprehensive income for the year:-						
Remeasurement of defined benefit obligations (net of tax)	4	-	-	-	-	4
Total comprehensive income as at 31 March 2019	2,29,043	37,050	9,655	82	77	2,75,907
Transaction with owners						
Dividends paid (refer note 44)	(5,414)	-	-	-	-	(5,414)
Dividend distribution tax paid	(1,102)	-	-	-	-	(1,102)
Transferred to general reserve[1]	(7,000)	-	-	-	-	(7,000)
Transferred from profit and loss account[1]	-	7,000	-	-	-	7,000
Balance as at 31 March 2019	**2,15,527**	**44,050**	**9,655**	**82**	**77**	**2,69,391**

1. The Company has voluntarily transferred amount of ₹ 7,000 lacs (31 March 2018 ₹ 6,000 lacs) from retained earning to general reserve.

The accompanying notes form an integral part of these standalone financials statements 1 - 48

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

NOTES FORMING PART OF THE FINANCIAL STATEMENT

1. Company information

KRBL Limited ('Company') is a limited Company domiciled in India and was incorporated on 30 March 1993. The registered office of the Company is located at 5190, Lahori gate, Delhi 110006. The shares of the Company are listed in India on the Bombay Stock Exchange and the National Stock Exchange.

The Company is world's leading basmati rice producer and has fully integrated operations in every aspect of basmati value chain, right from seed development, contact farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands owned by the Company "India Gate" is the flagship brand both in domestic and international markets.

2. Basis of preparation, measurement and significant accounting policies

(i) General information

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Company has uniformly applied the accounting policies during the periods presented.

The financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 15 May 2019.

(ii) Basis of accounting

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorized into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

(iii) Functional and presentation currency

These financial statements are presented in Indian rupees (₹) which is also the Company's functional currency. All amounts have been rounded-off to the nearest lac as per the requirements of Part II of Schedule III of the Act, unless otherwise indicated.

(iv) Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These were used throughout all periods presented in the financial statements.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

b. Property, plant and equipment

Recognition, measurement and subsequent expenditure

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any. Freehold land is stated at original cost of acquisition.

Cost of an item of property, plant and equipment includes acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are generally charged to the statement of profit and loss during the reporting period in which they are incurred.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

In respect of major projects involving construction, related preoperational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation
Depreciation on property, plant and equipment has been provided on straight line method, in terms of useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is capitalised/ disposed off.

Depreciation method and useful lives are reviewed annually. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the depreciation method is changed to reflect the changed pattern.

De-recognition
The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

c. **Investment property**

Recognition and measurement

Property held to earn rentals or / and for capital appreciation or both but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purposes, are categorized as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Depreciation
Investment properties are depreciated using the straight-line method over the useful lives as mentioned in Part C of Schedule II of the Act.

Reclassification to/from investment property
When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying cost (including accumulated depreciation) on the date of reclassification and vice-a-versa.

d. **Intangible assets**

Recognition and measurement
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortisation
Computer software, patent, trademark and design and goodwill are recognized as intangible assets and amortized on straight line method over a period of 10 years except one software which is depreciated in 6 years on straight line method based upon life of servers where it is installed.

De-recognition
The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the statement of profit and loss when the asset is derecognized.

e. **Investment in subsidiaries**

Investment in equity instruments of subsidiaries are measured at cost as per Ind AS 27 'Separate Financial Statements'.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

f. Inventory

Raw materials, stores and spares and packing materials

Raw materials, stores and spares and packing materials are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is calculated on weighted average cost method and it comprises all costs incurred in bringing the inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

Finished goods and by products

Finished goods are valued at lower of cost and net realisable value. Cost of inventories of finished goods includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition.

By-products are valued at net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

g. Revenue

Effective 1 April 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

In the comparative period presented in financial statements, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

The Company derives revenue primarily from two segments - Agri and Energy. Agri segment of the Company principally generate revenue from sale of goods (rice and by products) and Energy segment generates revenue by generating power units and selling it to governments under the agreements (for more detailed information about reportable segments, refer note 39).

Sale of goods (rice and by products)

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Revenue from electricity generation

Sale of energy is accounted for on basis of energy supplied. Sale of Certified Emission Reduction (CER) is recognized as income on delivery of CERs to the customer. Sale of Renewable Energy

NOTES FORMING PART OF THE FINANCIAL STATEMENT

Certificate (REC) is recognized as income on sale of REC on the IEX/PXIL.

Dividend income
Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income
Interest income is recognized using the time proportion method based on the rates implicit in the transaction.

h. Employee benefits

Short term employee benefits
All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, allowances and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees. Further, the liabilities are presented as provisions for employee benefits under other current liabilities in the balance sheet.

Defined contribution plan
The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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 less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

Other long-term employee benefits
Other long-term employee benefits are recognised as an expense in the statement of profit and loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the statement of profit and loss.

i. Research and development

Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is included under property, plant and equipment and/or intangible assets, as the case may be.

j. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Classification
The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement
For purposes of subsequent measurement financial assets are classified in below categories:

Financial assets carried at amortised cost
A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that

NOTES FORMING PART OF THE FINANCIAL STATEMENT

are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income
A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss
A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition
A financial asset is primarily de recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets
The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables.

b) Financial liabilities

Classification
The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially

NOTES FORMING PART OF THE FINANCIAL STATEMENT

modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) Derivative financial instruments

The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and full currency swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

e) Fair value measurement

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k. Leases

Company as a lessee

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term except where scheduled increase in rent compensate the lessor for expected inflationary costs.

l. Foreign currency transactions

Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by

NOTES FORMING PART OF THE FINANCIAL STATEMENT

applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognised in the statement of profit and loss.

m. Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current tax

Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognised in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

n. Provision, contingent assets and contingent liability

The Company creates a provision when there is a present obligation as a result of past event that

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probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

Contingent assets are neither recognized nor disclosed.

o. Government grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards fixed assets acquired/ constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

p. Cash and cash equivalents

Cash comprises cash in hand and at bank. Cash and cash equivalents are short-term (highly liquid), that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

q. Segment reporting

According to Ind AS 108 'Operating Segment', identification of operating segments is based on Chief Operating Decision Maker ('CODM') approach for making decisions about allocating resources to the segment and assessing its performance.

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Results of the operating segments are reviewed regularly by the management team (Chairman, Joint Managing Directors and Chief Financial Officer) which has been identified as the CODM, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses". Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

r. Borrowing cost

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised upto the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying major assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive

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t. **Dividend to share holders**

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

(v) Significant management judgements in applying accounting policies and estimation uncertainty

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities including contingent liability and the related disclosures.

Significant judgements

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets

Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Defined benefit obligation (DBO)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future market-driven changes that may reduce future selling prices.

(vi) Recent accounting pronouncements

Ind AS 116 – Leases

On 30 March 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and its effect on the financial statements.

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Amendment to Ind AS 12, Income taxes
On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 19, Employee benefits
On 30 March 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and its effect on the financial statements.

Amendment to Ind AS 23, Borrowing costs
On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

Amendment to Ind AS 109, Financial instruments
On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the financial statements.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

3a Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
Gross carrying amount								
Balance as at 1 April 2017	**5,921**	**17,776**	**1,18,639**	**1,792**	**411**	**3,302**	**1,47,841**	**171**
Additions	355	1,760	1,422	27	44	164	**3,772**	206
Disposals/capitalised	-	-	(169)	-	(1)	(101)	**(271)**	(152)
Balance as at 31 March 2018	**6,276**	**19,536**	**1,19,892**	**1,819**	**454**	**3,365**	**1,51,342**	**225**
Additions	-	413	1,860	32	20	92	**2,417**	45
Transfer (refer note C below)	-	520	-	-	-	-	**520**	-
Disposals/capitalised		(71)	(295)	(23)	(1)	(215)	**(605)**	(211)
Balance as at 31 March 2019	**6,276**	**20,398**	**1,21,457**	**1,828**	**473**	**3,242**	**1,53,674**	**59**
Accumulated depreciation								
Balance as at 1 April 2017	**-**	**3,358**	**42,137**	**791**	**224**	**1,612**	**48,122**	**-**
Additions	-	722	5,515	130	53	302	**6,722**	-
Disposals	-	-	(8)	-	(1)	(67)	**(76)**	-
Balance as at 31 March 2018	**-**	**4,080**	**47,644**	**921**	**276**	**1,847**	**54,768**	**-**
Additions	-	748	5,178	129	57	287	**6,399**	-
Transfer (refer note C below)	-	119	-	-	-	-	**119**	
Disposals (refer note G below)	-	(11)	(252)	(19)	(0)	(185)	**(467)**	-
Balance as at 31 March 2019	**-**	**4,936**	**52,570**	**1,031**	**332**	**1,950**	**60,817**	**-**
Net carrying amount								
Balance as at 31 March 2018	**6,276**	**15,456**	**72,248**	**898**	**178**	**1,518**	**96,574**	**225**
Balance as at 31 March 2019	**6,276**	**15,462**	**68,887**	**797**	**141**	**1,293**	**92,856**	**59**

Notes:

A Contractual obligations
Refer note 41C for disclosure of contractual commitments for the acquisition of property, plant and equipment.

B Property, plant and equipment pledged as security
Refer note 15 and 18 for information on property, plant and equipment pledged as security by the Company.

C Refer note 3(c), for the amount of gross carrying amount and accumulated depreciation transferred to 'building' from 'investment property'. The depreciation for the period for which building has been utilised as warehouse in the current year is ₹ 9 lacs.

D Out of the total land parcels amounting to ₹ 6,276 lacs as mentioned in above note, 52 land parcels amounting to ₹ 761 lacs are registered in the name of Mr Anil Kumar Mittal, Mr Arun Kumar Gupta and Mr Anoop Kumar Gupta ("KMPs") and their relative namely, Mr Ashish Mittal, though the payment had been made by the Company. The Company has physical possession of such land parcels vide Memorandum of Understandings (MOUs) entered into by the Company with each of the above KMPs and their relative. Subsequent to 31 March 2019, the Company has executed the General Power of Attorney (pending registration), will and other documents with the KMPs and their relative in favour of the Company.

E Buildings amounting to ₹ 153 lacs are pending registration in the name of the Company.

F Capital work-in-progress mainly comprise of plant and machinery which are under installation at the premises of the Company.

G Rounded off to zero

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

3b Intangible assets

Particulars	Patents, trademark and design	Computer software	Total
Gross carrying amount			
Balance as at 1 April 2017	**22**	**247**	**269**
Additions	-	22	22
Disposals	-	-	-
Balance as at 31 March 2018	**22**	**269**	**291**
Additions	-	20	20
Disposals	-	-	-
Balance as at 31 March 2019	**22**	**289**	**311**
Accumulated amortisation			
Balance as at 1 April 2017	**16**	**136**	**152**
Additions	2	26	28
Disposals	-	-	-
Balance as at 31 March 2018	**18**	**162**	**180**
Additions	-	30	30
Disposals	-	-	-
Balance as at 31 March 2019	**18**	**192**	**210**
Net carrying amount			
Balance as at 31 March 2018	**4**	**107**	**111**
Balance as at 31 March 2019	**4**	**97**	**101**

3c Investment property

Particulars	As at 31 March 2019	As at 31 March 2018
Gross carrying amount		
Opening gross carrying amount	520	520
Additions	-	-
Transfer (refer note A below)	(520)	-
Balance at the end of the year	-	**520**
Accumulated depreciation		
Opening accumulated depreciation	110	92
Additions	9	18
Transfer (refer note A below)	(119)	-
Balance at the end of the year	-	**110**
Net carrying at the end of the year	-	**411**

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Notes:

A The Company had given a warehouse in Kandla, Gujarat on cancellable operating lease. During the year, the Company started operating the said property as a warehouse for the purpose of its business. Consequently, such investment property has been reclassified as building in note 3(a) 'property, plant and equipment'.

B

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Amount recognized in statement of profit and loss for investment property		
Rental income derived from investment property	5	31
Direct operating expenses (including repairs and maintenance) generating rental income	3	33
Profit / (loss) arising from investment property before depreciation	**2**	**(2)**
Less: Depreciation	9	18
Loss arising from investment property	**(7)**	**(20)**
Fair value of investment property	**-**	**491**

C Fair value of investment property

The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in Gandhi Dham, Gujarat area.

The valuation is based on valuations performed by an accredited independent valuer. Fair valuation is base on replacement cost method. The fair valuation measurement is categorised in level 2 fair value hierarchy.

4 Investments

A. Non-current

Particulars	As at 31 March 2019	As at 31 March 2018
Unquoted equity instruments - at cost, fully paid-up		
Investment in subsidiaries		
KRBL DMCC	217	217
[1,800 equity shares of AED 1,000 each, (31 March 2018 - 1,800 equity shares)]		
K B Exports Private Limited	210	210
[2,100,000 equity shares of ₹ 10 each, (31 March 2018 - 2,100,000 equity shares)]		
	427	**427**
Aggregate amount of unquoted investments	427	427
Aggregate amount of impairment in the value of investments	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B. Current

Particulars	As at 31 March 2019	As at 31 March 2018
Investment carried at fair value through profit or loss		
Investments in equity instruments - quoted, fully paid-up		
NHPC Limited	219	245
[882,712 equity shares of ₹ 10 each, (31 March 2018 - 882,712 equity shares)]		
Coal India Limited	181	217
[76,437 equity shares of ₹ 10 each, (31 March 2018 - 76,437 equity shares)]		
Power Grid Corporation of India Limited	213	208
[107,667 equity shares of ₹ 10 each, (31 March 2018 - 107,667 equity shares)]		
Shipping Corporation of India Limited	92	155
[242,265 equity shares of ₹ 10 each, (31 March 2018 - 242,265 equity shares)]		
MOIL Limited	60	74
[37,846 equity shares of ₹ 10 each, (31 March 2018 - 37,846 equity shares)]		
	765	899
Aggregate amount of quoted investments at cost	957	957
Aggregate amount of quoted investments at market value	765	899
Aggregate amount of impairment in the value of investments	192	58

5 Loans

A. Non-current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good unless otherwise stated)		
Security deposits[1]	309	289
Loan to employees	7	-
	316	289
Notes		
1. Deposit given to the Company in which director of Company is a director or a member: KRBL Infrastructure Limited	223	201

B. Current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Loan to employees	35	25
	35	25
No loans are due from firms or private companies in which any director is partner, director or a member.		

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

6 Other financial assets

A. Non-current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Fixed deposits[1]	6	109
	6	**109**

[1.] Liened as security issued to the various government authorities of ₹ 6 lacs [(31 March 2018 ₹ 5 lacs), and remaining amount is liened with banks against term loans taken by the Company].

B. Current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Income receivable	1,016	1,348
Derivative instrument	-	2
	1,016	**1,350**

7 Other non-current assets

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Capital advance	174	175
Balance with statutory authorities (including taxes/duty paid under protest)	10,326	2,093
Pre-payments[1]	1,199	1,279
	11,699	**3,547**

[1.] Pre-payments comprises of prepaid lease rentals and prepaid expense.

8 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	1,33,799	95,536
Packing material and consumables	7,041	6,916
Finished goods[1]	1,69,599	1,40,808
Stock-in-trade	793	1,413
Stores and Spares	1,653	1,488
	3,12,885	**2,46,161**

Notes:

1. Includes goods in transit of ₹ 8,417 lacs (31 March 2018 ₹ 9,424 lacs).
2. Refer note 24, 25 and 26 for consumption of inventory recorded by the Company during the year.
3. The Company has recorded few class of finished goods at the net realisable value (NRV), as their realisable value is lower than the cost of production. The total NRV adjustments made in the value of such products ₹ 5,341 lacs (31 March 2018: ₹ 2,362 lacs). This was recognized as an expense during the year and included in 'changes in inventories of finished goods and stock-in-trade' in the Statement of Profit and Loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

9 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	**39,729**	24,670
Trade receivables which have significant increase in Credit Risk	-	-
Less: Loss allowance	-	-
	39,729	**24,670**

Notes:

Debt due from directors/firm in which the directors are interested is ₹ nil (31 March 2018 ₹ 2 lacs).

10 Cash and cash equivalents[1]

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks in current accounts	**237**	3,735
Cash in hand		
- in Indian currency	**129**	134
	366	**3,869**

1. There is no restriction in repatriation of cash and cash equivalents, except amount of ₹ 50 lacs (31 March 2018 ₹ 50 lacs) which is held with the Income tax department.

11 Other bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
Unclaimed dividends- earmarked balances with banks	**42**	43
Deposits with original maturity more than 3 months and less than 12 months[1]	**49**	2,987
	91	**3,030**

1. The deposits of ₹ 49 lacs (31 March 2018 ₹ 2,987 lacs) are restricted as they are held as margin money deposits against the facilities extended to the Company by bank.

12 Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Balance with statutory authorities	**76**	689
Advances to suppliers	**1,011**	**1,248**
Pre-payments[1]	**1,190**	**1,078**
Other receivables	**36**	**147**
	2,313	**3,162**

1. Pre-payments comprises of prepaid lease rentals and prepaid expense.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

13 Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
300,000,000 (31 March 2018 - 300,000,000) equity shares of ₹ 1 each	3,000	3,000
	3,000	3,000
Issued and subscribed[1]		
236,244,892 (31 March 2018 - 236,244,892) equity shares of ₹ 1 each	2,362	2,362
	2,362	2,362
Fully paid-up[1]		
235,389,892 (31 March 2018 - 235,389,892) equity shares of ₹ 1 each	2,354	2,354
	2,354	**2,354**

[1.] Difference between the issued & subscribed and paid up share capital represents the shares forfeited by the Company in the preceding previous years.

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	23,53,89,892	2,354	23,53,89,892	2,354
Changes during the year	-	-	-	-
Equity shares at the end of the year	23,53,89,892	2,354	23,53,89,892	2,354

b) Terms/ rights attached to ordinary equity shares

The Company has only one class of equity shares having a face value of ₹ 1 per share. Each holder of equity shares is entitled to have one vote per share. The Company declares dividend in indian rupees and pays in INR to resident shareholders and in USD to the foreign shareholders under FDI category.

The board of directors of the Company in their meeting held on 15 May 2019 had recommended a final dividend @ 250 % i.e. ₹2.50 per equity share of face value of ₹ 1/- each for the year ended 31 March 2019 (31 March 2018 - ₹ 2.30 per share). The same shall be paid subject to the approval of shareholders in the ensuing annual general meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
1. Anil mittal family trust	4,25,45,864	18.07%	4,25,45,864	18.07%
2. Arun kumar gupta family trust	4,12,93,714	17.54%	4,12,93,714	17.54%
3. Anoop kumar gupta family trust	3,88,49,338	16.50%	3,88,49,338	16.50%
4. Reliance commodities DMCC	2,29,00,000	9.73%	2,29,00,000	9.73%

d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

During the buy-back period i.e. 4 March 2013 to 11 February 2014, the Company had bought back and extinguished 7,722,048 equity shares at an average price of ₹ 23.58 per share, utilising a sum of ₹ 1,821 lacs excluding transaction cost.

No bonus shares were issued by the Company during the last five years immediately preceding the reporting date.

14 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Retained earnings	2,15,527	1,78,712
(ii) General reserve	44,050	37,050
(iii) Securities Premium	9,655	9,655
(iv) Capital reserve	82	82
(v) Capital redemption reserve	77	77
	2,69,391	2,25,576

Notes: Nature and purpose of reserve

(i) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(ii) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. Also the Company has earlier forfeited the partly paid equity shares with the requisite approvals. The amount originally received against forfeited shares is also included in the general reserve.

(iii) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium

(iv) Capital reserve

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(v) Capital redemption reserve

The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

15 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Secured term loan from banks (refer note below)		
Rupee loans	4,668	6,750
Foreign currency loans	-	1,361
	4,668	8,111
Less: Current maturities of non-current borrowings (refer note 20)	1,344	2,916
	3,324	5,195

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

A. Details of security of non-current borrowings

The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹ 18,405 lacs (31 March 2018 - ₹ 17,715 lacs) in the form of term loan facilities taken from all banks mentioned below in note B.

First pari-passu charge on all movable and immovable properties of the Company and second pari-passu charge on all current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company.

B. Details of repayment of the non-current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
a. Rupee term loan from State Bank of India of ₹ 9,400 lacs, interest to be paid on monthly basis at prevailing MCLR +0.25% per annum (31 March 2018 - prevailing MCLR +0.25% per annum) and Repayable in 28 quarterly instalments of ₹ 336 lacs each, starting from December 2015 .	4,668	6,024
b. Rupee term loan from Kotak Mahindra Bank Limited of ₹ 763 lacs, interest to be paid on monthly basis @ 6 months MCLR + 0.95% per annum and was repayable in 8 quarterly instalments of ₹ 95.27 lacs each, starting from June 2017. The Company has repaid the entire loan during the year.	-	599
c. Foreign currency term loan from ICICI Bank Limited of USD 125.1 lacs equivalent of ₹ 7,747 lacs interest to be paid on monthly basis at 6 months MCLR + 1.20% per annum and was repayable in 20 equal quarterly instalments from December 2013 onwards. The Company has repaid the entire loan during the year.	-	1,361
d. Rupee term loan from ICICI Bank Limited of ₹ 400 lacs interest to be paid on monthly basis at 6 months MCLR + 1.20% per annum and was repayable in 20 equal quarterly instalment of ₹ 29.06 lacs starting from December 2013. The Company has repaid the entire loan during the year.	-	127
	4,668	8,111

16 Provisions

Particulars	As at 31 March 2019	As at 31 March 2018
A. Non-current provision for employee benefits		
Provision for compensated absences (refer note 34)	565	512
	565	512
B. Current provision for employee benefits		
Provision for gratuity (refer note 34B)	120	150
Provision for compensated absences (refer note 34C)	167	78
	287	228

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

17 Deferred tax liabilities (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Property, plant and equipment and intangible assets	14,987	14,421
Others	-	8
	14,987	14,429
Deferred tax assets		
Provision for employee benefit expenses	(256)	(193)
Others	(58)	(1,034)
	(314)	(1,227)
	14,673	13,202

Note:
Refer note 33B for the movement in deferred tax

18 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Secured		
Working capital facilities from bank		
- Rupee loan (refer note (i) and (ii) below)	91,435	25,587
- Foreign loan (refer note (iii) below)	22,572	70,957
	1,14,007	96,544
Unsecured		
Loan from bank (refer note (iv) below)	20,000	15,000
Loans from related parties (refer note (v) below)	4,144	4,870
	24,144	19,870
	1,38,151	1,16,414

A. Details of security of current borrowings

The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹ 175,400 lacs (31 March 2018 - ₹ 174,400 lacs) in the form of loan and other facilities taken from all banks mentioned below in note B.

First pari-passu charge on entire current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company and second pari-passu charge on entire movable and immovable properties of the Company.

Further, Mr Anil Kumar Mittal, Mr Arun Kumar Gupta, Mr Anoop Kumar Gupta and Mr. Ashish Mittal (to the extent of the properties mortgaged by him) has given their personal guarantees in favour of working capital lenders.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B. Details of repayment of the current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured:		
(i) Cash credit facilities from banks		
The Company has obtained credit facilities from consortium banks. The facilities carries interest at MCLR along with spread of respective banks.	44,435	13,087
(ii) Short-term working capital loan from banks		
The Company has obtained short-term working capital loan from consortium banks. The facilities carries interest at MCLR along with spread of respective banks except facility from Coöperatieve Rabobank U.A. which as per MIBOR along with spread.	47,000	12,500
(iii) PCFC - foreign loan		
The Company has obtained Packing credit facility from consortium banks and is repayable after the stipulated period. The facilities carries interest at LIBOR along with spread of respective banks.	22,572	70,957
Unsecured:		
(iv) Demand loans from banks - rupee loan		
The Company has obtained short-term working capital loan from HDFC Bank, one of consortium bank, and is payable after the stipulated period. The facilities carries interest at MCLR along with spread.	20,000	15,000
(v) Loans from related parties		
The Company has obtained loans from directors which are interest free and repayable on demand.	4,144	4,870

C. Unutilised facility at the year end

Particulars	As at 31 March 2019	As at 31 March 2018
Unutilised facility at the year end	**43,493**	**60,956**

19 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding due to micro and small enterprises	688	-
Total outstanding due of creditors other than micro and small enterprises	8,908	6,988
Acceptances	12,821	4,140
	22,417	11,128

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Note

A. Detail of dues of Micro and Small Enterprises as defined MSMED Act, 2006, to the extent the Company has received intimation from the 'Supplier' regarding their status under the Act.

Particulars	As at 31 March 2019	As at 31 March 2018
(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year - Principal amount remaining unpaid[1], and Interest accrued and remaining unpaid	688	-
(ii) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
	688	-

[1.] According to the records of the Company, there are no overdue principal amount/interest payable for delayed payment to such vendors at the balance sheet date. The amount payable to Micro and Small enterprises doesn't include any amount due for period more than the stipulated time prescribed under the MSMED Act, 2006.

20 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of non-current borrowings (refer note 15)	1,344	2,916
Interest accrued but not due on borrowings	639	164
Employees related payables	847	741
Security deposits	38	180
Expenses payable	5,680	4,210
Unclaimed dividend[1]	43	43
	8,591	**8,254**

[1.] Not due for deposit to Investor Education and Protection Fund

21 Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customers	1,941	590
Statutory dues payable	661	655
	2,602	**1,245**

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

22 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from sale of finished goods		
Export	1,84,351	1,30,281
Domestic	2,12,204	1,79,477
Revenue from sale of stock in trade		
Domestic	2,009	1,958
Sale of electricity		
Export	72	-
Domestic	12,788	12,371
Other operating revenue		
Scrap sales	533	557
	4,11,957	3,24,644

Note:

Refer note 32, for disaggregation of revenue from operations and other disclosures

23 Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income	655	1,032
Rental income	17	31
Dividend income	30	2,605
Net gain on redemption and fair valuation of investments through profit and loss	289	-
Profit on sale of property, plant and equipment	135	-
Liabilities/provisions no longer required written back	134	-
Other non operating income	230	366
	1,490	4,034

24 Cost of materials consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Paddy	1,95,852	1,47,196
Rice	1,02,106	62,506
Packing and other consumables	18,351	15,752
Amount of stock-in-trade used as raw material for production (refer note 26C)	452	-
	3,16,761	2,25,454

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

25 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Seeds	1,165	1,221
	1,165	1,221

26 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Opening stock		
Finished goods	1,40,808	1,30,779
Stock-in-trade	1,413	1,579
	1,42,221	1,32,358
B. Closing stock		
Finished goods	1,69,599	1,40,808
Stock-in-trade	793	1,413
	1,70,392	1,42,221
C. Amount of stock-in-trade used as raw material (refer note 24)	(452)	-
	(28,623)	(9,863)

27 Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries wages and bonus	6,698	5,963
Contribution to provident and other funds (refer note 34)	449	433
Gratuity and compensated absences (refer note 34)	126	174
Staff welfare expenses	146	132
	7,419	6,702

28 Finance cost

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on term loans	566	919
Interest expense on others	5,102	4,029
Net loss on foreign currency transactions and translation	883	1,828
Other borrowing cost	205	117
	6,756	6,893

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

29 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	6,399	6,722
Depreciation on investment property	9	18
Amortisation on intangible assets	30	28
	6,438	6,768

30 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	1,771	962
Consumption of stores and spares	995	1,247
Repairs and maintenance		
Plant and machinery	2,438	1,938
Buildings	360	267
Others	83	83
Fumigation	469	493
Freight inward	1,564	1,582
Travelling and conveyance	419	355
Communication expense	90	83
Rent	1,124	1,184
Legal and professional expense (refer note A)	473	404
Fees, rates and taxes	1,076	984
Vehicle running and maintenance	216	211
Insurance	320	256
Printing and stationery	102	77
Testing and inspection	420	187
Donation and charity	26	22
Clearing, forwarding and freight charges	9,162	6,134
Sales and business promotion	322	94
Advertisement	4,275	4,087
Meeting and seminar expense	157	249
Commission and brokerage	898	761
Corporate social responsibility expenses (refer note 36)	17	322
Security service charges	313	306
Sub-contractual expense	557	505
Net loss on foreign currency transactions and translation	1,160	-
Balance credit impaired	1,083	-
Other miscellaneous expenses	317	392
	30,207	23,185

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

A. Auditors' remuneration (excluding Goods and services tax/service tax)[1]

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit (including fees for limited reviews)	36	21
Other matters	-	4
Out of pocket expenses	1	-
	37	25

[1.] Auditor remuneration for the year ended 31 March 2019 doesn't includes the remuneration paid by Company to the erstwhile auditors.

31 Earnings per share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity shareholders	50,327	46,179
Numbers of weighted average equity share outstanding at the year end for Basic and Diluted	23,53,89,892	23,53,89,892
Nominal value per share in ₹	1.00	1.00
Earnings per share in ₹	21.38	19.62

32 Disaggregation of revenue from operations

A. Revenues by Geography

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rice and other related products		
- within India	2,14,213	1,81,435
- other than India	1,84,351	1,30,281
	3,98,564	3,11,716
Electricity		
- within India	12,788	12,371
- other than India	72	-
	12,860	12,371
Sale of scrap		
- within India	533	557
	533	557

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B. Revenues by offerings

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of goods		
- Rice	3,79,112	2,96,694
- Paddy	1,036	509
- Seeds	2,008	1,953
- Quinoa	248	480
- By products		
- Husk	2,191	1,502
- Bran products	5,987	3,780
- Furfural oil	1,685	917
- Doil cake	3,772	2,333
- Glucose	332	656
- Others	2,193	2,892
	3,98,564	3,11,716
Sale of electricity	12,860	12,371
Sale of scrap	533	557

C. Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contracted price	4,20,917	3,31,066
Less: Trade discounts, volume rebates, etc	8,960	6,422
Sale of products	4,11,957	3,24,644

D. Contract balances

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- Contract assets[1]	1,016	1,348
- Contract liabilities[2]	1,941	590

Notes

1. The contract assets are in form of receivables, which are included in income receivable, primarily relate to the Company rights to consideration for power sold to the customers but not billed at the reporting date. The contract assets are transferred to receivables when it will be billed subsequently.
2. The contract liabilities are in form advance received from customer for which the obligation of supply of goods/service is not completed at the year end.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

E. Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance of contract liabilities	**590**	1,256
Addition in balance of contract liabilities for current year	**1,941**	590
Amount of revenue recognised against opening contract liabilities	**590**	1,256
Closing balance of contract liabilities	**1,941**	**590**
Opening balance of contract assets	**1,348**	2,641
Addition in balance of contract assets for current year	**1,016**	1,348
Amount of billing recognised against opening contract assets	**1,348**	2,641
Closing balance of contract assets	**1,016**	**1,348**

F. The Company has adopted Ind AS 115 "Revenue from Customers" with effect from 1 April 2018 using a modified retrospective transition approach permitted under Ind AS 115. The adoption of the standard did not have material impact on the revenue recognised by the Company.

G. Post applicability of Goods and Service Tax Act (GST), w.e.f. 01 July 2017, the revenue is disclosed net of GST. Accordingly, the revenue from operations for year ended 31 March 2019 is not comparable with previous year as Excise duties formed part of revenue from operations and expenses during the previous period upto 30 June 2017.

H. In accordance with requirements of Ind AS 115, the Company has presented excise duty separately.

33 Income tax

A. Reconciliation of effective tax rate

	For the year ended 31 March 2019	For the year ended 31 March 2018
Enacted income tax rate applicable to the Company	**34.94%**	**34.61%**
Profit before tax	**73,324**	**68,235**
Less: Profit of the eligible units exempt under 80IA of the Income-tax Act, 1961	**7,899**	6,308
Taxable profit of the Company	**65,425**	61,927
Expected tax expenses	**22,860**	21,433
Tax effect of:		
Non deductible expenses (net)	**57**	109
Changes in the tax assumptions for claiming deduction under 80IA of the Act on eligible projects and others, including creation of MAT entitlement	**(27)**	1,006
Impact due to change in the tax rates	**93**	-
Impact due to others including amount taxable at the lower tax rate	**14**	(492)
Total income tax expense in the Statement of Profit and Loss	**22,997**	**22,056**

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B. Movement of temporary differences

	Balance as at 31 March 2018	Recognised in profit or loss during 2018-19	Balance as at 31 March 2019
Deferred tax liabilities			
Property, plant and equipment and intangible assets	14,421	566	**14,987**
Others	9	(9)	**-**
Deferred tax assets			
Provision for employee benefit expenses	(193)	(63)	**(256)**
Others	(1,035)	977	**(58)**
	13,202	**1,471**	**14,673**

	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Balance as at 31 March 2018
Deferred tax liabilities			
Property, plant and equipment and intangible assets	12,839	1,582	14,421
Others	19	(10)	9
Deferred tax assets			
Provision for employee benefit expenses	(179)	(14)	(193)
Others	(1,301)	266	(1,035)
	11,378	**1,824**	**13,202**

C. Movement in MAT credit entitlement

	For the year ended 31 March 2019	For the year ended 31 March 2018
MAT credit entitlement		
Opening	**-**	1,260
Add: MAT credit entitlement	**1,490**	-
Less: MAT credit availed	**(1,490)**	(1,260)
Closing	**-**	**-**

D. The Company doesn't have any carry forward losses and MAT credit entitlement as at the year end

34 Employee benefit obligations

A. Defined contribution plans

Particulars	As at 31 March 2019	As at 31 March 2018
Employer's contribution to provident fund	**321**	312
Employer's contribution to employees state insurance	**128**	121
	449	433

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B. Defined benefit plans

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Kotak Mahindra Life Insurance Company Limited with whom the plan assets are maintained.

Policy for recognizing actuarial gains and losses

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risk are investment risk, interest rate risk, mortality risk and salary risk.

Interest rate risk

'The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

Investment risk

Plan assets comprise funds managed by the insurer i.e. Kotak Mahindra Life Insurance Company Limited.

Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following table sets out the funded status and the amount recognised in the Company's financial statements.

Particulars	**As at 31 March 2019**	**As at 31 March 2018**
a. Amounts to be recognised		
Present value of obligation	**1,126**	1,025
Fair value of plan assets	**1,006**	875
Net (liability) recognised	**(120)**	**(150)**
Current liability	**(120)**	**(150)**
Non- current liability	**-**	**-**
b. Changes in present value of defined benefit obligation:		
Defined Benefit at the beginning of the year	**1,025**	883
Current Service Cost	**114**	110
Past Service Cost	**-**	46
Interest cost	**81**	68
Benefits paid	**(98)**	(45)
Remeasurements-actuarial gain/loss -due to change financial assumptions	**12**	(20)
Remeasurements-actuarial gain/loss -due to experience	**(8)**	(17)
Present value of benefit obligation at the end of the year	**1,126**	**1,025**

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
c. Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	875	656
Expected return on plan assets	69	50
Contributions made	150	227
Benefits paid	(98)	(45)
Return on plan assets, excluding interest income	10	(13)
Fair value of plan assets at the end of the year	**1,006**	**875**
d. Expenses recognized in Statement of profit or loss		
Current service cost	114	110
Interest expense	12	18
Past service cost	-	46
Expense for the year ended	126	174
e. Recognized in other comprehensive income		
Remeasurements-actuarial gain/loss on obligation for the period	4	(37)
Return on plan assets, excluding interest income	(10)	13
Net income at the end of the period	(6)	(24)
f. Actuarial assumptions		
Discount rate	7.78%	7.87%
Expected rate of return on plan assets	7.78%	7.87%
Expected rate of increase in compensation levels	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
Attrition / Withdrawal rates	1%	1%
g. Investment details		
Insurance Fund	1,006	875
h. The Company expects to contribute ₹ 342 lacs to gratuity fund in the next financial year.		

i. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate		
1% increase	(125)	(113)
1% decrease	151	137
Future salary increase		
1% increase	143	131
1% decrease	(121)	(111)
Employee turnover rate		
1% increase	28	26
1% decrease	(32)	(30)

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

j. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018
Within next 12 months	125	150
Between 1-5 years	139	118
Beyond 5 years	3549	3285

C. Other long term benefit plans

Other long term benefit plans represents the compensated absences provided to the employees of the Company

Actuarial valuation has been done with the following assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.78%	7.78%
Expected rate of return on plan assets	NA	NA
Expected rate of increase in compensation levels	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
Attrition / Withdrawal rates	1%	1%

35 Lease commitments

Assets taken on non-cancellable operating leases

The Company has taken various premises on operating leases. The lease agreements generally have a lock-in-period of 1-22 years and are cancellable at the option of the lessee. During the year, lease payments under operating leases (inclusive of cancellable leases) amounting to ₹ 1,124 lacs (31 March 2018 ₹ 1,184 lacs) have been recognised as an expense in the Statement of Profit and Loss. The future aggregate minimum lease payments under non-cancellable operating leases are as follows :

Particulars	As at 31 March 2019	As at 31 March 2018
Within less than one year	954	857
Between one and five years	3,124	1,942
After more than five years	4,226	577
	8,304	3,376

Assets given on non-cancellable operating leases

The Company had given a premises on operating leases which was vacated by the tenant during the year. During the year the Company received rent amounting to ₹ 5 lacs (31 March 2018 ₹ 31 lacs).

36 Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The details for CSR activities is as follows.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Gross amount required to be spent by the Company during the year	1098	878
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	-
2. On purpose other than 1 above	17	322

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

37 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence.

The Company monitors capital using a ratio of "Net Debt" to "Total Equity". For this purpose, Net Debt is defined as total liabilities less cash and cash equivalents. Total equity comprises of equity share capital and other equity.

During the year, no significant changes were made in the objectives, policies or processes relating to the management of the Company's capital structure.

The Company's net debt to total equity ratio is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings	3,324	5,195
Current borrowings	1,38,151	1,16,414
Current maturities of non-current borrowings	1,344	2,916
Less: Cash and cash equivalents	(366)	(3,869)
Net debt	**1,42,453**	**1,20,656**
Equity share capital	2,354	2,354
Other equity	2,69,391	2,25,576
Total equity	**2,71,745**	**2,27,930**
Net debt to total equity ratio	**0.52**	**0.53**

38 Financial instruments

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not make significant investments in equity shares, except for entities where it exercises control or joint control or significant influence.

A Disclosure in respect of financial risk management

1. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments, cash and cash equivalents, deposits and security deposits.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Credit risk management:

(i) Trade receivable related credit risk

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on routine basis. The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets. Therefore, there is no credit risk associated with the trade receivables of the Company at the year end.

However, the Company during the year identified few balances of amounting to ₹ 1,083 lacs of the trade receivable which were subject to dispute and will not be realisable and hence, has been credit impaired.

(ii) Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, money market liquid mutual funds with financial institutions and derivative financial instruments. The Company's maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 is the carrying value of each class of financial assets.

(iii) Treasury related credit risk

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company actively manages its exposure to credit risk, reducing surplus cash balances wherever possible through investment in bank deposits. Further, the company ensures it diversifies its treasury related credit risk by investing in bank deposits in different banks. Limits are set for maximum investment in deposits in each bank.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2019	As at 31 March 2018
Loans	350	314
Investments (other than investment in subsidiaries)	765	899
Trade receivables	39,729	24,670
Other financial assets	1,022	1,459
Total	**41,866**	**27,342**

The ageing of trade receivables at the reporting date on due basis are:

Particulars	As at 31 March 2019	As at 31 March 2018
Not past due	20,775	12,681
Past due 0-30 days	16,802	3,476
Past due 31-120 days	775	4,883
Past due 120 days-one year	1,022	2,936
More than one year	355	694
Total	**39,729**	**24,670**

2. Liquidity Risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Company regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(i) Maturities of financial liabilities

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at 31 March 2019						
Particulars	**Carrying amount**	**On demand**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**
Non-current borrowings	4,668	-	672	672	1,344	1,980
Current borrowings	1,34,007	1,34,007	-	-	-	-
Loan from related party	4,144	4,144	-	-	-	-
Trade payables	22,417	-	22,417	-	-	-
Other financial liabilities	7,247	81	7,166			

As at 31 March 2018						
Particulars	**Carrying amount**	**On demand**	**6 months or less**	**6-12 months**	**1-2 years**	**2-5 years**
Long term borrowings	8,111	-	1,458	1,458	1,860	3,335
Working capital borrowings	1,11,544	1,11,544	-	-	-	-
Loan from related party	4,870	4,870	-	-	-	-
Trade payables	11,128	-	11,128	-	-	-
Other financial liabilities	5,338	224	5,114			

(ii) Market risk - foreign exchange risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- price risk; and
- interest rate risk.

3. Currency Risk

The Company operates internationally and consequently the Company is exposed to foreign exchange risk through its sales in overseas market. The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows policies which includes the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Company has Outstanding Forward contracts as on 31 March 2019 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts of ₹ Nil as at 31 March 2019, (31 March 2018 ₹ (35.57) lacs), which has been accounted for accordingly in the books of accounts.

(i) Derivative Instruments

Outstanding forward exchange contracts as entered into by the Company for the purpose of hedging its foreign currency exposures are as under:

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Foreign currency	Cross currency	Sell contract	
		31 March 2019	31 March 2018
USD	Indian Rupee	-	9,756
EURO	USD	-	33,054

Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument are as under:

Particulars	₹ in lacs		AED in lacs		USD in lacs	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets						
Trade receivables	7,049	8,091	-	-	102	124
Cash and cash equivalents	133	3,443	-	-	2	53
Financial liabilities						
Trade payables[1]	23	58	-	3	0	-
Borrowings	22,572	70,957		-	326	1,091
Advance from customers	429	279	1	-	6	4

1. Rounded off to zero.

(ii) Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	AED		USD	
	5% increase	5% decrease	5% increase	5% decrease
31 March 2019 (₹ in lac)	(1)	1	(791)	791
31 March 2018 (₹ in lac)	(3)	3	(2,985)	2,985

4. Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As at year end, the Company has following borrowings

Particulars	31 March 2019	31 March 2018
Fixed rate of borrowings	1,04,771	1,07,085
Variable rate borrowings	33,904	12,570

Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax	31 March 2019	31 March 2018
100 bps increase- decrease in profits	170	64
100 bps decrease- increase in profits	170	64

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments) were utilised for the whole financial year.

5. Price Risk

The Company is mainly exposed to the price risk due to its investment in equity shares. The price risk arises due to uncertainties about the future market values of these investments.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

The table below summarises the impact of increases/decreases of the index on the Company's equity and profit for the year. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Impact on profit before tax	31 March 2019	31 March 2018
Sensex increase by 5%	38	45
Sensex decrease by 5%	(38)	(45)

B Fair value disclosure

1. Fair value measurement of Financial Instruments

	31 March 2019			31 March 2018		
	FVTPL	FVOCI	Amortised cost[1]	FVTPL	FVOCI	Amortised cost[1]
Financial Assets						
Investments (other than in subsidiary)[2]	765	-	-	899	-	-
Derivative instruments	-	-	-	2	-	-
Loans	-	-	350	-	-	314
Cash and cash equivalents	-	-	366	-	-	3,869
Other bank balances	-	-	91	-	-	3,030
Trade receivables	-	-	39,729	-	-	24,670
Other financial assets	-	-	1,022	-	-	1,457
Total	**765**	**-**	**41,558**	**901**	**-**	**33,340**
Financial liabilities						
Borrowings	-	-	1,42,819	-	-	1,24,525
Trade payables	-	-	22,417	-	-	11,128
Other financial liabilities	-	-	7,247	-	-	5,338
Total	**-**	**-**	**1,72,483**	**-**	**-**	**1,40,991**

1. The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets, borrowings, trade payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments.

   Further, these instruments are valued at level 3 and their fair value are considered to be same as their carrying value, as there is an immaterial change in the lending rate.

2. Investment in equity instrument in the subsidiary has been accounting at cost in accordance with Ind As 27. Therefore, the same are not in the scope of Ind As 109 and not disclosed here.

2. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation each level follows underneath the table.

Assets and liabilities measured at amortised cost, for which fair value are disclosed

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(A) Financial instruments valued at fair value through profit and loss

	31 March 2019		31 March 2018	
	Level 1	**Level 2**	**Level 1**	**Level 2**
Financial Assets				
Investments (other than in subsidiary)	765	-	899	-
Derivative instruments	-	-	-	2
Total	**765**	**-**	**899**	**2**

(B) Financial instruments valued at amortised cost

	31 March 2019	31 March 2018
	Level 3	**Level 3**
Financial assets		
Loans	350	314
Cash and cash equivalents	366	3,869
Other bank balances	91	3,030
Trade receivables	39,729	24,670
Other financial assets	1,022	1,457
Total	**41,558**	**33,340**
Financial liabilities		
Borrowings	1,42,819	1,24,525
Trade payables	22,417	11,128
Other financial liabilities	7,247	5,338
Total	**1,72,483**	**1,40,991**

3. Derivative financial assets

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

4. **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include the use of discount cash flows for estimating fair value of loans to employees, security deposits and borrowings.

The carrying amounts of trade receivables, cash and cash equivalents, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature

The fair value for loans and security deposits were calculated based on cash flow discounted using a current lending rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of borrowings approximates the carrying amount.

39 Segmental Reporting

A Operating segments

Agri - Comprises of agricultural commodities such as rice, Furfural, seed, bran, bran oil, etc.

Energy - Comprises of power generation from wind turbine, husk based power plant and solar power plant.

B Identification of segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

C Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure.

D Segment assets and liabilities:

Assets used by the operating segments mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

E Summary of Segmental Information

S. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
1.	**Segment revenue**		
(a)	Agri	3,99,097	3,12,273
(b)	Energy	21,457	19,491
	Total segment revenue	**4,20,554**	**3,31,764**
	Inter segment revenue - Energy	(8,597)	(7,120)
	Net segment revenue	**4,11,957**	**3,24,644**

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
2.	**Segment results**		
(a)	Agri	**71,787**	66,129
(b)	Energy	**8,181**	8,562
	Total segment results (before finance costs and tax)	**79,968**	**74,691**
	Less: Finance costs	**6,200**	6,034
	Less: Other unallocable expenditures (net of unallocable incomes)	**444**	422
	Total profit before tax	**73,324**	**68,235**
3.	**Segment assets**		
(a)	Agri	**3,96,608**	3,14,644
(b)	Energy	**66,056**	70,215
	Total segment assets	**4,62,664**	3,84,859
4.	**Segment liabilities**		
(a)	Agri	**32,565**	18,600
(b)	Energy	**5,190**	7,908
(c)	Unallocable	**1,53,164**	1,30,421
	Total segment liabilities	**1,90,919**	**1,56,929**
	Segment revenue - Geographical information:		
(a)	Agri		
	India	**2,14,746**	1,81,993
	Rest of the world	**1,84,351**	1,30,280
	Sub-total (a)	**3,99,097**	**3,12,273**
(b)	Energy		
	India	**21,385**	19,491
	Rest of the world	**72**	-
	Sub-total (b)	**21,457**	**19,491**
	Total (a)+(b)	**4,20,554**	**3,31,764**
	Inter-segment revenue - Energy	**(8,597)**	(7,120)
	Total	**4,11,957**	**3,24,644**

40 Related party transactions

A Related parties and their relationships

(a) Subsidiaries

K B Exports Private Limited
KRBL DMCC, Dubai
KRBL LLC, USA, a step down subsidiary of KRBL Limited

(b) Key Management Personnel:

Mr. Anil Kumar Mittal	Chairman & Managing Director
Mr. Arun Kumar Gupta	Joint Managing Director
Mr. Anoop Kumar Gupta	Joint Managing Director
Ms. Priyanka Mittal	Whole Time Director
Mr. Ashok Chand*	Whole Time Director

*Resigned w.e.f 23 July 2018.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(c) KMP's as per the provisions of the Companies Act, 2013

Mr. Rakesh Mehrotra	Chief Financial Officer
Mr. Raman Sapra	Company Secretary

(d) Independent Non-Executive Directors:

Mr. Vinod Ahuja
Mr. Ashwani Dua
Mr. Shyam Arora
Mr. Devendra Kumar Agarwal
Mr. Alok Sabharwal

(e) Employee benefit plans where there in significant influence:

KRBL Limited Employees Group Gratuity Trust

(f) Relatives of Key Management Personnel:*

Mrs. Preeti Mittal	Wife of Mr. Anil Kumar Mittal
Mrs. Anulika Gupta	Wife of Mr. Arun Kumar Gupta
Mrs. Binita Gupta	Wife of Mr. Anoop Kumar Gupta
Mrs. Neha Singh	Daughter of Mr. Arun Kumar Gupta
Mrs. Rashi Gupta	Daughter of Mr. Anoop Kumar Gupta
Mr. Ashish Mittal	Son of Mr. Anil Kumar Mittal
Mr. Kunal Gupta	Son of Mr. Arun Kumar Gupta
Mr. Akshay Gupta	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	Son of Mr. Anoop Kumar Gupta
Lt. Tara Devi	Mother of Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta

(g) Enterprises over which key management personnel are able to exercise significant influence:*

KRBL Infrastructure Limited
Khushi Ram Behari Lal
Adwet Warehousing Private Limited
KRBL Foods Limited

(h) Trust/HUF's over which key management personnel are able to exercise significant influence:*

Anil Mittal Family Trust
Anoop Kumar Gupta Family Trust
Arun Kumar Gupta Family Trust
Anil Kumar Mittal HUF
Arun Kumar Gupta HUF
Anoop Kumar Gupta HUF

* This includes only those parties with whom company had related party transactions.

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Transactions and balances with related parties

Particulars		Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
I.	**Transactions entered during the year**								
i	**Purchase of goods**[1]								
	Khushi Ram Behari Lal	2	3	-	-	-	-	-	-
ii	**Sale of goods**[1]								
	Khushi Ram Behari Lal	781	742	-	-	-	-	-	-
	KRBL LLC	-	-	-	51	-	-	-	-
iii	**Arrangement Fees Paid**								
	KRBL LLC	-	-	71	46	-	-	-	-
	KRBL DMCC	-	-	49	12	-	-	-	-
iv	**Rent paid**[1]								
	Mr. Anil Kumar Mittal	-	-	-	-	2	1	-	-
	Mr. Arun Kumar Gupta	-	-	-	-	6	5	-	-
	Mr. Anoop Kumar Gupta	-	-	-	-	6	5	-	-
	Mr. Ashok Chand	-	-	-	-	-	1		
	KRBL Infrastructure Limited	199	196	-	-	-	-	-	-
	KRBL Foods Limited	651	552	-	-	-	-	-	-
	Adwet Warehousing Private Limited	25	-	-	-	-	-	-	-
	Mrs. Anulika Gupta	-	-	-	-	-	-	12	12
	Mrs. Binita Gupta	-	-	-	-	-	-	2	2
	Mrs. Preeti Mittal	-	-	-	-	-	-	2	2
	Mr. Ashish Mittal	-	-	-	-	-	-	13	13
	Lt. Tara Devi	-	-	-	-	-	-	-	4
	Anoop Kumar Gupta HUF	10	10	-	-	-	-	-	-
v	**Expense incurred (on behalf of company by others)/by company for others**								
	Khushi Ram behari lal	2	0	-	-	-	-	-	-
	KRBL LLC	-	-	(4)	-	-	-	-	-
	KRBL DMCC	-	-	(447)	(46)	-	-	-	-
vi	**Remuneration on account of salary and perquisites**[2]								
	Mr. Anil Kumar Mittal	-	-	-	-	109	98	-	-
	Mr. Arun Kumar Gupta	-	-	-	-	109	98	-	-
	Mr. Anoop Kumar Gupta	-	-	-	-	109	98	-	-
	Ms. Priyanka Mittal	-	-	-	-	56	56	-	-
	Mr. Ashok Chand	-	-	-	-	10	27	-	-
	Mr. Raman Sapra	-	-	-	-	14	13	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

	Particulars	Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	Mr. Rakesh Mehrotra	-	-	-	-	79	75	-	-
	Mr. Ashish Mittal	-	-	-	-	-	-	22	18
	Mr. Kunal Gupta	-	-	-	-	-	-	22	18
	Mr. Akshay Gupta	-	-	-	-	-	-	22	18
	Mr. Ayush Gupta	-	-	-	-	-	-	22	18
vii	**Electricity charges paid**								
	KRBL Infrastructure Limited	78	83	-	-	-	-	-	-
viii	**Repair and Maintenance paid**								
	KRBL Infrastructure Limited	13	11	-	-	-	-	-	-
ix	**Sitting fees paid[3]**								
	Mr. Vinod Ahuja	-	-	-	-	-	-	1	0
	Mr. Ashwani Dua	-	-	-	-	-	-	0	0
	Mr. Shyam Arora	-	-	-	-	-	-	1	0
	Mr. Devendra Kumar Agarwal	-	-	-	-	-	-	1	0
	Mr. Alok Sabharwal	-	-	-	-	-	-	1	0
x	**Dividend paid**								
	Anil Mittal Family Trust	979	893	-	-	-	-	-	-
	Arun Kumar Gupta Family Trust	950	867	-	-	-	-	-	-
	Anoop Kumar Gupta Family Trust	894	816	-	-	-	-	-	-
	Anil Kumar Mittal HUF	83	76	-	-	-	-	-	-
	Arun Kumar Gupta HUF	112	102	-	-	-	-	-	-
	Anoop Kumar Gupta HUF	168	153	-	-	-	-	-	-
	Mr. Anil Kumar Mittal[3]	-	-	-	-	0	0	-	-
	Mr. Arun Kumar Gupta[3]	-	-	-	-	0	0	-	-
	Mr. Anoop Kumar Gupta[3]	-	-	-	-	0	0	-	-
	Ms. Priyanka Mittal[3]	-	-	-	-	0	0	-	-
	Mr. Ashish Mittal[3]	-	-	-	-	-	-	0	0
	Mr. Kunal Gupta[3]	-	-	-	-	-	-	0	0
	Mr. Akshay Gupta[3]	-	-	-	-	-	-	0	0
	Mr. Ayush Gupta[3]	-	-	-	-	-	-	0	0
	Mrs. Binta Gupta[3]	-	-	-	-	-	-	0	0
	Mrs. Anulika Gupta[3]	-	-	-	-	-	-	0	0
	Mrs. Neha Singh[3]	-	-	-	-	-	-	0	0
	Mrs. Rashi Gupta[3]	-	-	-	-	-	-	0	0
	Mrs. Preeti Mittal[3]	-	-	-	-	-	-	0	0

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

	Particulars	Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
xi	**Dividend received**								
	KRBL DMCC	-	-	-	2,570	-	-	-	-
xii	**Interest paid**								
	Khushi Ram Behari Lal	34	23	-	-	-	-	-	-
xiii	**Advances given**								
	Mr. Raman Sapra[3]	-	-	-	-	0	-	-	-
	Mr. Rakesh Mehrotra	-	-	-	-	1	-	-	-
xiv	**Advances adjusted against salary**								
	Mr. Raman Sapra[3]	-	-	-	-	0	-	-	-
	Mr. Rakesh Mehrotra[3]	-	-	-	-	0	-	-	-
xv	**Borrowings- Unsecured loans availed**								
	Mr. Anil Kumar Mittal	-	-	-	-	1,792	717	-	-
	Mr. Arun Kumar Gupta	-	-	-	-	2,423	1,319	-	-
	Mr. Anoop Kumar Gupta	-	-	-	-	3,721	1,008	-	-
	Ms. Priyanka Mittal	-	-	-	-	436	-	-	-
xvi	**Borrowings-Unsecured loans repaid**								
	Mr. Anil Kumar Mittal	-	-	-	-	2,243	1,014	-	-
	Mr. Arun Kumar Gupta	-	-	-	-	2,195	1,324	-	-
	Mr. Anoop Kumar Gupta	-	-	-	-	4,258	1,367	-	-
	Ms. Priyanka Mittal	-	-	-	-	402	-	-	-
xvii	**Discount allowed on sale of goods**								
	Khushi Ram Behari Lal	49	51	-	-	-	-	-	-
xviii	**Advance received against supply of goods**								
	Khushi Ram Behari Lal	2,568	815	-	-	-	-	-	-
xix	**Advance received against supply of goods returned back**								
	Khushi Ram Behari Lal	645	-	-	-	-	-	-	-
II	**Balances outstanding at the year end**								
i	**Unsecured borrowings- Current**								
	Mr. Anil Kumar Mittal	-	-	-	-	342	793	-	-
	Mr. Arun Kumar Gupta	-	-	-	-	1,266	1,038	-	-
	Mr. Anoop Kumar Gupta	-	-	-	-	2,502	3,039	-	-
	Ms. Priyanka Mittal	-	-	-	-	34	-	-	-
ii	**Advance received from customers**								
	Khushi Ram Behari Lal	1,418	195	-	-	-	-	-	-

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

	Particulars	Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
iii	**Receivable (payable)**								
	KRBL Infrastructure Limited	-	(39)	-	-	-	-	-	-
	KRBL Foods Limited	-	(5)	-	-	-	-	-	-
	KRBL LLC	-	-	(16)	2	-	-	-	-
	KRBL DMCC	-	-	(79)	(58)	-	-	-	-
iv	**Receivable on account of Security deposit/Prepaid Lease**								
	KRBL Infrastructure Limited	971	971	-	-	-	-	-	-
v	**Employee related payables**								
	Mr. Anil Kumar Mittal	-	-	-	-	2	13	-	-
	Mr. Arun Kumar Gupta	-	-	-	-	2	10	-	-
	Mr. Anoop Kumar Gupta	-	-	-	-	2	11	-	-
	Ms. Priyanka Mittal	-	-	-	-	2	1	-	-
	Mr. Ashok Chand	-	-	-	-	-	1	-	-
	Mr. Raman Sapra	-	-	-	-	1	1	-	-
	Mr. Rakesh Mehrotra	-	-	-	-	3	2	-	-
	Mr. Ashish Mittal	-	-	-	-	-	-	1	3
	Mr. Kunal Gupta	-	-	-	-	-	-	1	5
	Mr. Akshay Gupta	-	-	-	-	-	-	1	4
	Mr. Ayush Gupta	-	-	-	-	-	-	1	4
vi	**Other balances outstanding at the end of the year, net (payable)/ receivable**								
	Mr. Arun Kumar Gupta[3]	-	-	-	-	(0)	(0)	-	-
	Mr. Anoop Kumar Gupta[3]	-	-	-	-	(0)	(0)	-	-
	Ms. Priyanka Mittal	-	-	-	-	1	-	-	-
	Mr. Rakesh Mehrotra	-	-	-	-	1	(0)	-	-
	Mr. Ashish Mittal[3]	-	-	-	-	-	-	(0)	-
	Mr. Ayush Gupta[3]	-	-	-	-	-	-	(0)	(2)

1. Transactions are inclusive of Goods and Services tax
2. As gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to relatives of KMPs cannot be individually identified.
3. Amounts are below rounding off thresholds adopted by the Company.
4. Personal guarantee has been given by Mr. Anil Kumar Mittal, Mr. Anoop Kumar Gupta and Mr. Arun Kumar Gupta in respect of working capital consortium loan taken by the Company, as at the year ended 31 March 2019, the outstanding amount of loan is ₹ 114,007 lacs (31 March 2018 ₹ 96,544 las) and Mr. Ashish Mittal (relative of key managerial personnel) to the extent of the immovable properties as specified in consortium agreement.
5. All related party transactions are at arms length price and in the ordinary course of business.
6. Refer note 3(D) for transactions related to Property, Plant and Equipment with KMP and their relatives

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

41 Contingent liabilities and commitments

A Contingent liabilities

(i) Claims against the Company not acknowledged as debts*	As at 31 March 2019	As at 31 March 2018
Income tax matters[1]	1,26,920	-
Indirect taxes[2]	7,501	2300
Other matters	613	132
	1,35,034	2,432

1. The Company has 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 ₹ 75,744 lacs and interest thereon ₹ 51,176 lacs. Vide writ petition filed, the Company has obtained an order from Hon'ble High Court of Delhi, that no coercive action shall be taken against the Company. The management of the Company has contested this demand at CIT (Appeals), New Delhi. Further, the Company is required to pay ₹ 25,384 lacs under protest for contesting such demand. Till 31 March 2019, the Company has paid ₹ 7,500 lacs under protest and thereafter, required to pay monthly instalments of ₹ 1,200 lacs as agreed with the income tax department. The management, based on legal assessment, is confident that it has a favourable case and that the demand shall be deleted at the appellate stage. The auditors of the Company have invited attention to the aforementioned issue in their audit report for the quarter and year ended 31 March 2019.

2. Indirect taxes includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003.

*. The Company on the basis of the legal opinion is of the firm belief that the above demands are not tenable and highly unlikely to be retained by higher authorities and is accordingly not carrying any provision in its books in respect of such demands. The amounts disclosed are based on the orders/ notices received from the authorities.

B The Hon'ble Supreme Court (""SC"") has, in a recent decision ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays special allowance, conveyance allowance and others allowances to its employees as a part of its their compensation structure, which are not included in the basic wages for the purpose of computing the PF. As the above said ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for employee contribution has been recognised in the financial statements for the year ended 31 March 2019

C Commitments

Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment (net of advances)	1,320	605

42 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from April 01, 2001 and the domestic transfer pricing norms introduced with effect from April 01, 2012, the Company is required to use certain specified methods in computing arm's length price of international and national transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

43 Research and development expenditure

Research and development expenditure incurred during the year ended 31 March 2019 and 31 March 2018 is as follows

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Capital expenditure	-	-
Revenue expenditure	523	480

44 Dividends

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A	**Dividend declared and paid during the year**		
	Final dividend declared and paid for the year ended 31 March 2018 ₹ 2.30 per share (For the year ended 31 March 2017 : ₹ 2.10 per share)	5,414	4,943
	Dividend distribution tax on final dividend	1,102	483
B	**Proposed dividends on equity shares not recognised as liability**		
	Proposed dividends for the year ended 31 March 2019 ₹ 2.50 per share (For the year ended 31 March 2018 : ₹ 2.30 per share)	5,885	5,414
	Dividend distribution tax on proposed dividend	1,210	1,102
C	**Remittance in foreign currency on account of dividend**		
	Number of non-resident shareholders to whom dividend is remitted	5	5
	Number of equity shares held by them	3,90,00,000	3,90,00,000
	Amount of dividend paid	897	819
	Year to which the dividend relates	2017-18	2016-17

45 Assets pledged as security

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets		
First charge		
Property, plant and equipments including capital work in progress	92,915	96,799
Intangible assets	101	111
Total non-current assets pledged as security	93,016	96,910
Current assets		
First charge		
Pari-passu		
Inventories	3,12,885	2,46,161
Financial assets (current and non-current)	42,752	34,668
Other assets (current and non-current)	14,012	6,710
Total current assets pledged as security	3,69,649	2,87,539
Total assets pledged as security	4,62,665	3,84,449

46 Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Non-current borrowings		
Opening balance	8,111	12,502
Proceeds	-	-
Repayment	3,443	4,456
Net loss on foreign currency transactions and translation	-	65

NOTES FORMING PART OF THE FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Closing balance	**4,668**	**8,111**
Current borrowings		
Opening balance	1,16,414	96,505
Movement (net)	22,192	19,275
Net (gain)/loss on foreign currency transactions and translation	(455)	634
Closing balance	**1,38,151**	**1,16,414**
Finance cost		
Accrued but not due as at 1 April	164	191
Expenses incurred	6,756	6,893
Expenses paid	6,281	6,920
Accrued but not due as at 31 March	**639**	**164**

47 During the previous year, the officers of the directorate of enforcement, ministry of finance, government of India visited under section 17 of the PMLA 2002, the premises of the Company in an ongoing investigation of some matters pertaining to Mr. Gautam Khaitan, solicitor and the erstwhile independent director of the Company from 30 July 2007 to 18 April 2013 and in the course of which statements of some directors/officers of the Company were recorded by them. Nothing incriminating in the affairs of the Company has been alleged by them so far as on this date.

48 During the year ended 31 March 2019, the Company reclassified/regrouped certain previous year's amount i.e. 31 March 2018. Considering the nature of these reclassification/regrouping, the Company does not intend to present opening balance sheet of previous year reported. Refer below the reclassified/regrouped amount in the previous year amount-

Reclassification of financial information of previous year ended 31 March 2018		Amount
Reclassification from current year information in previous year	**Reclassification to in previous year information in current year**	
Trade payables	Advance to suppliers	1,110
Trade receivables	Advances from customers	258
Provisions – non-current, compensated absences	Provisions – current, compensated absences	79
Provisions - current	Other financial liabilities-employee related payables	718
Employee benefit expenses	Other expenses	800
Other income	Other expenses	27
Prepayments	Other non-current assets - Prepayments	1,280
Prepayments	Other current assets – Prepayments	1,077

This is the Summary of the standalone significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

CONSOLIDATED FINANCIALS

CONTENTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of KRBL Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of KRBL Limited ('the Company') ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and a summary of the consolidated significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2019, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 and 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4. We draw attention to Note 41 to the consolidated financial statement, whereby the Holding Company has received an income tax demand, which is being contested by the Holding Company. Our opinion is not modified in respect of this matter.

Key Audit Matter

5. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6 We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Sale of Goods Refer Note 2 in the Summary of significant accounting policies and other explanatory information The Holding Company recognised an amount of ₹ 412,049 lacs revenue for the year ended 31 March 2019, as disclosed in Note 22 to the consolidated financial statements. Revenue for the Holding Company majorly comprises of revenue from sale of manufactured goods (rice) and by products.	Our audit work included, but was not limited to, the following procedures: • Obtained an understanding of the process of each revenue stream, particularly of sale of rice and other food products; • Evaluated the design and implementation and tested the operating effectiveness of controls over revenue recognition including around quantity sold, pricing and accounting of revenue transactions; • Performed substantive analytical procedures on revenue which included ratio analysis, product mix analysis, region wise analysis, etc.;

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Key audit matter	How our audit addressed the key audit matter
The Holding Company has adopted the new revenue accounting standard Ind AS 115, Revenue from Contracts with Customers, from the current year, which required management to re-assess the revenue recognition accounting policy by making key judgements such as identification of distinct performance obligations in contracts with customers, determination of transaction price including assessment of variable consideration elements, and selection of appropriate methods to allocate the transaction price to the performance obligations in accordance with the new accounting standard, which was considered to be a complex exercise in the current year. Further, in accordance with Standards on Auditing, there is a presumed fraud risk relating to revenue recognition. Accordingly, occurrence and existence of revenue is a key focus area on account of the multiplicity of Company's products, multiple channels for sales, various categories of customers and the volume of the sales made to them. Due to the above factors, we have identified testing of revenue recognition as a key audit matter.	• Evaluated the terms and conditions of the contracts, including incoterms, with customers to ensure that the revenue recognition criteria are assessed by the management in accordance with the accounting standards; • On a sample basis, tested revenue transactions recorded during the year, and revenue transactions recorded in the period before and after year-end with supporting documents, such as invoices, agreements with customers, proof of deliveries, and subsequent collection of payment; • Performed other substantive audit procedures including obtaining debtor confirmations on a sample basis and reconciling revenue recorded during the year with statutory returns; • Tested manual journal entries for recording revenue, credit notes, claims etc., which were material or irregular in nature with supporting documents and evaluated business rationale thereof; • Evaluated disclosures made in the consolidated financial statement for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.
Inventory existence and valuation Refer Note 2 in the Summary of significant accounting policies and other explanatory information. Inventory of the Holding Company consists primarily of variety of rice, paddy and their by-products, manufactured during the process of conversion of paddy into rice. The Holding Company held inventories amounting to ₹ 312,939 lacs as at 31 March 2019. The inventory primarily comprises of Paddy as raw material and finished goods in the form of rice and by-products. Inventory holding is generally significant considering the finished goods are aged for 18-24 months and also due to seasonality of the purchase of paddy. Such inventory is stored in plants, warehouses and silos. High volume of inventory makes physical verification of inventory, an extensive procedure for the management, at the year end.	Our audit work included, but was not limited to the following procedures: <u>Existence:</u> • Obtained understanding the management's process of inventory management and inventory physical verification performed at year-end; • Evaluated the design effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness; • Observed physical count carried out by the management at locations selected based on materiality and risk factors; • During the above said observation, noted whether the instructions given by senior management to stock count teams were followed, including ensuring proper segregation of stock, use of calibration scales/charts, separate identification of goods received after year end, identification of damaged inventory, if any, etc.;

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Key audit matter	How our audit addressed the key audit matter
The valuation of finished rice and by product is a comprehensive exercise and is carried out manually considering the determination of: • Allocable overheads; • Consideration of net realizable value of by products such as husk, bran etc; and • Consideration of NRV of the different variety of finished products Accordingly, existence and valuation of the inventory, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.	Recounted inventory, on sample basis, to match with inventory records and results of management conducted count; • Reviewed reconciliation of differences, if any, between management physical count and inventory records, and tested the necessary adjustment made in the inventory records by the management; • For the inventory lying with the third party, obtained the confirmation that the management obtained from the third parties and for the inventory lying at foreign ports (in the course of sale), tested the subsequent clearance and original bill of lading for the said export. <u>Valuation:</u> • Obtained the understanding of management process of inventory valuation; • Evaluated design effectiveness of controls over inventory valuation process and tested key controls for their operating effectiveness; • Tested inputs into the valuation process from source documents/ general ledger accounts; • Tested reconciliation of opening inventory, purchase/ production, sales and year-end inventory to validate the amount of yield during the year and to identify any abnormal production loss; • Compared key estimates, including those involved in computation of overhead absorption, to prior years and enquired reasons for any significant variations, • Checked net realisable value of by-products from actual sale proceeds near/ subsequent to the year-end; • Tested arithmetical accuracy of valuation calculations; and • Evaluated appropriateness of disclosure of inventory year-end balance in the consolidated financial statements.
Initial Audit Engagement - Opening Balances We have been appointed as the statutory auditors of Company for year ended 31 March 2019. Standard on Auditing 510, Initial Audit Engagements – Opening Balances, in conducting an initial audit engagement, several considerations are involved which are generally not associated with recurring audits. The audit transition, including the audit of the opening balances requires additional planning activities and considerations necessary to establish an appropriate audit plan and strategy. This includes:	Our audit work included, but was not limited to, the following procedures: • Prepared a detailed transition plan, including ensuring compliance with independence requirements, prior to the start of the audit; • Inspected management's process and control documentation to assist us in obtaining and understanding of the Company's financial reporting and business processes, including control environment; • Obtained and read management reports, policies, instructions as well as planning and governing documents, minutes of the board of directors, audit committee and other committees of the board, internal audit reports;

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Key audit matter	How our audit addressed the key audit matter
• Gaining an initial understanding of the Company and its business including its control environment and information systems, sufficient to make an audit assessment and develop the audit strategy and plan. • Obtaining sufficient appropriate audit evidence regarding the opening balances including the selection and application of accounting policies. • Communicating with the predecessor auditors, as required and permitted under applicable professional regulations. The aforesaid activities required involvement of considerable audit efforts, and accordingly, audit of the opening balances was identified as a key audit matter for the current year audit.	• Held discussions with the management at various levels of the Company and heads of the Business and Finance functions to understand their roles in the business and company's financial reporting process; • Obtained an understanding of and evaluated appropriateness and consistency of the accounting policies used in the preparation of the consolidated financial statements of the Holding Company for the financial year ended 31 March 2018. particularly in respect of inventory, property, plant and equipment, trade receivables, etc; • Read previous year consolidated financial statements to identify material opening balances. Obtained underlying accounting schedules prepared by the management and scanned for unusual items. • Traced the account balances from the trial balance for the previous financial year to the audited consolidated financial statements, and traced the balance sheet account balances to the opening trial balance of the current year. • On a sample basis, tested the opening balances for financial line items including property, plant and equipment, bank balances, borrowings, share capital, and other current assets and liabilities, as considered necessary.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

10. Those Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group, covered under the Act have adequate internal financial controls system in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

13. 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.

14. 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.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

16. We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets of ₹ 1,474 lacs and net assets of ₹ 1,442 lacs as at 31 March 2019, total revenues of ₹ 458 lacs and net cash inflows amounting to ₹ 31 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

    Further, of these subsidiaries, two subsidiaries, are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries, located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such subsidiaries, located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

17. The consolidated financial statements of the Company for the year ended 31 March 19 were audited by the predecessor auditor, S S A Y & Associates, Chartered Accountants, who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 10 May 2018.

Report on Other Legal and Regulatory Requirements

18. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 16, on separate financial statements of the subsidiaries associates and joint ventures, we report that the Holding Company, its subsidiary companies covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

19. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditor of its subsidiary company, covered under the Act, none of the directors of the Group companies, under the Act, are disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in ', Annexure A; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 41 to the consolidated financial statements.;

        ii. The Holding Company and its subsidiary companies, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, during the year ended 31 March 2019; and

        iv. The disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these Consolidated financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774
Place: Noida
Date: 15 May 2019

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Annexure A

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of KRBL Limited ('the Company') or ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company, which is a company covered under the Act, as at that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, , which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on IFCoFR of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. We did not audit the IFCoFR in so far as it relates to three subsidiary companies and, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 1,474 lacs and net assets of ₹1,442 lacs as at 31 March 2019, total revenues of ₹ 458 lacs and net cash inflows amounting to ₹ 31 lacs for the year ended on that date, as considered in the consolidated financial statements. The IFCoFR in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the IFCoFR for the Holding Company, and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No.: 504774

Place: Noida
Date: 15 May 2019

Consolidated Balance sheet

as at 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	**93,172**	96,896
Capital work in progress	3(a)	**59**	225
Investment property	3(c)	**833**	1,171
Goodwill		**16**	16
Other intangible assets	3(b)	**101**	111
Financial assets			
- Loans	5	**321**	294
- Other financial assets	6	**6**	109
Other non-current assets	7	**11,699**	3,547
Sub total non-current assets		**1,06,207**	**1,02,369**
Current assets			
Inventories	8	**3,12,939**	2,46,272
Financial assets			
- Investments	4	**765**	899
- Trade receivables	9	**39,729**	24,668
- Cash and cash equivalents	10	**475**	3,942
- Other bank balances	11	**102**	3,040
- Loans	5	**35**	25
- Other financial assets	6	**1,041**	1,350
Other current assets	12	**2,321**	3,189
Sub total current assets		**3,57,407**	**2,83,385**
TOTAL ASSETS		**4,63,614**	**3,85,754**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	**2,354**	2,354
Other equity	14	**2,70,316**	2,26,436
Equity attributable to shareholders of the Holding Company		**2,72,670**	2,28,790
Non-controlling interest		**88**	88
Sub total equity		**2,72,758**	**2,28,878**
Liabilities			
Non current liabilities			
Financial liabilities			
- Borrowings	15	**3,324**	5,195
Provisions	16	**565**	512
Deferred tax liabilities (net)	17	**14,673**	13,202
Sub total non-current liabilities		**18,562**	**18,910**
Current liabilities			
Financial liabilities			
- Borrowings	18	**1,38,151**	1,16,414
- Trade payables	19		
- Total outstanding dues of micro and small enterprises		**688**	-
- Total outstanding dues of creditors other than micro and small enterprises		**21,691**	11,070
- Other financial liabilities	20	**8,566**	8,259
Other current liabilities	21	**2,602**	1,245
Provisions	16	**287**	228
Current tax liabilities (net)		**309**	751
Sub total current liabilities		**1,72,294**	**1,37,967**
TOTAL EQUITY AND LIABILITIES		**4,63,614**	**3,85,754**
The accompanying notes form an integral part of these consolidated financials statements	1 - 49		

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

Consolidated Statement of Profit and Loss

for the year ended 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2019	For the year ended 31 March 2018
Income			
Revenue from operations	22	4,12,049	3,24,652
Other income	23	1,515	1,781
Total income		**4,13,564**	**3,26,433**
Expenses			
Cost of materials consumed	24	3,16,761	2,25,454
Purchase of stock-in-trade	25	1,165	1,221
Changes in inventories of finished goods and stock-in-trade	26	(28,558)	(9,841)
Excise duty		-	83
Employee benefits expenses	27	7,702	6,918
Finance costs	28	6,758	6,895
Depreciation and amortisation expenses	29	6,446	6,778
Other expenses	30	29,991	23,424
Total expenses		**3,40,265**	**2,60,932**
Profit before tax		**73,299**	**65,501**
Tax expense	**33**		
Current tax		23,016	20,233
Deferred tax		1,471	1,824
MAT credit entitlement		(1,490)	-
Total tax expense		**22,997**	**22,057**
Profit for the year		**50,302**	**43,444**
Other comprehensive income:			
Items that will not be reclassified to profit and loss			
Remeasurements of defined benefit plans		6	24
Tax on above		(2)	(7)
Items that will be reclassified to profit and loss			
Foreign currency translation difference		91	23
Other comprehensive income for the year		**95**	**40**
Total comprehensive income for the year		**50,397**	**43,484**
Profit attributable to:			
Owners of the parent		50,302	43,444
Non-controlling interst[1]		0	0
Other comprehensive income attributable to:			
Owners of the parent		95	40
Non-controlling interest		-	-
Earnings per equity share (face value of ₹ 1 each)	**31**		
- Basic (in ₹)		21.37	18.46
- Diluted (in ₹)		21.37	18.46

1. rounded off to zero

The accompanying notes form an integral part of these consolidated financials statements 1 - 49

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

Consolidated Cash flow Statement

for the year ended 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A Cash flow from operating activities		
Profit before tax	**73,299**	**65,501**
Adjustment for :		
Depreciation and amortisation expenses	6,446	6,778
(Profit)/Loss on sale of property, plant and equipment	(135)	4
Net unrealised foreign exchange (gain)/loss	(240)	515
Effect of exchange rate difference on operating cash flows	15	23
(Profit)/Loss on sale of investment	(289)	23
Balance credit impaired	1,083	-
Liabilities/provisions no longer required written back	(134)	-
Finance costs	6,758	6,895
Interest income	(656)	(1,241)
Dividend income	(30)	(35)
MTM profit on derivatives	-	(11)
Operating profit before working capital changes	**86,117**	**78,452**
Adjustments for working capital changes :		
(Increase)/Decrease in financial and other assets	(7,011)	4,250
(Increase) in inventories	(66,667)	(44,268)
(Increase) in trade receivables	(16,367)	(1,554)
Increase/(Decrease) in trade payables	11,574	(14,347)
Increase in liabilities and provisions	2,883	2,510
Cash generated from operations	**10,529**	**25,043**
Income tax paid (net)	**(21,965)**	**(18,967)**
Net cash (used in)/flow from operating activities (A)	**(11,436)**	**6,076**
B Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets[1]	(2,248)	(3,902)
Sale of property, plant and equipment	119	191
Sale proceeds from investments	58,072	31,590
Purchase of investments	(57,649)	(31,500)
Movement from deposits (net)	3,031	(2,502)
Interest received	665	1,220
Dividend income	30	35
Net cash flow from/(used in) investing activities (B)	**2,020**	**(4,868)**
C Cash flow from financing activities		
(Repayment) of non current borrowings	(3,443)	(4,456)
Proceeds from/(repayment of) in current borrowings (net)	22,191	19,275
Finance cost	(6,283)	(6,922)
Dividend paid	(5,414)	(4,946)
Dividend distribution tax paid	(1,102)	(483)
Net cash flow from financing activities (C)	**5,949**	**2,468**

KRBL Limited

Consolidated Cash flow Statement

for the year ended 31 March 2019

(All amounts stated in ₹ lacs, unless otherwise stated)

	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
D	**Net (decrease)/increase in cash and cash equivalents (A+B+C)**	**(3,467)**	3,676
	Cash and cash equivalents-opening balance	**3,942**	**266**
	Cash and cash equivalents-closing balance	**475**	**3,942**
E	**Cash and cash equivalents**		
	Cash in hand	**129**	134
	Balances with banks	**346**	3,808
		475	**3,942**

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'.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

Consolidated Statement of Changes in Equity

for the year ended 31 March 2019

A. Equity share capital (refer note 13)

(All amounts stated in ₹ lacs, unless otherwise stated)

Equity shares of ₹ 1 each fully paid up	Number of shares	Amount
As at 1 April 2017	**23,53,89,892**	**2,354**
Movement during the year	-	-
As at 31 March 2018	**23,53,89,892**	**2,354**
Movement during the year	-	-
As at 31 March 2019	**23,53,89,892**	**2,354**

B. Other equity (refer note 14)

Particulars	Attributable to owners of the Holding Company						
	Reserve and surplus						
	Retained earnings	Foreign currency translation reserve	General reserve	Securities premium	Capital reserve	Capital redemption reserve	Total
Balance as at 1 April 2017	**1,45,684**	**1,830**	**31,050**	**9,655**	**82**	**77**	**1,88,378**
Profit for the year	43,444	-	-	-	-	-	43,444
Other comprehensive income for the year:-							-
Remeasurement of defined benefit obligations (net of tax)	17		-	-	-	-	17
Movement in foreign currency translation reserve during the year	-	23	-	-	-	-	23
Total comprehensive income at the year end	**1,89,145**	**1,853**	**31,050**	**9,655**	**82**	**77**	**2,31,862**
Transaction with owners							
Dividends paid (refer note 44)	(4,943)	-	-	-	-	-	(4,943)
Dividend distribution tax paid	(483)	-	-	-	-	-	(483)
Transferred to general reserve[1]	(6,000)	-	-	-	-	-	(6,000)
Transferred from profit and loss account[1]	-	-	6,000	-	-	-	6,000
Balance as at 31 March 2018	**1,77,718**	**1,853**	**37,050**	**9,655**	**82**	**77**	**2,26,436**
Balance as at 01 April 2018	**1,77,718**	**1,853**	**37,050**	**9,655**	**82**	**77**	**2,26,436**
Profit for the year	50,302	-	-	-	-	-	50,302
Other comprehensive income for the year:-							-
Remeasurement of defined benefit obligations (net of tax)	4	-	-	-	-	-	4
Movement in foreign currency translation reserve during the year	-	91	-	-	-	-	91
Total comprehensive income at the year end	**2,28,024**	**1,944**	**37,050**	**9,655**	**82**	**77**	**2,76,833**
Transaction with owners							
Dividends paid (refer note 44)	(5,414)	-	-	-	-	-	(5,414)
Dividend distribution tax paid	(1,102)	-	-	-	-	-	(1,102)
Transferred to general reserve[1]	(7,000)	-	-	-	-	-	(7,000)
Transferred from profit and loss account[1]	-	-	7,000	-	-	-	7,000
Balance as at 31 March 2019	**2,14,508**	**1,944**	**44,050**	**9,655**	**82**	**77**	**2,70,316**

[1]. The Company has voluntarily transfer amount of ₹ 7,000 lacs (31 March 2018 ₹ 6,000 lacs) from retained earning to general reserve.

The accompanying notes form an integral part of these consolidated financials statements 1 - 49

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

1. Group information

KRBL Limited ('the Company' or 'the Holding Company') is a limited Company domiciled in India and was incorporated on 30 March 1993. The registered office of the Company is located at 5190, Lahori gate, Delhi 110006. The shares of the Company are listed in India on the Bombay Stock Exchange and the National Stock Exchange.

The Company is world's leading basmati rice producer and has fully integrated operations in every aspect of basmati value chain, right from seed development, contact farming, procurement of paddy, storage, processing, packaging, branding and marketing. Among the many brands owned by the Company "India Gate" is the flagship brand both in domestic and international markets.

These consolidated financial statements relate to KRBL Limited ('the Holding Company'), its subsidiary companies ('the Group Companies') hereinafter referred to as the 'Group'

Description of Group

Name of the Subsidiaries	Country of incorporation	Shareholding as at 31 March 2019	Shareholding as at 31 March 2018
KRBL DMCC, Group[A]	United Arab Emirates	**100%**	100%
K B Exports Private Limited	India	**70%**	70%

A. KRBL DMCC, Group comprise of a step down wholly owned subsidiary namely, KRBL LLC, incorporated at United States of America.

2. Basis of preparation, measurement and significant accounting policies

(i) General information

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended). The Company has uniformly applied the accounting policies during the periods presented.

The Consolidated financial statements for the year ended 31 March 2019 were authorized and approved for issue by the Board of Directors on 15 May 2019.

(ii) Basis of accounting

The Consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the Consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorized into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

(iii) Basis of Consolidation

The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiaries as at 31 March 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's Consolidated financial statements in preparing the Consolidated financial statements to ensure conformity with the Group's accounting policies. The Consolidated financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on 31 March 2019.

The Consolidated financial statements have been prepared on the following basis:

The financial statements of the parent and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, revenues and expenses after eliminating intra-group balances / transactions and resulting profits in full.

The results and financial position of all the Group Companies are translated into the reporting currency as follows:

(i) Current Assets and Liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) Income and expenses for each income statement are translated at average exchange rates (unless average rate is not reasonable at the rates prevailing on the transaction dates, in such case income and expenses are translated at the rate on the dates of the transactions); and

(iii) All resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of net investment.

Non-Controlling interest share in net assets of 'the Group' is identified and presented in the consolidated balance sheet separate from liabilities and the equity of the Company's shareholders.

(iv) Functional and presentation currency

These Consolidated financial statements are presented in Indian rupees (₹) which is also the Company's functional currency. All amounts have been rounded-off to the nearest lac as per the requirements of Part II of Schedule III of the Act, unless otherwise indicated.

(v) Summary of significant accounting policies

The Consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These were used throughout all periods presented in the Consolidated financial statements.

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset/liability is treated as current when it is:

- Expected to be realised or intended to be sold or consumed or settled in normal operating cycle;
- Expected to be realised/settled within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

b. Property, plant and equipment

Recognition, measurement and subsequent expenditure

Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses, if any. Freehold land is stated at original cost of acquisition.

Cost of an item of property, plant and equipment includes acquisition / installation inclusive of freight, duties, and taxes and all incidental expenses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are generally charged to the statement of profit and loss during the reporting period in which they are incurred.

In respect of major projects involving construction, related preoperational expenses form part of the value of assets capitalized. Expenses capitalized also include applicable borrowing costs.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress".

Depreciation

Depreciation on property, plant and equipment has been provided on straight line method, in terms of useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which the asset is capitalised/ disposed off.

Depreciation method and useful lives are reviewed annually. If the useful life of an asset is estimated to be significantly different from previous estimates, the depreciation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the depreciation method is changed to reflect the changed pattern.

De-recognition

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds and the carrying amount of the item and is recognized in the statement of profit and loss when the item is derecognized.

c. Investment property

Recognition and measurement

Property held to earn rentals or / and for capital appreciation or both but not for sale in the ordinary course of business, or for use in the production or supply of goods or services or for administrative purposes, are categorized as investment property. Investment property is measured at its cost, including related transaction costs and where applicable borrowing costs less depreciation and impairment, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Depreciation

Investment properties are depreciated using the straight-line method over the useful lives as mentioned in Part C of Schedule II of the Act.

Reclassification to/from investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying cost (including accumulated depreciation) on the date of reclassification and vice-a- versa.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

d. **Intangible assets**

Recognition and measurement
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.

Amortisation
Computer software, patent, trademark and design and goodwill are recognized as intangible assets and amortized on straight line method over a period of 10 years except one software which is depreciated in 6 years on straight line method based upon life of servers where it is installed.

De-recognition
The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the statement of profit and loss when the asset is derecognized.

e. **Investment in subsidiaries**
Investment in equity instruments of subsidiaries are measured at cost as per Ind AS 27 'Separate financial statements '.

f. **Inventory**

Raw materials, stores and spares and packing materials
Raw materials, stores and spares and packing materials are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. The cost is calculated on weighted average cost method and it comprises all costs incurred in bringing the inventories to their present location and condition and includes, where applicable, appropriate overheads based on normal level of activity. Obsolete, slow moving and defective inventories are identified at the time of physical verification and wherever necessary a provision is made.

Finished goods and by products
Finished goods are valued at lower of cost and net realisable value. Cost of inventories of finished goods includes cost of raw materials, direct and indirect overheads which are incurred to bring the inventories to their present location and condition.

By-products are valued at net realizable value.
Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

g. **Revenue**
Effective 1 April 2018, the Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue. The impact of the adoption of the standard on the Consolidated financial statements of the Company is insignificant.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:
- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

In the comparative period presented in Consolidated financial statements, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

had been transferred to the customer, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

The Company derives revenue primarily from two segments - Agri and Energy. Agri segment of the Company principally generate revenue from sale of goods (rice and by products) and Energy segment generates revenue by generating power units and selling it to governments under the agreements (for more detailed information about reportable segments, refer note 39).

Sale of goods (rice and by products)
Revenue from sale of goods is recognised when control of the products being sold is transferred to the customers and when there are no longer any unfulfilled obligations.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Revenue from electricity generation
Sale of energy is accounted for on basis of energy supplied. Sale of Certified Emission Reduction (CER) is recognized as income on delivery of CERs to the customer. Sale of Renewable Energy Certificate (REC) is recognized as income on sale of REC on the IEX/PXIL.

Dividend income
Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest income
Interest income is recognized using the time proportion method based on the rates implicit in the transaction.

h. Employee Benefits

Short term employee benefits
All employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus, allowances and ex-gratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees. Further, the liabilities are presented as provisions for employee benefits under other current liabilities in the balance sheet.

Defined contribution plan
The Company makes payments made to defined contribution plans such as provident fund and employees' state insurance. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

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 less the fair value of plan assets. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the Statement of Other Comprehensive Income in the year in which such gains or losses arise.

Other long-term employee benefits
Other long-term employee benefits are recognised as an expense in the statement of profit and loss as and when they accrue. The Company determines the liability using the Projected Unit Credit Method, with actuarial valuations carried out as at the balance sheet date. Actuarial gains and losses in respect of such benefits are charged to the statement of profit and loss.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

i. **Research and development**

Revenue expenditure on research and development is charged to the statement of profit and loss in the year in which it is incurred. Capital expenditure on research and development is included under property, plant and equipment and/or intangible assets, as the case may be.

j. **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) **Financial assets**

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in below categories:

Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

De-recognition

A financial asset is primarily de recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model for measurement and recognition of impairment loss, the calculation of which is based on historical data, on the financial assets that are trade receivables or contract revenue receivables.

b) **Financial liabilities**

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables,

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are de recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

De-recognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

c) **Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

d) **Derivative financial instruments**
The Company uses derivative financial instruments, such as forward currency contracts, interest rate swaps and full currency swaps, to hedge its foreign currency risks and interest rate risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss.

e) **Fair value measurement**
The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the balance sheet on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

k. Leases

Company as a lessee
The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the transaction. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term however, rent expenses shall not be straight-lined, if escalation in rentals is in line with expected inflationary cost.

Company as a lessor
Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term except where scheduled increase in rent compensate the lessor for expected inflationary costs.

l. Foreign currency transactions

Initial recognition
On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at reporting date
Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured. Exchange differences arising out of these translations are recognised in the statement of profit and loss.

m. Income tax
Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

Current tax
Current tax is measured at the amount expected to be paid/ recovered to/from the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity/other comprehensive income is recognised under the respective head and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current tax assets are offset against current tax liabilities if, and only if, a legally enforceable right exists to set off the recognised amounts and there is an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Tax relating to items recognized directly in equity/other comprehensive income is recognised in respective head and not in the statement of profit & loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax ('MAT') credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

n. Provision, contingent assets and contingent liability
The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A disclosure of contingent liability is made when there is a possible obligation or a present obligation that will probably not require outflow of resources or where a reliable estimate of the obligation cannot be made.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

Contingent assets are neither recognized nor disclosed.

o. Government grants

Grants from the government are recognised when there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Grant received from government towards fixed assets acquired/constructed by the Company is deducted out of gross value of the asset acquired/ constructed and depreciation is charged accordingly.

p. Cash and cash equivalents

Cash comprises cash in hand and at bank. Cash and cash equivalents are short-term (highly liquid), that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

q. Segment reporting

According to Ind AS 108 'Operating Segment', identification of operating segments is based on Chief Operating Decision Maker ('CODM') approach for making decisions about allocating resources to the segment and assessing its performance.

Identification of segments

An operating segment is a component of the Company that engages in business activities from which it earns revenues and incurs expenses, including revenues and expenses that relate to transactions with any of the Company's other components.

Results of the operating segments are reviewed regularly by the management team (Chairman, Joint Managing Directors and Chief Financial Officer) which has been identified as the CODM, to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Allocation of common costs

Common allocable costs are allocated to each segment accordingly to the relative contribution of each segment to the total common costs.

Unallocated items

Revenues and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated corporate expenses". Assets and liabilities, which relate to the Company as a whole and are not allocable to segments on reasonable basis, are shown as unallocated corporate assets and liabilities respectively.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Consolidated financial statements of the Company as a whole.

r. Borrowing cost

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised up to the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying major assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

s. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year end, except where the results would be anti-dilutive

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

t. **Dividend to share holders**

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

(vi) **Significant management judgements in applying accounting policies and estimation uncertainty**

The preparation of the Company's Consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities including contingent liability and the related disclosures.

Significant judgements

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets

Provisions

At each balance sheet date basis, the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Significant estimates

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Defined benefit obligation (DBO)

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future market-driven changes that may reduce future selling prices.

(vii) **Recent accounting pronouncements**

Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs ('MCA') has clarified that Ind AS 116 is effective for annual periods beginning on or after 1 April 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. The Company is evaluating the requirements of the amendment and its effect on the Consolidated financial statements.

Amendment to Ind AS 12, Income taxes

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified Appendix C to Ind-AS 12 Income taxes – "Uncertainty over Income Tax Treatments". The amendment to Ind AS 12 requires the entities to consider recognition and measurement requirements when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability accordingly. The effective date of amendment is 1 April 2019. Further, there has been amendments in relevant paragraphs in Ind-AS 12 "Income Taxes" which clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events in accordance with Ind-AS 109. The Company is evaluating the requirements of the amendments and its effect on the Consolidated financial statements.

Amendment to Ind AS 19, Employee benefits

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has issued an amendment to Ind AS 19 which requires the entities to determine current service cost using actuarial assumptions and net interest using discount rate determined at the start of the annual reporting period. However, if an entity re-measures the net defined benefit liability (asset) as per the requirement of the standard, it shall determine current service cost and net interest for the remainder of the annual reporting period after the plan amendment, curtailment or settlement using the actuarial assumptions used to re-measure the net defined benefit liability (asset). The effective date of amendment is 1 April 2019. The Company is evaluating the requirements of the amendments and its effect on the Consolidated financial statements.

Amendment to Ind AS 23, Borrowing costs

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 23 "Borrowing Costs" clarifies that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the Consolidated financial statements.

Amendment to Ind AS 109, Financial instruments

On 30 March 2019, Ministry of Corporate Affairs ("MCA") issued an amendment to Ind-AS 109 in respect of prepayment features with negative compensation, which amends the existing requirements in Ind-AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. This amendment is effective for annual periods beginning on or after 1 April 2019. The Company is evaluating the requirements of the amendments and their impact on the Consolidated financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

3a Property, plant and equipment

Particulars	Freehold land	Building	Plant and machinery	Furniture and fixtures	Office equipment	Vehicles	Total	Capital work in progress
Gross carrying amount								
Balance as at 1 April 2017	**6,206**	**17,776**	**1,18,639**	**1,796**	**415**	**3,336**	**1,48,168**	**171**
Additions	355	1,760	1,422	36	53	165	3,791	206
Disposals/capitalised	-	-	(169)	-	(1)	(101)	(271)	(152)
Balance as at 31 March 2018	**6,561**	**19,536**	**1,19,892**	**1,832**	**467**	**3,400**	**1,51,688**	**225**
Additions	-	413	1,860	32	20	92	2,417	44
Transfer (refer note C below)	-	520	-	-	-	-	520	-
Disposals/capitalised		(71)	(295)	(23)	(1)	(215)	(605)	(211)
Foreign currency translation difference (refer note H below)	-	-	-	1	1	0	2	-
Balance as at 31 March 2019	**6,561**	**20,398**	**1,21,457**	**1,842**	**487**	**3,277**	**1,54,022**	**59**
Accumulated depreciation								
Balance as at 1 April 2017	-	3,358	42,137	795	226	1,620	48,136	-
Additions	-	722	5,515	132	55	308	6,732	-
Disposals	-	-	(8)	-	(1)	(67)	(76)	-
Balance as at 31 March 2018	**-**	**4,080**	**47,644**	**927**	**280**	**1,861**	**54,792**	**-**
Additions	-	748	5,178	131	58	292	6,407	-
Transfer (refer note C below)	-	119	-	-	-	-	119	
Disposals (refer note H below)	-	(11)	(252)	(19)	(0)	(185)	(467)	-
Foreign currency translation difference (refer note H below)	-	-	-	(0)	(0)	(0)	(0)	-
Balance as at 31 March 2019	**-**	**4,936**	**52,570**	**1,038**	**338**	**1,968**	**60,850**	**-**
Net carrying amount								
Balance as at 31 March 2018	6,561	15,456	72,248	905	187	1,539	96,896	225
Balance as at 31 March 2019	**6,561**	**15,462**	**68,887**	**803**	**149**	**1,309**	**93,172**	**59**

Notes:

A Contractual obligations
Refer note 41 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

B Property, plant and equipment pledged as security
Refer note 15 and 18 for information on property, plant and equipment pledged as security by the Company.

C Refer note 3(c), for the amount of gross carrying amount and accumulated depreciation transferred to 'building' from 'investment property'. The depreciation for the period for which building has been utilised as warehouse in the current year is ₹ 9 lacs.

D Out of the total land parcels amounting to ₹ 6,561 lacs as mentioned in above note, 52 land parcels amounting to ₹ 761 lacs are registered in the name of Mr Anil Kumar Mittal, Mr Arun Kumar Gupta and Mr Anoop Kumar Gupta ("KMPs") and their relative namely, Mr Ashish Mittal, though the payment had been made by the Company. The Company has physical possession of such land parcels vide Memorandum of Understandings (MOUs) entered into by the Company with each of the above KMPs and their relative. Subsequent to 31 March 2019, the Company has executed the General Power of Attorney (pending registration), will and other documents with the KMPs and their relative in favour of the Company.

E Out of the total land parcels, also 26 land parcels amounting to ₹ 83 lacs of which title deeds are in the name of KB overseas, the erstwhile firm was merged with the Company

F Buildings amounting to ₹ 153 lacs are pending registration in the name of the Company.

G Capital work-in-progress mainly comprise of plant and machinery which are under installation at the premises of the Company.

H Rounded off to zero

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

3b Other intangible assets

Particulars	Patents, trademark and design	Computer software	Total
Gross carrying amount			
Balance as at 1 April 2017	**22**	**247**	**269**
Additions	-	22	22
Disposals	-	-	-
Balance as at 31 March 2018	**22**	**269**	**291**
Additions	-	20	20
Disposals	-	-	-
Balance as at 31 March 2019	**22**	**289**	**311**
Accumulated amortisation			
Balance as at 1 April 2017	**16**	**136**	**152**
Additions	2	26	28
Disposals	-	-	-
Balance as at 31 March 2018	**18**	**162**	**180**
Additions	-	30	30
Disposals	-	-	-
Balance as at 31 March 2019	**18**	**192**	**210**
Net carrying amount			
Balance as at 31 March 2018	**4**	**108**	**111**
Balance as at 31 March 2019	**4**	**97**	**101**

3c. Investment property

Particulars	As at 31 March 2019	As at 31 March 2018
Gross carrying amount		
Opening gross carrying amount	**1,281**	1,281
Additions	**-**	-
Transfer (refer note A below)	**(520)**	-
Foreign currency translation difference	**72**	-
Balance at the end of the year	**833**	1,281
Accumulated depreciation		
Opening accumulated depreciation	**110**	92
Additions	**9**	18
Transfer (refer note A below)	**(119)**	-
Balance at the end of the year	**-**	110
Net carrying amount at the end of the year	**833**	1,171

Notes:

A The Group has investment property situated at Dubai, United Arab Emirate and a warehouse in Kandla, Gujarat and had given under the cancellable operating lease. During the year, the Group started operating the kandla property as a warehouse for the purpose of its business. Consequently, such investment property has been reclassified as building in the schedule of property, plant and equipment.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B	Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
	Amount recognized in statement of profit and loss for investment property		
	Rental income derived from investment property	30	42
	Direct operating expenses (including repairs and maintenance) generating rental income	3	33
	Profit arising from investment property before depreciation	27	9
	Less: Depreciation	9	18
	Profit/(loss) arising from investment property	18	(9)
	Fair value of investment property	833	1,250

C. Fair value of investment property

The fair valuation is based on current prices in the active market for similar properties. The main input used are quantum, area, location, demand, restrictive entry to the complex, age of building and trend of fair market rent in Gandhi Dham, Gujarat area.

For the property, situated at Gujarat, the valuation is based on valuations performed by an accredited independent valuer. Fair valuation is base on replacement cost method. The fair valuation measurement is categorised in level 2 fair value hierarchy. Further, the management estimate the fair value of the property at United Arab Emirates is same as of the carrying value.

4 Investments

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Investment carried at fair value through profit or loss		
Investments in equity instruments - quoted, fully paid-up		
NHPC Limited	219	245
[882,712 equity shares of ₹ 10 each, (31 March 2018 - 882,712 equity shares)]		
Coal India Limited	181	217
[76,437 equity shares of ₹ 10 each, (31 March 2018 - 76,437 equity shares)]		
Power Grid Corporation of India Limited	213	208
[107,667 equity shares of ₹ 10 each, (31 March 2018 - 107,667 equity shares)]		
Shipping Corporation of India Limited	92	155
[242,265 equity shares of ₹ 10 each, (31 March 2018 - 242,265 equity shares)]		
MOIL Limited	60	74
[37,846 equity shares of ₹ 10 each, (31 March 2018 - 37,846 equity shares)]		
	765	899
Aggregate amount of quoted investments at cost	957	957
Aggregate amount of quoted investments at market value	765	899
Aggregate amount of impairment in the value of investments	192	58

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

5 Loans

A Non-current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured, considered good unless otherwise stated)		
Security deposits[1]	314	294
Loan to employees	7	-
	321	294
Note		
[1.] Deposit given to the Company in which director of Company is a director or a member: KRBL Infrastructure Limited	223	201

B Current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Loan to employees	35	25
	35	25

No loans are due from firms or private companies in which any director is partner, director or a member.

6 Other financial assets

A Non-current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Fixed deposits[1]	6	109
	6	109

[1.] Liened as security issued to the various government authorities of ₹ 6 lacs [(31 March 2018 ₹ 5 lacs), and remaining amount is liened with banks against term loans taken by the Company].

B Current

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Income receivable	1,041	1,348
Derivative instrument	-	2
	1,041	1,350

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

7 Other non-current assets

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Capital advance	174	175
Balance with statutory authorities (including taxes/duty paid under protest)	10,326	2,093
Pre-payments[1]	1,199	1,279
	11,699	**3,547**

[1.] Pre-payments comprises of prepaid lease rentals and prepaid expense.

8 Inventories

Particulars	As at 31 March 2019	As at 31 March 2018
Raw materials	1,33,799	95,536
Packing material and consumables	7,041	6,916
Finished goods[1]	1,69,653	1,40,919
Stock-in-trade	793	1,413
Stores and spares	1,653	1,488
	3,12,939	**2,46,272**

Notes:

1. Includes goods in transit of ₹ 8,417 lacs (31 March 2018 ₹ 9,424 lacs).
2. Refer note 24, 25 and 26 for consumption of inventory recorded by the Company during the year.
3. The Company has recorded few class of finished goods at the net realisable value (NRV), as their realisable value is lower than the cost of production. The total NRV adjustments made in the value of such products ₹ 5,341 lacs (31 March 2018: ₹ 2,362 lacs). This was recognized as an expense during the year and included in 'changes in inventories of finished goods and stock-in-trade' in the Statement of Profit and Loss.

9 Trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Unsecured, considered good	39,729	24,668
Trade receivables which have significant increase in Credit Risk	-	-
Less: Loss allowance	-	-
	39,729	**24,668**

Notes:

No trade receivables are due from director or other officers of the Company either severally or jointly with any other persons.

10 Cash and cash equivalents[1]

Particulars	As at 31 March 2019	As at 31 March 2018
Balance with banks in current accounts	346	3,808
Cash in hand	129	134
	475	3,942

Note

1. There is no restriction in repatriation of cash and cash equivalents, except amount of ₹ 50 lacs (31 March 2018 ₹ 50 lacs) which is held with the Income tax department.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

11 Other bank balances

Particulars	As at 31 March 2019	As at 31 March 2018
Unclaimed dividends- earmarked balances with banks	42	43
Deposits with original maturity more than 3 months and less than 12 months[1]	60	2,997
	102	**3,040**

1. The deposits of ₹ 49 lacs (31 March 2018 ₹ 2,987 lacs) are restricted as they are held as margin money deposits against the facilities extended to the Company by banks.

12 Other current assets

Particulars	As at 31 March 2019	As at 31 March 2018
(Unsecured- considered good unless otherwise stated)		
Balance with statutory authorities	81	692
Advances to suppliers	1,011	1,248
Pre-payments[1]	1,190	1,077
Other receivables	39	172
	2,321	**3,189**

1. Pre-payments comprise of prepaid lease rentals and prepaid expense.

13 Equity share capital

Particulars	As at 31 March 2019	As at 31 March 2018
Authorised		
300,000,000 (31 March 2018 - 300,000,000) equity shares of ₹ 1 each	3,000	3,000
	3,000	**3,000**
Issued and subscribed[1]		
236,244,892 (31 March 2018 - 236,244,892) equity shares of ₹ 1 each	2,362	2,362
	2,362	**2,362**
Fully paid-up[1]		
235,389,892 (31 March 2018 - 235,389,892) equity shares of ₹ 1 each	2,354	2,354
	2,354	**2,354**

1. Difference between the issued and subscribed and paid up share capital represents shares forfeited by the Company.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

a) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning of the year	**23,53,89,892**	**2,354**	23,53,89,892	2,354
Changes during the year	**-**	**-**	-	-
Equity shares at the end of the year	**23,53,89,892**	**2,354**	23,53,89,892	2,354

b) Terms/ rights attached to ordinary equity shares

The Company has only one class of equity shares having a face value of ₹ 1 per share. Each holder of equity shares is entitled to have one vote per share. The Company declares dividend in indian rupees and pays in INR to resident shareholders and in USD to the foreign shareholders under FDI category.

The board of directors of the Company in their meeting held on 15 May 2019 had recommended a final dividend @ 250 % i.e ₹ 2.50 per equity share of face value of ₹ 1/- each for the year ended 31 March 2019 (31 March 2018 - ₹ 2.30 per share). the same shall be paid subject to the approval of shareholders in the ensuing annual general meeting of the Company.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2019		As at 31 March 2018	
	No. of shares held	% of holding	No. of shares held	% of holding
1. Anil mittal family trust	**4,25,45,864**	**18.07%**	4,25,45,864	18.07%
2. Arun kumar gupta family trust	**4,12,93,714**	**17.54%**	4,12,93,714	17.54%
3. Anoop kumar gupta family trust	**3,88,49,338**	**16.50%**	3,88,49,338	16.50%
4. Reliance commodities DMCC	**2,29,00,000**	**9.73%**	2,29,00,000	9.73%

d) Shares reserved for issue under option

The Company has not reserved any shares for issuance under options.

e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

During the buy-back period i.e. 4 March 2013 to 11 February 2014, the Company had bought back and extinguished 7,722,048 equity shares at an average price of ₹ 23.58 per share, utilising a sum of ₹ 1,821 lacs excluding transaction cost.

No bonus shares were issued by the Company during the last five years immediately preceding the reporting date.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

14 Other equity

Particulars	As at 31 March 2019	As at 31 March 2018
(i) Retained earnings	**2,14,508**	1,77,718
(ii) Foreign currency translation reserve	**1,944**	1,853
(iii) General reserve	**44,050**	37,050
(iv) Securities premium	**9,655**	9,655
(v) Capital reserve	**82**	82
(vi) Capital redemption reserve	**77**	77
	2,70,316	**2,26,436**

Notes: Nature and purpose of reserve

(i) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(ii) Foreign currency translation reserve

Exchange differences relating to the translation of the results and net assets of the subsidiaries foreign operations from their functional currencies to the Company presentation currency (i.e. ₹ 91 lacs`) are recognised directly in the other comprehensive income and accumulated in foreign currency translation reserve. Exchange difference previously accumulated in the foreign currency translation reserve are reclassified to Consolidated Statement of Profit and Loss on the disposal of the foreign operation.

(iii) General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013. Also the Company has earlier forfeited the partly paid equity shares with the requisite approvals. The amount originally received against forfeited shares is also included in the general reserve.

(iv) Securities premium

The amount received in excess of face value of the equity shares is recognised in securities premium.

(v) Capital reserve

During amalgamation, the excess of net assets taken, over the cost of consideration paid is treated as capital reserve.

(vi) Capital redemption reserve

The Company has recognised capital redemption reserve on buyback of equity shares from its retained earnings. The amount in capital redemption reserve is equal to nominal amount of the equity shares bought back.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

15 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current		
Secured term loan from banks (refer note below)		
Rupee loans	4,668	6,750
Foreign currency loans	-	1,361
	4,668	8,111
Less: Current maturities of non-current borrowings (refer note 20)	1,344	2,916
	3,324	5,195

A Details of security of non-current borrowings

The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹ 18,405 lacs (31 March 2018 - ₹ 17,715 lacs) in the form of term loan facilities taken from all banks mentioned below in note B.

First pari-passu charge on all movable and immovable properties of the Company and second pari-passu charge on all current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company.

B Details of repayment of the non-current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
a. Rupee term loan from State Bank of India of ₹ 9,400 lacs, interest to be paid on monthly basis at prevailing MCLR +0.25% per annum (31 March 2018 - prevailing MCLR +0.25% per annum) and Repayable in 28 quarterly instalments of ₹ 336 lacs each, starting from December 2015 .	4,668	6024
b. Rupee term loan from Kotak Mahindra Bank Limited of ₹ 763 lacs, interest to be paid on monthly basis @ 6 months MCLR + 0.95% per annum and was repayable in 8 quarterly instalments of ₹ 95.27 lacs each, starting from June 2017. The Company has repaid the entire loan during the year.	-	599
c. Foreign currency term loan from ICICI Bank Limited of USD 125.1 lacs equivalent of ₹ 7,747 lacs interest to be paid on monthly basis at 6 months MCLR + 1.20% per annum and was repayable in 20 equal quarterly instalments from December 2013 onwards. The Company has repaid the entire loan during the year.	-	1361
d. Rupee term loan from ICICI Bank Limited of ₹ 400 lacs interest to be paid on monthly basis at 6 months MCLR + 1.20% per annum and was repayable in 20 equal quarterly instalment of ₹ 29.06 lacs starting from December 2013. The Company has repaid the entire loan during the year.	-	127
	4,668	8,111

16 Provisions

A. Non-current provision for employee benefits

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for compensated absences (refer note 34)	565	512
	565	512

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Current provision for employee benefits

Particulars	As at 31 March 2019	As at 31 March 2018
Provision for gratuity (refer note 34B)	120	150
Provision for compensated absences (refer note 34C)	167	78
	287	228

17 Deferred tax liabilities (net)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax liabilities		
Property, plant and equipment and intangible assets	14,987	14,421
Others	-	9
	14,987	14,429
Deferred tax assets		
Provision for employee benefit expenses	(256)	(193)
Others	(58)	(1,034)
	(314)	(1,227)
	14,673	13,202

Note:
Refer note 33B for the movement in deferred tax

18 Borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Current		
Secured		
Working capital facilities from bank		
- Rupee loan (refer note (i) and (ii) below)	91,435	25,587
- Foreign loan (refer note (iii) below)	22,572	70,957
	1,14,007	96,544
Unsecured		
Loan from bank (refer note (iv) below)	20,000	15,000
Loans from related parties (refer note (v) below)	4,144	4,870
	24,144	19,870
	1,38,151	1,16,414

A Details of security of current borrowings

The Company has created hypothecation in favour of SBICAP Trustee Company Limited (acting as Security Trustee) and created mortgage on its movable and immovable properties located at various locations for an amount of ₹ 175,400 lacs (31 March 2018 - ₹ 174,400 lacs) in the form of loan and other facilities taken from all banks mentioned below in note B.

First pari-passu charge on entire current assets including but not limited to stock of raw materials, semi-finished and finished goods, consumable stores and spares, bills receivables and book debts and all other movable of whatsoever nature and where ever arising, both present and future of the Company and second pari-passu charge on entire movable and immovable properties of the Company.

Further, Mr Anil Kumar Mittal, Mr Arun Kumar Gupta, Mr Anoop Kumar Gupta and Mr. Ashish Mittal (to the extent of the properties mortgaged by him) has given their personal guarantees in favour of working capital lenders.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Details of repayment of the current borrowings

Particulars	As at 31 March 2019	As at 31 March 2018
Secured:		
(i) Cash credit facilities from banks		
The Company has obtained credit facilities from consortium banks. The facilities carries interest at MCLR along with spread of respective banks.	44,435	13,087
(ii) Short-term working capital loan from banks		
The Company has obtained short-term working capital loan from consortium banks. The facilities carries interest at MCLR along with spread of respective banks except facility from Coöperatieve Rabobank U.A. which as per MIBOR along with spread.	47,000	12,500
(iii) PCFC - foreign loan		
The Company has obtained Packing credit facility from consortium banks and is repayable after the stipulated period. The facilities carries interest at LIBOR along with spread of respective banks.	22,572	70,957
Unsecured:		
(iv) Demand loans from banks - rupee loan		
The Company has obtained short-term working capital loan from HDFC Bank, one of consortium bank, and is payable after the stipulated period. The facilities carries interest at MCLR along with spread.	20,000	15,000
(v) Loans from related parties		
The Company has obtained loans from directors which are interest free and repayable on demand.	4,144	4,870

C Unutilised facility at the year end

Particulars	As at 31 March 2019	As at 31 March 2018
Unutilised facility at the year end	43,493	60,956

19 Trade payables

Particulars	As at 31 March 2019	As at 31 March 2018
Total outstanding due to micro and small enterprises	688	-
Total outstanding due of creditors other than micro and small enterprises	8,870	6,930
Acceptances	12,821	4,140
	22,379	**11,070**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Notes:

A Detail of dues of Micro and Small Enterprises as defined MSMED Act, 2006, to the extent the Group has received intimation from the 'Supplier' regarding their status under the Act.

Particulars	As at 31 March 2019	As at 31 March 2018
(i) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year: Principal amount remaining unpaid[1], and Interest accrued and remaining unpaid	688	-
(ii) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
(iii) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
(v) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-
	688	-

[1.] According to the records of the Company, there are no overdue principal amount/interest payable for delayed payment to such vendors at the balance sheet date. The amount payable to Micro and Small enterprises doesn't include any amount due for period more than the stipulated time prescribed under the MSMED Act, 2006.

20 Other financial liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Current maturities of non-current borrowings (refer note 15)	1,344	2,916
Interest accrued but not due on borrowings	639	164
Employees related payables	847	741
Security deposits	39	180
Expenses payable	5,654	4,215
Unclaimed dividend[1]	43	43
	8,566	8,259

[1.] Not due for deposit to Investor Education and Protection Fund

21 Other current liabilities

Particulars	As at 31 March 2019	As at 31 March 2018
Advance from customers	1,941	590
Statutory dues payable	661	655
	2,602	1,245

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

22 Revenue from operations

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Revenue from sale of finished goods		
Export	1,84,443	1,30,289
Domestic	2,12,204	1,79,477
Revenue from sale of stock in trade		
Domestic	2,009	1,958
Sale of electricity		
Export	72	-
Domestic	12,788	12,371
Other operating revenue		
Scrap sales	533	557
	4,12,049	3,24,652

Note:

Refer note 32 for disaggregation of revenue from operations and other disclosures

23 Other income

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest income	656	1,241
Rental income	42	42
Dividend income	30	35
Net gain on redemption and fair valuation of investments through profit and loss	289	-
Profit on sale of property, plant and equipment	135	-
Liabilities/provisions no longer required written back	134	-
Other non operating income	229	463
	1,515	1,781

24 Cost of materials consumed

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Paddy	1,95,852	1,47,196
Rice	1,02,106	62,506
Packing and other consumables	18,351	15,752
Amount of stock-in-trade used as raw material for production (refer note 26C)	452	-
	3,16,761	2,25,454

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

25 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Seeds	1,165	1,221
	1,165	1,221

26 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Opening stock		
Finished goods	1,40,919	1,30,912
Stock-in-trade	1,413	1,579
	1,42,332	1,32,491
B. Closing stock		
Finished goods	1,69,653	1,40,919
Stock-in-trade	793	1,413
	1,70,446	1,42,332
C. Amount of stock-in-trade used as raw material (refer note 24)	(452)	-
D. Others	8	-
	(28,558)	(9,841)

27 Employee benefits expense

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Salaries wages and bonus	6,981	6,179
Contribution to provident and other funds (refer note 34)	449	433
Gratuity and compensated absences (refer note 34)	126	174
Staff welfare expenses	146	132
	7,702	6,918

28 Finance cost

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Interest expense on term loans	566	919
Interest expense on others	5,103	4,029
Net loss on foreign currency transactions and translation	883	1,828
Other borrowing cost	206	119
	6,758	6,895

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

29 Depreciation and amortisation expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Depreciation on property, plant and equipment	6,407	6,722
Depreciation on investment property	9	18
Amortisation on intangible assets	30	28
	6,446	**6,768**

30 Other expenses

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Power and fuel	1,771	963
Consumption of stores and spares	995	1,247
Repairs and maintenance		
Plant and machinery	2,438	1,938
Buildings	376	284
Others	83	83
Fumigation	469	493
Freight inward	1,564	1,582
Travelling and conveyance	421	359
Communication expense	96	89
Rent	1,124	1,184
Legal and professional expense (refer note A)	490	488
Fees, rates and taxes	1,081	993
Vehicle running and maintenance	216	211
Insurance	339	274
Printing and stationery	103	77
Testing and inspection	420	187
Donation and charity	26	22
Clearing, forwarding and freight charges	9,177	6,159
Sales and business promotion	365	152
Advertisement	4,275	4,138
Meeting and seminar expense	157	249
Commission and brokerage	557	709
Corporate social responsibility expenses (refer note 36)	17	322
Security service charges	313	306
Sub-contractual expense	557	505
Net loss on foreign currency transactions and translation	1,160	-
Balance credit impaired	1,083	-
Other miscellaneous expenses	318	410
	29,991	**23,424**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

A Auditors' remuneration (excluding Goods and services tax/service tax)[1]

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Statutory audit (including fees for limited reviews)	36	21
Other matters	-	4
Out of pocket expenses	1	-
	37	25

1. Auditor remuneration for the year ended 31 March 2019 doesn't includes the remuneration paid by Company to the erstwhile auditor.

31 Earnings per share

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Profit attributable to equity shareholders	50,302	43,444
Numbers of weighted average equity share outstanding at the year end for Basic and Diluted	23,53,89,892	23,53,89,892
Nominal value per share in ₹	1.00	1.00
Earnings per share in ₹	21.37	18.46

32 Disaggregation of revenue from operations

A Revenues by Geography

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Rice and other related products		
- within India	2,14,213	1,81,435
- other than India	1,84,443	1,30,289
	3,98,656	3,11,724
Electricity		
- within India	12,788	12,371
- other than India	72	-
	12,860	12,371
Scrap		
- within India	533	557
	533	557

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Revenues by offerings

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Sale of goods		
- Rice	3,79,204	2,96,702
- Paddy	1,036	509
- Seeds	2,008	1,953
- Quinoa	248	480
- By products		
- Husk	2,191	1,502
- Bran products	5,987	3,780
- Furfural oil	1,685	917
- Doil cake	3,772	2,333
- Glucose	332	656
- Others	2,193	2,892
	3,98,656	3,11,724
Sale of electricity	12,860	12,371
Sale of scrap	533	557

C Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Contracted price	4,21,009	3,31,074
Less: Trade discounts, volume rebates, etc	8,960	6,422
Sale of products	4,12,049	3,24,652

D Contract balances

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
- Contract assets[1]	1,016	1,348
- Contract liabilities[2]	1,941	590

Notes

1. The contract assets are in form of receivables, which are included in income receivable, primarily relate to the Company rights to consideration for power sold to the customers but not billed at the reporting date. The contract assets are transferred to receivables when it will be billed subsequently.

2. The contract liabilities are in form advance received from customer for which the obligation of supply of goods/service is not completed at the year end.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

E Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Opening balance of contract liabilities	**590**	1,256
Addition in balance of contract liabilities for current year	**1,941**	590
Amount of revenue recognised against opening contract liabilities	**590**	1,256
Closing balance of contract liabilities	**1,941**	**590**
Opening balance of contract assets	**1,348**	2,641
Addition in balance of contract assets for current year	**1,016**	1,348
Amount of billing recognised against opening contract assets	**1,348**	2,641
Closing balance of contract assets	**1,016**	**1,348**

F The Group has adopted Ind AS 115 "Revenue from Customers" with effect from 1 April 2018 using a modified retrospective transition approach permitted under Ind AS 115. The adoption of the standard did not have material impact on the revenue recognised by the Group.

G Post applicability of Goods and Service Tax Act (GST), w.e.f. 01 July 2017, the revenue is disclosed net of GST. Accordingly, the revenue from operations for year ended 31 March 2019 is not comparable with previous year as Excise duties formed part of revenue from operations and expenses during the previous period upto 30 June 2017.

H In accordance with requirements of Ind AS 115, the Group has presented excise duty separately.

33 Income tax

A Reconciliation of effective tax rate

	For the year ended 31 March 2019	For the year ended 31 March 2018
Enacted income tax rate applicable to the Company	**34.94%**	**34.61%**
Profit before tax	**73,299**	**65,501**
Add: Loss from foreign operation not taxable	**25**	164
Less: Profit of the eligible units exempt under 80IA of the Income-tax Act, 1961	**7,899**	6,308
Taxable profit of the Company	**65,425**	59,357
Expected tax expenses	**22,860**	20,544
Tax effect of:		
Non deductible expenses (net)	**57**	109
Changes in the tax assumptions for claiming deduction under 80IA of the Act on eligible projects and others, including creation of MAT entitlement	**(27)**	1,006
Impact due to change in the tax rates	**93**	-
Impact due to others including amount taxable at the lower tax rate	**14**	398
Total income tax expense in the Statement of Profit and Loss	**22,997**	**22,057**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Movement of temporary differences

	Balance as at 31 March 2018	Recognised in profit or loss during 2018-19	Balance as at 31 March 2019
Deferred tax liabilities			
Property, plant and equipment and intangible assets	14,421	566	14,987
Others	9	(9)	-
Deferred tax assets			
Provision for employee benefit expenses	(193)	(63)	(256)
Others	(1,035)	977	(58)
	13,202	1,471	14,673

	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Balance as at 31 March 2018
Deferred tax liabilities			
Property, plant and equipment and intangible assets	12,839	1,582	14,421
Others	19	(10)	9
Deferred tax assets			
Provision for employee benefit expenses	(179)	(14)	(193)
Others	(1,301)	266	(1,035)
	11,378	1,824	13,202

C Movement in MAT credit entitlement

	For the year ended 31 March 2019	For the year ended 31 March 2018
MAT credit entitlement		
Opening	-	1,260
Add: MAT credit entitlement	1,490	-
Less: MAT credit availed	(1,490)	(1,260)
Closing	-	-

D The Company doesn't have any carry forward losses and MAT credit entitlement at the year end

34 Employee benefit obligations

A Defined contribution plans

Particulars	As at 31 March 2019	As at 31 March 2018
Employer's contribution to provident fund	321	312
Employer's contribution to employees state insurance	128	121
	449	433

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Defined benefit plans

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for gratuity, as defined benefit plan. The gratuity plan provides for a lump sum payment to the employees at the time of separation from the service on completion of vested year of employment i.e. five years. The liability of gratuity plan is provided based on actuarial valuation as at the end of each financial year based on which the Company contributes the ascertained liability to Kotak mahindra life insurance company limited with whom the plan assets are maintained.

Policy for recognizing actuarial gains and losses

Actuarial gains and losses of defined benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risk. These risks are investment risk, interest rate risk, mortality risk and salary risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

Investment risk

Plan assets comprise funds managed by the insurer i.e. Kotak mahindra life insurance company limited.

Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The following table sets out the funded status and the amount recognised in the Company's financial statements.

Particulars	As at 31 March 2019	As at 31 March 2018
a. Amounts to be recognised		
Present value of obligation	**1,126**	1,025
Fair value of plan assets	**1,006**	875
Net (liability) recognised	**(120)**	**(150)**
Current liability	**(120)**	**(150)**
Non- current liability	**-**	**-**
b. Changes in present value of defined benefit obligation:		
Defined Benefit at the beginning of the year	**1,025**	883

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
	Current Service Cost	114	110
	Past Service Cost	-	46
	Interest cost	81	68
	Benefits paid	(98)	(45)
	Remeasurements-actuarial gain/loss -due to change financial assumptions	12	(20)
	Remeasurements-actuarial gain/loss -due to experience	(8)	(17)
	Present value of benefit obligation at the end of the year	**1,126**	**1,025**
c	**Change in fair value of plan assets**		
	Fair value of plan assets at the beginning of the year	875	656
	Expected return on plan assets	69	50
	Contributions made	150	227
	Benefits paid	(98)	(45)
	Return on plan assets, excluding interest income	10	(13)
	Fair value of plan assets at the end of the year	**1,006**	**875**
d.	**Expenses recognized in Statement of profit or loss**		
	Current service cost	114	110
	Interest expense	12	18
	Past service cost	-	46
	Expense for the year ended	**126**	**174**
e.	**Recognized in other comprehensive income**		
	Remeasurements-actuarial gain/loss on obligation for the period	4	(37)
	Return on plan assets, excluding interest income	(10)	13
	Net income at the end of the period	**(6)**	**(24)**
f.	**Actuarial assumptions**		
	Discount rate	7.78%	7.87%
	Expected rate of return on plan assets	7.78%	7.87%
	Expected rate of increase in compensation levels	6.00%	6.00%
	Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
	Attrition / Withdrawal rates	1%	1%
g.	**Investment details**		
	Insurance Fund	**1,006**	**875**
h.	**The Company expects to contribute ₹ 342 lacs to gratuity fund in the next financial year**		

i. Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and employee turnover. The sensitivity analysis below, have been determined based on reasonably possible changes of the assumptions occurring at end of the reporting period, while holding all other assumptions constant. The result of Sensitivity analysis is given below:

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate		
1% increase	(125)	(113)
1% decrease	151	137
Future salary increase		
1% increase	143	131
1% decrease	(121)	(111)
Employee turnover rate		
1% increase	28	26
1% decrease	(32)	(30)

j. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2019	As at 31 March 2018
Within next 12 months	125	150
Between 1-5 years	139	118
Beyond 5 years	3549	3285

C Other long term benefit plans

Other long term benefit plans represents the compensated absences provided to the employees of the Company.

Actuarial valuation has been done with the following assumptions

Particulars	As at 31 March 2019	As at 31 March 2018
Discount rate	7.78%	7.78%
Expected rate of return on plan assets	NA	NA
Expected rate of increase in compensation levels	6.00%	6.00%
Mortality Rate	Indian Assured Lives Mortality (06-08)	Indian Assured Lives Mortality (06-08)
Attrition / Withdrawal rates	1%	1%

D The Group has adopted Indian Accounting Standard (Ind-AS) 19 on 'Employee Benefits'. These Consolidated financial statements include the obligations as per requirement of this standard except for the Subsidiary which is incorporated outside India who have determined the valuation/provision for empolyee benefit as per their respective requirements. In the opinion of the management, the impact of this deviation is not considered material.

35 Lease commitments

Assets taken on non-cancellable operating leases

The Company has taken various premises on operating leases. The lease agreements generally have a lock-in-period of 1-22 years and are cancellable at the option of the lessee. During the year, lease payments under operating leases (inclusive of cancellable leases) amounting to ₹ 1,124 lacs (31 March 2018 ₹ 1,184 lacs) have been recognised as an expense in the Statement of Profit and Loss. The future aggregate minimum lease payments under non-cancellable operating leases are as follows :

Particulars	As at 31 March 2019	As at 31 March 2018
Within less than one year	954	857
Between one and five years	3,124	1,942
After more than five years	4,226	577
	8,304	3,376

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Assets given on non-cancellable operating leases

The Group has given a premises on operating leases situated at Dubai, United Arab Emirate and a warehouse in Kandla, Gujarat. During the year, warehouse was vacated by the tenant and Group has started using for the purpose of its business. During the year, Group received rent amounting to ₹ 30 lacs (31 March 2018 ₹ 42 lacs).

36 Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the Company had constituted CSR Committee. The details for CSR activities is as follows.

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
a) Gross amount required to be spent by the Company during the year	1,098	878
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	-
2. On purpose other than 1 above	17	322

37 Capital management

The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investors, creditors and market confidence.

The Group monitors capital using a ratio of "Net Debt" to "Total Equity". For this purpose, Net Debt is defined as total liabilities less cash and cash equivalents. Total equity comprises of equity share capital and other equity.

During the year, no significant changes were made in the objectives, policies or processes relating to the management of the Group capital structure.

The Group net debt to total equity ratio is as follows:

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current borrowings	3,324	5,195
Current borrowings	1,38,151	1,16,414
Current maturities of non-current borrowings	1,344	2,916
Less: Cash and cash equivalents	(475)	(3,942)
Net debt	1,42,344	**1,20,583**
Equity share capital	2,354	2,354
Other equity	2,70,316	2,26,436
Total Equity	2,72,670	**2,28,790**
Net debt to total equity ratio	0.52	**0.53**

38 Financial instruments

The Company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Company is exposed to and how the Company manages the risk and the related impact in the financial statements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Long-term borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors
Market risk - security price	Investments in equity securities	Sensitivity analysis	Company presently does not make significant investments in equity shares, except for entities where it exercises control or joint control or significant influence.

A Disclosure in respect of financial risk management

1. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including investments, cash and cash equivalents, deposits and security deposits.

Credit risk management:

(i) Trade receivable related credit risk

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. All trade receivables are reviewed and assessed for default on routine basis. The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low and so trade receivables are considered to be a single class of financial assets. Therefore, there is no credit risk associated with the trade receivables of the Company at the year end.

However, the Company during the year identified few balances of amounting to ₹ 1,083 lacs of the trade receivable which were subject to dispute and will not be realisable and hence, has been credit impaired.

(ii) Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, money market liquid mutual funds with financial institutions and derivative financial instruments. The Company's maximum exposure to credit risk as at 31 March 2019 and 31 March 2018 is the carrying value of each class of financial assets.

(iii) Treasury related credit risk

Credit risk from balances with banks is managed by the Group treasury department in accordance with the Group policy. The Group actively manages its exposure to credit risk, reducing surplus cash balances wherever possible through investment in bank deposits. Further, the Group ensures it diversifies its treasury related credit risk by investing in bank deposits in different banks. Limits are set for maximum investment in deposits in each bank.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	As at 31 March 2019	As at 31 March 2018
Loans	356	319
Investments	765	899
Trade receivables	39,729	24,668
Other financial assets	1,048	1,459
Total	**41,898**	**27,345**

The ageing of trade receivables at the reporting date on due basis are :

Particulars	As at 31 March 2019	As at 31 March 2018
Not past due	20,775	12,679
Past due 0-30 days	16,802	3,476
Past due 31-120 days	775	4,883
Past due 120 days-one year	1,022	2,936
More than one year	355	694
Total	**39,729**	**24,668**

2. **Liquidity Risk**

Liquidity risk is the risk that the Group will face in meeting its obligations associated with its financial liabilities. The Group approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses.

The Group regularly monitors the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing term deposits and other highly marketable debt investments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

(i) **Maturities of financial liabilities**

The table below analyses the Group financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

Particulars	As at 31 March 2019					
	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	2-5 years
Non-current borrowings	4,668	-	672	672	1,344	1,980
Current borrowings	1,34,007	1,34,007	-	-	-	-
Loan from related party	4,144	4,144	-	-	-	-
Trade payables	22,379	-	22,379	-	-	-
Other financial liabilities	7,222	82	7,140			

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2018					
	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	2-5 years
Long term borrowings	8,111	-	1,458	1,458	1,860	3,336
Working capital borrowings	1,11,544	1,11,544	-	-	-	-
Loan from related party	4,870	4,870	-	-	-	-
Trade payables	11,070	-	11,070	-	-	-
Other financial liabilities	5,344	224	5,120	-	-	-

(ii) Market risk - foreign exchange risk:

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group size and operations result in it being exposed to the following market risks that arise from its use of financial instruments:

- currency risk;
- price risk; and
- interest rate risk.

3. Currency Risk

The Group operates internationally and consequently the Group is exposed to foreign exchange risk through its sales in overseas market. The Group evaluates exchange rate exposure arising from foreign currency transactions and the Group follows policies which includes the use of derivatives like foreign exchange forward contracts to hedge exposure to foreign currency risk.

The Group has Outstanding Forward contracts as on 31 March 2019 and there is Marked to Market (MTM) unrealized gain/(loss) on forward contracts of ₹ Nil as at 31 March 2019, [31 March 2018 ₹ (35.57) lacs], which has been accounted for accordingly in the books of accounts.

(i) Derivative Instruments

Outstanding forward exchange contracts as entered into by the Group for the purpose of hedging its foreign currency exposures are as under:

Foreign currency	Cross currency	Sell contract	
		31 March 2019	31 March 2018
USD	Indian Rupee	-	9,756
EURO	USD	-	33,054

Foreign currency exposure recognized by the Group that have not been hedged by a derivative instrument are as under:

Particulars	₹ in lacs		AED in lacs		USD in lacs	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Financial assets						
Trade receivables	7,049	7,860	-	-	102	124
Cash and cash equivalents	242	3,516	4	2	2	53
Financial liabilities						
Trade payables[1]	23	-	-	-	0	-
Borrowings	22,572	70,957		-	326	1,091
Advance from customers	429	279	1	-	6	4

[1.] Rounded off to zero.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

(ii) Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	AED		USD	
	5% increase	5% decrease	5% increase	5% decrease
31 March 2019 (₹ in lacs)	**3**	**(3)**	**(789)**	**789**
31 March 2018 (₹ in lacs)	-	-	(2,984)	2,984

4. Interest risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

As at year end, the Group has following borrowings

Particulars	31 March 2019	31 March 2018
Fixed rate of borrowings	**1,04,771**	1,07,085
Variable rate borrowings	**33,904**	12,570

Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax	31 March 2019	31 March 2018
100 bps increase- decrease in profits	**170**	64
100 bps decrease- increase in profits	**170**	64

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments) were utilised for the whole financial year.

5. Price Risk

The Group is mainly exposed to the price risk due to its investment in equity shares. The price risk arises due to uncertainties about the future market values of these investments

The table below summarises the impact of increases/decreases of the index on the Group equity and profit for the year. The analysis is based on the assumption that the index has increased by 5 % or decreased by 5 % with all other variables held constant, and that all the Group equity instruments moved in line with the index.

Impact on profit before tax	31 March 2019	31 March 2018
Sensex increase by 5%	**38**	45
Sensex decrease by 5%	**(38)**	(45)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Fair value disclosure

1. Fair value measurement of Financial Instruments

	31 March 2019			31 March 2018		
	FVTPL	FVOCI	Amortised cost[1]	FVTPL	FVOCI	Amortised cost[1]
Financial Assets						
Investments	765	-	-	899	-	-
Derivative assets	-	-	-	2	-	-
Loans	-	-	356	-	-	319
Cash and cash equivalents	-	-	475	-	-	3,942
Other bank balances	-	-	102	-	-	3,040
Trade receivables	-	-	39,729	-	-	24,668
Other financial assets	-	-	1,048	-	-	1,457
Total	**765**	**-**	**41,710**	**901**	**-**	**33,426**
Financial liabilities						
Borrowings	-	-	1,42,819	-	-	1,24,525
Trade payables	-	-	22,379	-	-	11,070
Other financial liabilities	-	-	7,222	-	-	5,344
Total	**-**	**-**	**1,72,420**	**-**	**-**	**1,40,938**

1. The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets, borrowings, trade payables and other financial liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments.

   Further, these instruments are valued at level 3 and their fair value are considered to be same as their carrying value, as there is an immaterial change in the lending rate.

2. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair value of financial instruments that are (a) recognised and measured at fair value (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three level prescribed under the accounting standard. An explanation each level follows underneath the table.

Assets and liabilities measured at amortised cost, for which fair value are disclosed

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices, for example listed equity instruments, traded bonds and mutual funds that have quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There are no transfers among levels 1, 2 and 3 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

(A) Financial instruments valued at fair value through profit and loss

	31 March 2019		31 March 2018	
	Level 1	Level 2	Level 1	Level 2
Financial Assets				
Investments	765	-	899	-
Derivative asset	-	-	-	2
	765	**-**	**899**	**2**

(B) Financial instruments valued at amortised cost

	31 March 2019	31 March 2018
	Level 3	Level 3
Loans	356	319
Cash and cash equivalents	475	3,942
Other bank balances	102	3,040
Trade receivables	39,729	24,668
Other financial assets	1,048	1,457
Total	**41,710**	**33,426**
Financial liabilities		
Borrowings	1,42,819	1,24,525
Trade payables	22,379	11,070
Other financial liabilities	7,222	5,344
Total	**1,72,420**	**1,40,938**

3. Derivative financial assets

The Company enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employs the use of market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates etc.

4. Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include the use of discount cash flows for estimating fair value of loans to employees, security deposits and borrowings.

The carrying amounts of trade receivables, cash and cash equivalents, consignment debtors, interest accrued, other receivables, other bank balances, trade payables, employee payables and other current payables are considered to be the same as fair values, due to their short term nature

The fair value for loans and security deposits were calculated based on cash flow discounted using a current lending rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of loans to employees and security deposits approximates the carrying amount

The fair value for borrowings was calculated based on cash flow discounted using a current borrowing rate. They are classified as level 3 fair value in the fair value hierarchy due to the inclusion of unobservable inputs, including own credit risk. The fair value of borrowings approximates the carrying amount.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

39 Segmental Reporting

A Operating segments

Agri - Comprises of agricultural commodities such as rice, Furfural, seed, bran, bran oil, etc.

Energy - Comprises of power generation from wind turbine, husk based power plant and solar power plant.

B Identification of segments

The chief operational decision maker monitors the operating results of its Business segment separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements, Operating segment have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

C Segment revenue and results

The expenses and income which are not directly attributable to any business segment are shown as unallocable expenditure

D Segment assets and liabilities:

Assets used by the operating segments mainly consist of property, plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any of the segments are shown as a part of unallocable assets/liabilities.

E Summary of Segmental Information

Particulars	31 March 2019	31 March 2018
1. Segment revenue		
(a) Agri	399,189	312,281
(b) Energy	21,457	19,491
Total segment revenue	420,646	331,772
Inter segment revenue - Energy	(8,597)	(7,120)
Net segment revenue	412,049	324,652
2. Segment results		
(a) Agri	71,763	63,396
(b) Energy	8,181	8,562
Total segment results (before finance costs and tax)	79,944	71,958
Less: Finance costs	6,201	6,036
"Less: Other unallocable expenditures (net of unallocable incomes)"	444	421
Total profit before tax	73,299	65,501
3. Segment assets		
(a) Agri	397,558	315,539
(b) Energy	66,056	70,215
Total segment assets	463,614	385,754
4. Segment liabilities		
(a) Agri	32,502	18,547
(b) Energy	5,190	7,908
(c) Unallocable	153,164	130,422
Total segment liabilities	190,856	156,877

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	31 March 2019	31 March 2018
Segment revenue - Geographical information:		
a) Agri		
India	214,746	181,993
Rest of the world	184,443	130,288
Sub-total (a)	399,189	312,281
a) Energy		
India	21,385	19,491
Rest of the world	72	-
Sub-total (b)	21,457	19,491
Total (a)+(b)	420,646	331,772
Inter-segment revenue - Energy	(8,597)	(7,120)
Total	412,049	324,652

40. Related party transactions

A Related parties and their relationships

(a) Key Management Personnel:

Mr. Anil Kumar Mittal	Chairman and Managing Director
Mr. Arun Kumar Gupta	Joint Managing Director
Mr. Anoop Kumar Gupta	Joint Managing Director
Ms. Priyanka Mittal	Whole Time Director
Mr. Ashok Chand*	Whole Time Director

*Resigned w.e.f 23 July 2018.

(b) KMP's as per the provisions of the Companies Act, 2013

Mr. Rakesh Mehrotra	Chief Financial Officer
Mr. Raman Sapra	Company Secretary

(c) Independent Non-Executive Directors:

Mr. Vinod Ahuja

Mr. Ashwani Dua

Mr. Shyam Arora

Mr. Devendra Kumar Agarwal

Mr. Alok Sabharwal

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(d) Employee benefit plans where there in significant influence:

KRBL Limited Employees Group Gratuity Trust

(e) Relatives of Key Management Personnel:*

Mrs. Preeti Mittal	Wife of Mr. Anil Kumar Mittal
Mrs. Anulika Gupta	Wife of Mr. Arun Kumar Gupta
Mrs. Binita Gupta	Wife of Mr. Anoop Kumar Gupta
Mrs. Neha Singh	Daughter of Mr. Arun Kumar Gupta
Mrs. Rashi Gupta	Daughter of Mr. Anoop Kumar Gupta
Mr. Ashish Mittal	Son of Mr. Anil Kumar Mittal
Mr. Kunal Gupta	Son of Mr. Arun Kumar Gupta
Mr. Akshay Gupta	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	Son of Mr. Anoop Kumar Gupta
Lt. Tara Devi	Mother of Mr. Anil Kumar Mittal, Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta

(f) Enterprises over which key management personnel are able to exercise significant influence:*

KRBL Infrastructure Limited

Khushi Ram Behari Lal

Adwet Warehousing Private Limited

KRBL Foods Limited

(g) Trust/HUF's over which key management personnel are able to exercise significant influence:*

Anil Mittal Family Trust

Anoop Kumar Gupta Family Trust

Arun Kumar Gupta Family Trust

Anil Kumar Mittal HUF

Arun Kumar Gupta HUF

Anoop Kumar Gupta HUF

* This include only those parties with whom Company had related party transactions.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

B Transactions and balances with related parties

Particulars	Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
I. Transactions entered during the year						
i. Purchase of goods1						
Khushi Ram Behari Lal	2	3	-	-	-	-
ii. Sale of goods[1]						
Khushi Ram Behari Lal	781	742	-	-	-	-
iii. Rent paid[1]						
Mr. Anil Kumar Mittal	-	-	2	1	-	-
Mr. Arun Kumar Gupta	-	-	6	5	-	-
Mr. Anoop Kumar Gupta	-	-	6	5	-	-
Mr. Ashok Chand	-	-	-	1		
KRBL Infrastructure Limited	199	196	-	-	-	-
KRBL Foods Limited	651	552	-	-	-	-
Adwet Warehousing Pvt. Ltd.	25	-	-	-	-	-
Mrs. Anulika Gupta	-	-	-	-	12	12
Mrs. Binita Gupta	-	-	-	-	2	2
Mrs. Preeti Mittal	-	-	-	-	2	2
Mr. Ashish Mittal	-	-	-	-	13	13
Lt. Tara Devi	-	-	-	-	-	4
Anoop Kumar Gupta HUF	10	10	-	-	-	-
iv. Expense incurred (on behalf of Holding Company by others)/by Holding Company for others						
Khushi Ram behari lal	2	0	-	-	-	-
v. Remuneration on account of salary and perquisites[2]						
Mr. Anil Kumar Mittal	-	-	109	98	-	-
Mr. Arun Kumar Gupta	-	-	109	98	-	-
Mr. Anoop Kumar Gupta	-	-	109	98	-	-
Ms. Priyanka Mittal	-	-	56	56	-	-
Mr. Ashok Chand	-	-	10	27	-	-
Mr. Raman Sapra	-	-	14	13	-	-
Mr. Rakesh Mehrotra	-	-	79	75	-	-
Mr. Ashish Mittal	-	-	-	-	22	18
Mr. Kunal Gupta	-	-	-	-	22	18
Mr. Akshay Gupta	-	-	-	-	22	18
Mr. Ayush Gupta	-	-	-	-	22	18

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
vi. Electricity charges paid						
KRBL Infrastructure Limited	78	83	-	-	-	-
vii. Repair and Maintenance paid						
KRBL Infrastructure Limited	13	11	-	-	-	-
viii. Sitting fees paid[3]						
Mr. Vinod Ahuja	-	-	-	-	1	0
Mr. Ashwani Dua	-	-	-	-	0	0
Mr. Shyam Arora	-	-	-	-	1	0
Mr. Devendra Kumar Agarwal	-	-	-	-	1	0
Mr. Alok Sabharwal	-	-	-	-	1	0
ix. Dividend paid						
Anil Mittal Family Trust	979	893	-	-	-	-
Arun Kumar Gupta Family Trust	950	867	-	-	-	-
Anoop Kumar Gupta Family Trust	894	816	-	-	-	-
Anil Kumar Mittal HUF	83	76	-	-	-	-
Arun Kumar Gupta HUF	112	102	-	-	-	-
Anoop Kumar Gupta HUF	168	153	-	-	-	-
Mr. Anil Kumar Mittal[3]	-	-	0	0	-	-
Mr. Arun Kumar Gupta[3]	-	-	0	0	-	-
Mr. Anoop Kumar Gupta[3]	-	-	0	0	-	-
Ms. Priyanka Mittal[3]	-	-	0	0	-	-
Mr. Ashish Mittal[3]	-	-	-	-	0	0
Mr. Kunal Gupta[3]	-	-	-	-	0	0
Mr. Akshay Gupta[3]	-	-	-	-	0	0
Mr. Ayush Gupta[3]	-	-	-	-	0	0
Mrs. Binita Gupta[3]	-	-	-	-	0	0
Mrs. Anulika Gupta[3]	-	-	-	-	0	0
Mrs. Neha Singh[3]	-	-	-	-	0	0
Mrs. Rashi Gupta[3]	-	-	-	-	0	0
Mrs. Preeti Mittal[3]	-	-	-	-	0	0
x. Interest paid						
Khushi Ram Behari Lal	34	23	-	-	-	-
xi. Advances given						
Mr. Raman Sapra[3]	-	-	0	-	-	-
Mr. Rakesh Mehrotra	-	-	1	-	-	-
xii. Advances adjusted against salary						
Mr. Raman Sapra[3]	-	-	0	-	-	-
Mr. Rakesh Mehrotra[3]	-	-	0	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars		Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
xiii.	**Borrowings- Unsecured loans availed**						
	Mr. Anil Kumar Mittal	-	-	1,792	717	-	-
	Mr. Arun Kumar Gupta	-	-	2,423	1,319	-	-
	Mr. Anoop Kumar Gupta	-	-	3,721	1,008	-	-
	Ms. Priyanka Mittal	-	-	436	-	-	-
xiv.	**Borrowings-Unsecured loans repaid**						
	Mr. Anil Kumar Mittal	-	-	2,243	1,014	-	-
	Mr. Arun Kumar Gupta	-	-	2,195	1,324	-	-
	Mr. Anoop Kumar Gupta	-	-	4,258	1,367	-	-
	Ms. Priyanka Mittal	-	-	402	-	-	-
xv.	**Discount allowed on sale of goods**						
	Khushi Ram Behari Lal	49	51	-	-	-	-
xvi.	**Advance received against supply of goods**						
	Khushi Ram Behari Lal	2,568	815	-	-	-	-
xvii.	**Advance received against supply of goods returned back**						
	Khushi Ram Behari Lal	645	-	-	-	-	-
II.	**Balances outstanding at the year end**						
i.	**Unsecured borrowings-Current**						
	Mr. Anil Kumar Mittal	-	-	342	793	-	-
	Mr. Arun Kumar Gupta	-	-	1,266	1,038	-	-
	Mr. Anoop Kumar Gupta	-	-	2,502	3,039	-	-
	Ms. Priyanka Mittal	-	-	34	-	-	-
ii.	**Advance received from customers**						
	Khushi Ram Behari Lal	1,418	195	-	-	-	-
iii.	**Receivable (payable)**						
	KRBL Infrastructure Limited	-	(39)	-	-	-	-
	KRBL Foods Limited	-	(5)	-	-	-	-
iv.	**Receivable on account of Security deposit/Prepaid Lease**						
	KRBL Infrastructure Limited	971	971	-	-	-	-

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars		Enterprises/Trusts/HUF over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
v.	**Employee related payables**						
	Mr. Anil Kumar Mittal	-	-	2	13	-	-
	Mr. Arun Kumar Gupta	-	-	2	10	-	-
	Mr. Anoop Kumar Gupta	-	-	2	11	-	-
	Ms. Priyanka Mittal	-	-	2	1	-	-
	Mr. Ashok Chand	-	-	-	1	-	-
	Mr. Raman Sapra	-	-	1	1	-	-
	Mr. Rakesh Mehrotra	-	-	3	2	-	-
	Mr. Ashish Mittal	-	-	-	-	1	3
	Mr. Kunal Gupta	-	-	-	-	1	5
	Mr. Akshay Gupta	-	-	-	-	1	4
	Mr. Ayush Gupta	-	-	-	-	1	4
vi.	**Other balances outstanding at the end of the year, net (payable)/receivable**						
	Mr. Arun Kumar Gupta[3]	-	-	(0)	(0)	-	-
	Mr. Anoop Kumar Gupta[3]	-	-	(0)	(0)	-	-
	Ms. Priyanka Mittal	-	-	1	-	-	-
	Mr. Rakesh Mehrotra[3]	-	-	1	(0)	-	-
	Mr. Ashish Mittal[3]	-	-	-	-	(0)	-
	Mr. Ayush Gupta[3]	-	-	-	-	(0)	(2)

1. Transactions are inclusive of Goods and Services tax

2. As gratuity and compensated absences are computed for all the employees in aggregate, the amount relating to relatives of KMPs cannot be individually identified.

3. Amounts are below rounding off thresholds adopted by the Company.

4. Personal guarantee has been given by Mr. Anil Kumar Mittal, Mr. Anoop Kumar Gupta and Mr. Arun Kumar Gupta in respect of working capital consortium loan taken by the Company, as at the year ended 31 March 2019, the outstanding amount of loan is ₹ 114,007 lacs (31 March 2018 ₹ 96,544 las) and Mr. Ashish Mittal (relative of key managerial personnel) to the extent of the immovable properties as specified in consortium agreement.

5. All related party transactions are at arms length price and in the ordinary course of business.

6. Refer note 3(d) for transactions related to Property, Plant and Equipment with KMP and their relatives

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

41 Contingent liabilities and commitments

A. Contingent liabilities

(i) Claims against the Group not acknowledged as debts*	As at 31 March 2019	As at 31 March 2018
Income tax matters[1]	126,920	-
Indirect taxes[2]	7,501	2300
Other matters	613	132
	135,034	2,432

1. The Company has 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 ₹ 75,744 lacs and interest thereon ₹ 51,176 lacs. Vide writ petition filed, the Company has obtained an order from Hon'ble High Court of Delhi, that no coercive action shall be taken against the Company. The management of the Company has contested this demand at CIT (Appeals), New Delhi. Further, the Company is required to pay ₹ 25,384 lacs under protest for contesting such demand. Till 31 March 2019, the Company has paid ₹ 7,500 lacs under protest and thereafter, required to pay monthly instalments of ₹ 1,200 lacs as agreed with the income tax department. The management, based on legal assessment, is confident that it has a favourable case and that the demand shall be deleted at the appellate stage. The auditors of the Company have invited attention to the aforementioned issue in their audit report for the quarter and year ended 31 March 2019.

2. Indirect taxes includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003.

*. The Company on the basis of the legal opinion is of the firm belief that the above demands are not tenable and highly unlikely to be retained by higher authorities and is accordingly not carrying any provision in its books in respect of such demands. The amounts disclosed are based on the orders/ notices received from the authorities.

B. The Hon'ble Supreme Court (""SC"") has, in a recent decision ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays special allowance, conveyance allowance and others allowances to its employees as a part of its their compensation structure, which are not included in the basic wages for the purpose of computing the PF.

As the above said ruling has not prescribed any clarification w.r.t to its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for employee contribution has been recognised in the financial statements for the year ended 31 March 2019

C. Commitments

Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment (net of advances)	1,320	605

42. Transfer pricing

As per the international transfer pricing norms introduced in India with effect from 1 April 2001 and the domestic transfer pricing norms introduced with effect from 1 April 2012, the Company is required to use certain specified methods in computing arm's length price of international and national transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/ class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Company is in the process of conducting a transfer pricing study for the current financial year. However, in the opinion of the Management the same would not have a material impact on these financial statements. Accordingly, these financial statements do not include any adjustments for the transfer pricing implications, if any.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

43. Research and development expenditure

Research and development expenditure incurred during the year ended 31 March 2019 and 31 March 2018 is as follows:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Capital expenditure	-	-
Revenue expenditure	523	480

44. Dividends

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
A. Dividend declared and paid during the year		
Final dividend declared and paid for the year ended 31 March 2018 ₹ 2.30 per share (For the year ended 31 March 2017 : ₹ 2.10 per share)	5,414	4,943
Dividend distribution tax on final dividend	1,102	483
B. Proposed dividends on equity shares not recognised as liability		
Proposed dividends for the year ended 31 March 2019 ₹ 2.50 per share (For the year ended 31 March 2018 : ₹ 2.30 per share)	5,885	5,414
Dividend distribution tax on proposed dividend	1,210	1,102
C. Remittance in foreign currency on account of dividend		
Number of non-resident shareholders to whom dividend is remitted	5	5
Number of equity shares held by them	3,90,00,000	3,90,00,000
Amount of dividend paid	897	819
Year to which the dividend relates	2017-18	2016-17

45. Assets pledged as security

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets		
First charge		
Property, plant and equipments	92,915	96,799
Intangible assets	101	111
Total non-current assets pledged as security	93,016	96,910
Current assets		
First charge		
Pari-passu		
Inventories	3,12,885	2,46,161
Financial assets (current and non-current)	42,752	34,668
Other assets (current and non-current)	14,012	6,710
Total current assets pledged as security	3,69,649	2,87,539
Total assets pledged as security	4,62,665	3,84,449

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

46. Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2019	For the year ended 31 March 2018
Non-current borrowings		
Opening balance	8,111	12,502
Proceeds	-	-
Repayment	(3,443)	(4,456)
Net loss on foreign currency transactions and translation	-	65
Closing balance	4,668	8,111
Current borrowings		
Opening balance	1,16,414	96,505
Movement (net)	22,191	19,275
Net (gain)/loss on foreign currency transactions and translation	(454)	634
Closing balance	1,38,151	1,16,414
Finance cost		
Accrued but not due as at 1 April	164	191
Expenses incurred	6,758	6,895
Expenses paid	6,283	6,922
Accrued but not due as at 31 March	639	164

47 During the previous year, the officers of the directorate of enforcement, ministry of finance, government of India visited under section 17 of the PMLA 2002, the premises of the Company in an ongoing investigation of some matters pertaining to Mr. Gautam Khaitan, solicitor and the erstwhile independent director of the Company from 30 July 2007 to 18 April 2013 and in the course of which statements of some directors/officers of the Company were recorded by them. Nothing incriminating in the affairs of the Company has been alleged by them so far as on this date.

48 Additional information as required for preparation of consolidated financial statements to Schedule III to the Act:

31 March 2019

Particulars	Holding Company	Subsidiaries Companies		Consolidation adjustments/ eliminations	Total
	KRBL Limited	KRBL DMCC, Group	K B Exports Private Limited		
Net assets (i.e. total assets minus total liabilities)					
- as % of consolidated net assets	100%	0%	0%	0%	100%
- Amount	2,71,745	1,142	295	(424)	2,72,758
Share in profit and loss					
- as % of consolidated profit and loss	100	(0)	0%	0%	100%
- Amount	50,327	(25)	0	-	50,302
Share in other comprehensive income					
- as % of consolidated other comprehensive income	4%	96%	0%	0%	100%
- Amount	4	91	-	-	95
Share in total comprehensive income					
- as % of consolidated total comprehensive income	100%	0	0%	0%	100%
- Amount	50,331	66	0	-	50,397

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENT

(All amounts stated in ₹ lacs, unless otherwise stated)

31 March 2018

Particulars	Holding Company	Subsidiaries Company		Consolidation adjustments/ eliminations	Total
	KRBL Limited	KRBL DMCC, Group	K B Exports Private Limited		
Net assets (i.e. total assets minus total liabilities)					
- as % of consolidated net assets	100%	0%	0%	0%	100%
- Amount	2,27,930	1,077	295	(424)	2,28,878
Share in profit and loss					
- as % of consolidated profit and loss	100%	0%	0%	0%	100%
- Amount	43,608	(164)	-	-	43,444
Share in other comprehensive income					
- as % of consolidated other comprehensive income	100%	0%	0%	0%	100%
- Amount	17	-	-	-	17
Share in total comprehensive income					
- as % of consolidated total comprehensive income	100%	0%	0%	0%	100%
- Amount	43,625	(164)	-	-	43,484

49 During the year ended 31 March 2019, the Group reclassified/regrouped certain previous year's amount i.e. 31 March 2018. Considering the nature of these reclassification/regrouping, the Company does not intend to present opening balance sheet of previous year reported. Refer below the reclassified/regrouped amount in the previous year amount-

Reclassification of financial information of previous year ended 31 March 2018		Amount
Reclassification from current year information in previous year	**Reclassification to in previous year information in current year**	
Trade payables	Advance to suppliers	1,110
Trade receivables	Advances from customers	258
Provisions – non-current, compensated absences	Provisions – current, compensated absences	79
Provisions - current	Other financial liabilities-employee related payables	718
Employee benefit expenses	Other expenses	800
Other income	Other expenses	27
Prepayments	Other non-current assets - Prepayments	1,280
Prepayments	Other current assets – Prepayments	1,077

This is the Summary of the consolidated significant accounting policies and other explanatory information referred to in our report in even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place : Noida
Date : 15 May 2019

For **and on behalf of the Board of Directors of KRBL Limited**

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Raman Sapra
Company Secretary
Membership No. F9233

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366

NOTES

NOTES

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