

E:KRBL/BIBHU/STK_EX_2021/39
07 September 2020



✓	The General Manager Department of Corporate Services BSE Limited Floor 25, Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001	National Stock Exchange of India Limited “Exchange Plaza”, C-1, Block-G Bandra-Kurla Complex Bandra (E) Mumbai-400051
	Scrip Code: 530813	Symbol: KRBL Series: Eq.

Dear Sir / Madam,

Sub: Annual Report for the financial year ended 31 March 2020

This is further to our letter no E:KRBL/BIBHU/STK_EX_2021/35 dated 01 September 2020, vide which, the Company had informed regarding the 27th Annual General Meeting, which is scheduled to be held on Wednesday, 30 September 2020 at 12.00 Noon, through Video Conferencing/Other Audio Visual Means ("VC/OAVM"), in this regard please find enclosed herewith the Annual Report of KRBL Limited for the financial year ended 31 March 2020.

The aforesaid Report is also being uploaded on the Company's website- www.krblrice.com under the link Investor Relations.

Kindly take the above information on record.

Thanking You,

Yours faithfully,
For KRBL Limited

**Raman Sapra
Company Secretary**

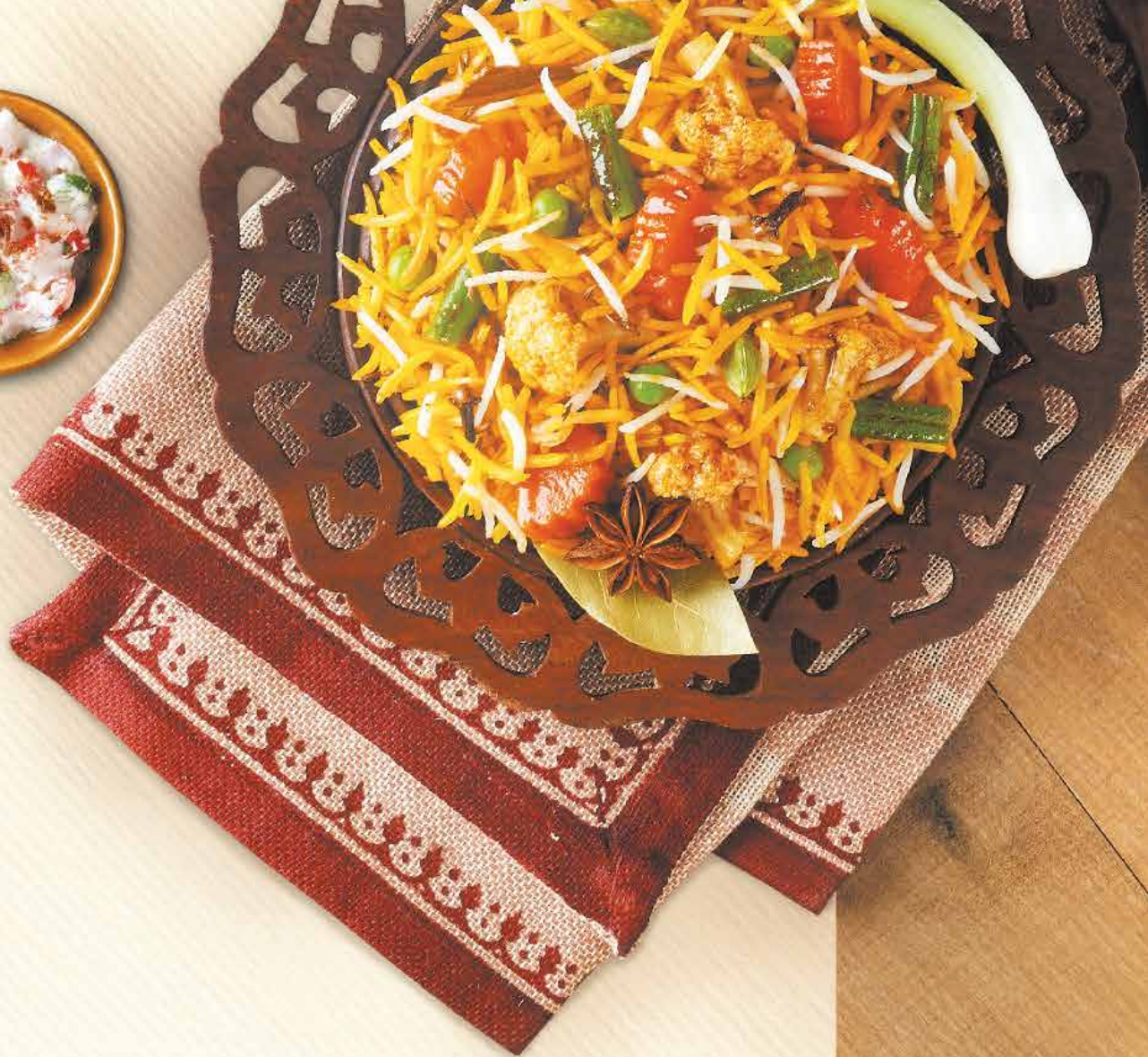
Encl.: As Above.



ANNUAL REPORT
2019 - 2020

— INGRAINING —
A HEALTHY FUTURE





THODA ZYAADA PYAAR PAROSNEY KI AADAT

Kuch khaas hota hai purani aadaton mein. Jaise kuch khaas hai
India Gate Basmati Rice mein, jiska har daana hai khila khila.
Toh apni iss purani aadat ko, rakho humesha khaas.



India ki Puraani Aadat



2 YEARS
AGED RICE

[@indiagatefoods](#) [@indiagatefoods](#) [@indiagatefoods](#)



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INGRAINING A HEALTHY FUTURE

Standing at today's critical times, the basic thought on everyone's mind is 'a healthy and safe future'. A healthy nation is a happy one. A healthy nation means sustained economic growth and more opportunities for people.

We believe that the health of our Company is intrinsically linked to the health and resilience of the people we deal with, the society we operate in and the mother nature. Keeping this in mind, we are geared up to be one of the brands in India that makes 'Healthier Future' a reality!

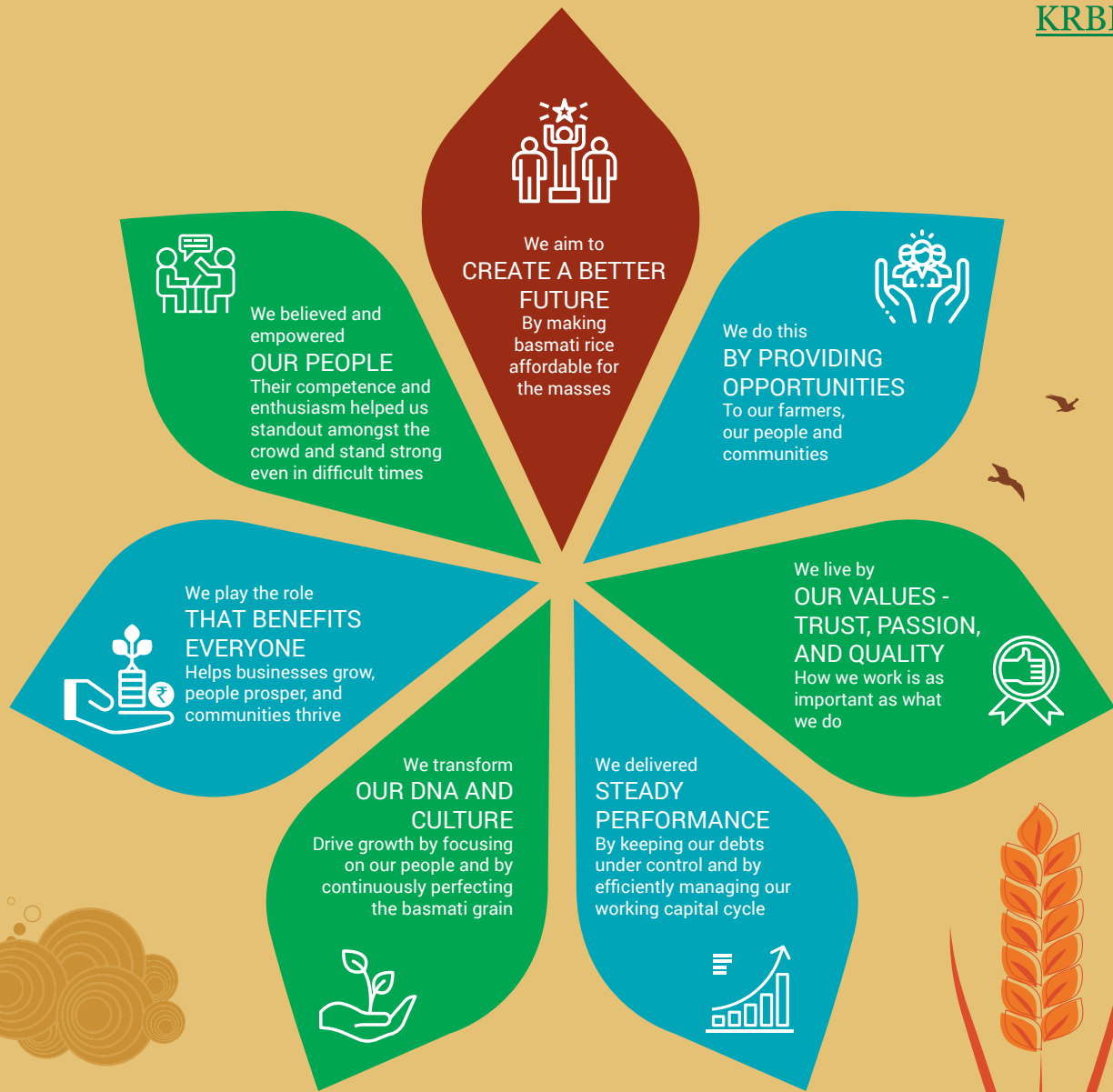
We intend to do so by ingraining the health quotient in the staple diet of more than half of the world's

population. From being a player in a niche agri-product category, we are now expanding our reach and capabilities to touch more consumers with our health and nutrition rich rice-based product basket.

We aim to be a vital player in the health industry, while making significant positive difference to the lives and economy of our country's backbone – the farming community! It's often the simple things that leave the biggest mark. With our intent of delivering nutrition to our customers, we look forward to transforming the world as we know it!

We look forward to ingraining a Healthy Future in every aspect of our business.





We believe that by passionately doing things the right way, we have emerged as India's first Rice company with a comprehensive product chain having a culture that pushes our people to outperform, every day.



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

Ms. Priyanka Sardana (Addnl. Director)

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

Stakeholders Relationship Committee

Mr. Ashwani Dua – Chairman

Mr. Shyam Arora – Member

Mr. Vinod Ahuja – Member

Nomination and Remuneration Committee

Mr. Ashwani Dua – Chairman

Mr. Shyam Arora – Member

Mr. Vinod Ahuja – Member

Corporate Social Responsibility Committee

Mr. Anil Kumar Mittal – Chairman

Mr. Anoop Kumar Gupta – Member

Mr. Ashwani Dua – Member

Ms. Priyanka Mittal – Member

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

Borrowing and Investment Committee

Mr. Anil Kumar Mittal – Chairman

Mr. Arun Kumar Gupta – Member

Mr. Anoop Kumar Gupta – Member

Mr. Rakesh Mehrotra – Member

STATUTORY AUDITORS

M/s. Walker Chandio & 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. HVMN & Associates

Cost Accountants

1011, Pearls Best Heights-II, C-9,

Netaji Subhash Place, Pitampura,

Delhi - 110 034

REGISTRAR & SHARE TRANSFER AGENT

Alankit Assignments Limited

4E/2, Jhandewalan Extension,

New Delhi - 110 055

Phone: 011 - 4254 1234

Fax: 011 - 4254 1201

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

HDFC Bank Limited

DBS Bank India Limited

Coöperatieve Rabobank U.A.

IndusInd Bank Limited

Karnataka Bank Limited

Union Bank of India

Kotak Mahindra Bank Ltd.

ICICI Bank Limited

MUFG Bank Ltd.

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. Sonapat, Haryana - 131 104

ABOUT KRBL LIMITED

WHO WE ARE

With a rich industry experience of more than a century, KRBL Limited today has created its place as the top player in the Indian rice industry and also as India's first integrated rice company. Operating primarily in the realm of manufacturing and marketing of rice products, the Company's success has been derived by operating responsibly, executing adeptly, manufacturing innovatively and capturing new opportunities proactively.

Over the years, KRBL has evolved and widened its product offerings that have delighted customers across geographies. Our presence in an extremely consumer driven market generates a demand for healthy and balanced dietary products. With a well-established presence in India, we aim to further enhance our penetration along with expanding our reach to new international markets.

Stewarded by three of the doyens of the Indian agri-product industry, Mr. Anil Kumar Mittal (Chairman & Managing Director) and Mr. Arun Kumar Gupta and Mr. Anoop Kumar Gupta (both Joint Managing Directors) and ably assisted by a team of qualified professionals, KRBL has managed to make its presence felt in every aspect of the entire value chain, from seed development and multiplication, contract farming, production to marketing. The Company constantly explores ways and means to enhance offtake, widen reach and deploy technologies that bolster cost-competitiveness.

OUR VISION

To preserve and enrich the legacy of basmati in India by ensuring the genetic integrity of the seed, by encouraging farmers to adopt scientific agricultural practices and by leveraging world-class rice processing technologies, so as to emerge as the industry benchmark for product quality and customer service.

OUR MISSION

To emerge as the world's number one basmati player, committed to deliver precision – perfect quality products to our customers; nurture a professional work environment that fosters employee excellence, growth and job satisfaction; and build a financially strong, growth-oriented company that creates value for our stakeholders.



WHAT WE DO

Pioneering the concept of having an integrated rice manufacturing facility, KRBL Limited is a globally renowned manufacturer and seller of basmati and non-basmati rice products under its flagship brand India Gate and other celebrated brands such as Unity, Doon, Nur Jahan and Bemisal among others. Our scale and focus on execution mean that we can provide our clients and consumers with the best value in terms of quality and cost as well as the most exciting and innovative products.

Further, the Company evolved in a multi-segment rice player with its foray into the health food segment and introduced a wide range of health food products such as India Gate Basmati Brown Rice, India Gate Non-Basmati Brown Rice, Chia seeds, Flax seeds and Quinoa.

KRBL Limited, the largest integrated rice miller of the country, is one of the major producers of rice products (both basmati and non-basmati rice), further the Company is engaged in the production of milling by-products like bran oil, furfural, rice bran, and de-oiled cakes.

Besides rice and agri products, it is also engaged in the business of power generation. The Company's energy division comprises power generation from wind turbines, solar power plants and rice husk-based (biomass) power plants. This strategy helps the Company meet its power requirement from captive sources and reduce dependency on external sources while maximising returns from the non-core operations.

PRODUCTS WE OFFER

KRBL is an innovative consumer-centric Company, offering value and variety to its customers through superior and wide range product portfolio in India and across key export geographies.





OUR PRESENCE

KRBL has its two manufacturing facilities spread across the states of Uttar Pradesh (Gautam Budh Nagar) and Punjab (Dhuri). The four state-of-the-art grading, sorting, and packaging facilities of KRBL are located at Sonipat, Gautam Budh Nagar, Dhuri, and Alipur.

With its corporate office in Noida, UP and registered office in Delhi, KRBL has its product presence not only in India but also across the globe. KRBL exports basmati rice products to 82 countries and leads the basmati rice consuming market in the branded segment. KRBL is world's largest exporter of branded basmati rice.



KRBL's product presence is in **82** countries across the world



KRBL LIMITED AT A GLANCE

Guided by its experience, KRBL is a market leader in the Indian rice industry and one of the fastest growing FMCG company.



#1 Largest exporter of branded basmati rice from India



#1 KRBL possesses world's largest rice milling plant in Punjab, India spread across 200 acres



#1 India Gate, renowned and well-established selling brand in India



#1 KRBL has largest contact farming network coverage for rice



130 Years of rich industry experience



~15% Premium that KRBL's brands fetch in the domestic market



67% Contribution of India Gate brand to the branded basmati portfolio



6 Number of continents where KRBL has its product presence



82 Number of countries where KRBL exports its products



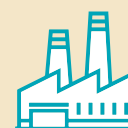
14 Number of rice brands sold under the banner of KRBL



500+ KRBL's wide spread domestic dealer and distributors network



195 MT/hour KRBL's paddy milling capacity, largest in the world



6 Million square feet KRBL's warehousing space spread over 346 acres



1 Million MT KRBL's rice and paddy storing capacity



35% Basmati seeds sown in India are provided by KRBL



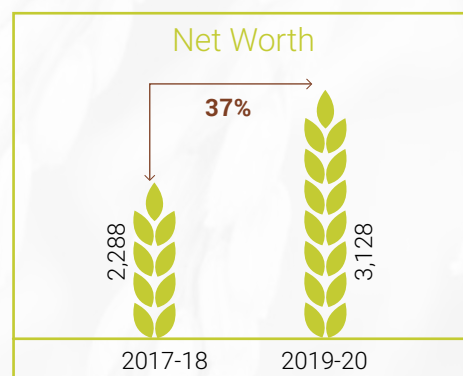
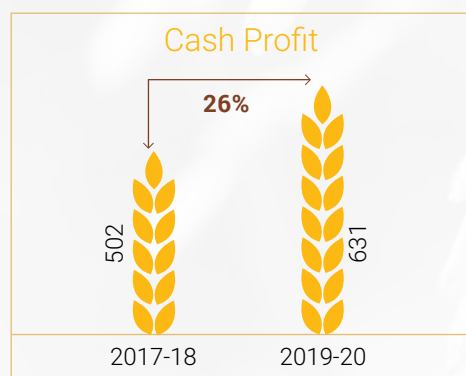
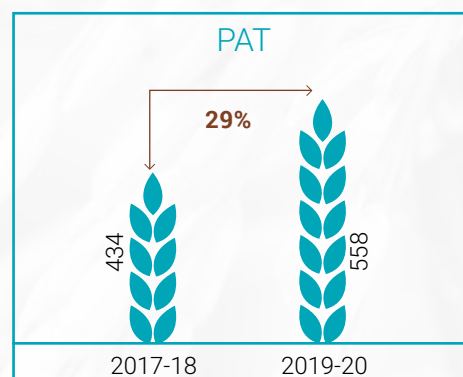
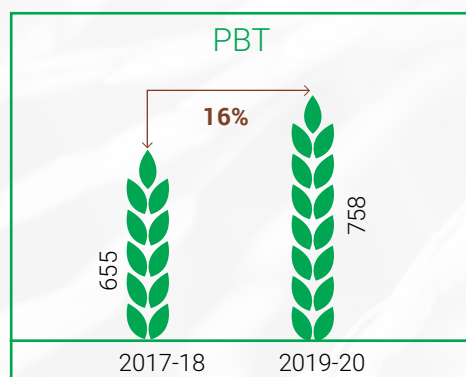
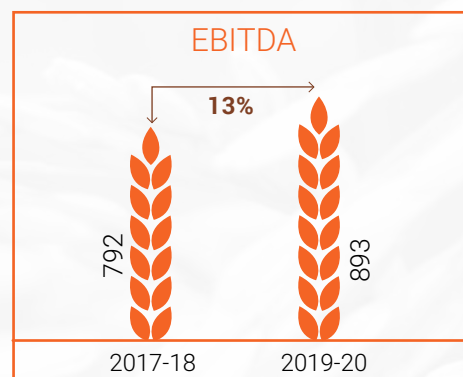
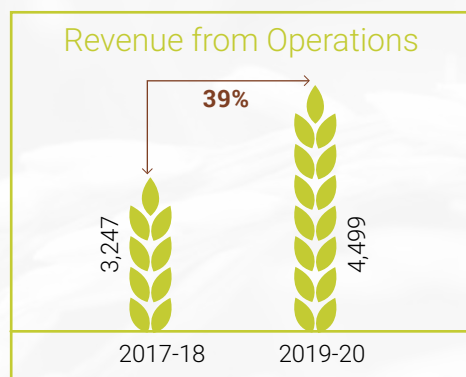
~3-5 Days in which direct payment made against procurement to farmers



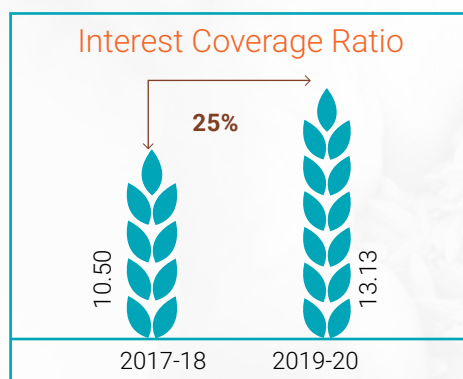
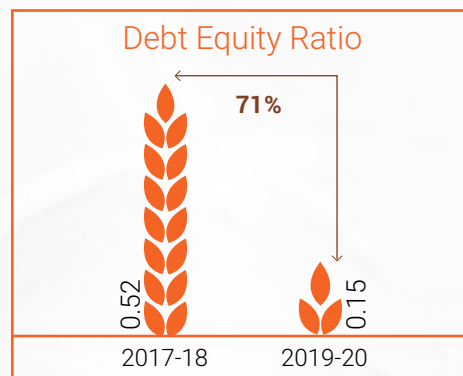
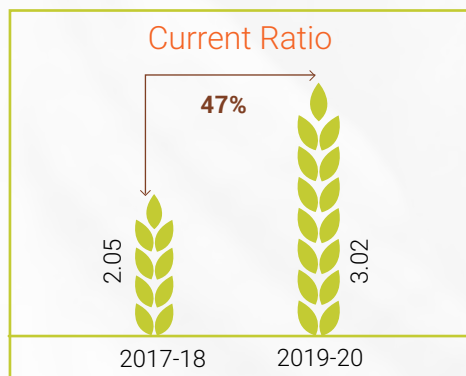
HOW WE ENHANCED VALUE

How KRBL profited from sustained business growth* (FY2017-18 versus FY2019-20)

₹ in crores



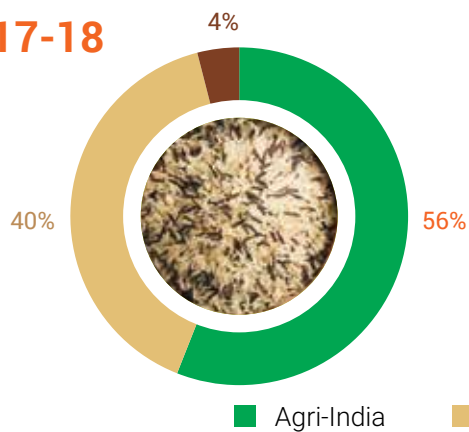
Based on consolidated financials



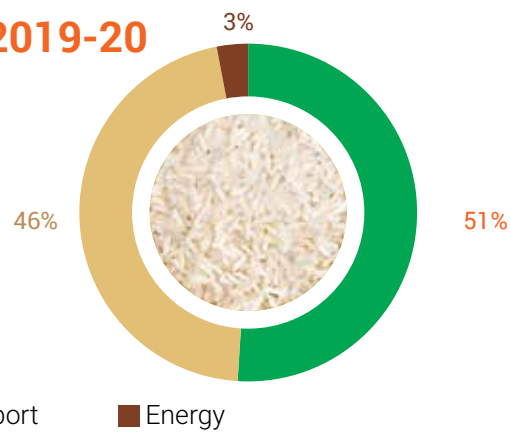
Based on consolidated financials

Sales breakdown by region and by segment, 2017-18 vs 2019-20 (in %)

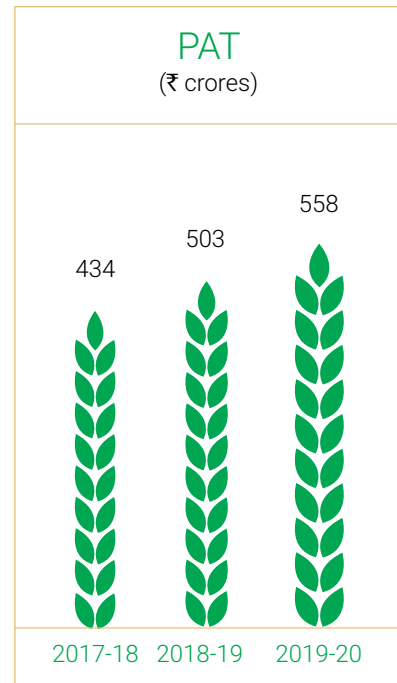
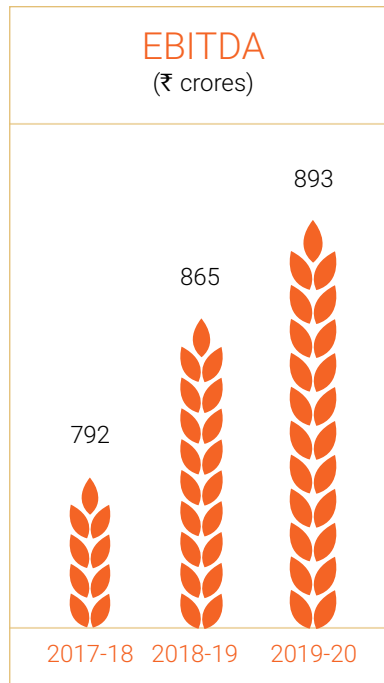
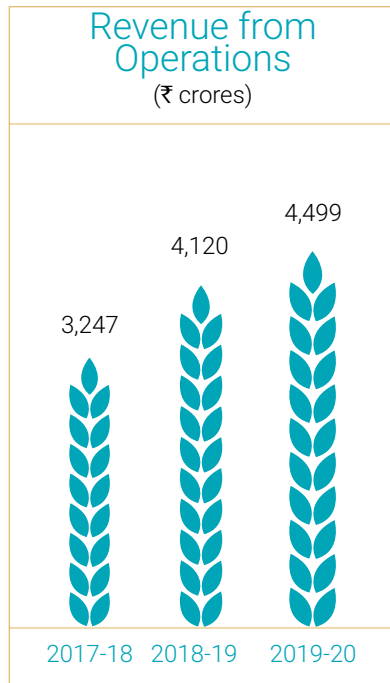
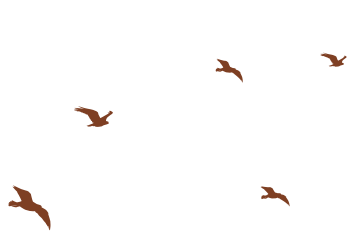
2017-18



2019-20



■ Agri-India ■ Agri-Export ■ Energy



Based on consolidated financials

DEFINITION

Revenue from operations excluding other income.

WHY WE MEASURE

This measure reflects the result of our ability to understand market trends and service customers with corresponding products and competent supply chain management.

PERFORMANCE

KRBL's aggregate revenue from operations increased by 9% from ₹ 4,120 crores in FY19 to ₹ 4,499 crores in FY20.

VALUE IMPACT

Helps the Company grow sustainability by reinvesting the profits in the business.

DEFINITION

Earnings before deduction of interest, depreciation and tax.

WHY WE MEASURE

It showcases the Company's ability to optimise operating costs despite inflationary pressures.

PERFORMANCE

The Company's EBITDA grew every single year over the last three years. The Company reported increase in its EBITDA in FY20 despite the challenging business scenario.

VALUE IMPACT

Provides a basis that can be easily compared with retrospective averages and sectoral peers.

DEFINITION

Profits earned during the year after deducting all expenses and taxes but before other comprehensive income.

WHY WE MEASURE

It highlights the strength of the Company's business model in generating value for its shareholders.

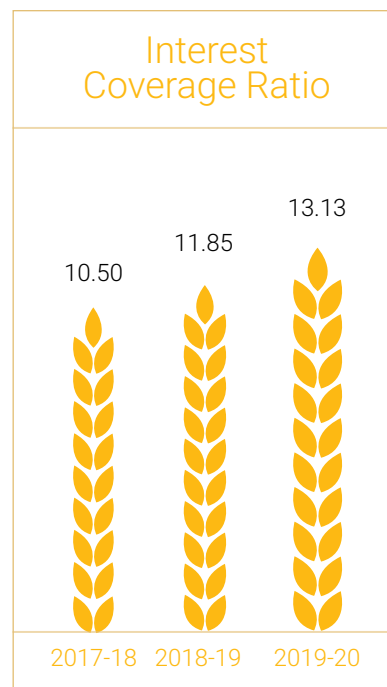
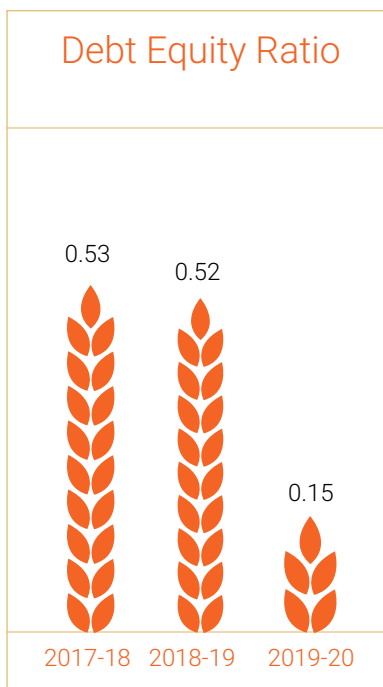
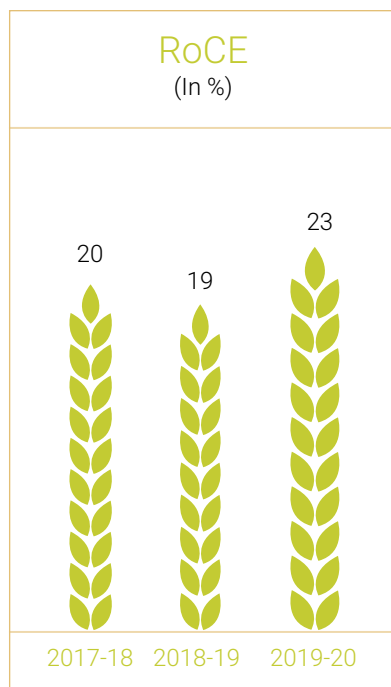
PERFORMANCE

The Company reported an 11% increase in the net profit during the year reflecting the resilience of the business model despite external vagaries.

VALUE IMPACT

Adequate cash pool available for reinvestment, accelerates the growth engine and allows the Company's growth momentum to sustain.





Based on consolidated financials

DEFINITION

Return on Capital Employed (RoCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business.

WHY WE MEASURE

RoCE is a useful indicator for comparing profitability across companies based on the amount of capital they use - especially in capital-intensive sectors.

PERFORMANCE

It is showcasing the Company's ability to prudently invest every rupee in profitable spaces that generate higher returns for shareholders.

VALUE IMPACT

RoCE can potentially drive valuations and perception.

DEFINITION

This is derived through the ratio of debt to equity.

WHY WE MEASURE

It measures the company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers. In turn, it indicates the ability of the Company to sustain growth in profits, margins and shareholder value.

PERFORMANCE

The Company's debt equity ratio improved by 71% from 0.52 to 0.15 indicating the strong financial position of the Company.

VALUE IMPACT

Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt cost.

DEFINITION

This is derived through the division of profit before tax & interest by interest outflow.

WHY WE MEASURE

Interest cover indicates the Company's comfort in servicing interest, the higher the ratio the better it is.

PERFORMANCE

The Company strengthened its interest cover from 11.85 in FY19 to 13.13 in FY20.

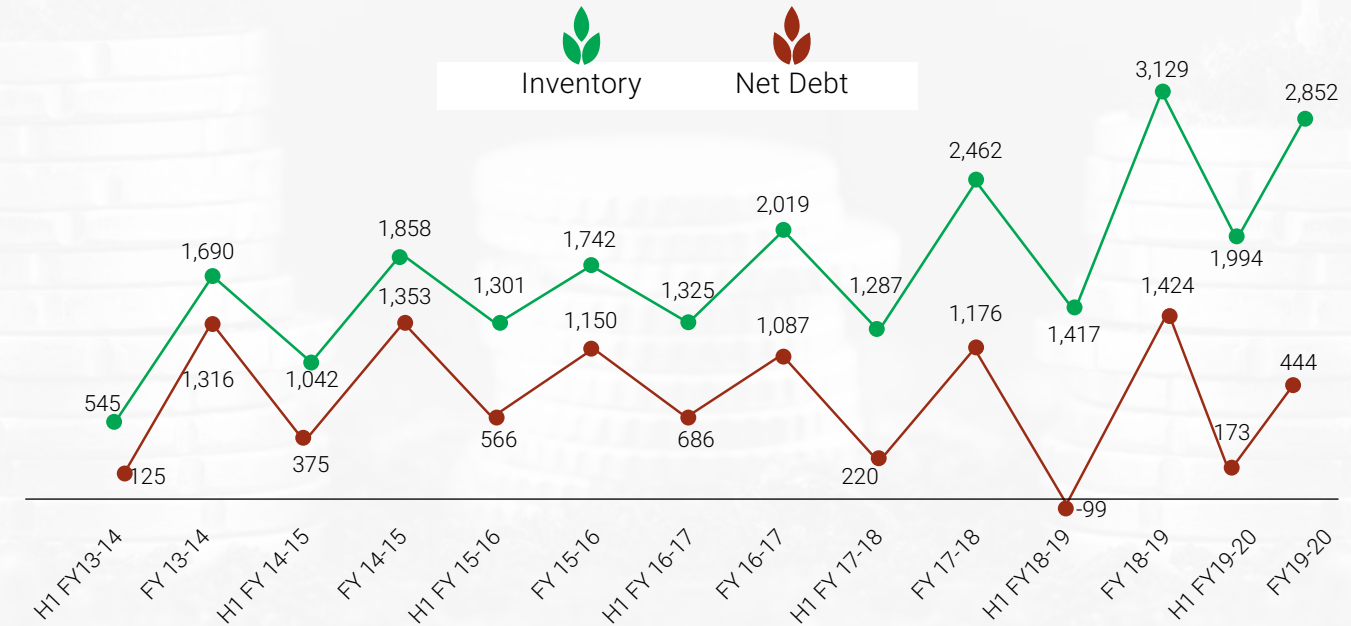
VALUE IMPACT

Enhanced cash flows.



ENHANCING FINANCIAL STABILITY

By reducing cash conversion cycle despite growing procurement (in ₹ crores)



Based on standalone financials

What this data indicates?

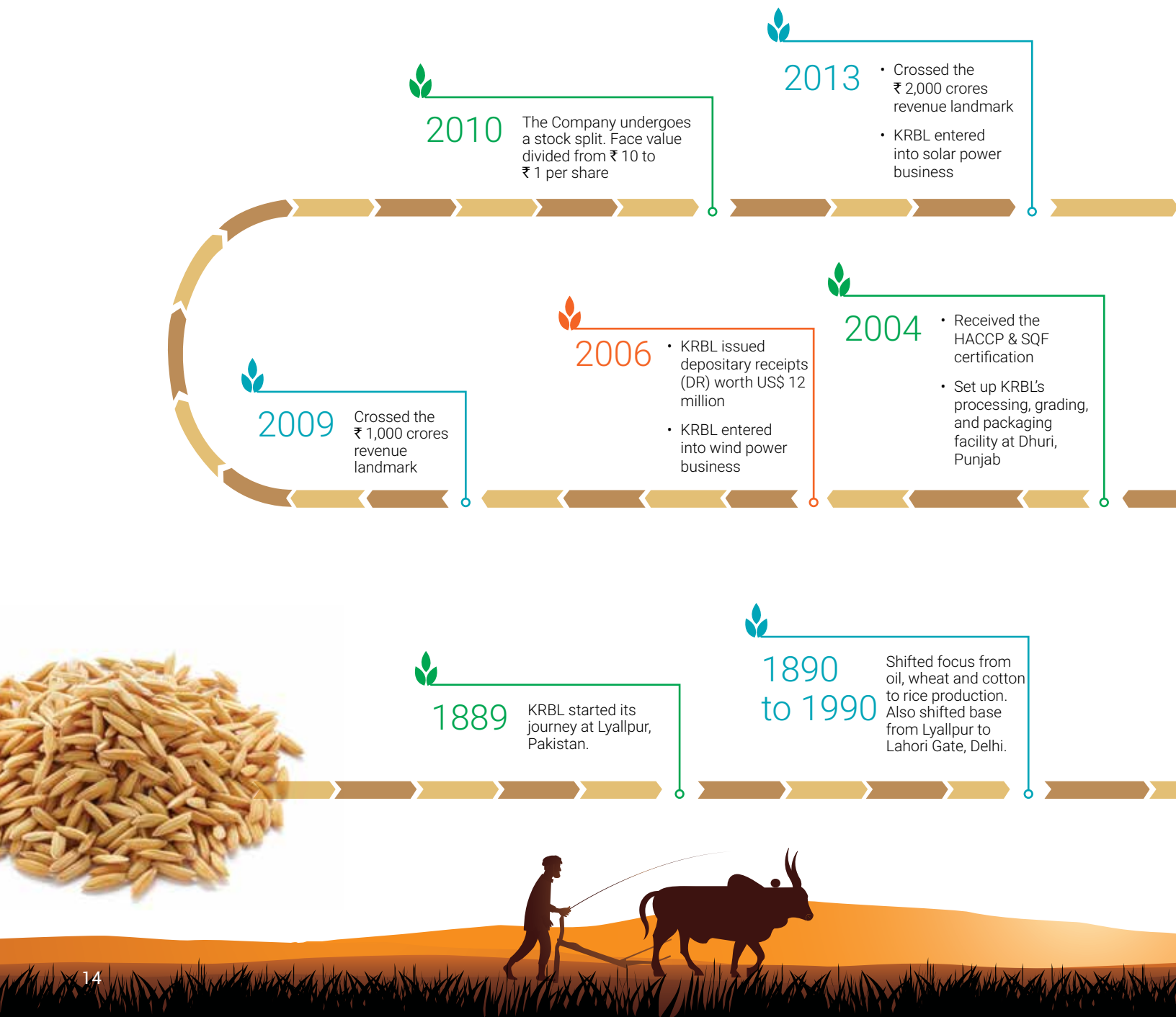
- The above data indicates the growing financial strength of KRBL as it continues to reduce its dependency on external funds for building its inventory.
- Most of the debt for the Company is owing to the working capital requirement. With the commencement of procurement of paddy in H2 every year, the requirement for working capital rises, and becomes substantially low by end of H1 of the next financial year.
- This is a cyclical phenomenon that results in near zero debt at the end of H1 every year. The company is able to maintain this cycle in spite of increasing procurements at the back of the rising demand.
- Focus on delivering consistent free cash flows while enhancing business pie.



SINCE 1889

The journey of KRBL Limited 130-year-old legacy

A story of evolution.





2017

- Strengthened KRBL's energy portfolio with total capacity of 112.25 MW in wind power, 15 MW in solar projects and 17.59 MW in biomass
- KRBL's rice mill and processing unit received certification for complying with SOP for export of rice products to China and the US



2019
to
2020

- Crossed the ₹ 4,000 crores revenue landmark
- Trademark registration of its flagship brand 'INDIA GATE' registered on 12 August 2019 with a user claim since 01 January 1979
- A moment of pride for the Company, as KRBL got featured on Discovery Channel in Flagship series "Inside Out" "God of Grains"



2016

- Received the Halal certification for its manufacturing facilities
- KRBL set up its fourth facility at Haryana



2003

KRBL is the first Indian company to receive FDI approval in the Indian rice industry



2001

Received ISO-9002 certification for the Gautam Budh Nagar Plant, Uttar Pradesh



1998

- Received ISO-9002 certification for the Alipur, Delhi plant.
- KRBL entered the Indian FMCG market with India Gate and Doon as its rice brands.



1992

Established KRBL's first state-of-the-art basmati processing plant at Gautam Budh Nagar, Uttar Pradesh



1993

Registered as a Public Limited Company



1995

KRBL got listed at BSE, Delhi Stock Exchange and Ahmedabad Stock Exchange





CHAIRMAN AND MANAGING DIRECTOR'S MESSAGE



“We are laying a strong foundation by spearheading initiatives to achieve a prosperous future, inspired by the wisdom of our forefathers.”

Dear shareholders,

Fiscal 2019-20 proved to be a watershed year as it truly tested the robustness of our business model and the resilience of our organisation to withstand disruptive headwinds. Given the current macro-economic scenario and the sentiment in the rice industry, it was KRBL's enriching industry experience, a deep understanding of customers' needs and sentiments and focus on high standards of quality, which helped us stay ahead of competition.

Despite the challenges, KRBL Ltd. has exhibited sustainable growth in FY20 across different business parameters. This performance has been supported by our relentless focus on building our capabilities, disciplined approach towards procurement, diversifying in selected profitable segments, foraying into newer geographies, adopting best-in-class technologies and creating an emotional connect with our consumers.

Sectoral optimism

India's agro-allied activities showcased a 2.8% growth owing to the record production of food grains. As of January 2020, India's agricultural exports stood at US\$ 28.93 billion. Further, government-initiated strategic schemes to support our farming community like the Pradhan Mantri Kisan Samman Nidhi Yojana (PMKisan), rural credit and crop insurance proved to be highly beneficial for the sector. Modernising farming activities and infrastructure, promoting efficient water usage and facilitating seamless trade is expected to propel India in the global scene as one of the key players in the agri-products industry.

Favourable spells of the monsoon rains in major growing states resulted in an estimated record production in MY 2019-20. Basmati rice underwent a boom in the market, owing to an improved year-on-year (y-o-y) driven by sustained export demand. This,

in turn, has significantly supported farmer returns. Basmati's aroma and distinctive taste, as opposed to other kinds of rice, will catalyse its growth, which is projected at a CAGR of 6% by 2025.

FY20 in retrospect

At no time in our recent past, the effectiveness of our long-term approach was more visible than in FY20 and our growth numbers in each measurable parameter were immensely gratifying. Amidst a challenging economic environment, we continued to reinforce our reputation as an outperformer as KRBL reported 9% growth in revenues and 11% growth in PAT on a y-o-y basis. Further, we continued to generate sustained cash flow which enabled us to limit our external borrowings. As of 31 March 2020, our borrowings stand at ₹ 496 crores, compared to ₹ 1,428 crores as of 31 March in the previous year.

Inventory costs have reduced significantly in FY20, owing to the currently reduced prices of the highest-quality paddy. Moreover, systemic efficiencies have helped us enhance procurement and achieve stability in our inventories. We have enjoyed consistent profitability throughout the year, despite the fluctuating costs of procurement.

Dividend

Owing to the excellent results, the Board of Directors of the Company had declared an Interim Dividend @ 280% i.e. ₹ 2.80/- per equity share of face value of ₹ 1/- each for the financial year 2019-20, absorbing the total dividend outgo of ₹ 80 crores (including the dividend distribution tax).

The story beyond numbers

Going beyond the numbers, I would like to bring to your notice the progress we made on the non-financial parameters that helped us sustain the growth momentum. With a vast range of products, we continue to serve a range of demand for a diverse set of consumers coupled with unmatched quality and seamless availability.

Our flagship brand India Gate, along with several other brands, continued to command a key presence in both local and global markets. Further, our fully integrated operating model ensured end-to-end supervision, from

procurement to packaging. Thereby, helped us boost quality standards. Our highly automated equipment backed by latest technologies helped us successfully produce healthier plant varieties.

It gives me great pride to claim that KRBL is fully prepared to witness how the inevitable trend of automation will leverage healthier production in a post-COVID-19 scenario.


Over the past decade, our strategy to focus on selected products and markets with sound basis for long-term growth and profitability has paid off well and our financial and operational metrics have improved. Our focus to maintain a disciplined researched approach for producing the best-quality seeds enables us to sustain long-term profitable work instead of chasing revenue growth.

A longstanding collaboration with local farmers and our experienced in-house experts will assist us in executing this vision of cultivating the best seasonal yields. This will be followed by a unique rice ageing process that ensures KRBL's superior market value.

Another milestone in our success story is our philosophy - directly procure paddy. The urgency for organic and pesticide-free resources drives our company to create awareness among farmers, so that they incorporate these methods of farming by maintaining full compliance. However, this must be a gradual process, focusing on the intended outcome of obtaining a sustainably higher produce each season.

Our inventories are steadily evolving to meet our brands' healthy growth in demand. We finance our inventory at reasonable costs, which considerably reduces our dependence on external finances. This has enabled us to grow in progressive leaps in the context of a sustained turnover. Our company operates via environmentally conscious means: we use power from captive sources, hence remaining fully self-sufficient in our energy requirements. Such continuous efforts ensure that we reap the optimal values for every component of paddy and its allied products.

We utilize an extensive distribution network that encompasses both traditional and modern e-commerce channels in order to connect with our customers. Our popular brands, especially India Gate, have managed to hugely appeal to the people's taste, thanks to our dedicated promotional efforts and



social media connect. We have extended solidarity toward social issues by initiating campaigns like Every Sacrifice Matters and Woman's Day Every Day. Our vision of efficient production legitimately driving social change based on goodwill helps us develop a loyal customer base.

Ingraining a healthy future

We are laying a strong foundation by spearheading initiatives to achieve a prosperous future, inspired by the wisdom of our forefathers. Our produce is an immaculate synthesis of healthy food and diverse, premium varieties of rice. Public outreach and consumer engagement are priorities that we achieve through targeted campaigns, in order to gain a deeper emotional connect with the customers and understand their needs. The emphasis of all our efforts is primarily on facilitating sustainability.

Response to COVID-19

Over the last few months, the COVID-19 pandemic has engaged various industries in India and across the globe in combating its effects. KRBL also got impacted. However, we took the concomitant challenges in our stride and overcame the hardships.

With automated manufacturing, sorting and packaging facilities, combined with a dedicated team, we were able to weather the storm successfully.

In these times, highly efficient operations will be necessary to enhance our momentum. Making our products available in online platforms is helping us evolve in the post-COVID era. We focused on enhancing our on-line presence, keeping in mind the evolving supply chain mechanism which is evolving from the traditional distributor-retailer model to D2C (direct to consumer) model via online platforms.

Further, we have continuously supported the communities at large, and we will continue to do so considering the present circumstances.

Outlook

Our company continues to strongly focus on the growth of basmati rice business. A growing demand for exports in key geographies, led by sustained industry

leadership, has established us as a strong contender that can shape the industry's future. Furthermore, broader accessibility with an omni-channel approach (which include impeccable branding initiatives) will help us serve our customers in the best possible way.

Our acute focus on customers' needs ensure the constant elevation of our performance standards. Complementary product lines of health and wellness are currently in the planning stage. In addition, a record procurement of the best-quality paddy last season has invariably projected a turnover of ₹ 8,000 crores in the next 4-5 years. Globally, customers are currently favouring branded staples. This puts us in a profitable position owing to our stronghold in the key basmati markets. Our focus on stabilizing supply chains and increasing production will ensure continuous demand in export and domestic sales in FY21. We will also maintain a robust balance sheet that will define our ambitions for the present as well as the future.

Heeding the call of our Hon'ble PM, KRBL Ltd. is taking gigantic strides to steer the Atmanirbharta mission forward. Our dedicated involvement with farmers in harvesting and procurement, along with indigenous seed development and their in-house processing, will herald holistic growth for our company and our nation at large.

I would like to thank all valued stakeholders, our customer community, our vendors, our bankers and our investors/shareholders for dedicatedly extending support and putting faith in our goals. I along with the entire management team and patrons wish to express gratitude towards our employees for their valuable contribution towards taking this organization forward.

Here's wishing you the best of health and prosperity for the year ahead.

Anil Kumar Mittal
Chairman and Managing Director





STRATEGIC RESPONSE TO THE CHALLENGING TIMES

KRBL and the COVID-19 Impact

PANDEMIC OUTBREAK

In our living memory, the outbreak of the COVID-19 pandemic is the most defining global crisis. It has not just impacted us economically but also emotionally as millions of people across the world continue to lose their loved ones. The spread of the pandemic started in December 2019 and was declared a global pandemic by the World Health Organisation in March 2020. The spread of the virus disrupted the global economy and consumer sentiment.

GENERAL RESPONSE

As the virus continued to wreak havoc, most global governments declared lockdowns in successive phases. Similarly, the Indian government implemented a national lockdown in late March 2020, which covered the comprehensive closure of offices, factories and public places. All international, inter-state and intra-state travels were restricted and borders sealed to limit pandemic impact. This has resulted into all the economic activities coming to a halt.

HOW WAS KRBL IMPACTED?

As a responsible FMCG company, KRBL moved with proactive speed in taking the necessary steps to safeguard the extended KRBL family. KRBL undertook all the precautionary measures to limit the spread of COVID-19, in compliance with Government directives. However, being in the essential services category, KRBL was allowed to run all its plants at stable utilisation levels post obtaining requisite permission.

The Company's business was affected as the lockdown was announced in the last month of the financial year. Here are a few impacts of the lockdown on the Company's operations.

- Witnessed logistic challenges owing to the movement restriction
- Limited availability of the manpower
- During the first few weeks of the national lockdown, the Company faced challenges in terms of limited availability of packing raw-materials related to the jute industry, paper industry and poly industry
- Export scenario also saw a limited movement of goods as most of the Indian ports were running at limited manpower which resulted in port

congestion and also due to the cargo terminals operating at capacities less than 30%

- Institutional channel sales saw substantial dip during the lockdown period as owing to lockdown most of the restaurants (dine-in) & catering industries remained closed
- The impact of a decline in offtake during March 2020 affected the performance during the fourth quarter of FY20 and loss of revenues.

On the positive side, amidst this pandemic, KRBL witnessed strong acceleration of its different flagship brands in the wake of good consumer demand for branded and hygienic products. This sudden surge is largely owing to the initial wave

of panic buying and demand coming in from both Indian markets and key international geographies.

However, even today, there has been a positive trend in consumption behaviour where customers are broadly recognizing the benefits of branded products. KRBL's multi-brand presence in Indian as well as international markets combined with its integrated nature of business and a market leadership position further strengthened its business momentum during this pandemic situation. Further, at a time when most companies are worried about the repayment and servicing of debt, the Company possesses no such liability owing to its strong balance sheet position.

KRBL's response

How KRBL protected the interest of stakeholders during the Covid-19 pandemic



EMPLOYEE & CUSTOMER SAFETY

Implemented business continuity program to ensure a seamless transition to work remotely.

Followed stringent hygiene protocols at all facilities to ensure people and product safety.

Ensured that workforce upholds highest standards of preparedness and hygiene.



LOGISTICS & SUPPLY CHAIN

Ensured requisite inventory availability, to meet the consumer needs.

Fully automated plant helped us on continuing production operation with minimum disruption and limited manpower.

Partnered with Swiggy, Zomato, and various other food tech giants as delivery partners keeping in mind the retail consumers.



PROCUREMENT

Created adequate inventory of paddy and rice to take care of increased demand.

Owing to our longterm relationships with our raw material partners, the Company had a steady supply of raw material.



SOCIETY

Donated 95,000 kgs of Rice to NGO's across the country.

5 lacs plus migrant labourers were fed during #UmeedHainHum campaign.

20 million plus meals distributed in feed India campaign in collaboration with Chef Vikas Khanna.



Ingraining a Healthy Future BY MAKING HEALTHY AND EXTRAORDINARY FOOD

Product safety and quality are our topmost priority. The first step towards ensuring our product quality is the right procurement process. We have established well-defined systems to ensure product quality. Additionally, we have developed a well-defined procurement system at each stage in the value chain, to ensure we receive best-quality paddy.

As an industry leader in its segment, KRBL pioneered the contact farming mechanism in rice cultivation in India more than two decades ago. Under this

system, KRBL provides high-quality seeds to its farming community, helps with the technical know-how on best agricultural practices and facilitates the sourcing of other high-quality input materials. Through the contact farming technique, we have been able to monitor quality at every stage of production. This mutually beneficial initiative has enabled us to ensure uninterrupted supply of high-quality paddy, while offering security to farmers. As a result, today KRBL is associated with a growing farming community, of more than 25,000 farmers covering around 1.5

lacs hectares of agricultural land. Further, KRBL's seed operations are also among the largest in India. Through this initiative KRBL collaborates with farmers to grow basmati seeds in sufficient quantities in their farmlands, spread across 700 acres.

KRBL is having dedicated Agri-Service Division that works closely with the farming community during each crop life-cycle, from sowing and re-plantation to harvesting and thrashing. Thereby, farmers are rewarded with higher yield and KRBL procures top-quality paddy (uniform



in their characteristics and matching the international standard). To ensure that it receives maximum residual level (MRL) qualified paddy, KRBL has recently introduced an MRL programme and collaborated with more than 5,000 farmers till date. This program helps KRBL ensure that the paddy is grown in an organic environment, are pesticide-free and match the quality standard preferred in the EU and US markets.

Procurement is a strategic function that helps us achieve the objective of sustainable profitable business growth. Along with quality, another major focus area for our procurement team is raw-material cost. To regularly monitor the paddy cost and related rates as well, KRBL has implemented a SAP system in all its central locations and company branches. This helps us track and analyse the

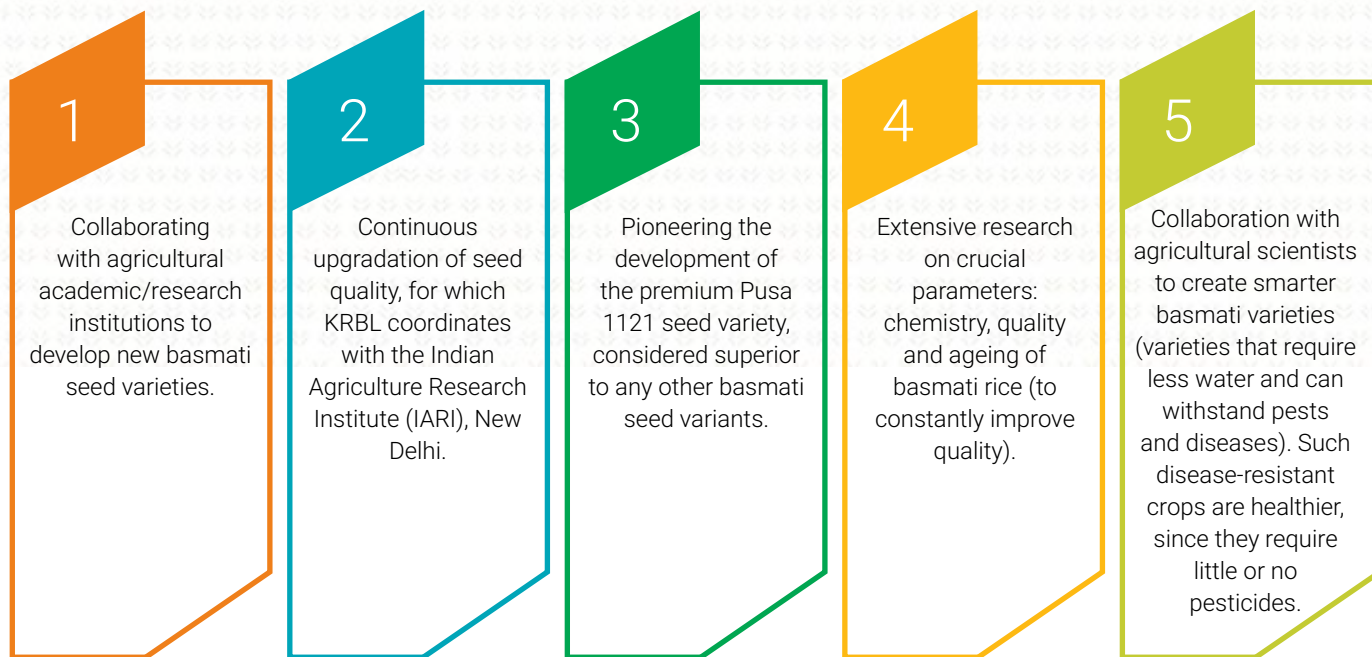
price trends and act in time to safeguard ourselves from price fluctuation risks.

Procurement is a vital cog in KRBL's entire rice production mechanism. We work closely with our farmers to make our rice healthier and tastier, ensuring extraordinary food for our consumers.

Role of Research & Development at KRBL

R&D is one of the KRBL's key focus areas. We have pioneered several cropping methodologies and harvesting techniques that help farmers improve their yield. KRBL's core R&D strength is its modern seed farm and product testing centre. Our R&D team includes experienced rice professionals and farmers, who blend their traditional knowledge with modern technology focusing on improving pre and post-harvesting techniques.

Key R&D initiatives



Ingraining a Healthy Future BY DRIVING INNOVATION



KRBL continues to be a leader in the global basmati rice industry. Our innovative thinking and world-class manufacturing has enabled us to develop innovative product range, aligned with our overall objective of ingraining a healthy future.

We aspire to provide best-quality basmati rice to consumers, by procuring best-quality paddy, in accordance with our quality criteria and processing in state-of-the-art and hygienic conditions.

We believe that sustainable success is achieved by looking, planning

and implementing beyond the immediate needs.

This is reflected in our ability to make long-term investments in manufacturing facilities, build more capacity than immediately needed and invest in the



ability to scale capacity with speed (invest in updated technologies).

We have regularly enhanced our manufacturing capabilities in order to make manufacturing our competitive advantage.

Today, KRBL is the largest Indian rice millers, with rice processing capacity of 176 MT per hour. KRBL's rice milling capacity today stands at 195 MT per hour, highest in the world. Further, the Company has a paddy and rice storing capacity of more than 1 million tonnes.

These economies-of-scale have enabled KRBL to manufacture products in compliance with the highest quality standards and cost effectively (with adequate resource consumption and minimal wastage). Thus, we have stayed ahead of the curve and distinguished ourselves from the growing competition while matching the international standards.

Our extensive investment in forward integration resulted in the addition of new revenue streams, significant cost advantages, consolidated growth sustainability and reduced dependence on external vendors. Utilising the by-products generated in rice production, we ventured in captive power generation, solvent extraction plants for rice bran oil production and furfural/furfuryl alcohol production. To mitigate such risks, we invested substantially in various automation techniques, reducing human involvement in processing and packaging.

Today, KRBL is India's first integrated rice company with unmatched and unparalleled technological capabilities.

We have also entered in a strategic tie-up with Buhler-Switzerland to improve our manufacturing processes and reduce wastage, while ensuring efficient and timely product deliveries to markets.

We are the first in the Indian industry to invest in advanced machinery such as colour sortex, automatic polishers, husk separators and destoners. These technological investments have provided

KRBL with a critical edge over its competitors while ensuring we possess the requisite quality and volume to cater to international and domestic demands.

Consistent service capability

Owing to a tightening export timeline, packing large quantum orders in the shortest possible time became a major obstacle for KRBL. In response, we installed two state-of-the-art grading/packing facilities with total 50 MT per hour capacity, each backed by the latest technology.

Being energy conscious

KRBL has undertaken various energy conservation measures, e.g. installing VFDs to save energy costs. In FY20, we have installed 83 VFDs, saving about 10 lacs units of electricity (worth ₹ 60 lacs per year).

During FY20, steam turbine operations were optimized to reduce the extraction/back pressure, as per process plant requirements. Running steam turbines at lower pressure enable us to maximize our energy efficiency.

The impeccable quality, high hygiene standards (HACCP system) and on-time deliveries of KRBL's products have earned us worldwide trust and respect. Plus, we have also installed various foreign object detection systems: metal detectors and husk aspirators in grading plants, fully automatic abrasive polisher (DRWC) and husk separator (DRWN) in the processing areas. Hence, before the final product packaging, KRBL produces safe and top-quality products.

The above mentioned investments have boosted our manufacturing credibility and value chain, helping us develop a product portfolio that delights our consumers.

Our modern manufacturing facilities ensure that the goodness of our products remains intact and our robust supply chain assures their timely delivery to the remotest corners of the world. Thus, we meet our customers' ever-changing requirements in a sustainable way.



Ingraining a Healthy Future BY BUILDING ON STAKEHOLDER'S CONFIDENCE



Financial robustness is the foundation for any company aiming towards a healthier tomorrow, helping build shareholder confidence.

Similarly, KRBL believes that a robust financial foundation, adequate liquidity, and profitability across market cycles are core to business sustainability.

The Company strengthened its financial management over the years through various initiatives to build shareholder confidence.

KRBL selectively manufactured value added Health products, enhancing overall profitability. The Company provided a

range of products to maximise cross-sale, thus strengthening off-take and focus on improving terms of trade.

These initiatives helped moderate debtor days to 19 in FY20 from 35 in FY19, in spite of the sluggish economy. The Company managed to generate operating cash flows of ₹ 1,212 crores in FY20 as compared to ₹ (115) crores in FY 19 by managing and optimising the use of logistic channels and lead time.

The Company repaid debts of ₹ 941 crores during the year, reducing debt to ₹ 496 crores. As a result, KRBL's debt-equity ratio strengthened from 0.52 in FY19 to 0.15 in FY20.

Financial efficiency of the company was reinforced by its margins and profitability. The Return on Capital Employed (RoCE) was 23% compared with 19% during the same period last year.

KRBL will utilise prospective cash flows for debt reduction, business re-investment and timely resource purchases, and strengthen its overall competitiveness.

We strictly adhere to our capital allocation policy as a part of the Company's core strategy. From a financial perspective, constant effort to improve profitability and strengthen our financial base will promote the establishment of a healthier future.

Our investment propositions

SECURE PROFITABLE GROWTH

Focus and enhance presence in those segments where there is greater realisation and exit the low margin ones.

CAPITAL RECYCLING

Focus on reallocating capital into higher growth markets.

DIVERSIFY GEOGRAPHICALLY

Enhance product presence internationally, with a target to increase exports substantially over the next five years.

RESEARCH BASED

To focus and invest on research and development, to develop improved and quality products.

SUSTAINABILITY

Commitment to sustainability is at the core of our very strategy.

ENHANCE OFFERINGS

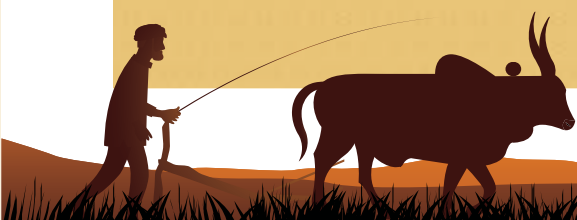
Committed to enhance product offerings by foraying into other different growth segments within the rice industry.

ZERO WASTAGE POLICY

The Company is focusing on various initiatives to reduce the product rejections during manufacturing process. Presently the Company utilizes all by-products of rice in various downstream applications.

SHAREHOLDERS AND LENDERS

₹ 610 crores paid as interests and dividends in the last five years.





OUR DRIVERS FOR A HEALTHY FUTURE

At KRBL, our business model revolves around the idea of delighting our consumer through a complete portfolio of rice related FMCG products through continuous research and development, leading to KRBL emerging as one stop shop for staple dietary need.

At KRBL we believe that this strategy of ours would help us report better numbers each year and also would drive us towards a healthier future.

Input

FINANCIAL CAPITAL: An appropriate mix of debt and equity funding.

EQUITY: ₹ 3,119 crores.

EXPERIENCE: 130 years of enriching industry experience.

MANUFACTURING CAPITAL:

2 manufacturing units, and 4 packing units equipped with state-of-the-art technology and equipment.

SOCIAL AND RELATIONSHIP CAPITAL:

Strong relationship with our suppliers, customers, renowned global companies, investors, distributors, sales agents, sub-dealers and society at a large.

PEOPLE: Skilled, diverse and motivated workforce supervised by experienced leadership team.

INTELLECTUAL CAPITAL: Our capabilities to innovate and offer new and improved products backed by our highly qualified R&D team.

NATURAL CAPITAL: We are directly dependent on natural resources. Our efforts have been directed towards enhancing output from the arable land. In line with this tenant, KRBL's R&D team developed rice seeds which are of better quality and can sustain in climatic aberrations.

ZERO WASTE POLICY: The Company stringently focuses on minimizing waste at every business function.

Business activities

SUSTAINABLE PRODUCTS PORTFOLIO:

- Unique product development strategy based on expertise, and consumer needs, thereby complete solutions provider in the staple dietary category
- Enhanced our portfolio with niche, value-driven products thereby accelerating cross-sale and reinforcing our volume-value positioning



- Product stewardship: Ensuring our products not only meet the dietary and quality needs of our consumers, but also the health needs of our consumers

RESPONSIBLE OPERATIONS AND SUPPLY CHAIN:

- By achieving economies-of-scale KRBL tries to ensure product costs are low
- To ensure that the manufacturing process, our operations and our products have low environmental impacts
- Ensure safety and security at workplace for all our employees across the organisation
- Sustainability in sourcing raw materials and supply chain management
- Believing that farmers community forms the backbone of our business, KRBL has built strong relationship with the farming community
- Ensure wide spread product presence with a deep-rooted distribution network

PRODUCT AND PROCESS DEVELOPMENT STRATEGY

- Continuous investment in R&D and technological upgradation across all manufacturing units to develop new products and enhance efficiency

BRANDING AND MARKETING

- KRBL has developed a well-crafted media strategy across different channels and media platforms to enhance brand presence and recall
- Associated with different renowned TV shows and events keeping in mind the different customer segments
- As a proactive company, KRBL has always been ahead of the curve in terms of strategic marketing innovations. KRBL achieved this through pertinent digital interventions

IN-HOUSE POWER GENERATION

- To meet its high energy requirement, the Company ventured into power

generation activity utilising wind energy, solar energy and rice by-products.

RELATIONSHIP MANAGEMENT

- Focus on understanding the customers need accurately and working closely with them to build a sustainable portfolio
- Maintain strong relationship with the farming community by making timely and regular payments
- Devise promotion programs keeping in mind the distributors and channel partners

PEOPLE AND INTEGRITY

- Strict compliance to KRBL's Code of Conduct
- Continuous employee engagement programmes
- Leadership development

QUALITY CONTROL

Undertakes stringent quality control measures

TECHNOLOGICAL ENHANCEMENT

- Continuous and strategic investment in technological upgradation across all the business functions
- Highly automated plants, thereby reducing dependency on human labour

Output

Preferred rice product supplier status and market leadership position.

- **Brand:** India Gate; **Products:** Classic, Super, Bab-Al-Hind, Brown Basmati, Sella, Rozana, Long Grain; India Gate is the #1 Indian basmati rice brand in different countries such as Australia, New Zealand, UAE, Bahrain, Lebanon, Qatar, and Canada among others
- **Brand:** Nur Jahan; **Products:** Sella Golden and Sella White; Nur Jahan is the #1 Indian basmati rice brand in

South Africa commanding a total import share of 44% with KRBL brands and #4 basmati rice brand in Qatar

- **Brand:** Unity; **Product:** Raw and Sella; one of the premium quality rice offerings from KRBL
- In-house renewable energy
- Have been able to sustain market leadership position in the Branded basmati rice segment for a considerable period of time
- Launched new product line keeping in mind the health-conscious consumer segment
- Revenue generated from the sale of different products sold under the 14 different brands of KRBL ₹ 4,499 crores

SERVICES

- Sustained investment in R&D and technology has helped the Company in producing efficiently with greater productivity
- Strong process control, stringent quality checks, and round the clock monitoring

RELATIONSHIP

- Enhanced KRBL's alliances with the farming community over the years and grew farmer partner count every year since inception

PEOPLE

- Enthusiastic and dynamic workforce comprising experienced professionals and associates
- 2,234 employees spread across the globe

FARMER

- ~3-5 days in which direct payment made against procurement to farmers





Outcomes

FARMING COMMUNITY

KRBL has built a strong farmer network with more than 70,000 farmers spread across more than 2,50,000 hectares across the states of Uttar Pradesh, Punjab and Haryana.

SCALE

- Largest exporter of branded basmati rice from India
- India Gate, largest well-established selling basmati rice brand in India
- Optimum process and energy efficiency

CUSTOMERS

- Trusted product quality, optimum customer satisfaction, product yield optimization and minimizing environmental impacts
- Strong brand recall
- One of the few companies in the industry to have a presence across the value chain

DISTRIBUTION NETWORK

- Strong pan-India distribution network serving 500+ Exclusive Dealer and Distributors network and robust presence in modern retail
- Widespread international presence across 82 countries
- Strategic tie-ups with globally and domestically renowned leading retail chains and E-Commerce players

SOCIETY

- Distributed 95,000 kg of rice to NGOs across India
- Under the *UmeedHainHum* campaign fed 5 lacs+ migrant labourers
- Distributed 20 million plus meals in Feed India campaign

SHAREHOLDERS AND LENDERS

- ₹ 610 crores paid as interests and dividends in the last five years.

QUALITY

- Dedicated quality assurance team ensures products are tested at each stage of the process. The inherent outcome is that, KRBL has gained widespread respect as a quality-focused agri-products manufacturer and marketer and preferred supplier status amongst its institutional and retail clients in India and also globally.

PEOPLE

- Employee cost as a percentage of revenue remains low, 1.83% in FY20
- Grew revenue per employee at a CAGR of 5% over the last 5 years

Improvement measures

FINANCIAL

- Continuous cost optimisation
- Strengthening our balance sheet
- Optimising the capital structure

MANUFACTURING

- Better capacity utilisation
- Efficiency enhancement

PEOPLE

- Continuous implementation of training and development programmes
- Continuous focus on gender diversity and transformation
- Retention of skilled and talented employees

NATURAL

- Continuous mitigation of the negative impact of our operations on the environment through responsible waste management and disposal
- Compliance with applicable environmental law
- Continuous investment in initiatives to minimise the environmental impact of our businesses
- Continuous investment in the farming community to enhance yield per hectare

RELATIONSHIP

- Continuously enhancing engagement with customers and distributors, both on physical and digital platforms
- Focus on enhancing the brand value of the company and widen the reach

SOCIAL

- Continuous stakeholder engagement and management of their interests
- Enhance focus on the socio-economic development of the communities where we operate



OUR STRATEGY FOR A HEALTHIER TOMORROW



Building on a proud past; creating a sustainable future

KRBL started its journey as a small time agri-product company that evolved into a major basmati rice, food grains, health grains and health seeds manufacturing company.

Over the years, from agricultural commodities such as wheat, cotton and oil as its main business, KRBL shifted its core focus to rice. Today, it is India's largest exporter of basmati rice.

We continued to perfect the basmati rice grain to further enhance its product quality and tap new customer segments.

As KRBL positions itself as an innovative and research led agri-products company, it is imperative that it delivers innovative and tailored solutions for different consumer segments that help KRBL meet the evolving consumer needs. In line with this strategy, the Company ventured into the Healthy Food segment in the last couple of years.

Therefore, this business extension does not represent an unrelated diversification; it represents a synergic extension for a good reason.

Why?

When KRBL ventured into the rice business, the Indian branded rice market in India was virtually non-existent.

Prior to the globalisation of the Indian economy, majority of the industries in India including rice was extensively dominated by the unbranded players except a few. However, post globalisation, things started to change as people of the nation got more and more exposed to the international lifestyles.

Building on this opportunity, KRBL tried to create aspirational products and brands. With these brands, the Company not only influenced the wider consumer segment to upgrade their lifestyles with quality basmati rice at competitive price, but also elevate the position of Indian rice industry in the global map.

Rising instances of health issues owing to increasing stress levels and sedentary lifestyle, have resulted in consumers on a constant lookout for healthy foods within their staple diet. Consumers are on the lookout for healthy and nutritionally superior food which help control their diet and minimize the stress levels yet good to eat and high on nutrition content. Further, rising consciousness among urban population to have a check on one's diet and weight is redefining the need trends.

KRBL answered this need by venturing into the 'Health Food' segment. Thereby, not just addressed an emerging lifestyle revolution but making it happen as well.

Re-positioning the Company as a manufacturer of 'healthy' food products, the Company launched products such as India Gate Basmati Brown Rice, India Gate Non-Basmati Brown Rice, and Quinoa. It helped the Company to tap a new customer segment while enhancing offtake in the packaged rice segment.

Further, with the customers broadly recognizing the health, hygiene and safety aspects of branded products, more and more consumers opted for branded rice from established players. This helped KRBL stay ahead of the curve and helped beat competition from the unorganized sector.

The new 'Health' product offerings from KRBL not only resonates the Company's 'Ingraining a Health Future' mindset but also helps KRBL strengthen its diversified product portfolio.

The different 'Health' product offerings of the Company are strategically positioned to cater to different consumer segments at different geographical locations and across different price points to enhance affordability and offtake, while creating a sustainable product portfolio for the future.





A great source of protein and fiber

Rich in antioxidants

Controls spikes in blood sugar levels

Nine essential amino acids



A nutrient-rich alternative to carb-based diets

Great source of minerals & protein

High dietary fiber

Requires just 15 minutes to cook



A nutrient-rich alternative to carb-based diets, which supports an active lifestyle

Cholesterol and Gluten Free

Low GI levels

HOW KRBL IS CREATING VALUE FOR ITS DIFFERENT STAKEHOLDERS?

By focusing on what matters

At KRBL, we believe that success of our business depends on strong relationships. This belief fosters an inclusive approach towards all stakeholders and is aimed at understanding the needs, interests and expectations of all our stakeholders, enabling us to create better value for them and the business.

Customers

Choice of products

We provided our customers with an array of products to choose from. Consumers sought for healthy, and natural products, we also addressed the same by introducing 'Health' food segment.

Strengthened product portfolio

We have consistently launched innovative branded products in sync with evolving scenarios that addressed the emerging consumer needs of more than 2 billion people across the world.

Competitive pricing

We provided them with quality rice products at effective price governed by the market dynamics and not by any other external factors, thereby popularising the different varieties of basmati rice across the globe. Our customers rely on us to deliver a wide choice of products at a fair price. We have continuously strived to add value to our offerings, and thereby ensuring that we are always there for them and are easy to do business with.

Diversify proactively

The success of a FMCG company like ours is not defined by entering a particular sector; rather it is defined by making one's presence felt in that segment. KRBL intends to do precisely that in the lucrative market by creating value proposition for the branded basmati rice segment and by modernizing the crop.

Shareholder and investor community

Continuous volume growth

We delivered attractive volume growth over the last decade, as we grew our volumes from 3 lacs MT in FY10 to 6 lacs MT in FY20.

Sustained profitable growth

We grew our bottom-line at a CAGR of 16% over the last decade, while our EBITDA grew at a CAGR of 15% during the same period.

Enhanced returns

We garnered a RoCE of 23% in FY20 compared to a RoCE of 17% in FY10.

Domestic business review

During the year the Company reported a 5% y-o-y volume growth at the back of our strong focus on branding, customer engagement and wide distribution network.



Our people

Better working environment

We are committed to empowering our people who are key in retaining the competitive edge of the Company. Therefore, we never hesitate to invest in them. Aligned to this philosophy, we have followed the path of not outsourcing any work. We continuously grew our employee strength in line with the requirement. From 1,397 employees in FY10 we are today 2,234 member organization.

Growth opportunities

We encouraged our employees to go for different Company funded training initiatives which would help them upskill. We deputed executives to prominent institutes for technical and behavioural training, strengthening their relevance to the company's competitiveness as well as their own career growth opportunities.

Going beyond work

We periodically organized different engagement initiatives like health check-up camps, sport events and get-together with the employees and their family members in order to create a cohesive and healthy environment.

We place our employees at the center stage. We strive to provide our people with the opportunity to develop their technical skills and entrepreneurship skills to achieve their full potential. Each one of them make their own individual contribution to the spirit of our diverse, collaborative and customer-focused organization. It helped the Company achieve a high revenue per employee of ₹ 2.01 crores.

Community

To be a good neighbour and look after our natural resources and to help in environmental sustainability

We sincerely undertook different pertinent measures aimed at restoration, protection, conservation and promotion of different farming techniques. We encouraged the use of renewable energy to reduce environmental impact.

Helping the farming community grow

KRBL periodically conducts workshops for farmers, updating them about state-of-the-art farming techniques, higher yielding seeds, better farming machinery and equipment. We also advised the farmers on benefits from using better equipment, fertilisers, seeds, pesticides and also provided best practices to the farmers, so that they can modernise their cultivation practices and related activities. This has enabled the farmers to procure better crop and garner higher realisation from the same arable land, in turn helping the Company get better quality paddy from farmers.

Help in the economic empowerment of the society around us

We played an active role in supporting different socio-economic development initiatives undertaken by the different government approved NGOs across the nation, aimed at improving the lives of the less-privileged ones.



'HEALTHY FUTURE' - WHAT IT MEANS AT KRBL?



An analysis of our value chain would help understand how KRBL is ingraining a 'healthy future'

Value created

A competitive price structure creates sustainable growth prospects for our shareholders. In order to achieve this, we create value through pro-active price management, innovation, cost-saving initiatives, and by achieving economies-of-scale.

Consumers

Our products and brands cater to the needs of consumers in more than 82 countries across the globe, providing them the opportunity to live a healthy and balanced lifestyle. Our extensive product portfolio caters to a broad range of consumer preferences and needs.

Production and logistics

With four state-of-the-art production facilities, we strive to achieve an efficient and streamlined operations. We ensure that our products, packaging, and manufacturing facilities conform to world-class food safety standards. We have also built a deep-rooted and wide spread network of distributors and suppliers and have also done strategic delivery partnerships to reach our consumers in time.

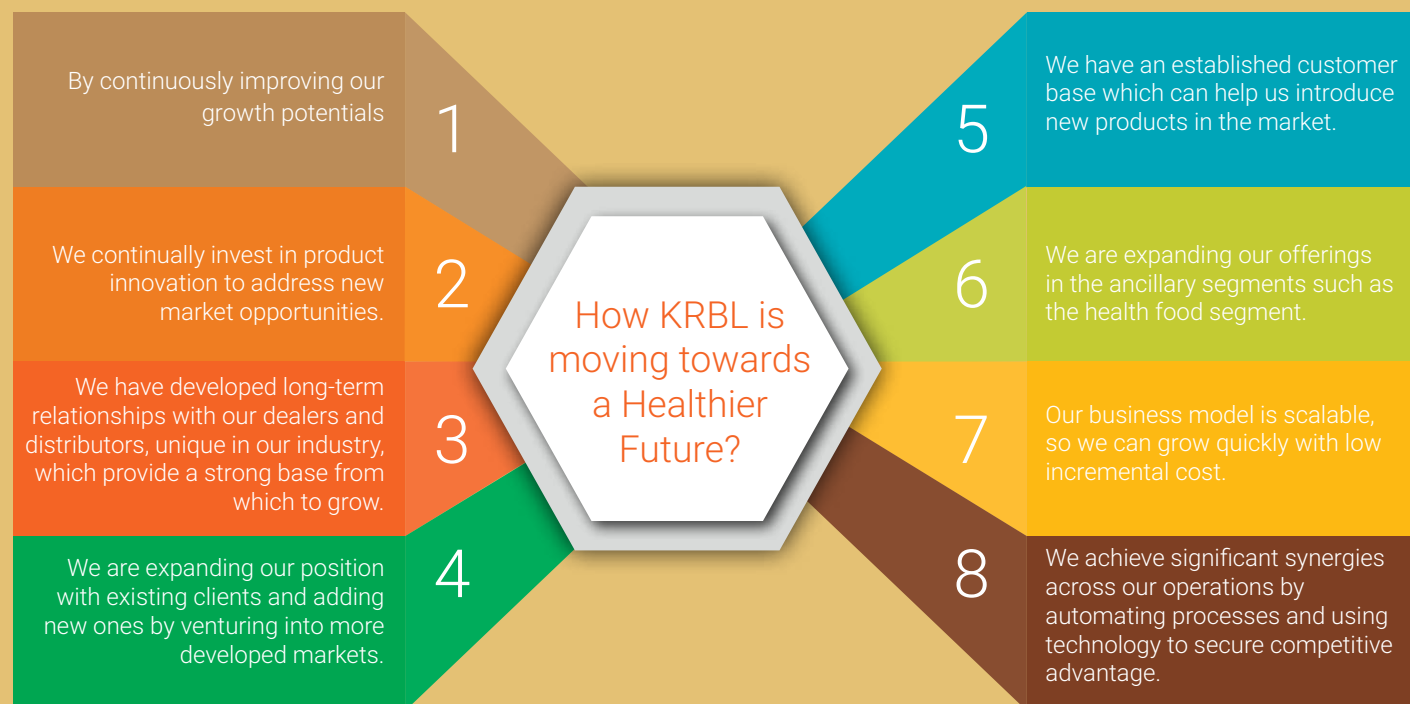
Innovation

We aim to fulfil the growing demand for high quality, efficacious and healthy products by using our expertise in rice industry. Our rich heritage in the rice

industry and our focus on research and development and innovative packaging design has helped us to introduce new and exciting products in modern-day formats at periodic intervals. These innovations build our strong brands and create a sustainable future.

Sourcing

We procure our inputs from reliable and sustainable sources and ensure steady supply of raw-materials which go into our products. We established a wide procurement network with strong quality control across all mandis. The Company has put in place a dedicated procurement team, who based on the demand, plans for the raw material requirement in advance.





Also, we regularly hand over farmers' share of profits generated from the sales of KRBL's products, responsibly and promptly. This has helped us build strong relationship with our farming community.

Quality

Quality of our products has been our key differentiator. With more and more

stringent food safety rules prevalent across the international markets, KRBL has consistently ensured that its products meet these safety standards across its value chain. We did this by consistently focusing on quality and testing of the products. This quality focus has not only provided KRBL a competitive advantage in the market but also enabled KRBL to stand out as a trusted brand within essential

foods segment and help emerge even stronger as a Company.



KRBL's quality rationale



Certifications

The Company's quality focus is validated by certifications like FSSC 22000, Halal Product Certification, SQF Code Edition 8.1, USDA and BRC certification.



Investments

Truly believing that KRBL is not just another commodity product 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 such as Quinoa and India Gate Brown Rice. This has helped KRBL differentiate its brands and products in the marketplace.



Ingraining a Healthy Future

BUILDING STRONG EMOTIONAL CONNECT WITH CONSUMERS

By evoking brand love, driving core brand values and building effective and loyal consumer engagement



KRBL's media outreach – Domestic market

In the 1970s and 1980s, companies addressing the rice market in India were largely unbranded. The market was also extremely fragmented dominated by the unorganized players. This provided an opportunity for KRBL to create aspirational products and brands that would influence the wider consumer segment to upgrade their lifestyles with quality basmati rice at competitive price.

The rationale continues to be relevant even today. Over the past few years, the market is being re-defined in various ways: growing urbanization and increased exposure to

global lifestyle trends on social media and greater home-pride is slowly transforming the staple dietary need of people.

To address the changing preferences, KRBL enhanced its basmati rice business by adding more brands to meet various price demands. This enabled us to keep up with the evolving consumer trends (be it health or convenience) and cater to the tastes of different geographies. Additionally, enhancements of its communication and branding strategies are also aligned with KRBL's vision: to address consumers' changing needs, even by its legacy brands.

In this vein, KRBL has returned to the basics and redefined its communication strategy by acutely monitoring changes in consumer trends and the preferences of its valued customers. KRBL adopted a communication strategy that helped its brands reciprocate the culture and the essence of India yet tailored to suit local tastes and preferences.

We believe that every consumer company is built upon a promising brand. KRBL is collectively resolute in prioritizing mind share gains over market share gains. From repositioning India Gate Classic as the special-occasion rice to initiating campaigns

meant to identify the importance of festivals in India. KRBL continued to create brand love and strong customer connect. Throughout the year, KRBL focused on evolving its branding strategy from product-

centric campaigns to socially relevant communication. Therefore, our memorable commercials have successfully struck an emotional chord with KRBL's audiences, driving conversations to inspire positive thinking and progressive behaviour.

As customers are increasingly seeking more social responsibility from their brands, KRBL continues to emphasise progressive advertising to connect with them at a deeper level.

Media initiatives FY20

#YehEidBanaoClassic

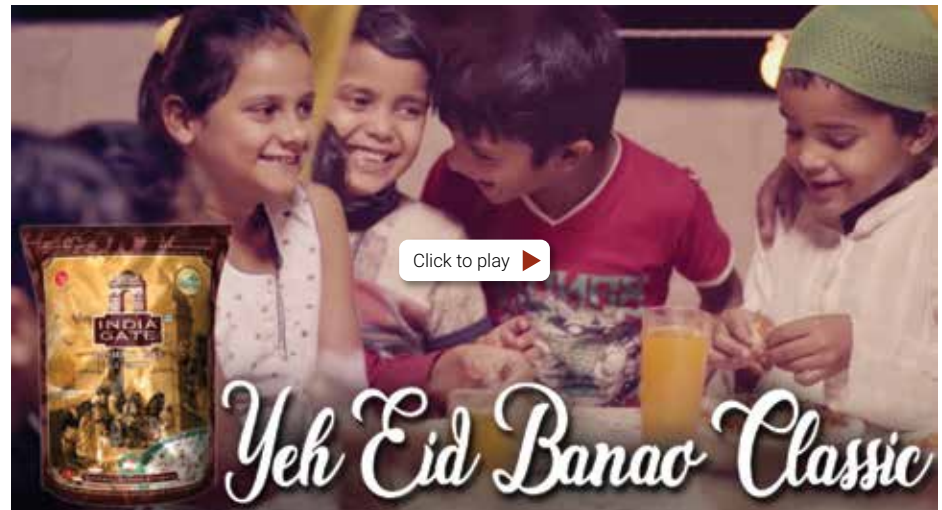
Reinventing India Gate Classic by repositioning Classic as an Occasion Special Pack for special occasions such as Eid. Evoked strong brand love amongst the community through a strong emotional campaign.

Continuing to celebrate the diverse Indian festivals, KRBL came up with Eid special advertising campaign **#YehEidBanaoClassic** during the Eid of 2019.

Eid al-Fitr or Meethi Eid is the second-largest festival in India and marks the end of the holy month of Ramadan. Sharing a meal during Ramadan is considered auspicious. With this thought of food touching lives with humility KRBL launched a massive 360-degree campaign 'Yeh Eid Banao Classic', an initiative on the part of the company to give back to the society.

This was one-of-a-kind initiative from KRBL's media team, as it celebrated the teachings of '**neki**' - good deeds, generosity and kindness towards the less privileged.

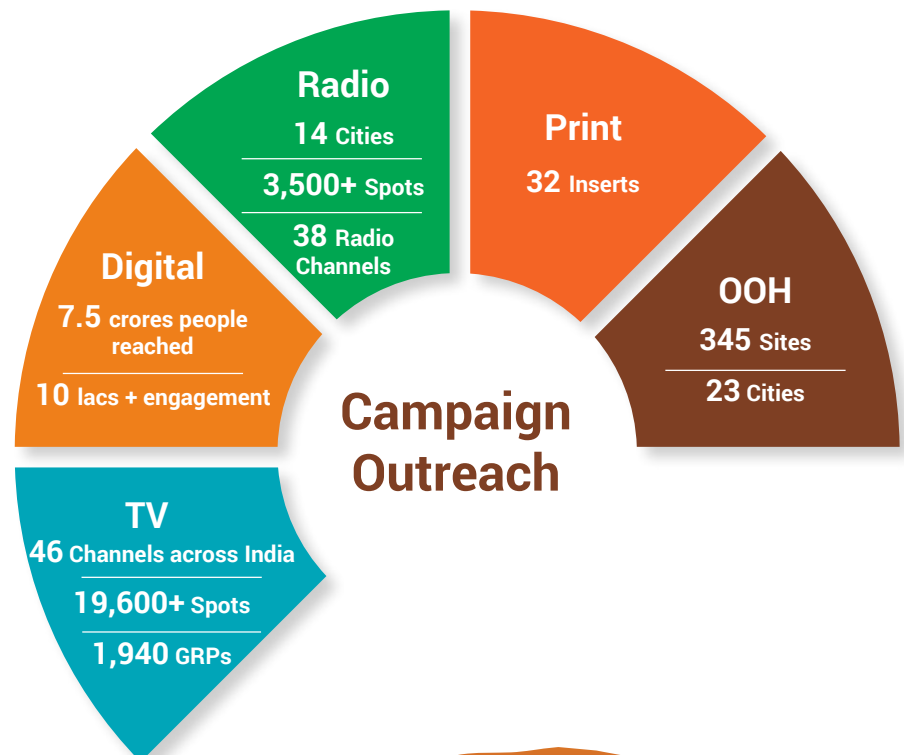
Launched digitally, across different social media sites, and across other media platforms, it enabled KRBL for first time to capture Eid as vantage occasion to drive emotional engagement with the community which is considered be one of the biggest consumers of basmati rice in the country.



Giving Back to Society

We requested the people across India to do a Little Act of Kindness by sharing this

video on their page. For every share, India Gate Basmati rice promised to give one meal to an underprivileged child.



Campaign's impact

The campaign helped KRBL build a long-lasting and strong emotional connect with its customers.

The campaign garnered

4.5 crores

views within five days of its launch



3.5 lacs +

Total Likes, Comments and Shares received by the campaign



Served Biryani to more than

1,50,000 Under Privileged

Kids in 20 cities



50,000+ KG of rice

Donated to NGOs



#ShareAMeal
(Top Trending # for 2 Days in India)

Building Relationships with Indian Families

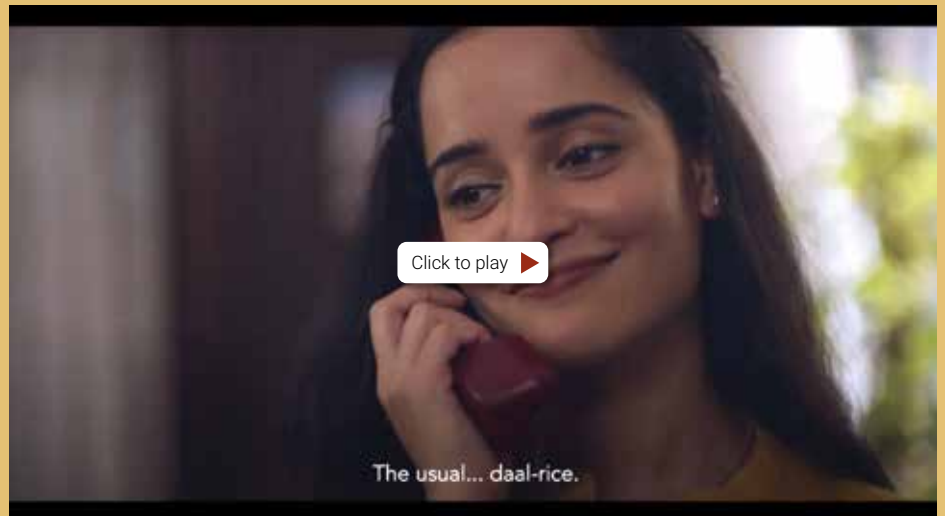


#EverySacrificeMatters

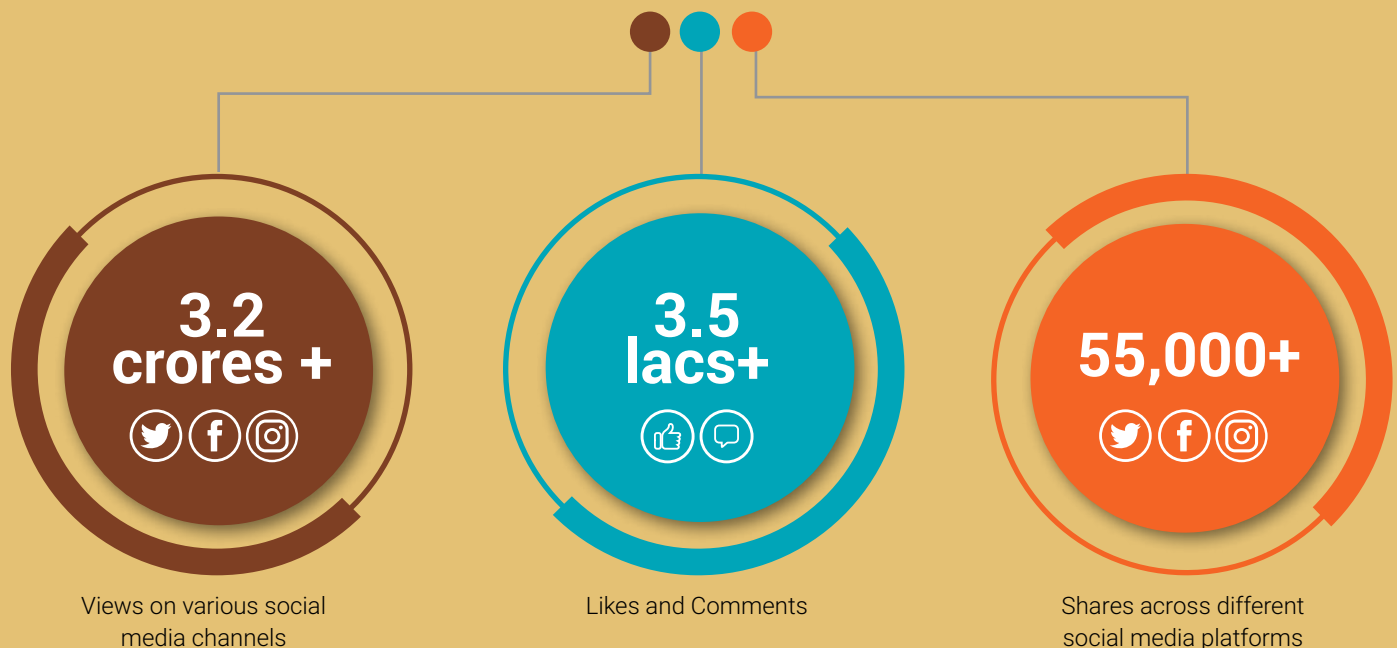
A unique digital only campaign, showcasing the sacrifices made by the family members of our Defence personnel.

Launched on the **Independence Day**, under the banner of India Gate. The campaign truly reverberated the sacrifice made by the Indian women whose festivals are incomplete without the soldier-men of their families.

It has brought India Gate closer to millions of Indians as a brand that recognizes bravery of Indian armed forces and their sacrifices.



Campaign's impact #EverySacrificeMatters garnered



'India ki Puraani Aadat' and 'Iss Tyohaar Sirf Classic Banega'

Masterfully Blending Old with New

Festival celebrations and special personal occasions are an integral part of Indian culture.

What makes the celebrations more special are the delicacies served.

Intricately planned meals, special recipes and elaborate dishes, are what makes these occasions and festivals a special event to every Indian and their family members. Food become delicacies when prepared with love and with the best of ingredients.

Keeping this in mind, KRBL added a local flavour to its' FY19's successful '*Iss Tyohaar Sirf Classic Banega*' campaign.

Sensitive to the language and cultural diversity across India, KRBL launched

special regional campaigns in regional languages aspiring for a personal touch! Along with **Diwali**, it focused on celebrating the regional festivals like **Pongal** in Tamil Nadu, **Sankranti** in Andhra Pradesh and Karnataka, **Ganesh Chaturthi** in Maharashtra, and **Durga Puja** in West Bengal.

While '*Iss Tyohaar Sirf Classic Banega*' focused on the festivals, '*India Ki Puraani Aadat*' campaign was directed towards popularising India Gate in the non-festive regions.

Campaign outreach

TV

Total spots

55,236

Total Promos

20,000+



Radio

Total spots

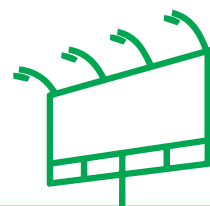
15,000+



Outdoor

Total spots

1,500+



Kalyanam - a unique campaign for God's Own Country

Kalyanam, a Kerala Special Campaign

Utilising different mediums, KRBL has been advertising its India Gate Basmati Rice brand heavily in the Indian market.

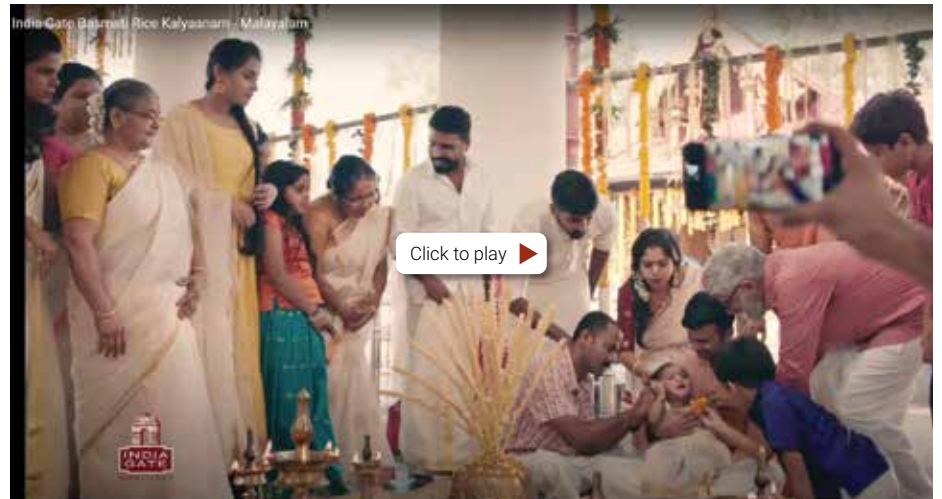
However, from a regional perspective, its media and advertising initiatives in Kerala were limited.

During the year, KRBL focused on Kerala and developed a new TVC campaign during the last quarter of FY20 whose storyline showcased Kerala's unique flavours and dishes.

Launched on the immensely popular Malayalam show Big Boss, hosted by the superstar Mohanlal. In addition, the TVC was also launched on all the top-rated channels operating in Kerala.

It helped KRBL to change customer perceptions about its brand and enhance top-of-the-mind recall, especially

considering the incumbent wedding season in the region (February and March).



Showcasing KRBL's brands on the largest and effective form of mass communication in India

Television attracts the largest number of viewers compared to any other media, even to this day. The average Indian watches around five hours of TV every day, making it India's most common leisure activity.

Heeding this fact, KRBL's marketed its India Gate brand heavily in television campaigns, associating with some of the most popular TV serials and films produced in the country. These collaborations have been

very successful owing to the exponentially enhanced visibility of KRBL's different brands to connect better with customers.

KRBL's key television associations in FY20

SIYA RAM KE LUV KUSH



Rendered visibility across channels like 'Colors' and 'Colors HD'

'BIG BOSS' (TAMIL)



Captured the attention of more than 3,30,000 people across Tamil Nadu and rendered visibility across channels like 'Star Vijay' and 'Star Vijay HD'. It was the highest-rated TV show on these channels.

'MAA VAISHNO DEVI'



Associated with the mythological mega serial 'Maa Vaishno Devi' showcased across channels like 'Star Vijay' and 'Star Vijay HD'.

'Big Boss' (Kannada)



Associated with the reality TV show 'Big Boss' (Kannada). It is the second-highest-rated show on 'Colors Kannada' and 'Colors Kannada HD'. KRBL teamed with the 'Big Boss' housemates to prepare biriyani with India Gate Classic rice for unprivileged children.

'SARAH GRAHAM'S: FOOD SAFARI'



Associated with Sarah Graham's hit TV show 'Food Safari', thereby helping KRBL enhance its brand visibility in the international market.

'INDIAN IDOL' & 'SUPERSTAR SINGER'



Associated with India's two most-watched music reality shows on TV.

'Zee Tamil Awards'



One of KRBL's associate sponsors, it is one of the highest-rated award shows to have aired on 'Zee Kannada'

Filmfare Awards - 2020'



One of the most coveted award ceremonies in the Hindi Film industry. Aired on 'Colors'.

Umang Awards - 2020'



The annual cultural festival dedicated to Mumbai Police, attended by many Bollywood celebrities. Aired on 'Sony Entertainment'.

Driving customer attention by showcasing KRBL in top women-centric magazines of India

For KRBL, print is another important media of advertisement. It targeted its print media promotional campaigns at select publications, including regional ones, to

reach target consumers in those regions which has a high readership affinity. KRBL ensured an advertising presence in all leading women's magazines and dailies

those select regions. KRBL also invested in inserts on South Indian festivals and other generic shouts in top Indian magazines.

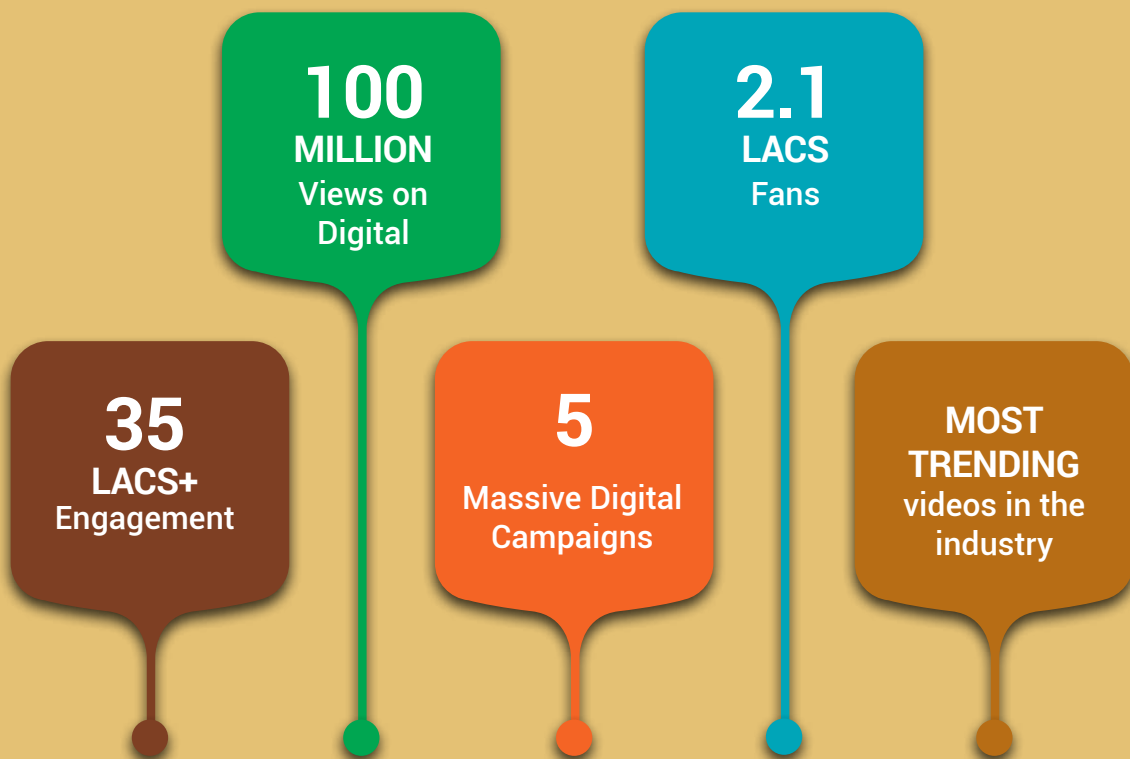


Matching steps with the digital wave in India

As customer shopping patterns continue to evolve across stores and digital platforms, KRBL has adapted its engagement according to the changing times and ensured fluidity across all touchpoints. Its digital strategy is to consistently deliver

the identity of its brands to customers. Endorsing KRBL's success, India Gate continues to be the most followed brand within its industry space across different social media platforms, such as Instagram, Facebook, and Twitter.

KRBL's digital campaigns during festivals like Durga Puja, Diwali, and Ganeshotsav or special events such as Women's Day, Mother's Day, Independence Day, and Republic Day has also expanded customer reach and built a more appealing connect.



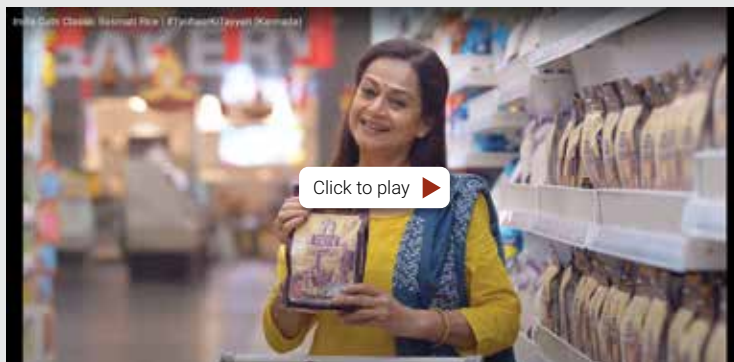
Digital initiatives in FY20

2019 was a great year for India Gate's digital media initiatives. After the great success of the two brilliant social campaigns carried out in FY19, the FY20 festive period gave KRBL the opportunity to reconnect with digital audiences, using special and emotionally impactful social media campaigns.

#TyohaarKiTayyari

A social media campaign dedicated towards showcasing the India Gate Classic Celebration pack and centred around the theme 'Iss Tyohaar Sirf Classic Banega'.

Strategically showcased across different OTT and social media platforms such as YouTube, Hotstar, Voot, Zee5, and Facebook, among others.



**37.4
MILLION**

Video views across
different digital
platforms

**1.5
LACS**

Engagement on
Facebook

**16.9
MILLION**

Users reached
via this digital
campaign

**10
LACS**

Video views on
Facebook

2,13,000+

Number of
campaign followers
on Facebook, highest
within its industry
space

Making Healthy Food - Brown Rice more Approachable

#JumKeKhao #EatWhatYouLove #IndiaGateBrownRice

A social media campaign showcasing the health benefits of India Gate Brown Rice and built around the theme of food, health, and wellness.

The campaign attempted to showcase that with India Gate Brown Rice one can eat all different rice-based delicacies to their hearts content without any fear.



5 CRORES+

Impressions generated on the web



4 LACS

Page visits on Amazon and other online
shopping platforms



10 MILLION

Views generated on Facebook,
YouTube, and OTTs



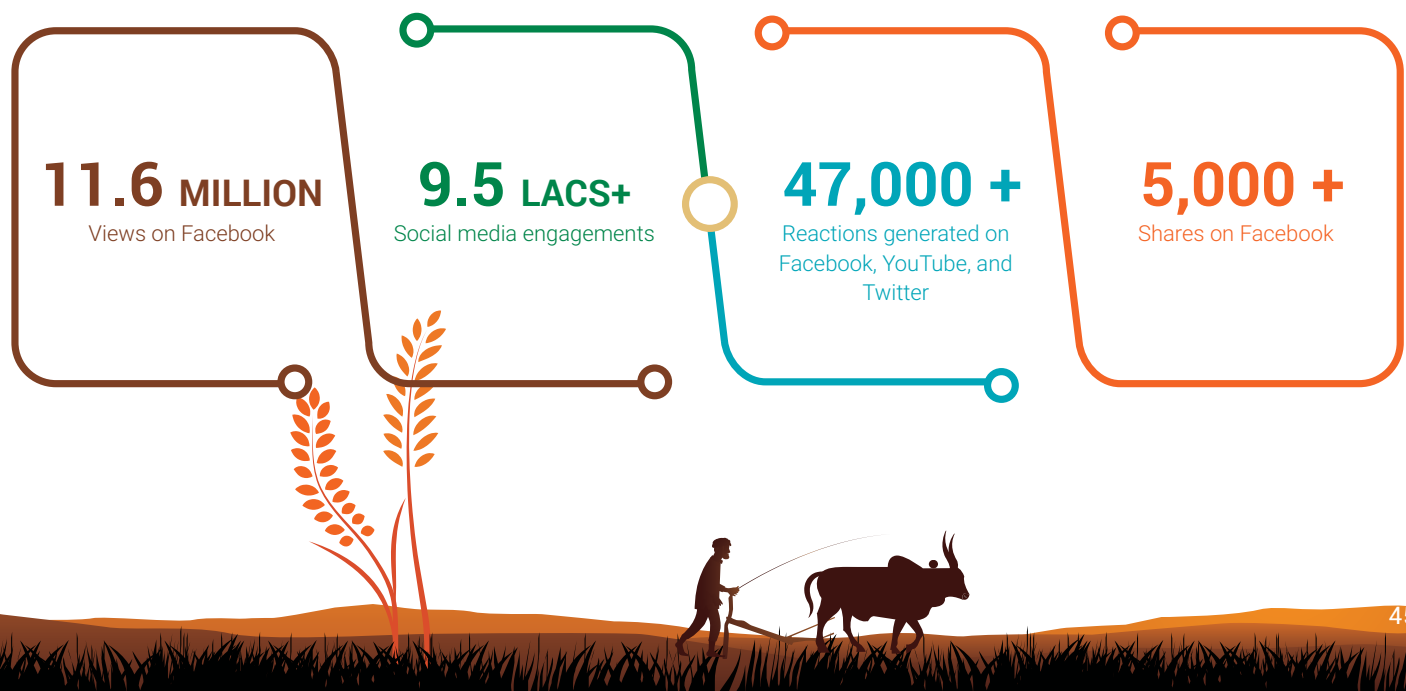
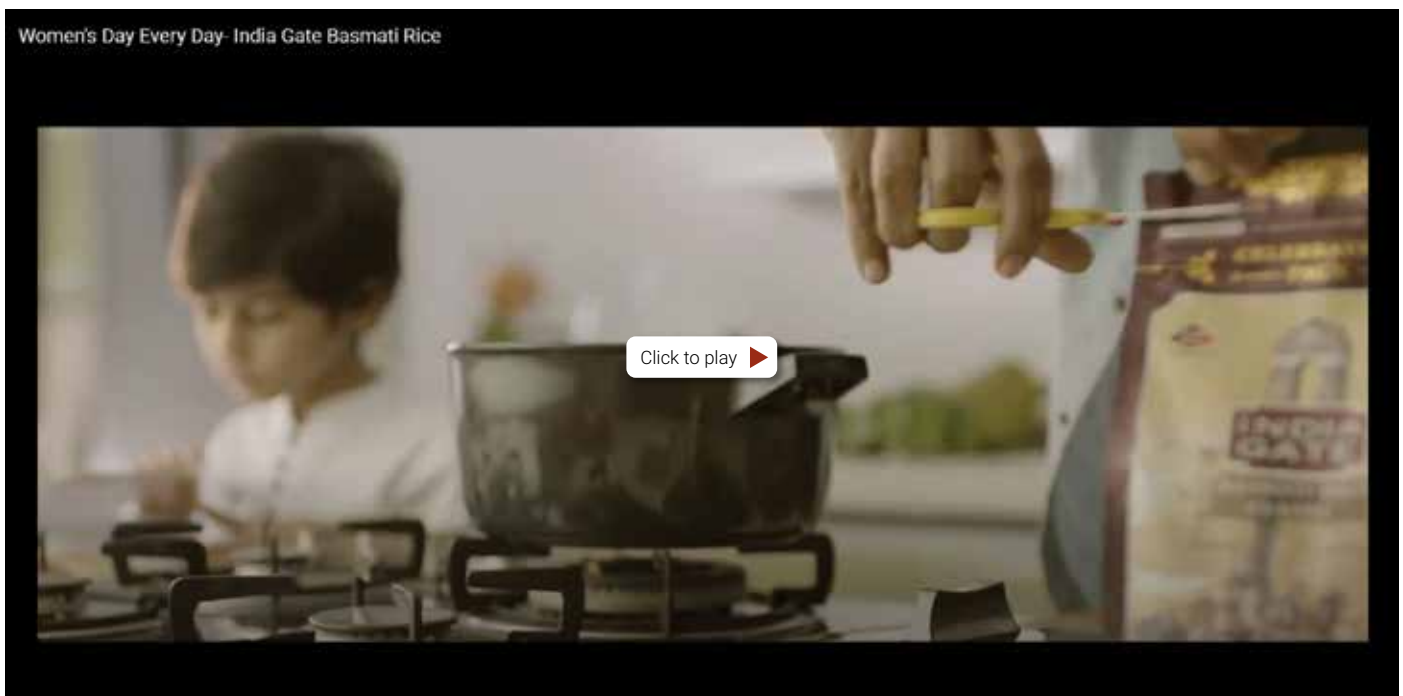
25%

Incremental sales from modern trade and
online platforms

Bringing Women Empowerment into core focus

#WomensDayEveryDay #HarDinSaath

Women being our core Target Group and Women's Day being a global festival now, we made a short film on Women's Day to build engagement on our Social media accounts. The perspective was to highlight women empowerment and engage brand love through an innovative concept of #WomensDayEveryDay.



MEDIA INITIATIVES IN THE INTERNATIONAL MARKET

KRBL has successfully expanded its public relations (PR) outreach in the Gulf region by actively engaging with customers through dedicated PR activities.

Quintessentially, our PR activities in 2019-20 were primarily focused on enhancing brand awareness, brand recall and establishing ourselves as market leaders.



Collaborated with health experts

to augment brand value. Associated with reputed clinical dietician, Dr. Dana Al Hamwi, as India Gate's local nutritionist. Her tips on adopting healthy eating habit, utilising India Gate's products were published in various press releases, newspaper articles, social webinars and social media posts. It helped promote the amazing attributes of India Gate's products and propel our popularity. She also participated in interviews at GulFood 2020, as a part of the KRBL team.



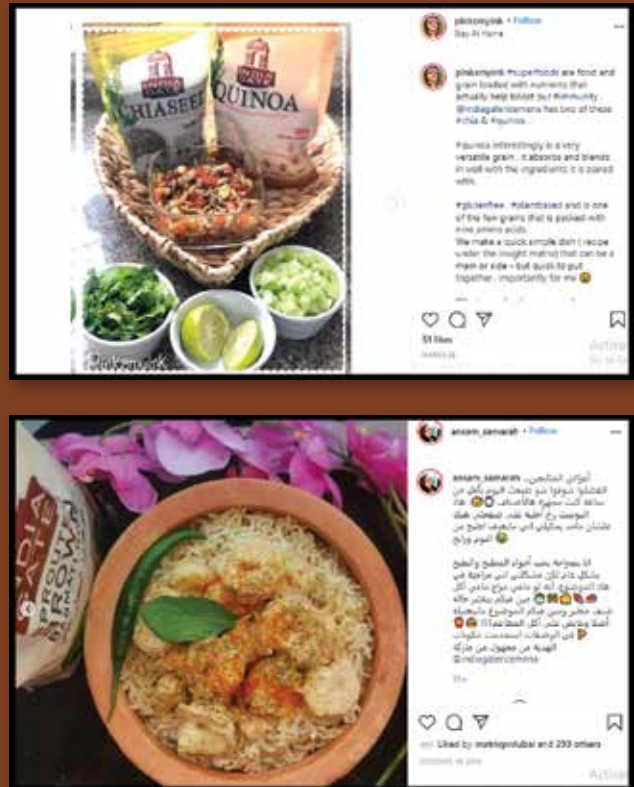
Expanded our audience reach to grow our business sustainably. Associated with Dubai Ladies Club to widen our audience base. Organised several webinars and talk shows with the members of the club on healthy eating habits and helped showcase KRBL's healthy food segment.



Bolstered media relations by regularly participating in major food and beverage trade exhibition in the Gulf region such as GulFood 2020. KRBL made its 12th appearance in GulFood in FY20, the largest and longest-running food and beverage show of the world.



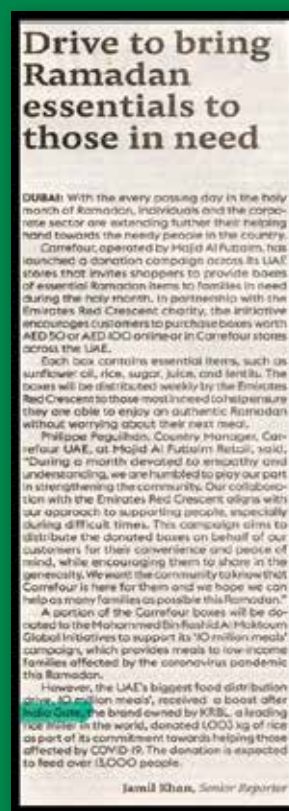
Reinforced leadership team's image by actively engaging in industry stories through comment and opinion pieces. Arranged interviews with our Director Ms. Priyanka Mittal in prominent publications, on radio stations, and TV channels (such as Dubai Eye Business Breakfast, Dubai One TV, Authority Magazine, Entrepreneur ME, CEO ME, and Pro Chef ME).



Strategic engagement with bloggers to effectively engage with a wider consumer demography in the Gulf region. It helped ennoble India Gate's product range while delivering strong and persuasive messages on healthy eating habits.



Focused on securing key editorial coverage to engage closely with consumers and customers. Embarked on producing creative media alerts, like sharing tips and recipes, designed based on occasions and features relevant to the local media.

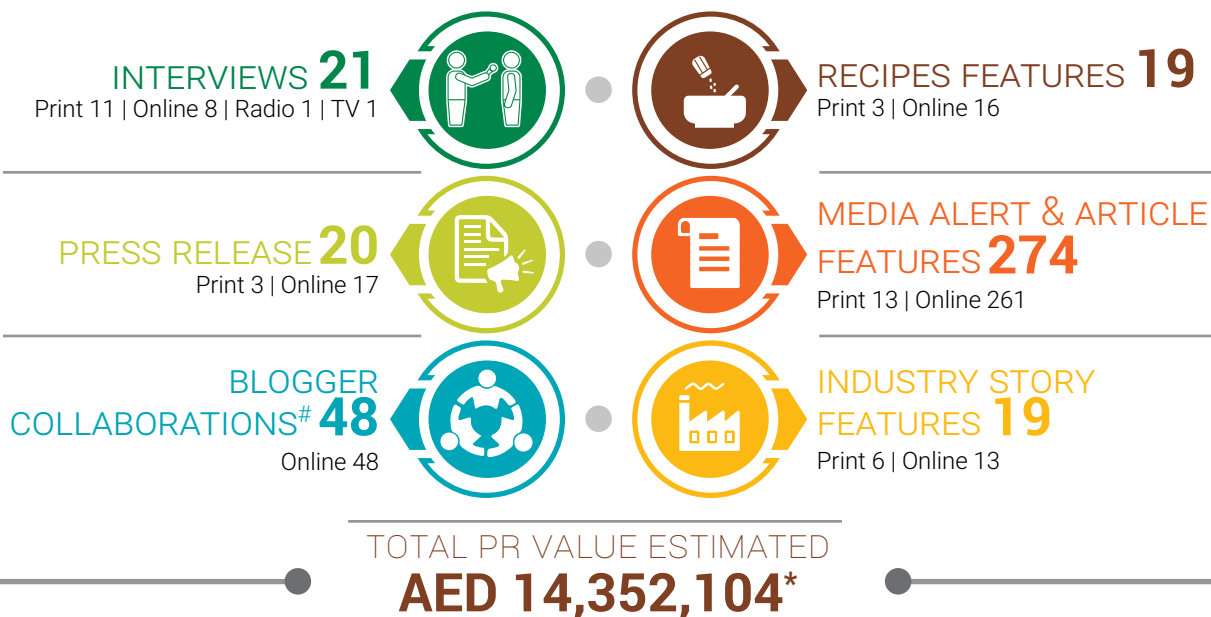


Strengthen brand credibility by reaffirming India Gate's commitment to support different social causes. India Gate donated 1,000 Kg of rice towards UAE's 10Million meals initiative, an initiative to help those affected by COVID-19. Coinciding with the holy Ramadan month, the donation is likely to feed more than 13,000 people

The different health campaigns helped encourage local residents to make informed food choices and adopt responsible eating habits. While the initiatives helped KRBL garner customer preference for India Gate's wide range of healthy food products such as India Gate Quinoa, Chia Seeds, Flax Seeds, and Sprouted Brown Rice. It also helped us reach out to our target consumers effectively while continuing to strengthen our brand's leadership position in the market

Brand Speak

Result of our dedicated PR initiatives in the international market



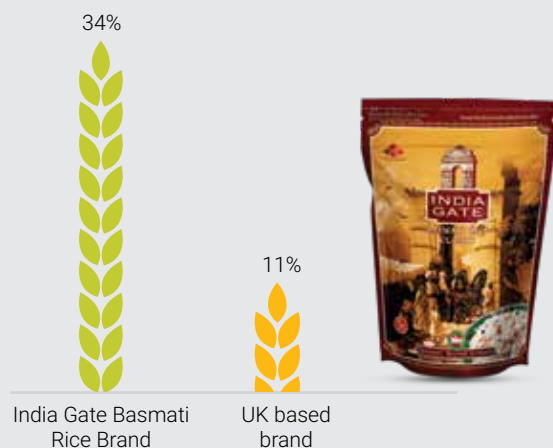
(*Above shown results are achieved from April 2019 until May 2020).

(# Collaborating with the bloggers helped KRBL propagate its different brand and brand values to millions of customers).

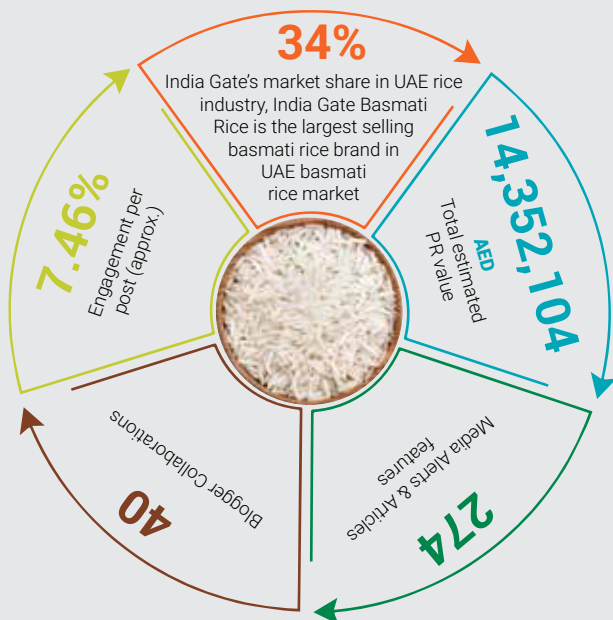
KRBL growing presence in the international market

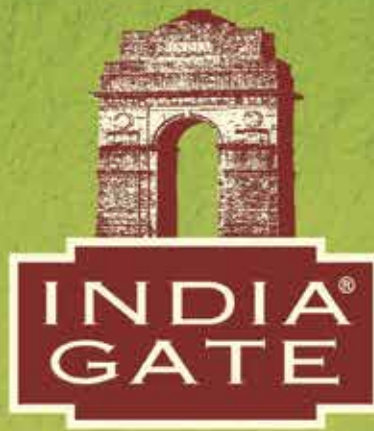
Market Share of various rice brands in UAE Basmati Rice Market

Top Brands (in terms of Value) in %



Source: AC Nielsen Middle East - for the period December 2018 – November 2019





SUPER FOODS FOR A

Healthy Lifestyle.



LOADED WITH
NATURAL DIETARY FIBER.



ESSENTIAL AMINO ACIDS
FOR ENHANCED METABOLISM



KEEPS YOUR
WEIGHT IN CHECK

EVENT PARTICIPATION IN THE GULF REGION

KRBL's traditional marketing initiatives in the MENA region

We continue to aspire towards international recognition and love from consumers with diverse cultural and geographical backgrounds. During the year, we continued to reinforce our brand's essence by regularly investing in different branding initiatives such as ATL and BTL promotional campaigns and effectively communicating with our consumer universe across the globe. It is a moment of pride for KRBL, as our brands continue to transcend the limitations of language, ethnicities, cultures, eating habits, and geographical locations.

Consumer Activation in GCC

We believe that our Company is sustained by our strong farming community and loyal consumer base. Thus, we focused on rewarding our loyal consumers, who believe in our brand and our product quality.

Given our focus on furthering our health portfolio reach, we have enhanced the availability and visibility of our entire product range by partnering with retailers.

We also ensured that *India Gate's* availability remained consistent, both in large- and small-format stores. Furthermore, we initiated large distribution drives to deepen our presence.

Deepening consumer commitment during COVID-19

Considering the COVID-19 situation, we encouraged our distributors in the Gulf region to carry extra stock holdings. Via close communication, we also ensured that there were no instances of price gouging or attempts to profit from the situation. Since we aim to serve all our customers with our entire product range, we even ran media campaigns informing our consumers in UAE that there is no shortage of *India Gate*. It is the #1 rice brand in UAE, and we wanted to dissuade any panic amongst our loyal customers.

After the lockdown was announced on 23rd March, our entire International Division team and our plants worked tirelessly to ensure our export lifeline kept running. With ports being surveyed during the COVID-19 lockdown, we undertook an unprecedented mammoth endeavour to ensure the ready availability of our products in the international market.



KRBL at HORECA Kuwait 2020

Our participation in the HORECA Kuwait 2020 exhibition was a star-studded affair, bringing together Kuwait's major hospitality, catering and food sectors. It was the biggest hospitality event in the country! It helped KRBL with the required visibility and in reaching out to more people.

Kuwait's leading B2B Hospitality Exhibition was held from 20th-22nd January 2020. The finest manufacturers of Food & Beverages and hospitality-related companies

showcased their state-of-the-art products, technologies, and services to the entire hospitality industry. Strictly for hospitality visitors, this year the exhibition was attended by 9,000+ visitors from the Food & Beverages industry.

Various chefs participated in the culinary art show organized by Hospitality Salon Culinary, competing under different categories and displaying their astonishing culinary skills. The

concomitant competitions were evaluated by internationally renowned chefs from Europe, the Middle East, the Far East, etc.

KRBL's food service team, along with our local distributor, made a strong statement at the event. Our stand drew many visitors and our team briefed them on our full product and services range, thereby increasing our brand awareness and directly engaging with professional operators in Kuwait's hospitality sector



KRBL at GulFood 2020

The 25th Edition of GulFood, the world's largest annual Food & Beverages trade exhibition, was held in Dubai World Trade Centre from 16th-20th February 2020. KRBL participated in its Global Power Brands category.

This year, the five-day event attracted 92,000+ visitors from across the globe!

Our Hon'ble Chairman & Managing Director Mr. Anil Kumar Mittal and our Whole Time Director Ms. Priyanka Mittal inaugurated the KRBL stand at GulFood 2020. The Hon'ble CMD put forward KRBL's vision, mission, and growth strategy. This enhanced brand outreach to a great extent. We immensely motivated the exhibition attendees and presented to them the changes in our

India Gate Health portfolio, foreseeing our increasing global reputation in the healthy food sector.



Gulfood 2020 | Key Highlights



98,000+

VISITORS



182

PARTICIPATING
COUNTRIES



57 MILLION+

DIGITAL REACH



91%

SHOW FLOOR
ENHANCEMENTS



1 MILLION

SQUARE FEET



5,000

EXHIBITORS





Iss Naye Saal, Jum Ke Khao.



We often take a new year resolution to quit or take a break from our favourite dishes, thinking they are unhealthy. This year, treat yourself with all the rice dishes you love with India Gate's Health Range of Brown Rice, ingredients that turn delectable dishes into healthy delights.

#JumKeKhao



LOW IN SUGAR



FIBER-RICH



BOOSTS IMMUNITY



CHECKS WEIGHT

Scan the Code



Get Healthy Deals

[@indiagatefoods](#) | [@indiagatefoods](#) | [@indiagatefoods](#)



BUSINESS SEGMENT REVIEW

Agri-business division

The overall business environment remained challenging during the year due to the changes in regulatory landscape both in the domestic and international markets and also due to pandemic outbreak. However, owing to KRBL's strong brand value and wide range of products, the Company showcased another year of commendable performance.

KRBL is the leading player in the branded basmati rice in India. In recent years, the Company has benefited tremendously from the rising affluence and evolving culinary preference among end users across the country. With its wide distribution network and diversified product portfolio that caters to a wide range of customers across various price points, KRBL has enhanced its market share significantly.

Owing to dedicated brand promotion activities coupled with unflinching product quality and competitive pricing, KRBL's flagship basmati rice brand 'India Gate' is a market leader within its industry space.

Market share

India Gate's market share is 35%, the highest market share for any company in the sector in combined urban and rural areas in FY20.

KRBL's key enablers

Deep understanding of the Indian rice market: As against other multinational brands, KRBL being an Indian company has deeper understanding of the Indian taste and preference.

Strong legacy: KRBL established in 1889, has been present for more than a century in the industry.

Renowned brands: The company has 14 brands across different price points and different package sizes. These brands are household names and many of them are preferred brands in their categories. Power brands such as India Gate and Unity have been market leader within their segment for several years now.

Robust distribution network: The Company, over the years, has built a strong distribution network both in the international and domestic market. Further, the Company has tied up with different delivery partners and retail chains both in the international and domestic market. This has enabled KRBL to make its products readily available in the key markets.

Growing preference in the Health food segment: KRBL is the world's largest branded basmati rice seller, with a portfolio of over 6 products in the healthy food segment and is best positioned to capture the opportunities in this segment.

Balanced revenue mix: KRBL's business operations are well diversified with 46% of its revenue being attributed from international business while 54% is derived from domestic business.

Tangible results: In FY20 our price realization enhanced with increase in product penetration which led to KRBL achieving different performance highs during the year. FY20 proved to be another important year in the history of the Company as several decisive steps on the part of the Company coupled with different branding initiatives, led to this outstanding performance.



Leader in
markets

Best in
class
operations

Driven by
brand

Turnover

- Net sales for FY20 stood at ₹ **4,499** crores, an increase of **9%**
- Domestic sales grew by **6%** to ₹ **2,414** crores in FY20
- Export sales grew by **13%** to ₹ **2,085** crores in FY20



Profits

- Achieved highest ever EBITDA of ₹ **893** crores, growth of **3%**
- Achieved an EBITDA margin of **20%** and PAT margin of **12%**
- Achieved highest ever PBT of ₹ **758** crores, growth of **3%**
- Achieved highest ever PAT of ₹ **558** crores, growth of **11%**
- EPS stood at ₹ **23.71**, growth of **11%**



Other highlights

- Achieved capacity utilisation of **53%** and produced **5.93** lacs tonnes of rice in FY20
- Grew net worth by **15%** to stand at ₹ **3,128** crores
- Declared dividend of ₹ **2.80** per share, **280%** of the face value
- Achieved a debt-equity ratio of **0.15:1** as of 31 March 2020 compared to **0.52:1** as of 31 March 2019



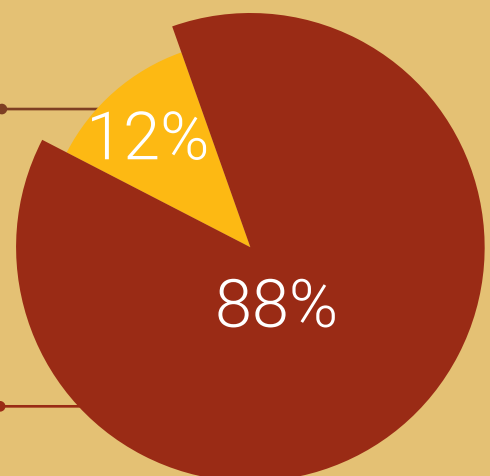
11%

CAGR growth in net sales over the last decade.

Revenue share (%) for FY20

Non-Basmati Rice, Power and by-products

Basmati Rice



15%

CAGR growth in EBITDA over the last decade. Continuously enhanced margins driven by strong brand, stable business model and focused strategy.



Market trend analysis

Market Trends	How KRBL is positioned to address these trends?
Convenience: This is the defining fundamental trend of the present generation. The society demands products and services that deliver quickly, make life easier, or both. The enormous growth of the convenient omni channel delivery model in the recent times is evidence of this, with an increasing instance where consumers opt for convenience. In this environment, consumers are constantly seeking more and more convenience and will switch products or stores if they are not satisfied.	Understanding the market dynamics: KRBL is a leading player in many of the branded rice product categories in which it operates. These positions have been built through a deep understanding of market trends, an understanding of consumer and customer needs and the expertise within our team to convert these insights into winning products. As a key market leader, and in many cases the sole supplier of specific product categories for our customers, KRBL is responsible for growing the market through product innovation, availability, and supporting new format and channel growth strategies for its customers.
Health and Wellness: Health and wellness is a complex topic, not least because how consumers express their desire for 'better for you' choices changes over time. However, we believe that there are a proportion of consumers in each category that we operate in for whom making a healthy choice is one of their top decision criteria, and a large majority for which it is at least a factor in the way they shop and consume.	Food expertise: KRBL has a team of highly skilled and knowledgeable market experts which help us understand and shape current and future shopper and consumer trends, ensuring that the right product and packaging formats are available at the right place and right time. KRBL operates to the highest technical and food safety standards and is subject to rigorous internal and customer audits to ensure these standards are consistently met.
Indulgence: The need for indulgence remains a key consumer trend. At heart, we strongly believe that whatever the additional benefits we offer to consumers, our food should always fulfil the basic expectation of great taste. Enjoying food is a critical part of life, which may not be necessarily premium or expensive as some of the cheapest, simplest, most basic products can be the most pleasurable to eat.	Long-standing customer relationships: KRBL has deep, long-term partnerships with its customers, operating as an extension of our customers' brands to meet the needs and expectations of consumers. KRBL develops and produces bespoke solutions for each of our customers. Through our insight, product development and category management functions KRBL works on behalf of its customers to drive overall category growth and returns.
Great value: Value for money is top of mind for both our customers and our consumers, particularly over recent times. As there is substantial number of options within the branded rice segment to choose from, it is essential that a proposition represents value for money. This comes from doing other fundamentals extremely well.	Ability to adapt: The very nature of the product categories in which KRBL operates demands a substantial degree of operational and commercial flexibility to fulfil our customers' needs. Over the years, KRBL adopted different packing and product positioning strategy matching the needs of different client segments such as retail and institutional.

DOMESTIC BUSINESS REVIEW

Key highlights of the year

₹769
CRORES

Recorded highest ever value in consumer pack segment

55%

Highest share of voice in the category

100
MILLION

Digital views, highest consumer engagement in the category

184%

Highest ever growth in health segment



Unity brand extended its portfolio to answer new consumer requirements



Regional speciality of India Gate

History has constantly demonstrated the ability of strong brands to remain unscathed during great depressions and extreme market volatility. Having a recurrent trust and strong customer relationships, they decline less in value and recover faster. This lesson became clear during the global financial crisis a decade ago and it will hold even better now. Even with the current trends, the Indian economy is touted to grow to a \$7-trillion mark by 2030, with 50% of this growth coming credited to the retail sector. Additionally, this will be majorly boosted by the rising middle class, of 1.2 billion citizens with sky-high aspirations to improve the quality of their lives. It is anticipated that the next decade will be action-packed.

India Gate, KRBL's flagship brand, is currently India's largest seller of packaged rice. With a legacy of more than 130 years, India Gate has always highlighted its native image, highest-quality products and the most diverse product portfolio in the rice segment. Currently, India Gate operates with a total of 164 SKUs that uniquely cater to various consumer requirements with the promise of unmatched quality and service.

FY20 was another year of excellent performance for KRBL, despite the COVID-19 challenges. Subdued consumer demand owing

to decelerated economic growth and the spread of COVID-19 pandemic were some of the major challenges faced by KRBL and its larger industry. Nevertheless, the seamless execution of its strategic plans led to visible and sustainable growth in terms of revenues, profits as well as volumes.

Today, India Gate offers a wide range of products which are refined to be more meaningful, right at the point of purchase. The '**Brown Rice Weight Watchers Special**', '**Unity Basmati Biryani Rice**' and '**Occasion Special India Gate Classic**', all of which answer KRBL's core consumer requirements, are the front-runners of its future growth and blends well with KRBL's 'Ingraining a Healthy Future' strategy. Today, customers' interests and satisfaction have become imperative, as they are transacting through various channels like e commerce, modern trade and traditional channels. KRBL's concomitant product interventions have helped it remain ahead of the curve, enabling it to take business conversations away from price while delivering value and satisfaction to its consumers. Simultaneously, KRBL is constantly learning, evolving and introducing new products as per the requirements and the geographical locations of its customers.

Consumer Packs (1kg & 5 kg only)

As an industry leader and being the oldest player within this segment, KRBL has closely witnessed the retail evolution. In a category predominantly dependent on wholesale commodity business, today we have become flagbearers of active retailing.

We at KRBL are constantly upgrading our distribution and supply chain network capabilities and reframing our go-to-market strategies. A highly integrated distribution network, strategic omni-channel presence and resonating brand visibility has catalysed the growth of KRBL's consumer pack segment in FY20.

India Gate's innovative positioning and packaging strategies, coupled with superior quality (aged rice, longest rice grains and exotic tastes), ensures its dominance in the Indian market. Indeed, KRBL's presence across the value chain (from premium to mass) enables it to serve a diverse range of customers. It has re-imagined its packaging strategy for key brands such as India Gate Classic and Unity.

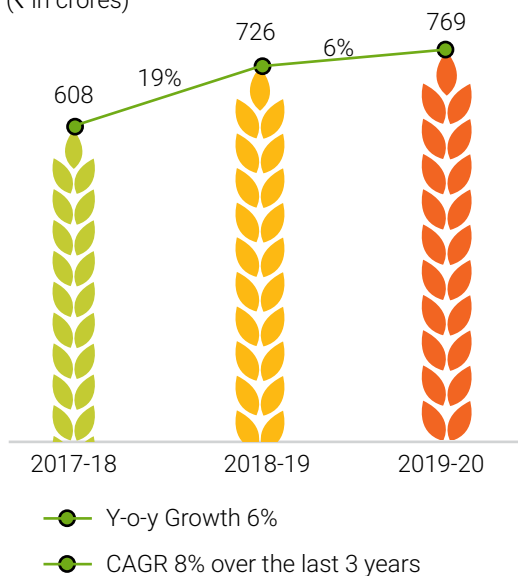
Case-in-point: KRBL introduced special-occasion celebration packs to address evolving consumer needs (desire for superior products on special occasions at one's home).

One of KRBL's focus areas in FY20 was tapping the loose, retail, unbranded and price-conscious basmati rice segment). Previously, Unity Biryani Rice primarily focused catering the institutional clients and was already positioned as a speciality Biryani Basmati rice. Hence, KRBL re-positioned Unity Basmati Rice in retail segment

Consumer packaging segment performance FY20

Sales growth

Net sales (₹ in crores)



with the introduction of the new consumer pack range, building a reliable and affordable brand identity. This enabled KRBL to cater to a price-conscious consumer base willing to move from loose rice to a branded rice product and strive for product consistency, safety and hygiene.

Large Pack Segment (10Kg & 25 Kg)

The Mass Favorite - 10 Kg

India is a heavy rice consuming market. Even though basmati rice is a premium product, a large sect of society has adopted this wonder grain as a staple food in their daily diet. These consumers are driving the sales of their favorite product- the 10 Kg Pack. These packs are mainly contributed from north and west zones of India where basmati has become a daily consumption staple product. This mainly consists of the broken basmati range which attracts price conscious customer from lower strata of the society. As this segment contributes to almost 65% of overall population share, opportunity is immense as KRBL continues to provide best quality products at competitive prices.

Institutional Packs - 25Kg

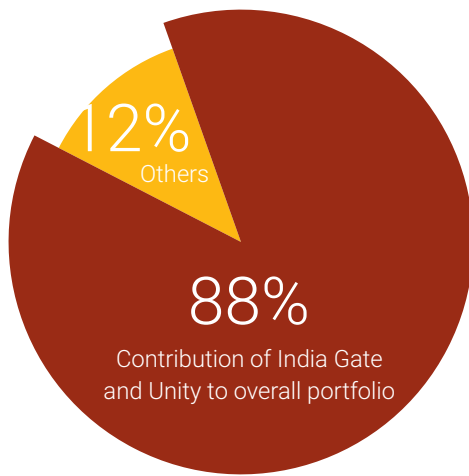
As unique as their culture, some Indian states like to shop and store their grains in the primitive style only. A typical example of this is the "Great Gujarat Bharati Season" where lacs of Gujarati consumers shop for our large 25 Kg packs catering to huge joint Families for the entire year during the new crop season. Along with these certain cultural communities also purchase large size packs basis their big family size and dependency on Basmati as a staple diet product giving further stability to our large pack segment.

Large Pack Sales growth

Net sales (₹ in crores)



A dedicated and well-strategized segment, KRBL's 25 Kg packs are majorly aimed at servicing the needs of these special customers, institutional clients like hotels, restaurants and caterers. Focused on showcasing the distinct features of its products, KRBL offers a wide range of product varieties to its institutional clients. Its ability to consistently deliver top-quality products across different price points has enabled it to enhance brand equity. Furthermore, KRBL is committed to consistently grow its large pack segment and stay ahead of competition.



Unity Biryani Basmati Rice

One of the largest institutional pack seller in India stands as proof of KRBL's ability to consistently deliver top-quality products and command premiums over competition.

Growth of Unity Basmati Rice over years

Net sales (₹ in crores)



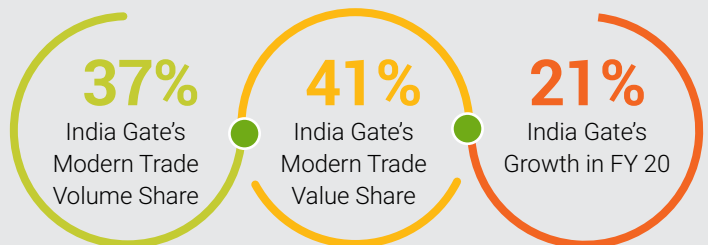
Undisputed Brand Leader in The Modern Trade

In FY20, KRBL's modern trade distribution channels have maximized its presence in more than 3,500 stores spread across India.

Today, India Gate is synonymous with the product category of basmati rice. This holds true especially in modern trade, where the shelf always has space for a few popular and quick selling brands (added to existing thousands)!

India Gate Basmati Rice emerged as the numero uno brand amongst all brands in the modern trade channel value sales across India, specifically in the packaged basmati rice category. The latest Nielsen report says that India Gate is dominant across various channels and retailers like D-Mart, More, Big Bazaar, and Reliance among others.

India Gate Performance



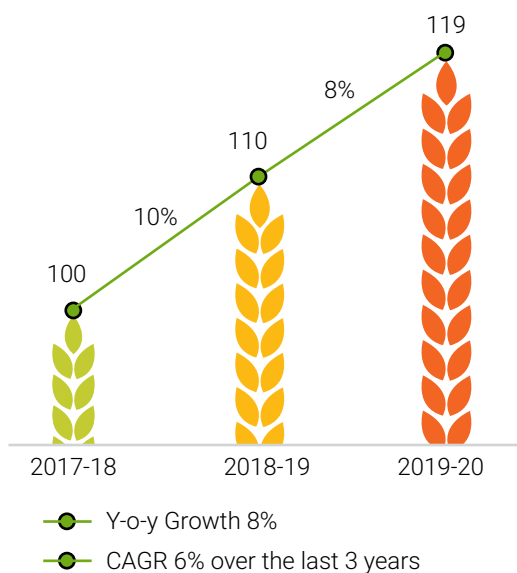


Speciality Range Premium Products

With the introduction of world cuisine, online availability of zillions of recipes and evolving taste habits, customers can experiment with food almost every day. Although KRBL is primarily a food company and then a basmati rice company, rice has started becoming a speciality ingredient from a staple diet commodity. In turn, KRBL is positioning its products in tune with such personalized requirements on auspicious occasions. For instance, India Gate Classic is the holy grain of basmati rice, not only in India but across the world!

Speciality Segment Sales growth

(₹ in crores)



Moreover, KRBL's various 'Health' product offerings are strategically positioned to cater to unique consumer requirements. Therefore, they are likely to enhance preference and off-take while creating a sustainable product portfolio for the future

E-commerce presence

As KRBL adjusts to the 'new normal', some trends are emerging fast. There is a surge in online purchases, a situation beneficial for top brands who have high recall. In this light, FMCG is going to be a well-sustained consumer segment and provide a backbone for customers returning to the market. Groceries in general will remain key to last-mile shopping, garnering strong positive sentiments of support.

The COVID-19 pandemic has made safety, hygiene, and contactless delivery mandatory. Now, when customers shop for groceries, the same sentiments should apply while buying open products like rice, pulses, sugar etc.

Thus, KRBL further asserts the necessity of buying from safe, top-quality and trustworthy brands. It expects more customers to shift to reliable brands which guarantee quality, safety and consistency.

The proliferation of smartphones, the upcoming launch of 5G networks and increasing consumer wealth have propelled e-commerce business in India. Such transformations will drive the Indian e-commerce market's growth to US\$ 84 billion by the end of 2021.

Taking cognizance of such emerging opportunities in e-commerce segment, KRBL has specially focused on these channels. It has forged strategic tie-ups with both B2B and B2C ecommerce players, such as Grofers, BigBasket, Flipkart, Amazon Pantry, Jiomart, Udaan, and Jumbotail among others.

45%

GROWTH IN E-COMMERCE (YOY)



KRBL'S DIGITAL INITIATIVE

Distributor and Sales Automation – Project Disha

Sales automation holds the potential to reduce the cost of sales by freeing up time spent on administration and reporting and to unlock additional revenue by automating outreach to customers in the sales funnel. The value that sales automation can create results across a growing range of sales and industry dynamics.

To benefit from numerous customer segments and emerging opportunities, we are adjusting our ways of working as well

through technology platforms to ensure that our Distributors, Sales Reps and Automation Solutions work hand in hand. Being industry leaders and early adopters of sales automation will help us build consistency in customer-facing time, higher customer satisfaction, efficiency improvements and finally unlock massive sales uplift potential.



Road ahead – Domestic business

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

As we continue to strengthen our position as the market leader, we intend to double our retail presence in India in the years ahead and is likely to grow our revenues substantially. While we continue

focus on enhancing our sales team, and on active retailing, a great focus is being given to greatly enhancing our omni channel presence. With omni channel shopping becoming more and more pervasive, embracing these trends effectively, promptly, and comfortably can enhance our competitive positions. Further, we plan to constantly upgrade our distribution and supply chain network and re-frame our go-to market strategies to ensure ready availability of our products.

INTERNATIONAL BUSINESS REVIEW

The Company ventured into the international market with a modest order of 1,000 tonnes basmati from the UAE in 1985. Since, then, KRBL Limited has developed a strong network of distributors in 82 countries across the globe. Over the years, its strong global outreach as an agri-products manufacturing company makes it one of the largest Indian players in the branded rice business across the world.

KRBL has become a household name in several international markets especially

the Gulf nations where it maintains a domineering presence. The Company continued to widen its global outreach of exports ensuring another high performing year in FY20.

The international business contributed nearly 46% to the overall revenue. In terms of value, export revenue for FY20 stood at ₹ 2,085 crores compared to ₹ 1,844 crores in FY19 – an increase of 13%. In terms of volume, total exports of rice in FY20 stood at 2,48,232 MT.

The Company's flagship basmati rice brand India Gate commanded a market share of 34% (in terms of value) in the UAE, ahead of its closest competitor's market share of 11%. India Gate is also a well-recognised brand in the GCC countries, Australia and South-East Asian markets, among others.

During the year, the Company stepped up its presence in new quality-oriented markets such as Japan and Korea, and scaled up its import market share in these markets to 30%.

Challenges faced in the key international markets

Issues owing to pandemic outbreak

- Restrictions on free movement of goods owing to logistics issues and transport restriction in India as well as in the importing countries
- Movement of migrant labour back to their hometowns resulted in acute labour shortage resulting in lower production and capacity utilisation.
- Travel & tourism industry is one of the severely impacted industry owing to the extended period of lockdown across the globe and due to travel restrictions. Worldwide lockdown adversely impacted business of hotels, restaurants and other institutional clients, which in turn resulted in a subdued demand speciality rice such as basmati.

Gloomy global economic scenario

- Zero or minimal economic activities during the lockdown period, resulted into many organisations bring down their shutters. This resulted in a steep

rise in unemployment across the globe, which in turn negatively impacted consumer spending power and lead to a conscious or budgeted spending by consumers.

Strict regulatory framework

- Stringent regulations every year lead to higher restrictions in terms of pesticide residues levels allowed on the rice. It resulted in subdued Basmati rice export scenario for the Indian companies in key international markets such as Europe and US.

US Sanctions on Iran

- Iran is the largest importer of Indian Basmati Rice and plays a major role in shaping the dynamics of the Indian Basmati rice industry.
- US sanctions on Iran can adversely impact the export scenario of the Indian Basmati rice industry.

How KRBL was safeguarded?

- KRBL maintained adequate inventory levels, at various levels of the value chain. It not only ensured steady supply of goods based on the demand and also helped to overcome any logistics and supply chain issues.
- KRBL, being a customer-oriented brand, redirected its focus on tapping the household retail demand to offset the subdued demand from the institutional clients.
- KRBL has a wide range of product portfolio which enabled it to cater to different customer segments, thereby creating value for the end users and drive sales for the Company.
- KRBL has the largest contact rice farming network coverage, it helped in procuring adequate quantities of quality-compliant raw material. This helped us service highly regulated markets such as Europe and the US.
- KRBL conducts business with Iran on extremely secure financial instruments only which safeguards it from any adverse situation in future dealings.



REALITIES THAT DEFINE KRBL'S EXPORT BUSINESS

#1

Indian basmati rice brand

India Gate's position in Canada both in Ethnic and Modern Trade

#2

Indian basmati rice brand

India Gate and Bab Al Hind's position in the Indian basmati white rice segment in Saudi Arabia

#1

Indian rice brand

Nur Jahan's position in South Africa

44%

Nur Jahan's import share with KRBL brands in South Africa

#4

Indian basmati rice brand

Nur Jahan's position in Qatar

#1

Indian basmati rice brand

India Gate's position in Qatar, UAE, Bahrain, Australia, New Zealand and Fiji

34%

India Gate's market share in the UAE rice industry

28%

India Gate's import share in Australia, New Zealand and Fiji

34%

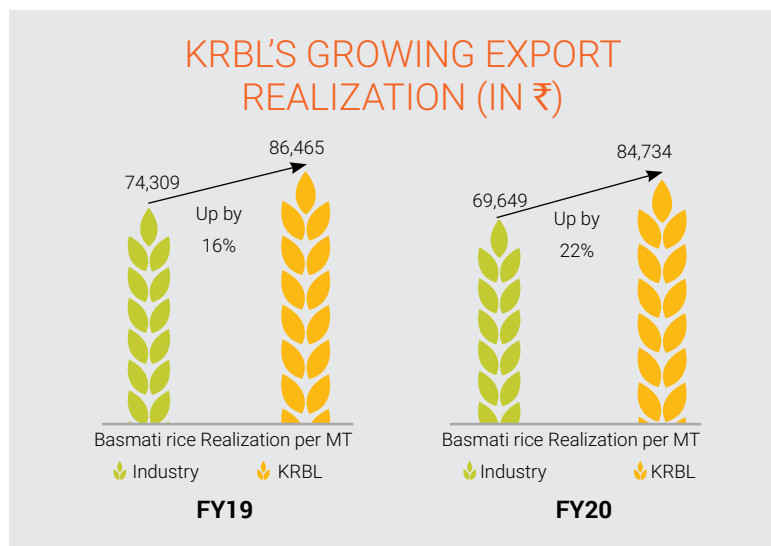
KRBL's import market share in Nepal

35%

KRBL's dominant import market share in Northern African markets such as Algeria and Sudan

KRBL Limited. More than just a rice manufacturing company. An Indian multi-national with a multi-segment offering basket.

KRBL is world's largest exporter of branded basmati rice with an export realization higher than the industry average. KRBL is not only the No. 1 National basmati rice brand, it inspires an international brand recall too across geographies.



Road ahead – International business

As we continue to enhance our international presence, we continue to undertake a careful analysis of the geographies of our presence, product penetration, customer requirements and purchase behaviour. 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 to a whole new level.

We also intend to deepen our presence in Europe and the US markets, which are challenging markets to enter on account of strict regulatory frameworks. Guided by our quality-focused eco-system, we intend to continue meeting the global standards and strengthen our presence in the key markets.

We intend to use all these while striving to form an organic growth machine which is constantly navigating through the challenges and drive towards a healthier future. As a fundamental component of KRBL's ongoing strategy, the Company will continue to look for expanding its product portfolio and presence across geographies by leveraging its brand equity, distribution network and infrastructure.



POWER DIVISION

We at KRBL, have recognized our responsibilities to protect the environment. With this we are dedicated to expand our green footprint and thus, we have started our clean energy journey by entering into renewable energy projects for captive consumption.

KRBL ventured in the business of captive power generation to ensure constant power supply for its

operations and has currently total installed capacity of 144.84 MW across different verticals like biomass, wind and solar power segment. KRBL has constantly enhanced its captive power generation capacity over the years and today enjoys one of the largest renewables and alternate power generation capacities within India's agricultural industry.

₹ 120 CRORES

Total revenue generated from power segment in FY20

112.25 MW

KRBL's total wind power generation capacity

15 MW

KRBL's total solar power generation capacity

17.59 MW

KRBL's total biomass capacity



A full-page background image showing terraced rice fields in a valley. In the foreground, a woman wearing a colorful headscarf and a patterned skirt is walking through the rice, carrying a large woven basket on her back. The terraces are filled with green rice, and the valley floor is visible in the distance. The text "MANAGEMENT DISCUSSION AND ANALYSIS" is centered over the image, flanked by two horizontal white lines.

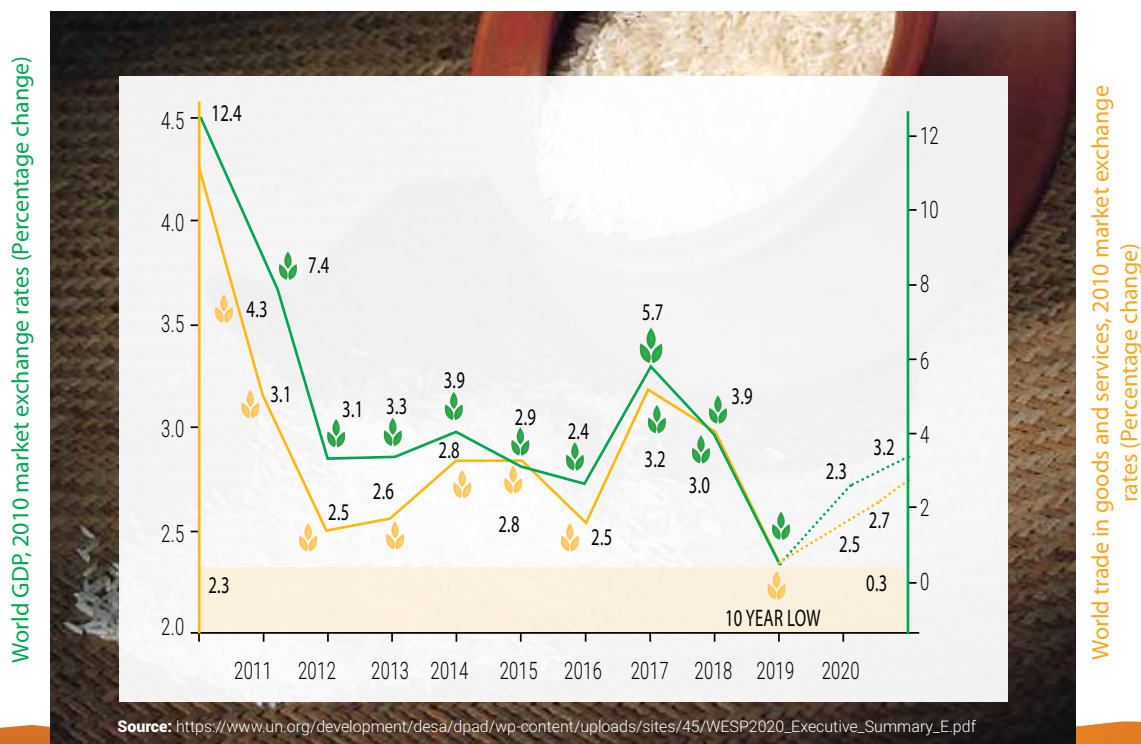
MANAGEMENT DISCUSSION AND ANALYSIS

GLOBAL ECONOMY OVERVIEW

Escalating trade tensions, tightening financial conditions, deteriorating risk sentiment, a slowdown in domestic investment, and rising policy uncertainties resulted in weak global economic growth in 2019. Global growth in 2019 recorded its weakest pace since the global financial crisis a decade ago, reflecting common influences across countries and country-specific factors. After growing at around 3.7% in 2018, the global economy saw a steep fall in global economic growth in 2019 and expected to have grown at around 2.3%. Further, average real incomes in one-third of commodity-dependent developing countries, which are home to 870 million people, also hit its lowest level since 2014 which again had its share of impact on the global economy.

The slowdown in GDP growth across developed and developing regions in 2019 was mainly attributed to weakening trade activity and more subdued domestic investment. In tandem with slowing merchandise trade, world industrial production weakened and the Global Manufacturing Purchasing Managers' Index (PMI) fell to its lowest level since 2012. By contrast, private consumption held up relatively well for most countries during the year, supported by firm labour markets and modest inflationary pressures. Further, signs that household spending has started to moderate in several large economies, with consumers becoming less optimistic, also dragged many economies down.

GLOBAL ECONOMIC GROWTH OVER THE YEARS



In tandem with slowing industrial production, world trade growth has decelerated sharply in 2019. Further, for most of the developed and developing regions, trade growth has not only weakened compared to 2018 but has also fallen well below the average growth rate over the last five years. Alongside recent monetary policy shifts by major central banks, persistent uncertainty surrounding trade actions has induced heightened investor risk aversion and enhanced financial market volatility. In many countries, there were signs that the deterioration in business confidence has started to dent investment growth. Further, signs that household spending has started to moderate in several large economies, with consumers becoming less optimistic, also dragged many economies down.

World industrial production weakened and the Global Manufacturing Purchasing Managers' Index (PMI) fell to its lowest level in 2019 since 2012. By contrast, private consumption held up relatively well for most countries during the year, supported by firm labour markets and modest inflationary pressures.

Outlook

The first quarter of 2020 saw things slowly improving with early signs of stabilization reinforced financial market sentiment already shored up by central bank rate cuts and by rising domestic demand in the emerging nations. But the global outbreak of the pandemic Covid-19

in late March 2020 and the subsequent lockdown proved to be a huge roadblock. The fast-spreading coronavirus, which has directly affected more than 24 million people globally, has led authorities to shut schools and businesses — bringing much of the world's economic activity to a halt.

This is likely to impact the global economic growth severely across the globe, and according to International Monetary Fund the global economy is likely to see a 3% contraction in GDP in 2020 and a partial recovery in 2021. The coronavirus pandemic is set to leave 170 countries with lower GDP per capita by the end of the year but with all major economies coming together to help each other is likely see a revival in the economic activities.



INDIAN ECONOMY OVERVIEW



A key player in the global economy, the Indian economy emerged as one of the fastest-growing economies in early 2018 driven by strong consumption demand and steady growth across some of the major sectors. But 2019 proved to be a difficult year for the Indian economy, where domestic demand slowed down more sharply than expected amid stress in the non-bank financial sector, subdued consumption, increasing unemployment, and a decline in credit growth.

According to the government's first advanced estimate, the Indian economy grew at less than 5% for the fiscal year 2019-20 (FY20) compared to 6.1% recorded in 2018-19. After decelerating for 6 consecutive quarters, India's GDP growth in FY20 sustained a steep fall to estimate an registered a growth of 4.2%, the lowest since FY09 when GDP was 3.1%.

QUARTERLY GROWTH OF THE INDIAN ECONOMY IN FY20



Source: <https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-in-q4-fy20-sinks-to-11-year-low/articleshow/76099894.cms>

A sub-5% GDP growth was last witnessed in 2013-14. Three of the four quarters of FY20 witnessed a sub-5% GDP growth rate. Before

2012-13, the last time the GDP growth rate had slipped below the 5-per cent mark was in 1984-85 and continued till 1987-88.

Y-O-Y GROWTH OF THE INDIAN ECONOMY

GDP Growth (in %)



Source: <https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-in-q4-fy20-sinks-to-11-year-low/articleshow/76099894.cms>

Low wages and income inequality resulted in diminishing domestic demand and emerged as the biggest roadblock in India's path for sustainable economic growth. Further, slow growth in rural incomes, domestic demand (as reflected in a sustained fall in sales of automobiles), fall in private investment, and curtailed credit financing from the non-banking financial companies (NBFCs) resulted into further slowing down of the demand. Banks shying away from financing large corporate projects, due to risk aversion

or the lack of new investment demand, resulted in a steep fall in manufacturing and construction activities.

The agriculture and allied sector recorded a growth of just 2.8% in FY20 compared to 6.3% in 2016-17, whereas the industrial sector is estimated to have grown at 2.5% in FY20 compared to 6.9% growth in 2018-19 and the manufacturing sector is estimated to have grown at 2.0% during FY20. One of the core sectors of the Indian economy, the services sector also saw degrowth in

FY20 and recorded a growth rate of 6.9% compared to 7.5% in FY19.

As the economy was on its path of recovery in the last quarter of FY20, the Indian economy faced its greatest economic jolt of recent times with the outbreak of the Coronavirus. Although the true impact of the pandemic outbreak is likely to be observed in FY21, it is quite clear that the economy is likely to go through another difficult year.





Outlook

During the year, the government undertook several decisive measures to boost the Indian economy across different sectors. But the breakout of the Covid-19 pandemic in India in mid-March is likely to have a severe impact on the already slowing Indian economy. The sheer scale of disruption from the phased national lockdown, adopted by the government to contain the outbreak, is unprecedented in Indian history. While the lockdown may have been necessary to limit the spread of

the coronavirus, it resulted in a total stop in almost all the major economic activities in the country and therefore resulting into massive job losses, income loss, and dramatic curtailment of production and infrastructural activities among others. Consumption demand, the bedrock of the Indian economy, also witnessed a steep fall due to the collapse of incomes, and rampant job losses.

Owing to this 2 month long nationwide lockdown, it is expected that the Indian economy is likely to grow at mere

1.8% in FY21 as private consumption is likely to contract due to large-scale loss of income in the face of worsening domestic outbreak of COVID-19. However, the industry experts expect the Indian economy to bounce-back and record a growth rate of 6.6% in FY22, on the back of the assumption that the economic activity is likely to see a gradual pick up in the latter half of FY21 and an uptick in demand in the second half.



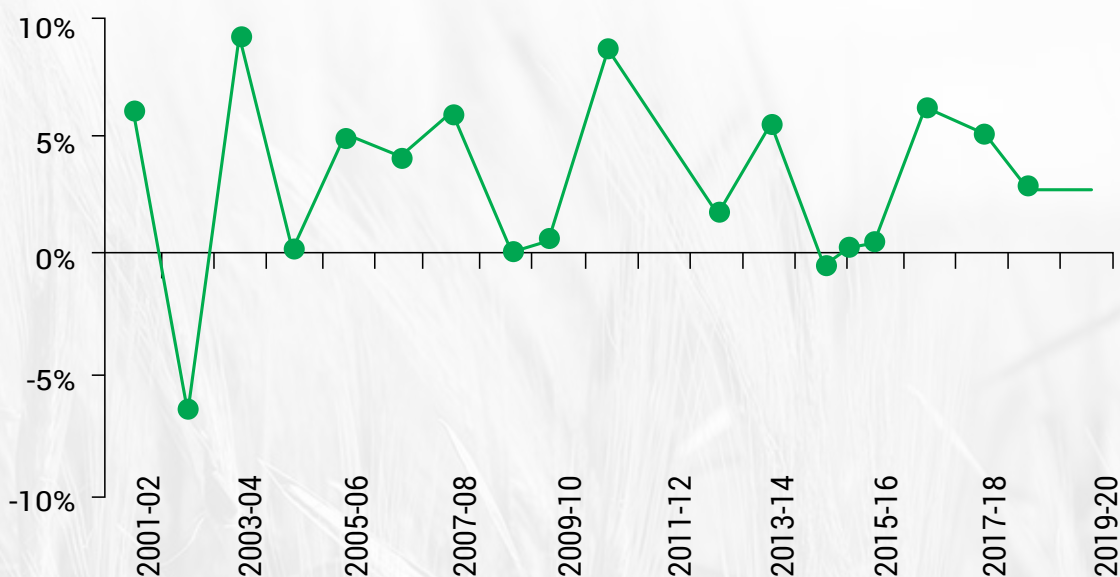


OVERVIEW OF THE INDIAN AGRICULTURE INDUSTRY

A corner stone of the Indian economy, India's agricultural industry along with its allied sectors represents an important component of the Indian economy both in terms of its contribution to the GDP as well as a source of employment to the majority of the country's population, more so in the vast rural areas. More Indians depend directly or indirectly on agriculture for employment than on any other sector.

Eighty percent of India's extremely poor people live in rural areas and most of those are marginal farmers, farm laborers and their families. With the 10th largest arable land resource in the world, India's agriculture industry is marked by 20 agri-climatic regions, 15 major agriculturally favourable climates, and 46 out of the 60 favourable soil types in the world.

YEARLY GROWTH OF THE INDIAN AGRICULTURE SECTOR (IN %)



Source: <https://www.prsindia.org/parliamenttrack/budgets/demand-grants-2020-21-analysis-agriculture-and-farmers%E2%80%99-welfare>

YEAR-ON-YEAR PRODUCTION GROWTH OF MAJOR CROPS (AS PER SECOND ADVANCED ESTIMATE FOR 2019-20)



Source: <http://www.uniindia.com/news/india/record-foodgrains-oilseeds-crops-estimated-in-2019-20/1891875.html> [* in million tonnes (MT)
#FY19 figure is last five years average production including FY19]

Supporting livelihood of more than 50% of the population, India is among the 15 leading exporters of agricultural products in the world and 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.

According to the first advance estimates of the Government of India (GOI), growth in agriculture and allied activities sector in the FY20 is expected to remain subdued and grew at just 2.8%. As per the government's second advance estimates, the total food grain production in India in FY20 is expected to stand at record 291.95 million tonnes which is higher by 6.74 million tonnes than the production of food grain

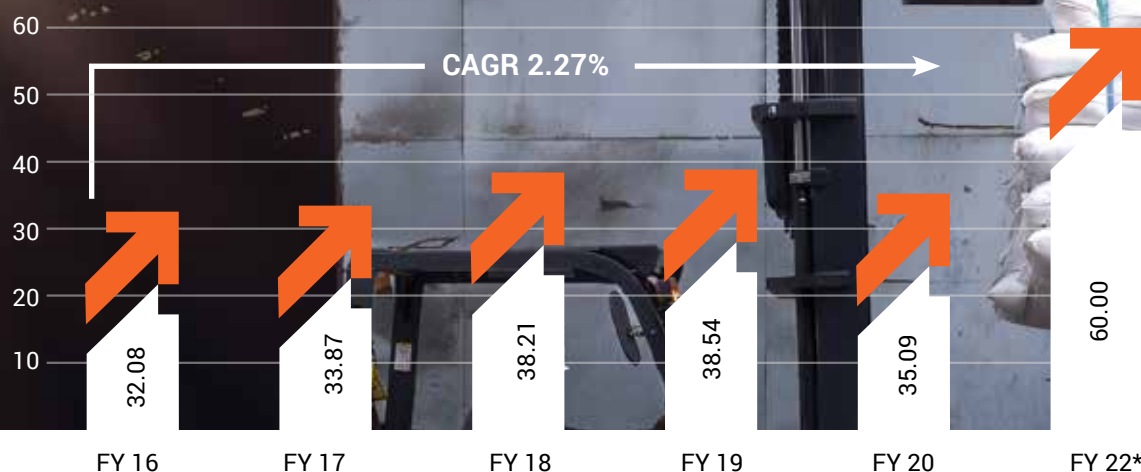
of 285.21 million tonnes achieved in FY19.

Export scenario

India is among the 15 leading exporters of agricultural products in the world. Total agricultural export from India grew at a CAGR of 2.27 % during FY16-20 to reach US\$ 35.09 billion in FY20. The Agriculture Export Policy, 2018 aimed to increase India's agricultural export to ₹ 4,19,340 crores (US\$ 60 billion) by 2022.



AGRICULTURAL EXPORT FROM INDIA (US\$ BILLION)



Source: <https://www.ibef.org/download/Agriculture-and-Allied-Industries-August-2020.pdf>

*Estimated for FY2022

THREE YEAR EXPORT STATEMENT OF APEDA PRODUCTS

(₹ in lacs, Volume in Metric Tonnes)

CEREALS	2017-18		2018-19		2019-20	
	Qty	₹ lacs	Qty	₹ lacs	Qty	₹ lacs
Basmati Rice	40,56,759	26,87,017	44,14,584	32,80,430	44,54,657	31,02,588
Non-Basmati Rice	86,48,489	22,96,782	75,99,674	21,18,528	50,40,708	14,36,466
Wheat	3,22,790	62,437	2,26,225	42,495	2,17,354	43,914
Maize	7,05,514	1,22,846	10,51,856	1,87,251	3,70,066	1,01,930
Other Cereals	1,57,618	37,370	2,25,153	55,424	1,31,417	43,814
Total	1,38,91,169	52,06,452	1,35,17,492	56,84,128	1,02,14,202	47,28,712

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

Major government initiatives for the Agricultural sector (Budget 2020)

The Government revised its allocation for the Pradhan Mantri Kisan Samman Nidhi Yojana (PM-Kisan) and allocated ₹ 1,42,762 crores in 2020-21. Since launch, the PM-Kisan has benefited more than 10 million beneficiary farmers.

The Government of India has come out with the Transport and Marketing Assistance (TMA) scheme to provide financial assistance for transport and marketing of agriculture products in order to boost agriculture exports.

The Government of India is going to provide ₹ 2,000 crores (US\$ 306.29 million) for computerisation of Primary Agricultural Credit Society (PACS) to ensure cooperatives are benefitted through digital technology.



With an aim to boost innovation and entrepreneurship in agriculture, the Government of India is introducing a new AGRI-UDAAN programme to mentor start-ups and to enable them to connect with potential investors.

The Government of India has launched the Pradhan Mantri Krishi Sinchai Yojana (PMKSY) with an investment of ₹ 50,000 crores (US\$ 7.7 billion) aimed at development of irrigation sources for providing a permanent solution from drought.

Further, the government has allocated ₹ 600 crores for promoting farm mechanisation, ₹ 500 crores each for PM-Asha scheme and setting up of 10,000 Farmers Producers Companies (FPOs), while ₹ 220 crores for PM Kisan Samman Nidhi (farmers pension scheme) for the next fiscal.

For agriculture and research development, the government has provided ₹ 8,362.58 crores budget for the 2020-21 fiscal, up from ₹ 7,846.17 crores in the revised estimate.

The government also introduced Pradhan Mantri Gram Sinchai Yojana (PMGSY) which aims to irrigate the field of every farmer and improve water use efficiency to achieve the motto, 'Per Drop More Crop'. Overall, the scheme ensures improved access to irrigation.

Impact of Covid-19 outbreak on the Indian Agriculture sector



The outbreak of the novel coronavirus in India - as part of global pandemic - shut down offices of the gloating services sector and closed factories.

But crops standing in fields kept growing, and farmers continued to tend them. Covid-19 has essentially and largely remained an urban outbreak.

India is likely to clock record food-grain production at almost 300 million tonnes - 298.32 million tonnes to be precise (149.92 MT kharif + 148.4 MT rabi).

So, it can be safely concluded that the way Covid-19 has impacted many other industries, agriculture industry remained relatively less exposed to the pandemic. However, export shutdown and supply chain delays are the key concerns affecting India's agricultural economy. The delay in sowing and harvesting of crops due to the unavailability of products such as seeds, tractors, ancillary support, medicines for crop protection was another area of concern for the agricultural industry.

ADVANTAGE INDIA




~ 1.3 billion consumers,
20% middle class with growing disposable income

World's fastest growing economy;
3rd largest in terms of **purchasing power parity**

127 diverse agro-climatic zones

India's per-capita monthly income is estimated to have risen by **6.8%** in FY20 to **₹ 11,254**, compared to **₹ 10,354** in FY19.



Skilled & unskilled labor available. Edge in cost of production compared to competitors in Asia and the developed world



Strategic geographic location and proximity to **food-importing** regions including Middle East and South East Asia



RICE INDUSTRY OVERVIEW

Global

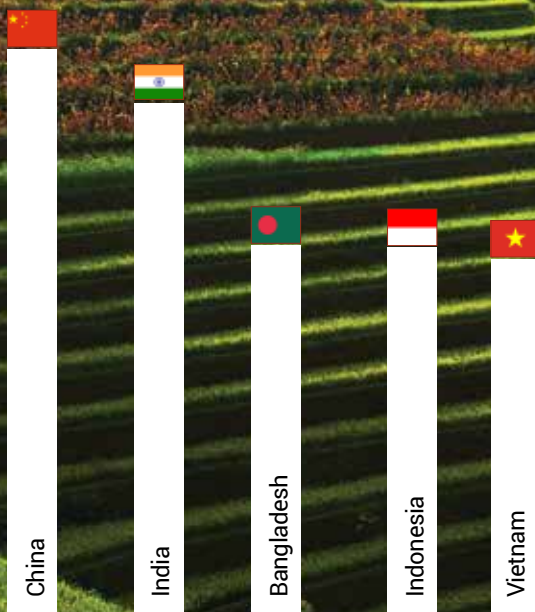
Feeding nearly half of the world's population, rice is the most important food crop and is also the staple food for over half the world's population. With China and India producing nearly 50% of the rice produced across the globe, rice remains one of the most protected food commodities in world trade.

Hovering around record 501.96 million tons, the global rice production in 2020-21 was up by 4.7 million tonnes or 1.65% from the previous year largely owing to better crop production in countries like China and India. China topped the production list with a total production of 149 million metric tons, followed by India and Bangladesh.



TOP 5 RICE PRODUCING NATIONS IN 2020

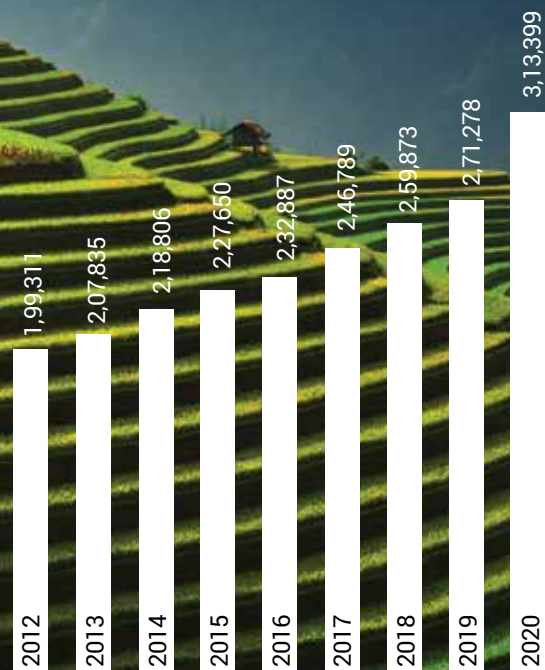
TOP 5 RICE PRODUCING NATIONS



Source: <http://www.worldagriculturalproduction.com/crops/rice.aspx>

YEARLY REVENUE GROWTH OF THE GLOBAL RICE INDUSTRY

In million US\$



Source: https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Annual_New%20Delhi_India_03-15-2020



In terms of revenue, the total revenue generated during 2020 amounted to US\$ 3,13,399 million compared to US\$ 271,278 million, an increase of 15.52% compared to the previous year.

India

The second-largest rice producer in the world after China, India today produces nearly more than 23% of overall global rice production. Growing at about 4% over the last five years, the Indian rice market is primarily dominated by unorganised players because of the presence of several local players and the easy availability of rice through small retail stores which are also called as Kirana stores.

Presently the highest rice producing states in India are Punjab, Andhra Pradesh, Uttar

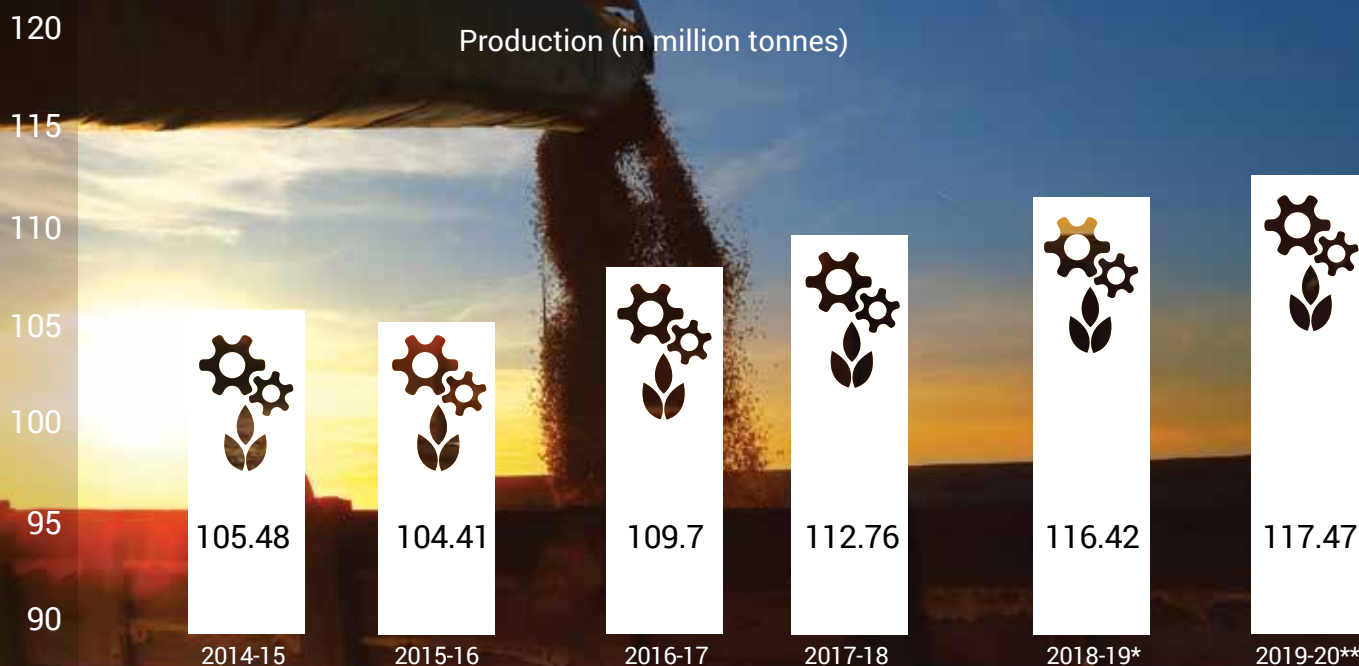
Pradesh, West Bengal, Tamil Nadu, Bihar, Chhattisgarh and Orissa. Together, they contribute almost 72% of the total area of rice production. India's total rice production during FY20 is estimated to have stood at record 117.47 million tonnes, 9.67 million tonnes higher than the five years' average production of 107.80 million tonnes. Non-basmati rice commands a larger market share compared to basmati rice as the production of basmati rice is limited to only seven states and is considered in the premium rice segment.

Rice is the dominant staple food for about 70-75% of the Indian population. Due to varied consumer preference across regions and population classes, more than 4,000 rice varieties are grown in India.

Since the vast majority (90%) of farmers are small (less than 2 hectares holding), about 45-50% of production is retained by farmers for their own consumption (locally milled) and seed use.

INDIA'S RICE PRODUCTION

Production (in million tonnes)



Source: https://apps.fas.usda.gov/newgainapi/api/Report/DownloadReportByFileName?fileName=Grain%20and%20Feed%20Annual_New%20Delhi_India_03-15-2020 [*4th Adv. Estimate; **2nd Advance estimate]

Rice consumption in MY 2019-20 is estimated at 102 million metric tons (MMT), about 3% higher than last year. Surplus domestic supplies and 'more-than-sufficient' government grain (rice and wheat) stocks are likely to drive higher consumption in the next season. Consequently, MY 2020-21 consumption is expected to increase by about 6% to 108 MMT as the government is likely to push more 'subsidized' government rice under PDS and other programs.

MY 2018-19 rice production is estimated at a record 118 MMT from 43.5 MHa, with record yields due to excellent 2019 monsoon rains and generally favorable weather conditions in major growing states. The timely onset of the monsoon in June and sufficient rains through August supported planting of rice

Price trends

Despite the higher MSP, record harvests and weak export demand have kept MY 2019-20 domestic prices steady since the beginning of the farming season. Prices may potentially respond positively to growing export demand, and international price movements on the positive side is expected during the balance of MY 2019-20.

Rice export trends

India has been the world's leading rice exporter since the GOI removed the export ban on coarse grain rice in 2011 and commands for more than 25% share in global markets. However, according to the industry experts, India's rice exports is expected to witness a fall of around 18-20% in the current fiscal, due to heightened geopolitical tensions in the Middle East and tighter trade norms.

Increases in MSP have influenced domestic prices coupled with the relatively stable value of the Indian rupee compared to other currencies has impacted export demand for rice since the 2nd quarter of calendar year 2019.

In the current MY 2019-20 season, the total export is expected to be around 10.5 MMT, reflecting relatively weak export demand for non-basmati rice - particularly in the first quarter (Oct-Dec 2020). Despite the different negative impacts, total rice exports in the MY 2020-21 is expected to hover around 12 MMT (7.5 MMT Coarse rice and 4.5 MMT basmati rice) compared to estimated 10.5 MMT the previous year.

Indian Basmati rice industry

Exclusively grown in the northern Indian states of Punjab, Haryana, West Uttar Pradesh, Uttarakhand, and Himachal Pradesh, India is a renowned exporter of the globally popular long-grain aromatic basmati rice. The high yielding PUSA basmati 1121 variety introduced in 2003, and the shorter duration semi-dwarf PUSA basmati 1509 variety introduced in 2013, have supported strong growth in basmati rice production.

Accounting for nearly 70% of the world's basmati rice production, India is the largest producer of basmati rice followed by Pakistan. Grown only once a year in the Indo-Gangetic plain, basmati rice is considered the finest variety of rice produced in India. Accounting for ~2.1% of the Global rice industry, the global basmati rice industry is valued at around US\$ 5.8 billion. Global basmati rice consumption market is led by Middle East countries, accounting for about 27.08% of global consumption of basmati rice.

According to APEDA, with normal monsoon and weather conditions prevailing in India, MY 2020-21 basmati rice production is expected to clock 9.8 MMT from 2.0 MHa compared to 9.2 MMT from 1.9 MHa last year. Further, owing to strong export demand, basmati rice prices in MY 2019-20 have increased 10-15% compared to last year, supporting farmers' overall returns from the crop.

Basmati rice export scenario

After touching highest ever export in 2018-19, the Indian basmati rice industry faced some headwinds in FY20 owing to a number of external socio-economic factors and the outbreak of Covid-19.

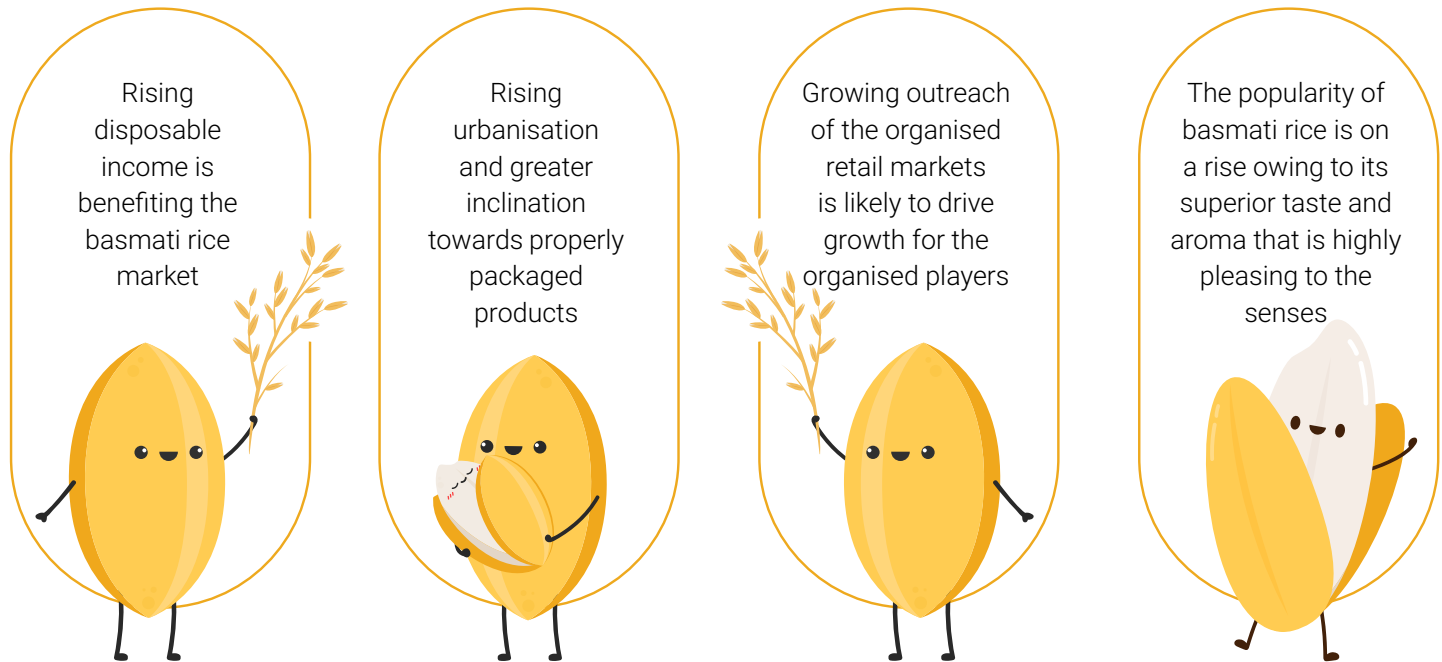
India exports basmati rice to more than 90 countries. Gross exports of basmati rice from India in terms of volume is expected to hover around 4.4 million tonnes in FY20, at par with FY 19. However, in terms of value, the total basmati shipments stood at US\$ 3,398 million for the April-January 2019-20 compared to US\$ 4,712 million in 2018-19.

But, since the outbreak of the pandemic Covid-19, India's basmati rice exports have halved to 2 lacs tonnes per month on a shortage of cargo containers at the ports. Further, the sudden sharp increase of about 30% in freight rates of shipping containers can also prove to be a cause of concern for the Indian basmati rice exporters.

Despite pandemic challenges in the short-term, the outlook for the Indian basmati rice industry remains stable. In the medium term, demand prospects from key destinations such as Iran and Saudi Arabia will play a significant role and determine



GROWTH DRIVER FOR THE INDIAN BASMATI RICE INDUSTRY



trade prospects. Availability of a secure payment mechanism for exports to Iran, easing/ removal of sanctions by the US and response to pandemic in the destination country would be the factors underscoring the basmati rice trade.

of rice-based dishes, which contain low rice, meat, sauces and dried fruits. Therefore, the India basmati industry is likely to sustain its growth momentum and is expected to grow at a CAGR of 6% over the next five years till 2025.

But with the outbreak of COVID-19, the industry is likely to see a dip in the growth rate for the major part of 2020 and in 1st half of 2021. Post that the industry is likely to pick up momentum again and is likely to get back to its growth track again.

Exports of long grain basmati rice have remained steady to traditional markets, including Iran, the Middle East, and Europe. Provisional official estimates for rice exports in the first quarter of MY 2019-20 are estimated at 2.04 MMT, compared to 2.63 MMT during the same period last year.

Outlook

Basmati rice enjoys an excellent position among all the other rice varieties in the world market due to its delicious taste and distinctive flavor. Rice is an important part of Middle Eastern cuisine and also is considered a staple in many countries. Basmati rice is extensively used in a number





Immunity ka boost, aur taste ka bhi.

Get your dose of immunity boosting vitamins
& minerals with India Gate Brown Rice.

We are doing so much to boost our immunity and stay healthy during this time. Right from gulping pills to Kadhas, we are making healthy choices. But who said health and immunity can't be found in your favourite rice dishes?

Cook them with India Gate Brown Rice. Fortified with immunity boosting minerals and vitamins like Zinc, Selenium, Copper, Vitamin B6 and Vitamin D. Go ahead and try this easy and tasty way.

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Scan the Code
Get Healthy Deals





COMPANY OVERVIEW

KRBL Limited is one of the most prominent players in India's organized branded rice products business. Founded in 1889, KRBL Limited today is the nation's oldest integrated rice manufacturing company and also have captive power generation capacities. With the largest milling capacity in the world, KRBL's milling plants are located in Punjab and Uttar Pradesh which strategically cover the northernmost and southernmost tip of basmati land. Further the Company has in place state-of-the-art grading and polishing stations which are supported by a strong and well-spread procurement network across Punjab, Haryana and Uttar Pradesh. This enables the Company in handling gigantic proportions of paddy in the short harvesting period of basmati. 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.

With a strong commitment towards quality, the Company has in place a special state-of-the-art research and development (R&D) unit. The R&D unit brings together a team of experienced rice professionals including farmers with an aim to blend a wealth of traditional knowledge with modern know-how and technology to improve pre & post harvesting

techniques. The key objective of the R&D unit is to boost quality, improve head rice yields and lower costs. Our research efforts have a direct bearing on our success in developing new seed varieties and our ability to source and adapt the world's frontline rice making technologies to conditions prevailing in India.

Today, KRBL's flagship brand India Gate is synonymous to the best quality basmati Rice and has emerged as the most preferred packaged rice brand in India and abroad. With a strong presence and an impressive market share, the India Gate brand is recognized both in India and abroad. It has earned respect and patronage amongst consumers and retailers over the years and today it is a matter of pride to be the preferred brand amongst global households.

One of KRBL's proudest moment came in FY19, when the Company was 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 popularising the basmati rice variety across the globe.

The power division of the company comprises of wind turbines, solar power plants and husk-based power plants located across 7 states of India.



INSTALLED POWER GENERATION CAPACITY	
PARTICULARS	2019-20
Total Wind power project capacity#	112.25 MW
Total Solar power project capacity	15.00 MW
Total Biomass capacity	17.59 MW

POWER GENERATED		
DETAILS OF PROJECT	DETAILS OF UNITS GENERATED	
	2019-20	2018-19
(A) WIND		
Maharashtra		
Dhule	1,68,98,984	1,89,53,268
Sangli#	4,16,72,272	3,84,21,679
Tamil Nadu		
Tirupur	1,04,11,288	1,18,76,098
Tirunelveli	30,42,217	2,914,432
Karnataka		
Raichur & Koppal	2,16,64,815	2,29,06,389
Bellary	42,84,784	4,468,932
Rajasthan		
Jodhpur (Ratan Ka Bas)	97,09,475	1,01,82,737
Jaisalmer	30,88,380	30,83,634
Jodhpur (Rathkuriya)	53,61,204	59,10,624
Andhra Pradesh		
Kaddappa	41,51,329	47,98,664
Anantapuram	1,62,36,565	1,73,20,659
Madhya Pradesh		
Agar-Malwa	99,42,555	1,18,94,254
Mandsaur	79,43,641	89,62,121
Gujarat		
Devbhoomi Dwarka	7,78,80,723	7,77,78,007
SUB TOTAL (A)	23,22,88,232	23,94,51,905
(B) SOLAR		
Madhya Pradesh		
Rajgarh	38,80,513	40,71,360
Agar-Malwa (Susner)	1,01,64,838	1,10,93,848
Agar-Malwa (Rohjani)	87,24,226	94,19,467
Sehore	3,49,959	3,75,049
SUB TOTAL (B)	2,31,19,536	2,49,59,724
TOTAL (A+B)	25,54,07,768	26,44,11,629

#The Company during the year has sold one of its wind turbine generator and corresponding land (pending registration as at the reporting date) since the power purchase agreement for the same was not executed due to technical difficulties.

POWER BUSINESS		
PLANT LOCATION	FUNCTION	INSTALLED CAPACITY (MW)
Dhuri	Biomass	12.34
Gautam Budh Nagar	Biomass	5.25
SUB-TOTAL (A)	BIOMASS	17.59
Maharashtra	Wind	31.40
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	112.25
Madhya Pradesh	Solar	15.00
SUB-TOTAL (C)	SOLAR	15.00
TOTAL (A+B+C)	BIOMASS / WIND / SOLAR	144.84





FINANCIAL REVIEW

ANALYSIS OF THE PROFIT AND LOSS STATEMENT

Revenues

Revenues from operations during 2019-20 was ₹ 4,499 crores against ₹ 4,120 crores in 2018-19. Revenue from operations increased by 9% during the year, largely owing to enhanced sales. Other incomes of the Company in 2019-20 was ₹ 22 crores compared to ₹ 15 crores in 2018-19 which is just 0.5% share of the Company's revenues reflecting the Company's focus on its core business operations.

Expenses

Total expenses of the Company increased proportionately by 11% from ₹ 3,401 crores in 2018-19 to ₹ 3,762 crores in 2019-20, as the cost of raw material consumed was higher by 11% as compared to same period last year.

Profitability

Company's EBITDA increased to ₹ 894 crores in 2019-20 compared to ₹ 865 crores in 2018-19. Net profit for the year stood at ₹ 559 crores compared to ₹ 503 crores in the previous year and the same grew by 11% during the year, largely owing to higher realisation in the domestic and international market. Operating profit margin for the year stood at 18%, whereas net profit margin stood at 12%.

ANALYSIS OF THE BALANCE SHEET

Sources of funds

- The net worth of the Company increased by 15% from ₹ 2,717 crores as on 31 March 2019 to ₹ 3,119 crores as on 31 March 2020 owing to increase in reserves and surplus. The Company's equity share capital comprising 23,53,89,892 equity shares of ₹ 1 each, remained unchanged during the year under review.
- The capital employed of the Company stood at ₹ 3,615 crores as on 31 March 2020 as compared to ₹ 4,145 crores as on 31 March 2019. The Company garnered RoCE of 23% in FY20 compared to 19% in FY19.

- The total debt of the Company as on 31 March 2020 came down by 65% from ₹ 1,428 crores to ₹ 496 crores. The debt equity ratio of the Company improved by 71% from 0.52 to 0.15 as on 31 March 2020.

Applications of funds

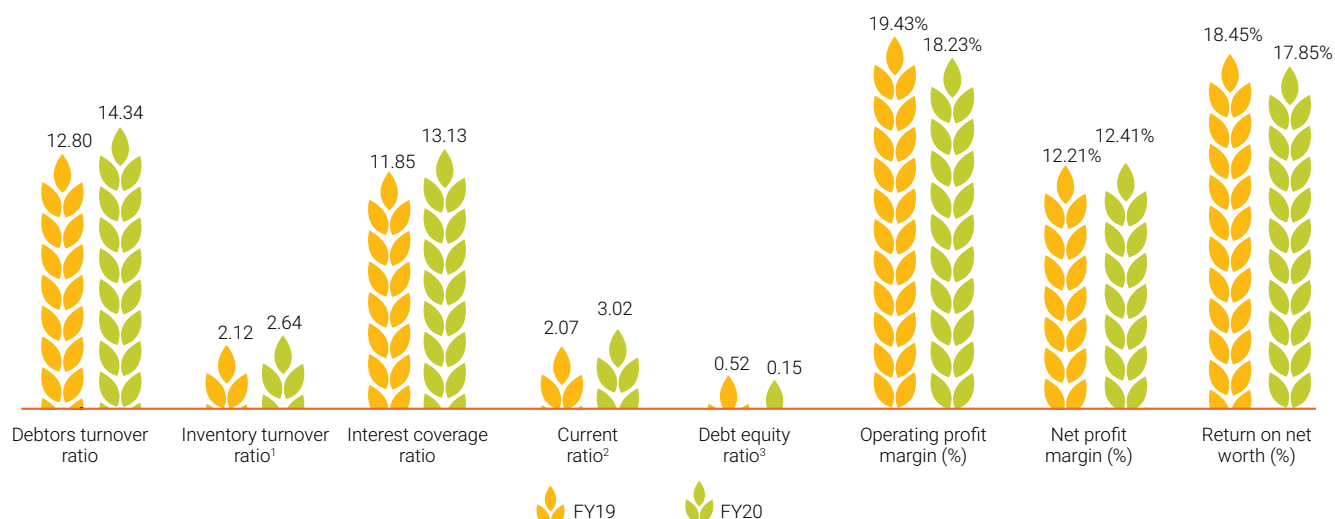
During the year Company made a positive net cash flow from operating activities of ₹ 1,212 crores as compared to the negative cash flow of ₹ 115 crores, in the same period last year. This has been possible mainly on account of Internal Accruals, decrease in Inventory and decrease in Trade receivables.

Working capital management

The current ratio of the Company improved by 45% during the year, from 3.02 to 2.07, owing to the fact that the current liabilities declined by more than ₹ 270 crores as compared to the current assets. The current assets of the Company stand at ₹ 3,171 crores as on 31 March 2020.



KEY FINANCIAL RATIOS*



*Based on Consolidated Financials.

1. Since our Paddy Basmati Season is from October to December every year, the closing inventory as on 30 September has been considered for calculating Inventory turnover ratio.
2. The current ratio of the Company improved by 45% during the year, from 2.07 to 3.02 as on 31 March 2020, owing to the fact that the current liabilities declined by more than ₹ 270 crores as compared to the current assets.
3. The debt equity ratio of the Company improved by 71% from 0.52 to 0.15 as on 31 March 2020. The reason being, the total debt of the Company as on 31 March 2020 came down from ₹ 1,428 crores to ₹ 496 crores and total equity of the company increased from ₹ 2,727 crores to ₹ 3,128 crores.

Apart from current ratio and debt equity ratio as explained above, there is no significant change (i.e. change of 25% or more as compared to the immediately previous financial year) in the above mentioned key financial ratios.

FORMULA 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

KRBL'S SWOT ANALYSIS

Strengths

SUCCESSFUL HERITAGE: KRBL has been instrumental in developing the basmati industry in India since its inception several decades ago. Its rich history and deep association with the agri-industry also forms the foundation of its assured bright future.



CAPABLE STEWARDSHIP: Leveraging domain experience and professional capability of its team the leadership of the Company continues to steer the business to greater heights across market cycles.



RESPECTED RESEARCH PROWESS: Combining advanced infrastructure and rich scientific talent, KRBL is responsible for developing some of the leading varieties for rice, which offer best of attributes to the grain as preferred by customers. The laboratory set up is also responsible for driving novel products to cater to emergent consumer demands.



WORLD-CLASS INFRASTRUCTURE: A complete command over the value-chain for basmati has guaranteed customer delight and loyalty each time they try any of the Company's brands. The Company distinguishes itself as both the biggest exporter of basmati as well as the largest miller of Rice in the world.



FARMLAND RELATIONSHIPS: One of the founding objectives of KRBL is to work towards the upliftment of the farmers. A mission that has resulted in valuable relationships with farmers. The Company is always engaged in building them up holistically through regular transfer of latest knowledge and rendering assistance in being a successful farmer.



WORLDWIDE REACH: The entire portfolio of brands enjoys prominence across each distribution channel be it local kirana, modern retail or e-commerce platforms. The Company's products are extensively available all across the globe with India Gate, its crown jewel in brands finding reach to over 82 nations across 6 continents.

Weaknesses



DEPENDENCY ON FAVOURABLE CLIMATIC CONDITIONS: Besides the quality of the foundational seed itself the cultivation of basmati closely depends on the vagaries of the weather. Any inclemency can upset the potential sales of the brand. Simultaneously the crop needs to be safeguarded round the clock against pathogens in order to ensure consistency of output to meet KRBL's annual requirements dedicatedly.



QUALITY COMES AT A PRICE: Upon procurement even best quality paddy needs to be stored and aged safely before it can be elevated to the status of a brand. Higher incidence of working capital is thus an industry norm.



PERILS OF FOOD BUSINESS: Being an agri-commodity paddy too is a victim of seasonality. Any sudden variability in its micro-economics can cascade into loss either for the farmer or to the Company.

Opportunities



FEATURE OF MODERN LIVING: As affluence rises consumers are naturally tuned to opt for branded and packaged products, even in traditionally non-discretionary categories such as rice, cereals, masalas, and milk etc. Higher incomes translate to higher proportion of branded products in household kitchens.

The assurance of quality and taste locks customers into their favoured brand, sometimes across generations. The Covid-19 pandemic is likely to accelerate this trend. Nuclear families and higher proportion of working women too will fuel this trend from the vantage of better convenience.





WORLDWIDE ACCEPTABILITY: Basmati is un-disputedly the king of grains, given its associations with being the best, it finds natural uptake across nations and especially in the Middle East where rice preparations are part of the culture. Higher usage of Rice as a staple diet again dovetails into higher consumption of basmati.



NOT JUST AN URBAN PHENOMENON: The propensity of Bharat to afford premium and packaged products is expanding rapidly. Small-town/rural India offers a ready twin platform for growth to modern food companies.

Threats



LOST IN LOOSE: The traditional purchase of grains by households is predominantly from the loose market. The unorganized players typically enjoy lower overheads and are content with lower margins. Furthermore, exclusion from the ambit of formal indirect taxation means these outfits can milk pricing as a lever eschewing quality and reputation altogether.



REVERSAL OF GLOBALIZATION: Continuing trade wars and the CoVID-19 pandemic both are likely to significantly lower global

trade and resultantly international sales. Being a daily staple basmati though could be less impacted.



THE GI INDICATION: Basmati enjoys Geographical Indication both in India and our neighboring Pakistan. Although unlikely any step up in output from them can potentially alter India's position in the market.






RESEARCH AND DEVELOPMENT

Realising that research and development is a key enabler of growth, KRBL embarked on the path of developing an in-house research and development department. Over the years the department has ensured, through new product development and launches, KRBL continuously kept addressing the changing needs of its wider customer base. Further new product launches contributed to the efficiency and sustainability of product portfolio and improves profitability.

Known today for pioneering several cropping methodologies and harvesting techniques, KRBL's R&D team over the years have enormously helped the farmers to 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.

KRBL has been collaborating on varied fronts with research institutes such as – NIFTEM (National Institute of Food Technology, Entrepreneurship and Management) for conducting research and product development and is focused on unleashing the full potential by moving towards sustainable accelerated growth with a vision to have small inputs converting to larger differences.

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



Issued by Intertek, an internationally recognized certification which confirms that the organizations food safety management system is in conformance with the scheme requirements and that the organization is able to maintain compliance with these requirements thus, establishing high end quality and safety attributes of the products.

by retailers, brand owners, and food service providers world-wide. This rigorous farm-to-fork food safety and quality certification also helps food producers assure their buyers that their food products meet the highest possible global food safety standards.

USFDA

Registered.

Halal Product Certification



Issued by Halal Certification Services India Pvt. Ltd. Having a halal certification ensures that the food product is deemed safe for consumption.

BRC Certification



Issued by Eurofins. BRCGS is a leading brand and consumer protection organization, used by over 29,000 certificated suppliers over 130 countries, with certification issued through a global network of accredited certification bodies. BRCGS' Standards guarantee the standardization of quality, safety and operational criteria and ensure that manufacturers fulfill their legal obligations and provide protection for the end consumer. It promotes building a more coherent food safety culture within the organization and a food safety ecosystem as a whole.

SQF Food Safety Code for Manufacturing Edition 8.1



Issued by Intertek. Safe Quality Food (SQF) Program is a rigorous and credible food safety and quality program that is recognized





RISK MANAGEMENT AT KRBL LIMITED

Risks can be expressed as uncertainties about events, which can have a significant material impact on the performance of the organisation.

Risk governance at KRBL covers potential risk identification and mitigation as a pre-emptive strategy, leading to a stable and sustainable business model.

Industry risk: A slowdown in the global rice industry may negatively impact the performance of the company.

Risk Mitigation

- Rice is a staple crop for 70% of the world and thus the demand for rice is expected to grow in the coming years. The food security concerns all over the world is likely to drive growth for the India rice industry.
- The global rice consumption and residual use in 2020-21 is projected to click record 498 million tonnes, up almost 2% from a year earlier.

Regulatory risk: Unfavourable government regulations, in the different countries where KRBL exports its products, could impact the Company's growth.

Risk Mitigation

- Every product manufactured by the Company is passed through extensive R&D checks and stringent quality control tests as per international norms.
- All manufacturing units of the company are in 100% conformance with the guidelines issued by the different regulatory bodies across the world.
- The Company regularly invests in plant automation which has helped meet the regulatory compliances.

Raw-material risk: Rice production can be threatened by adverse climatic conditions or profitable crop switchovers. A decline in rice production can impact the profitability as it can also enhance the procurement cost.

Risk Mitigation

- The states where KRBL is present is one of the largest rice producing states in India.
- The Company sources its rice from more than 70,000 farmers, with whom the Company has developed robust multi-decadal relationship, thus facilitating procurement.
- The Company trains farmers extensively in rice seed selection, procurement and latest farming techniques to counter probable climatic impact. The Company provides high yielding seed varieties to farmers, enhancing rice production and growth.
- To further mitigate its raw-material risk, the Company deployed dedicated teams in its command areas to manage rice development and map the farmer's requirements. The Company has also built a widespread farmer network spreading over 2,50,000 hectares of land, thereby ensuring timely supply of quality raw material.

<p>Geographical risk: Presence in one market or dependence on one region could result in stagnant revenues.</p>	<p>Risk Mitigation</p> <ul style="list-style-type: none"> • The Company has a business presence in more than 82 countries across the world including countries like the USA, Iran, and UK among others. • The Company 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 select regions.
<p>Competition risks: The Company operates in a competitive environment and, as such, may experience increased competition that could adversely affect KRBL's sales, operating margins and market share.</p>	<p>Risk Mitigation</p> <ul style="list-style-type: none"> • The Company has a continued focus on its operating performance from manufacturing to R&D to distribution to ensure that it continues to service the needs of its customers efficiently and in a timely manner. • 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, KRBL has been successful in maintaining its leadership position for years now. • Attractive price-value propositions helping the Company in creating new product categories.
<p>Foreign currency risks: The Company is exposed to foreign currency risk arising primarily owing to its business presence in a number of foreign countries.</p>	<p>Risk Mitigation</p> <ul style="list-style-type: none"> • Foreign exchange rate exposures are managed by the Company by utilizing forward foreign exchange contracts. • The Company enters into forward foreign exchange contracts to manage the risk associated with anticipated future business transactions denominated in foreign currencies.

Human Resource Development

At KRBL, a core part of our business strategy is to be committed to provide an environment where all of our employees feel enabled, empowered, and committed. Our constant HR strategy is to engineer the organization's talent management and culture so that it is more innovative, transformative while also maintaining the excellence and reliability of its current operations. Constantly building greater diversity within business so to maximize our collective capability, leveraging diversity of thought to understand and reflect our diverse customer base.

We believe that our people are fundamental to our great products, service and

reputation, and therefore, our constant endeavour is to build strong teams of passionate, dedicated and highly skilled workforce both at corporate and plant level. We are constantly involving our systems and processes to enhance productivity.

We have been working towards developing, grooming and training our employees and also inducting new age high-calibre talent to ensure that we have the right people, teams and skills to grow our business. Our constant approach is to bring overall growth of an employee's life and ensure that they are well rounded, safe, motivated and productive in their personal and professional life.

The Company's total employee strength as on 31 March 2020 stands at 2,234.

Information Technology

Information technology is a backbone of the organization & playing a key role in the business growth. Although IT may seem expensive when first implemented in the long run. However, it becomes incredibly cost-effective by streamlining a company's operational and managerial processes. IT improves the operational efficiencies, cost reductions, better customer service, faster communication channel like Email collaboration, Audio/Video conferencing to take better & quick decisions. Technology protects business from cyber-attacks and viruses & protect from many other threats & provide secure working environment.

We are continuously focusing on IT & scaling up our IT investment to upgrade



our IT technology, IT Security & capacity to support the business growth opportunities.

The Company has implemented SAP to manage & integrate most of departments like Purchasing & Inventory, Sales & Marketing, Production & Distribution and Finance & Accounts. Further, processes have been standardised across the board in order to ensure streamlining of systems across the operational value chain.

In SAP we collect information and state of different activities making this information available to other parts, where it can be used effectively. This allow the different departments to communicate and share information more easily with the rest of the Company.

SAP applications makes Company more self-aware by linking information by each part of a business into one system to ensure correctness/effectiveness of all transactions, integrity and reliability of reporting.

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 of note, adequacy of internal controls and compliance with Indian Accounting Standards (Ind AS). Over and above this, the Audit Committee proposes improvements when necessary.

Company outlook

Being a market leader in basmati rice segment in India and a leading player in the export market, KRBL is very well positioned to capitalise the changing consumption trends through its unmatched capabilities, deep expertise and diversified product offerings. While the Company will continue to leverage its brand equity through sustained promotional initiatives and venturing into other rice-based growing product lines like healthy food segment, it will maintain its primary focus on expanding its core basmati portfolio to achieve its long-term growth aspirations.

KRBL is always seen as an innovative consumer-centric Company, offering value and variety to its customers through superior and wide product portfolio in India and across key export geographies. Innovation has been an edge for KRBL which has been ingrained over the years, and the same is visible in its value-added product offerings introduced in the past. The Company takes pride in supporting Government's vision of 'Atmanirbharta' and in-line with this it has indigenously developed a fully integrated supply chain from farm to market, which is next to none. It has set a very ambitious goal of achieving ₹ 8,000 crores revenues in the next 4 to 5 years, and given its unique positioning in the market backed by increasing basmati consumption, this remains well within sight. All the initiatives are in the right direction to achieve this milestone thereby creating significant value for all the stakeholders.

The road ahead appears encouraging for KRBL and it will leave no stone unturned to achieve its growth objectives with vigour and resilience. Technology will be a key driver and the Company is cognizant of that fact. It has strengthened its technology

and digital infrastructure to accelerate the growth momentum and also connect with all the farmers on instantaneous basis. Connecting to more and more farmers through focus on key farmer initiatives will fortify the relations with the grower community. All this affirms that KRBL is in the right direction to further expand its already leading market share in the country and the key export markets.

Forward-Looking Statement

In this Annual Report, we have disclosed forward looking information to enable investors comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.





DIRECTORS' REPORT



DIRECTORS' REPORT

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

Your Directors are delighted to present the 27th (Twenty Seventh) Annual Report on Company's Business Operations along with the Standalone and Consolidated Audited Financial Statements for the financial year ended 31 March 2020.

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 2019-20 along with the previous financial year 2018-19 are tabulated below:

Particulars	Consolidated		Standalone	
	Year Ended 31 March 2020	Year Ended 31 March 2019	Year Ended 31 March 2020	Year Ended 31 March 2019
Revenue from operations	4,49,902	4,12,049	4,49,864	4,11,957
Other income	2,251	1,515	2,226	1,490
Total Income	4,52,153	4,13,564	4,52,090	4,13,447
Operating expenditure	3,62,866	3,27,061	3,62,687	3,26,929
Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	89,287	86,503	89,403	86,518
Finance costs	6,244	6,758	6,244	6,756
Depreciation and amortisation expenses	7,288	6,446	7,282	6,438
Profit before Tax (PBT)	75,755	73,299	75,877	73,324
Tax expense:				
Current tax	20,021	23,016	20,021	23,016
Deferred tax charge	(85)	1,471	(85)	1,471
MAT credit entitlement	-	(1,490)	-	(1,490)
Profit for the year	55,819	50,302	55,941	50,327
Other comprehensive(loss)/income	(685)	95	(789)	4
Total comprehensive income for the year	55,134	50,397	55,152	50,331
Earning per share (Face Value of ₹ 1 each)				
i) Basic (In ₹)	23.71	21.37	23.76	21.38
ii) Diluted (In ₹)	23.71	21.37	23.76	21.38

2. STATE OF COMPANY AFFAIRS

Pushed by strong shift in consumer preference towards branded basmati rice in the Domestic as well as Export Market and despite the challenging business environment, KRBL reported exceptional numbers during the financial year 2019-20. The Company performed extremely well and the highlights of the performance on consolidated basis are as under:

- Company's Revenue from Operations increased by 9% to ₹ 4,49,902 lacs (31 March 2019 ₹ 4,12,049 lacs).
- Company is able to maintain its strong Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) and the same increased by 3% to ₹ 89,287 lacs (31 March 2019 ₹ 86,503 lacs).
- Company's Profit before Tax (PBT) increased by 3% to ₹ 75,755 lacs (31 March 2019 ₹ 73,299 lacs).
- Company's Profit after Tax (PAT) increased by 11% to ₹ 55,819 lacs (31 March 2019 ₹ 50,302 lacs).

- Company's Return on Capital Employed (ROCE) stands at 23%.
- Net Worth of the Company increased by 15% to ₹ 3,12,764 lacs (31 March 2019 ₹ 2,72,670 lacs).
- Market Capitalization of the Company stands at ₹ 3,20,836 lacs as on 31 March 2020.
- 11% CAGR growth in Net Sales and 15% CAGR growth in EBITDA over the last decade.
- Earning per Equity Share (EPS) increased to ₹ 23.71 (31 March 2019 ₹ 21.37).
- Dividend paid by the Company on the profits earned in FY 2019-20 is 280% (i.e. ₹ 2.80 per equity share of face value of ₹ 1 each) as compared to Dividend of 250% (i.e. ₹ 2.50 per equity share of face value of ₹ 1 each for FY 2018-19).

3. DIVIDEND

Considering the strong financial position of the Company, the Board of Directors of the Company vide resolution by circulation dated 27 February 2020, considered and declared an Interim Dividend @ 280% i.e. ₹ 2.80 per equity share of face value of ₹ 1 each for the financial year 2019-20. The Dividend was paid 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 Interim Dividend declared by the Board of Directors shall be considered as total dividend for the year ended 31 March 2020. The Dividend Distribution Policy of the Company may be accessed on the Company's website at the weblink http://www.krblice.com/policy-guidelines/REVISED_DIVIDEND_DISTRIBUTION_POLICY.pdf

The details of dividend declared by the Company for the financial year 2019-20 as compared to financial year 2018-19 are as below:

(Amount in ₹ lacs)

Particulars of Dividend	Total Dividend Declared (Excluding Dividend Distribution Tax)	
	31 March 2020	31 March 2019
Interim Dividend on 23,53,89,892 equity shares of ₹ 1 each @ ₹ 2.80 per equity share	6,591	-
Final Dividend on 23,53,89,892 equity shares of ₹ 1 each @ ₹ 2.50 per equity share	-	5,885

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

During the financial year ended 31 March 2020, 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 ₹ 7,500 lacs (31 March 2019 ₹ 7,000 lacs) from retained earnings to general reserve and an amount of ₹ 2,48,763 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 2020 was ₹ 2,354 lacs. There has been no change in the Equity Share Capital of the Company during the financial year. Further, 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 & PROTECTION FUND

Pursuant to the provisions of Section 124 and 125 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) (IEPF Rules), all dividend which were unpaid or unclaimed for seven consecutive years or more are liable to be transferred to the Investors Education and Protection Fund (IEPF) Authority. Accordingly, the Company during the financial year 2019-20, has transferred an amount aggregating to ₹ 4,11,628 (including an excess transfer up to ₹ 30.40 due to round off and excess credit given by bank) 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 2011-12.

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 2019-20, the Company has transferred 6,180 equity shares which belongs to total 37 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. Subsequent to that, the Company during the financial year 2019-20 has transferred final dividend pertaining to financial year 2018-19 @ ₹ 2.50 per equity share on 62,070 equity shares aggregating to ₹ 1,55,175 and Interim Dividend pertaining to financial year 2019-20 @ ₹ 2.80 per equity share on 62,700 equity shares aggregating to ₹ 1,75,560 total of both aggregating to ₹ 3,30,735 to the Investor Education and Protection Fund.

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 2019-20.

10. SEGMENT REPORTING

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

11. CASH FLOW STATEMENT

The Cash Flow Statement for the financial year ended 31 March 2020 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 about 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 of Independent Directors may be accessed on the Company website at the weblink <http://www.krblice.com/Familiarization-Programs-for-Independent-Directors.pdf>

13. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

The Company has two Subsidiaries viz., KRBL DMCC, Group (Comprises of a step down Wholly Owned Subsidiary) and KB Exports Private Limited. There is no Associate Company 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 2019-20.

The Consolidated Financial Statements of the Company for the financial year 2019-20 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 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 is 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 Annual General Meeting ("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 www.krblice.com under the link Investor Relations.

14. BOARD OF DIRECTORS

Board Composition

As on 31 March 2020, the Company's Board has a strength of 10 (Ten) Directors including 2 (Two) Woman Director. The Chairman of the Board is an Executive Director. The composition of the Board is as below:

Category	Number of Directors	% of Total Number of Directors
Executive Directors	4	40
Independent Non-Executive Directors	6	60

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

During the year, the Company had appointed Ms. Priyanka Sardana as an Additional Director under the category of Independent Non-Executive pursuant to the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors vide Resolution by Circulation dated 23 September 2019 and 25 September 2019 respectively, taking into consideration her integrity, expertise and experience, for a period of 5 (Five) consecutive years from 25 September 2019 to

24 September 2024, subject to the approval of the members by way of Ordinary Resolution in the ensuing AGM of the Company in terms of section 161 of the Companies Act, 2013.

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 Company holds office for 5 (Five) consecutive years from 14 September 2019 to 13 September 2024 (except Mr. Alok Sabharwal who hold the 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 Companies Act, 2013 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 Companies Act, 2013 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 152 of the Companies Act, 2013 and Article 126 of the Articles of the Association of the Company, two-thirds of the total number of directors shall be liable to retire by rotation and out of the two-thirds rotational directors, one-third of such directors shall retire from office every year. The directors to retire by rotation at every Annual General Meeting (AGM) shall be those who have been longest in office since their last appointment.

Accordingly, Mr. Anil Kumar Mittal (DIN: 00030100), Chairman & Managing Director of the Company, being 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 his candidature for re-appointment. This shall not constitute a break in his office as the Chairman & Managing Director of the Company.

Brief Resume of the Directors being appointed/re-appointed

As required under Regulation 36(3) 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 Ordinary Resolutions for the above re-appointment is included in the Notice calling AGM of the Company. The Board recommends the re-appointment of Mr. Anil Kumar Mittal & Ms. Priyanka Sardana at the ensuing AGM of the Company.

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 2020, 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 Director
Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
Mr. Ashwani Dua	Member	Independent Non-Executive Director
Mr. Shyam Arora	Member	Independent Non-Executive Director
Mr. Vinod Ahuja	Member	Independent Non-Executive 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 and attendance of Audit Committee Members 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

There is no change (appointment or cessation) in the office of KMPs during the year.

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 and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- 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 for the Directors, Key Managerial Personnel, Senior Management Personnel of the Company.
- iii) To formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- 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 determine 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 develop a succession plan for the Board and to regularly review the plan.
- vii) To assist the Board in fulfilling responsibilities.

The Nomination and Remuneration policy of KRBL Limited is available on the website of the Company at the weblink <http://www.krblice.com/policy-guidelines/nomination-remuneration-policy.pdf>

18. NUMBER OF MEETINGS OF THE BOARD

During the Financial Year 2019-20, 4 (Four) Meetings of the Board of Directors were held on 15 May 2019, 01 August 2019, 04 November 2019 and 28 January 2020. For details thereof kindly refer to the section 'Board Meetings and Procedures - Details of Board Meetings held and attended by the Directors during the financial year 2019-20' 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, it is 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 Corporate 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 as a whole and Director Evaluation but also requires the evaluation to be formal, regular and transparent. Subsequently, SEBI Listing Regulations have 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 in its Meeting held on 28 January 2020, 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, 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 financial 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 financial year ended 31 March 2020, 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 2020 and of the profit of the Company for the financial year ended 31 March 2020;
- 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 Financial Statements for the financial year ended 31 March 2020 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 terms of the provisions of Section 139 of the Companies Act, 2013, M/s. Walker Chandok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), were appointed as the Statutory Auditors of the Company by the shareholders in the 25th AGM of the Company held on 20 August 2018 for a period of 5 years i.e. to hold office till the conclusion of the 30th AGM to be held in the calendar year 2023. The requirement to place the matter relating to ratification of appointment by shareholders at every AGM has been done away by the Companies (Amendment) Act, 2017 w.e.f. 07 May 2018.

The notes on financial statements 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 financial year, no instances of fraud have been 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 energy 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 had 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-110 034, as Cost Auditors of the Company to conduct the Cost Audit for the financial year 2020-21.

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 2020-21, 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 2019-20 is ₹ 11,371 lacs (excluding inter-unit sale).

Further the Cost Audit Report for the financial year 2018-19 has been 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-110 060, to conduct the Secretarial Audit for the financial year 2020-21.

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 are as below:

- a) As per section 135 of the Companies Act, 2013, the eligible amount required to be spent by the Company is ₹ 1,302 lacs during the financial year 2019-20, however as per information provided, the Company has spent ₹ 188 lacs. The Reason for not spending the prescribed 2% amount under CSR is given in 'Annexure 6' under Annual Report on CSR Activities forms part of this Report.
- b) In accordance with the provisions of Regulation 17(1)(a) of SEBI(LODR), 2015, the Company was required to appoint one Independent Woman Director with effect from 01 April 2019, whereas the Company has appointed Independent Woman Director on 25 September 2019. There was a slight delay in the appointment of Woman Independent Director on the Board which was duly filled by the Company w.e.f. 25 September 2019 by appointment of Ms. Priyanka Sardana as a Woman Independent Director since the Company was looking for the best suitable person who possesses relevant knowledge and experience in the field of its operations and can positively contribute to the functioning of the Company.
- c) It is observed that certain statutory requirements of general laws applicable on the Company's units located at Alipur, Delhi have not been complied with. Only grading/sorting/packing of rice activity are done at the said unit and the unit has no production capacity.

The Company is taking all necessary steps to comply with the observations of the Secretarial Auditors as mentioned in the Secretarial Audit Report.

IV) INTERNAL AUDITORS

The Company has appointed M/s. S S Kothari Mehta & Co., Chartered Accountants, having their office at plot N. 68, Okhla Industrial Area, Phase -III, New Delhi-110 020, as the Internal Auditor of the Company to focus on Internal Audit functions 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.

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 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 weblink: <http://www.krbllrice.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 (Policy on POSH).
- 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.krblice.com under the link Investor 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, Mr. Alok Sabharwal, Mr. Vinod Ahuja, Independent Non-Executive Directors. Mr. Alok Sabharwal and Mr. Vinod Ahuja, Independent Non-Executive Directors were appointed as a member of CSR Committee of the Company during the year.

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.krblice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>

The Annual Report on CSR activities is attached as 'Annexure 6' which 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 (IFC) SYSTEM AND THEIR ADEQUACY

Pursuant to the provisions of 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 an internal control system, commensurate with the size, scale and complexity of its operations. The Company has in place adequate controls, procedures and policies, ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information. Further, Audit Committee interacts with the Statutory Auditors, Internal Auditors and Management in dealing with matters within its terms of reference. During the year under review, such controls were assessed and no reportable material weakness in the design or operations were observed. Accordingly, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2019-20.

Kindly refer Statutory Auditors Report on internal financial controls forming part of the Financial Statements for the Auditors opinion.

30. 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 Risk Management Policy in place.

31. RATINGS

During the financial year 2019-20 the Company is holding various ratings, which are as follows:

- **ICRA:** In August 2019, "ICRA" has reviewed and reaffirmed [ICRA] AA-@ (pronounced as ICRA double A minus under rating watch with negative implications) rating for Fund Based Working Capital Limits and Term Loans Limits and [ICRA] A1+@ (pronounced as ICRA A One Plus under rating watch with negative implications) for Non-Fund Based Limits of KRBL Limited.
- **ICRA:** In August 2019 and November 2019, "ICRA" has also reviewed and reaffirmed [ICRA] A1+@ (pronounced as ICRA A One Plus under rating watch with negative implications) rating for Commercial Paper (CP) programme of KRBL Limited.
- **CARE:** In August 2019 and November 2019, "CARE" has given the [CARE] A1+ (pronounced as CARE A One Plus; under rating watch with negative implications) rating for Commercial Paper (CP) of KRBL Limited.

32. DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any Deposits during the Financial Year 2019-20, 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.

33. 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, 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 Companies Act, 2013 the report and accounts are being sent to the members and others entitled thereto, excluding the information on Employees' remuneration particulars. The said information is open for inspection and any Member interested in obtaining the same may write to the Company Secretary at the Registered Office/Corporate Office of the Company.

34. 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 on prevention of Sexual Harassment at work place (Policy on POSH) 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.krbllrice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf>

The Company has not received any Complaints on Sexual Harassment during the financial 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 Officers where the Committee locates declaring that no Complaints were received during the financial year.

35. DEPOSITORY SYSTEM

The Company's shares are compulsorily tradable in electronic form. As on 31 March 2020, almost 99.92% of the Company's Paid-up Equity Share Capital representing 23,52,09,530 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 RTA as its Registrar and Share Transfer Agent across physical and electronic alternative.

36. 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:-

- National Stock Exchange of India Limited (NSE)**
"Exchange Plaza" C-1, Block G,
Bandra-Kurla Complex,
Bandra (East), Mumbai-400 051
- BSE Limited (BSE)**
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

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

During the financial year ended 31 March 2020, the Company has neither made any investment(s) nor given any loan(s) or guarantee(s) or provided any security as prescribed under Section 186 of the Companies Act, 2013.

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

During the financial year 2019-20, 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 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 2019-20, 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.krbllrice.com/policy-guidelines/Policy-on-Related-Party-Transactions.pdf>

39. 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 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.krbllrice.com/policy-guidelines/Vigil-Mechanism-\(Whistle-Blower%20Policy\).pdf](http://www.krbllrice.com/policy-guidelines/Vigil-Mechanism-(Whistle-Blower%20Policy).pdf)

40. ENVIRONMENT, HEALTH AND SAFETY

The Company continues to focus on employee well-being, developing safe and efficient products and minimizing the environmental impact of our operations on society. The 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 prevention of Sexual Harassment at the Workplace with a mechanism of lodging complaints.

41. 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.

42. DISCLOSURE ON INCOME TAX DEMAND

The Company had received demand notices under Section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment year 2010-11 to 2016-17, amounting to ₹ 75,744 lacs and interest thereon ₹ 51,176 lacs, against which Company had filed appeals with CIT (Appeals), New Delhi.

During the year ended 31 March 2020, CIT (Appeals) granted partial relief on certain matters in favor of the Company, vide orders dated 11 March 2020, and correspondingly, income tax demand has been reduced by ₹ 69,612 lacs and interest thereon by ₹ 47,424 lacs respectively. The Company has filed appeals before Income Tax Appellate Tribunal ('ITAT'), New Delhi on 18 June 2020 for remaining matters confirmed by CIT(Appeals) in respect of income tax demand of ₹ 6,132 lacs and interest thereupon of ₹ 3,752 lacs. The management, based on legal assessment, is confident that it has a favorable case and the remaining demand shall also be deleted at the ITAT level.

43. 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 continuously receiving co-operation and unstinted support from the Distributors, Retailers, Stockist,

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.

44. 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.

45. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Pursuant to the Regulation 9 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 said Code is available on the website of the Company at the weblink www.krbllrice.com/codes/Code-of-Conduct-to-Regulate,-Monitor-and-Report-Trading-by-Insiders.pdf

46. IMPACT OF COVID-19

KRBL's business is considered an 'Essential Services' as per the Ministry of Home Affairs (MHA). This classification has helped the Company to operate all its factories optimally. Being an essential food Company and simultaneous cooperation from local Administration and Government, we managed to overcome the obstacles and were able to streamline the process.

The Company has taken conscious decision through balance uninterrupted operations and ensuring a safe working environment. The Company has put in place strict

standard operating procedures for COVID-19. To ensure this, majority of the staff has been asked to report to work at their locations. Further, the Company has also made necessary arrangements to ensure that the remaining staff were safe and comfortable at work. The Company regularly conducted awareness programs for its Employees.

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, 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 financial 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

Place: Noida, Uttar Pradesh

Date: 11 August 2020

Chairman & Managing Director

DIN-00030100

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 Subsidiaries			
		KRBL DMCC GROUP		K B Exports Private Limited	
		As on 31 March 2020	As on 31 March 2019	As on 31 March 2020	As on 31 March 2019
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	20.6025	18.8200	NA	NA
4.	Share Capital	217	217	300	300
5.	Reserves & Surplus	907	925	(5)	(5)
6.	Total Assets	1,211	1,174	295	295
7.	Total Liabilities*	87	31	0	0
8.	Turnover*	434	458	0	0
9.	Profit/(Loss) before taxation*	(123)	(25)	0	0
10.	Provision for taxation*	-	-	(0)	(0)
11.	Profit/(Loss) after taxation*	(123)	(25)	0	0
12.	% of Shareholding	100%	100%	70%	70%

*Amounts are below rounding off thresholds adopted by the Company.

a) Part B of the Annexure is not applicable as there are no Associate Companies/ Joint Ventures of the Company as on 31 March 2020.

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

Raman Sapra
Company Secretary
M.No. F9233

Rakesh Mehrotra
Chief Financial Officer
M.No. 84366

Place: Noida, Uttar Pradesh
Date: 11 August 2020

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 that took place during the year to conserve energy and to provide automation for optimum production:

1. AC Drive installed on Boiler Feed Pump.
2. AC Drive installed for Centrifugal Blower.
3. Installation of Power Capacitors for improvement of Power Factor.
4. Boiler Feed Pump Modification with optimum impeller design as per our operating requirement.
5. Reuse of flash steam in plant.

At Dhuri Unit of KRBL Limited:

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

1. Installed 4X2.2KW on Pre- sizer in 25 TPH-1
2. Installed 1X22KW on De- stoner fan in 25 TPH-1
3. Installed 1X37KW on Cleaner fan in 25 TPH-1
4. Installed 1X30KW on Silky blower in 25 TPH-1
5. Installed 24X0.75KW on Length grader in 25 TPH-1
6. Installed 2X75KW on Silky motor in 25 TPH-1
7. Installed 1X37KW on Cleaner fan in 25 TPH-2

8. Installed 1X37KW on Silky blower in 25 TPH-2
9. Installed 2X0.75KW on Printing conveyor in 25 TPH-2
10. Installed 4X1.5KW on Packing conveyor in 25 TPH-2
11. Installed 2X15KW on De- stoner fan in 25 TPH-2
12. Installed 2X75KW on Silky motor in 25 TPH-2
13. Installed 4X37KW on feeding blower in Furfural
14. Installed 1X4KW on 3PM - 2B in Furfural
15. Installed 1X11KW on 3PM - 8A in Furfural
16. Installed 2X11KW on Vaccum pump in Furfural
17. Installed 3X11KW on Eqlization blower in ETP
18. Installed 1X18.5KW on Saff Blower in ETP
19. Installed 4X18.5KW on Areation tank in ETP
20. Installed 2X15KW on Sludge thickner in ETP
21. Installed 2X15KW on Saff Blower in ETP
22. Installed 1X5.5KW on Gas holder pump in ETP
23. Installed 2X5.5KW on Circulation pump in ETP
24. Installed 1X11KW on Raw water pump in ETP
25. Installed 5X37KW on Polisher in R/M line no. 4
26. Installed 2X7.5KW on ALPSCO in Berico
27. Installed 1X7.5KW on Vaccum pump in LT TG
28. Installed 1X4KW on Elevator no. 1 in New Sella
29. Installed 1X5.5KW on Heid grader in R/M line no. 3
30. Installed 1X11KW on Inorganic pump in Mini ETP
31. Installed 1X11KW on Organic pump in Mini ETP
32. Installed 1X11KW on Vaccum PUMP in TG 10.5 MW
33. Installed 1X2.2KW on Packing conveyor in New 20 TPH

(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: 2019-20
(a) Power and Fuel Consumption

S. No.	Particulars	Current Year	Previous Year	Reason for Variation
1.	Electricity			
	(A) Purchased			
	Unit	2,25,45,651	1,68,30,720	Quantity increased due to increase in production and packaging capacity and unit rate has decreased due to reduction in demand load charges and subsidy received.
	Total Amount	15,13,31,791	11,35,26,903	
	Rate/Unit	6.71	6.75	
	(B) Own Generation			
	(i) Through Diesel Generator (DG)	18,64,508	14,29,652	Dependency on diesel generated electricity increased due to increase in plant capacity and production.
	Unit			
	Units Per ltrs. of Diesel Oil	3.55	3.69	
	Cost/Unit	16.28	16.46	
	(ii) Through Steam Turbine	5,17,27,606	5,49,79,339	The variation in cost per unit is due to decrease in Husk rate.
	Unit			
	Husk/Unit (in KG)	1.27	1.35	
	Cost/Unit	4.86	5.49	
2.	Coal			
	Quantity	-	-	-
	Total Cost	-	-	-
	Average Rate	-	-	-
3.	Furnace Oil			
	Quantity	-	-	-
	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:

Particulars	(In Units)	
	As at 31 March 2020	As at 31 March 2019
Production Unit-Gautam Budh Nagar, Uttar Pradesh	1,85,40,682	1,84,37,966
Production Unit-Dhuri, Punjab	4,81,61,734	4,53,06,423
Packaging Unit-Barota, Haryana	46,43,521	44,54,073

Energy Consumption per MT of Production is as under:

Particulars	(In Units)	
	As at 31 March 2020	As at 31 March 2019
Production Unit-Gautam Budh Nagar, Uttar Pradesh		
Rice	136	145
Production Unit-Dhuri, Punjab		
Rice Bran Oil	211	183
Rice	115	120
Packaging Unit-Barota, Haryana		
Rice	40	38

B. RESEARCH AND DEVELOPMENT (R&D)

Disclosure of Particulars with Respect to Research and Development (R&D): 2019-20

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 2019-20:**

- 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.
- iii) New line of product development, Identifying a market need, Conceptualizing and designing the product, Building the product roadmap, Developing a Minimum Viable Product (MVP), Releasing the MVP to users and brainstorming based on user feedback.
- iv) Process optimization and developing research methodologies for better process and product characteristics.

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 and aesthetics.
- iv) Entering new market segments and exploring diversification channels.
- v) Building competitive edge and business collaborations.

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 2019-20 as compared to previous year:

		2019-20	2018-19
i)	Capital	Nil	Nil
ii)	Recurring	528	523
iii)	Total	528	523
iv)	Total R&D expenditure as a percentage of total turnover	0.12%	0.13%

e) **Certifications:**

The Company is certified by FSSC 22000 issued by Intertek, an internationally recognized certification which confirms that the organizations food safety management system is in conformance with the scheme requirements and that the organization is able to maintain compliance with these requirements thus, establishing high end quality and safety attributes of the products.

The Company is having Halal Certification as well, issued by Halal Certification Services India Pvt. Ltd., which ensures that the food product is deemed safe for consumption.

The Company is also certified with SQF Food Safety Code for Manufacturing Edition 8.1, issued by Intertek. Safe Quality Food (SQF) Program is a rigorous and credible food safety and quality program that is recognized by retailers, brand owners, and food service providers world-wide. This rigorous farm-to-fork food safety and quality certification also helps food producers assure their buyers that their food products meet the highest possible global food safety standards.

The Company is also USFDA registered.

The Company is certified by BRC Certification issued by Eurofins. BRCGS is a leading brand and consumer protection organization, used by over 29,000 certificated suppliers over 130 countries, with certification issued through a global network of accredited certification bodies. BRCGS' Standards guarantee the standardization of quality, safety and operational criteria and ensure that manufacturers fulfill their legal obligations and provide protection for the end consumer. It promotes building a more coherent food safety culture within the organization and a food safety ecosystem as a whole.

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

C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Disclosure of Particulars with Respect to Technology Absorption, Adaptation and Innovation: 2019-20

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 2019-20):

i) During the financial year 2019-20, the Company has imported capital goods like Sortex, Electric Forklift, plastic pallet along with other spare parts and accessories from UK, Japan, Germany and Malaysia.

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 2018-19):

i) During the financial year 2018-19, the 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.

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

i) During the financial year 2017-18, the 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.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosure of particulars with respect to Foreign Exchange initiatives taken, Earnings and Outgo: 2019-20

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

The Company's major income comes from rice, which were 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's 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.

ii) Total Foreign Exchange used and Earned:

The Company on Standalone basis, expended ₹ 6,662 lacs (P.Y. ₹ 8,830 lacs) in Foreign Exchange while Earnings in Foreign Exchange on mercantile basis were ₹ 93,558 lacs (P.Y. ₹ 1,44,798 lacs). Thus the net inflow in Foreign Exchange was ₹ 86,896 lacs (P.Y. ₹ 1,35,968 lacs) during the year under review.

For and on behalf of the Board of Directors

Anil Kumar Mittal

Place: Noida, Uttar Pradesh
Date: 11 August 2020

Chairman & Managing Director
DIN-00030100

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 2019-20:

S. No.	Nature of Directorships Held & Name of Directors	Ratio of Median Remuneration
1	Executive Directors	
a)	Mr. Anil Kumar Mittal	61.03:1
b)	Mr. Arun Kumar Gupta	61.03:1
c)	Mr. Anoop Kumar Gupta	61.03:1
d)	Ms. Priyanka Mittal	38.44:1
2	Non-Executive Directors*	
a)	Mr. Alok Sabharwal	0.64:1
b)	Mr. Ashwani Dua	0.26:1
c)	Mr. Devendra Kumar Agarwal	0.90:1
d)	Ms. Priyanka Sardana [^]	0.51:1
e)	Mr. Shyam Arora	0.77:1
f)	Mr. Vinod Ahuja	0.90:1

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

[^] Ms. Priyanka Sardana was appointed as an Additional Director under the category of Independent Non-Executive w.e.f. 25 September 2019.

B. The Percentage Increase in Remuneration of each Director, Chief Financial Officer and Company Secretary, in the Financial Year 2019-20:

S. No.	Name	% Increase in remuneration
1	Mr. Anil Kumar Mittal	10%
2	Mr. Arun Kumar Gupta	10%
3	Mr. Anoop Kumar Gupta	10%
4	Mr. Alok Sabharwal*	Nil
5	Mr. Ashwani Dua*	Nil
6	Mr. Devendra Kumar Agarwal*	Nil
7	Ms. Priyanka Mittal	33%
8	Ms. Priyanka Sardana*	Nil
9	Mr. Shyam Arora*	Nil
10	Mr. Vinod Ahuja*	Nil
11	Mr. Rakesh Mehrotra, Chief Financial Officer	7%
12	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 2019-20:** There was increase of 8% in the Median Remuneration of Employees in the financial year 2019-20.

D. **The Number of Permanent Employees on the roll of the Company:** 2234.

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 2019-20 was 7%, the average percentage increase in the Managerial Remuneration for the year was 13%.

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. During the year no Managing Director / Whole-time Director of the Company are in receipt of any remuneration or commission from any of its subsidiaries. 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 2020 and was in receipt of Remuneration for that financial year, in the aggregate not less than Rupees One Crore Two lacs only:

Name	Designation	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	1,19,06,400	69	30 March 1993	Arts Graduate from Delhi University	44	-	Contractual
Mr. Arun Kumar Gupta	Joint Managing Director	1,19,06,400	63	30 March 1993	Commerce Graduate from Delhi University	38	-	Contractual
Mr. Anoop Kumar Gupta	Joint Managing Director	1,19,06,400	61	30 March 1993	Science Graduate from Delhi University	34	-	Contractual

Notes:

* Remuneration excludes perquisites.

For and on behalf of the Board of Directors

Place: Noida, Uttar Pradesh
Date: 11 August 2020

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Annexure-4

Form MGT-9
EXTRACT OF ANNUAL RETURN
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 read with 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, 110 006 Telephone: +91-11-23968328, Fax: +91-11-23968327 E-mail: investor@krblindia.com Website: www.krblrice.com
6.	Whether listed Company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent	M/s. Alankit Assignments Limited Alankit House 4E/2, Jhandewalan Extension New Delhi-110 055 Telephone: +91-11-42541234 / 23541234 Fax: +91-11-42541201 E-mail: info@alankit.com Website: www.alankit.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

The Business activities of the Company contributing 10% or more of the Total Turnover are stated as below:-

S. No.	Name and Description of Main Products	NIC Code of the Product	% of Total Turnover of the Company
1.	Rice	10612	93%

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 (Includes step down Wholly Owned Subsidiary) Office 6KL, 6 th Floor, Silver Tower, Cluster-I, JLT, Dubai, United Arab Emirates	Trade License No. DMCC-30637	Subsidiary	100%	2(87)(ii)
2.	KB Exports Private Limited 5190, Lahori Gate, Delhi-110 006	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 financial year (As on 01 April 2019)		No. of Shares held at the end of the financial year (As on 31 March 2020)		% Change during the financial year
	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
b) Central Government/ State Government(s)	-	-	-	-	-
c) Financial Institutions/ Banks	-	-	-	-	-
d) Any Other (Trust)	12,26,88,916	-	12,42,00,712	-	52.12
Sub-total (A) (1):	13,84,39,916	-	13,99,51,712	-	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)	13,84,39,916	-	13,99,51,712	-	58.81
B. SHAREHOLDING PATTERN OF PUBLIC SHAREHOLDERS					
1. INSTITUTIONS					
a) Mutual Funds	19,48,447	-	12,30,385	-	0.83
b) Venture Capital Funds	-	-	-	-	-
c) Alternate Investment Funds	43,476	-	83,110	-	0.02
d) Foreign Venture Capital Investors	-	-	-	-	-
e) Foreign Portfolio Investor	1,62,91,459	-	1,51,53,930	-	6.92
f) Financial Institutions/ Banks	55,504	-	26,402	-	0.02
g) Insurance Companies	-	-	-	-	-
h) Provident Funds/Pension Funds	-	-	-	-	-
i) Any Other (Specify)	-	-	-	-	-
Sub-total (B)(1):	1,83,38,886	-	1,64,93,827	-	7.79
2. CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)/ PRESIDENT OF INDIA	64,94,911	-	1,07,44,911	-	2.76
Sub-total (B)(2):	64,94,911	-	1,07,44,911	-	2.76

Category of shareholders	No. of Shares held at the beginning of the financial year (As on 01 April 2019)			No. of Shares held at the end of the financial year (As on 31 March 2020)			% Change during the financial year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
3. NON-INSTITUTIONS									
a) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 2 lacs	1,67,72,233	1,90,632	1,69,62,865	7.21	1,87,51,919	1,75,362	1,89,27,281	8.04	0.83
ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lacs	1,81,35,487	-	1,81,35,487	7.70	1,52,32,549	-	1,52,32,549	6.47	(1.23)
b) NBFC Registered with RBI	34,055	-	34,055	0.01	5,670	-	5,670	0.00	(0.01)
c) Employee Trust	-	-	-	-	-	-	-	-	-
d) Overseas Depository (Holding DRs)	-	-	-	-	-	-	-	-	-
e) Any Other (Specify)									
i) Bodies Corporate	21,37,738	5,000	21,42,738	0.91	21,40,296	5,000	21,45,296	0.91	-
ii) Limited Liability Partnership	63,822	-	63,822	0.03	4,96,087	-	4,96,087	0.21	0.18
iii) Clearing Member /Clearing House	1,33,873	-	1,33,873	0.06	8,19,633	-	8,19,633	0.35	0.29
iv) Foreign Nationals	89,38,330	-	89,38,330	3.80	46,88,330	-	46,88,330	1.99	(1.81)
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	4,63,556	-	4,63,556	0.20	5,68,640	-	5,68,640	0.24	0.04
vii) Trust	46,726	-	46,726	0.02	71,624	-	71,624	0.03	0.01
viii) Investor Education and Protection Fund (IEPF)	62,570	-	62,570	0.03	62,700	-	62,700	0.03	-
ix) Non-Resident Indian-Non Repatriable	7,11,665	-	7,11,665	0.30	7,39,138	-	7,39,138	0.31	0.01
x) Non-Resident Indian- Repatriable	15,20,492	-	15,20,492	0.65	15,42,494	-	15,42,494	0.66	0.01
Sub-total (B)(3):-	7,19,20,547	1,95,632	7,21,16,179	30.64	6,80,19,080	1,80,362	6,81,99,442	28.97	(1.67)
TOTAL PUBLIC SHAREHOLDING (B)=(B)(1)+(B)(2) +(B)(3)	9,67,54,344	1,95,632	9,69,49,976	41.19	9,52,57,818	1,80,362	9,54,38,180	40.54	(0.65)
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)	23,51,94,260	1,95,632	23,53,89,892	100.00	23,52,09,530	1,80,362	23,53,89,892	100	-

(ii) SHAREHOLDING OF PROMOTER AND PROMOTER GROUP:

S. No.		Shareholding at the beginning of the financial year (As on 01 April 2019)			Shareholding at the end of the financial year (As on 31 March 2020)			% Change during the financial 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.	Mr. Anil Kumar Mittal	100	-	-	100	-	-	-
2.	Mr. Anil Kumar Mittal Karta of Mr. Anil Kumar Mittal (HUF)	35,99,900	1.53	-	35,99,900	1.53	-	-
3.	M/s. Anil Mittal Family Trust	4,25,45,864	18.07	-	4,30,49,796	18.29	-	0.22
4.	Mr. Arun Kumar Gupta	100	-	-	100	-	-	-
5.	Mr. Arun Kumar Gupta Karta of Mr. Arun Kumar Gupta (HUF)	48,49,900	2.06	-	48,49,900	2.06	-	-
6.	M/s. Arun Kumar Gupta Family Trust	4,12,93,714	17.54	-	4,17,97,646	17.76	-	0.22
7.	Mr. Anoop Kumar Gupta	100	-	-	100	-	-	-
8.	Mr. Anoop Kumar Gupta Karta of Anoop Kumar Gupta (HUF)	72,99,900	3.10	-	72,99,900	3.10	-	-
9.	M/s. Anoop Kumar Gupta Family Trust	3,88,49,338	16.50	-	3,88,49,338	16.50	-	-
10.	M/s. Binita Gupta Family Trust	-	-	-	5,03,932	0.21	-	0.21
11.	Mr. Ashish Mittal	100	-	-	100	-	-	-
12.	Mr. Ayush Gupta	100	-	-	100	-	-	-
13.	Mr. Akshay Gupta	100	-	-	100	-	-	-
14.	Ms. Anulika Gupta	100	-	-	100	-	-	-
15.	Ms. Binita Gupta	100	-	-	100	-	-	-
16.	Mr. Kunal Gupta	100	-	-	100	-	-	-
17.	Ms. Neha Gupta	100	-	-	100	-	-	-
18.	Ms. Priyanka Mittal	100	-	-	100	-	-	-
19.	Ms. Preeti Mittal	100	-	-	100	-	-	-
20.	Ms. Rashi Gupta	100	-	-	100	-	-	-
Total Shareholding of Promoters		13,84,39,916	58.81	-	13,99,51,712	59.46	-	0.65

iii) CHANGE IN SHAREHOLDING OF PROMOTER AND PROMOTER GROUP:

Particulars	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the financial year	13,84,39,916	58.81	13,84,39,916	58.81
Changes during the financial year*	-	-	15,11,796	0.65
At the end of the financial year	13,84,39,916	58.81	13,99,51,712	59.46

*Open Market Acquisition of Shares.

(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 financial year		Cumulative Shareholding during the financial 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 financial 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.	Joint Director of Enforcement, Central Region				
	At the beginning of the financial year	64,94,891	2.76	64,94,891	2.76
	Sale(-)/Purchase (+) during the year				
	As on benpos date	No. of Shares			
	06.03.2020	42,50,000		1,07,44,891	4.56
	At the end of financial year			1,07,44,891	4.56
3.	Mr. Anil Kumar Goel				
	At the beginning of the financial year	97,07,000	4.12	97,07,000	4.12
	Sale(-)/Purchase (+) during the year				
	As on benpos date	No. of Shares			
	05.04.2019	1,000		97,08,000	4.12
	12.04.2019	19,517		97,27,517	4.13
	19.04.2019	2,483		97,30,000	4.13
	10.05.2019	5,329		97,35,329	4.13
	17.05.2019	52,671		97,88,000	4.16
	24.05.2019	55,000		98,43,000	4.18
	31.05.2019	2,000		98,45,000	4.18
	07.06.2019	8,815		98,53,815	4.19
	14.06.2019	23,185		98,77,000	4.20
	21.06.2019	24,117		99,01,117	4.21
	28.06.2019	94,415		99,95,532	4.25
	05.07.2019	468		99,96,000	4.25
	12.07.2019	84,000		1,00,80,000	4.28
	19.07.2019	18,100		1,00,98,100	4.29
	26.07.2019	1,21,900		1,02,20,000	4.34
	02.08.2019	14,000		1,02,34,000	4.35
	09.08.2019	5,000		1,02,39,000	4.35
	18.10.2019	2,000		1,02,41,000	4.35
	22.11.2019	9,273		1,02,50,273	4.35
	29.11.2019	51,208		1,03,01,481	4.38
	06.12.2019	21,519		1,03,23,000	4.30
	13.12.2019	76,000		1,03,99,000	4.42
	20.12.2019	19,362		1,04,18,362	4.43
	27.12.2019	21,638		1,04,40,000	4.44
	31.12.2019	1,000		1,04,41,000	4.44
	10.01.2020	33,000		1,04,74,000	4.45
	17.01.2020	17,035		1,04,91,035	4.46
	24.01.2020	2,02,965		1,06,94,000	4.54
	06.03.2020	29,075		1,07,23,075	4.56
	20.03.2020	(7,075)		1,07,16,000	4.55
	27.03.2020	(42,04,799)		65,11,201	2.77
	At the end of financial year			65,11,201	2.77

S. No.	Shareholder's Name	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial 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 financial year	61,61,149	2.62	61,61,149	2.62
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares		
		03.05.2019	(1,463)	61,59,686	2.62
		17.05.2019	(81,026)	60,78,660	2.58
		24.05.2019	(91,348)	59,87,312	2.54
		31.05.2019	(2,30,943)	57,56,369	2.45
		07.06.2019	(7,327)	57,49,042	2.44
		12.07.2019	(45,350)	57,03,692	2.42
		27.12.2019	(18,076)	56,85,616	2.42
		21.02.2020	(1,37,492)	55,48,124	2.36
		13.03.2020	(69,384)	54,78,740	2.33
		20.03.2020	(14,105)	54,64,365	2.32
	At the end of financial year			54,64,635	2.32
5.	Mr. Som Nath Aggarwal				
	At the beginning of the financial year	36,55,438	1.55	36,55,438	1.55
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares		
		31.03.2020	9,240	36,64,678	1.56
	At the end of financial year			36,64,678	1.56
6.	Mr. Abdullah Ali Balsharaf				
	At the beginning of the financial 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
7.	Ms. Seema Goel				
	At the beginning of the financial year	27,99,000	1.19	27,99,000	1.19
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares		
		06.03.2020	8,000	28,07,000	1.19
		20.03.2020	10,000	28,17,000	1.20
	At the end of financial year			28,17,000	1.20
8	Vanguard Total International Stock Index Fund, A Series of Vanguard International Equity Index Fund *				
	At the beginning of the financial year	14,47,475	0.61	14,47,475	0.61
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares		
		26.04.2019	(38,094)	14,09,381	0.60
		26.07.2019	160	14,09,541	0.60
		02.08.2019	79,084	14,88,625	0.63
		09.08.2019	85,738	15,74,363	0.67
	At the end of financial year			15,74,363	0.67

S. No.	Shareholder's Name	Shareholding at the beginning of the financial year		Cumulative Shareholding during the financial year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund				
	At the beginning of the financial year	14,97,310	0.64	14,97,310	0.64
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares		
		12.04.2019	3,897	15,01,207	0.64
		10.05.2019	5,304	15,06,511	0.64
		21.06.2019	(2,379)	15,04,132	0.64
	At the end of financial year			15,04,132	0.64
10.	Reliance Capital Trustee Company Limited, A/c Nippon India Growth Fund				
	At the beginning of the financial year	18,53,294	0.79	18,53,294	0.79
	Sale(-)/Purchase (+) during the year	As on benpos date	No. of Shares		
		12.07.2019	(6,44,433)	12,08,861	0.51
	At the end of financial year			12,08,861	0.51

* Not in the list of Top 10 shareholders as on 31 March 2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on 31 March 2020.

The above details are given as on 31 March 2020. 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 and the changes are identified basis the weekly data received from the Registrar and Share Transfer Agent of the Company. Further, the 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.	Name	Shareholding at the beginning of the financial year		Change in Shareholding during the financial year		Shareholding at the end of the financial 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	-	-	-	100	0.00
2.	Mr. Arun Kumar Gupta	100	-	-	-	100	0.00
3.	Mr. Anoop Kumar Gupta	100	-	-	-	100	0.00
4.	Ms. Priyanka Mittal	100	-	-	-	100	0.00
5.	Mr. Ashwani Dua	-	-	-	-	-	-
6.	Mr. Alok Sabharwal	-	-	-	-	-	-
7.	Mr. Devendra Kumar Agarwal	-	-	-	-	-	-
8.	Ms. Priyanka Sardana*	-	-	-	-	-	-
9.	Mr. Shyam Arora	-	-	-	-	-	-
10.	Mr. Vinod Ahuja	-	-	-	-	-	-

S. No.	Name	Shareholding at the beginning of the financial year		Change in Shareholding during the financial year		Shareholding at the end of the financial 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
Key Managerial Personnel							
11.	Mr. Rakesh Mehrotra	-	-	-	-	-	-
12.	Mr. Raman Sapra	-	-	-	-	-	-

*Ms. Priyanka Sardana was appointed as an Additional Director under the category of Independent Non-Executive w.e.f. 25 September 2019.

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 2019)				
i) Principal Amount	1,18,675	24,144	-	1,42,819
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	639	-	-	639
Total (i+ii+iii)	1,19,314	24,144	-	1,43,458
Change in Indebtedness during the financial year				
Addition	16,170	2,818	-	18,988
Reduction	(91,910)	(20,000)	-	(1,11,910)
Exchange Difference	-	-	-	-
Net Change	(75,740)	(17,182)	-	(92,922)
Indebtedness at the end of the financial year (31 March 2020)				
i) Principal Amount	42,609	6,962	-	49,571
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	965	-	-	965
Total (i+ii+iii)	43,574	6,962	-	50,536

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	Ms. Priyanka Mittal	
1.	Gross salary					
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	119.06	119.06	119.06	75.00	432.18
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.40	18.26	0.40	5.55	24.61
	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)	119.46	137.32	119.46	80.55	456.79
	Overall Ceiling as per the Act	10% of Net profit for all Executive Directors - Managing and Whole-Time Directors i.e. ₹ 6,509 lacs				

B. REMUNERATION TO OTHER DIRECTORS:

(Amount in ₹ lacs)

S. No	Particulars of Remuneration	Name of the Independent Directors						Total Amount
		Mr. Ashwani Dua	Mr. Alok Sabharwal	Mr. Devendra Kumar Agarwal	Ms. Priyanka Sardana	Mr. Shyam Arora	Mr. Vinod Ahuja	
1.	Independent Directors							
	• Fee for attending Board Meetings	0.50	1.25	1.75	1.00	1.50	1.75	7.75
	• Committee Meetings	-	-	-	-	-	-	-
	• Commission	-	-	-	-	-	-	-
	• Others	-	-	-	-	-	-	-
	Total(1)	0.50	1.25	1.75	1.00	1.50	1.75	7.75
2.	Other Non-Executive Directors							
	• Fee for attending Board Meetings				N.A.			
	• Committee Meetings							
	• Commission							
	• Others							
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	0.50	1.25	1.75	1.00	1.50	1.75	7.75*
	Overall Ceiling as per the Act	1% of Net Profits of the Company for all Non-Executive Directors i.e. ₹ 651 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.	Salary	84.74	15.27	100.01
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
	-as % of profit	-	-	-
	-Other, specify	-	-	-
5.	Other, please specify	-	-	-
Total (C)		84.74	15.27	100.01

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Place: Noida, Uttar Pradesh
Date: 11 August 2020

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100

Annexure-5

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 March 2020
[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 2020 (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 2020 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 and ECB was taken and no ODI was made 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; **(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:

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "SEBI (LODR), 2015") as amended from time to time and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

- a) As per section 135 of the Companies Act, 2013, the eligible amount required to be spent by the Company is ₹ 1,302 lacs during the financial year 2019-20, however as per information provided, the Company has spent ₹ 188 lacs.
- b) In accordance with the provisions of Regulation 17(1)(a) of SEBI (LODR), 2015, the Company was required to appoint one Independent Woman Director with effect from 01 April 2019, whereas the Company has appointed Independent Women Director on 25 September 2019.
- c) It is observed that certain statutory requirements of general laws applicable on the Company's units located at Alipur, Delhi 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, Women and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period under review were carried out in compliance with the provisions of Act except *the observations made above*.
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)
B.COM, FCS, LL.B, ACIS (UK), IP
PARTNER
UDIN: F004140B000568814
C. P. No. 8265
M No. 4140

Date: 11 August 2020
Place: New Delhi

Appendix – 1 to the Secretarial Audit Report

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

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2020 of even date is to be read 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 of 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 inter-alia including (i) The demand notices which the Company had received 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 during the FY ending 31 March 2019 against which the Company had filed the appeal before the Commissioner of Income Tax (Appeal) and during the Audit Period under review, Commissioner of Income Tax (Appeal) had given partial relief. The Company has filed appeals before Income Tax Appellate Tribunal ('ITAT'), New Delhi on 18 June 2020 for remaining matters confirmed by CIT(Appeals) in respect of income tax demand of ₹ 6,132 lacs and interest thereupon of ₹ 3,752 lacs. and (ii) The Enforcement Directorate ("ED") had provisionally attached a portion of land and parcel and building thereupon situated at Dhuri, Tehsil Sangrur District of Punjab to the extent of value of ₹ 1,532 lacs in connection with its money laundering investigation vide order dated 03 July 2019. The Company filed an appeal with the Appellate Tribunal, (PMLA), Government of India ("Appellate Tribunal") and vide order dated 17 January 2020, Appellate Tribunal ordered to restore the possession in favour of the Company. Against this order Appellate Tribunal, the ED has filed an appeal before the Hon'ble High Court of Delhi currently lying pending. The Company has also filed an application with the Hon'ble High Court of Delhi on 29 May 2020 for execution of the Appellate order.
8. Due to the outbreak of Covid-19 and Nationwide Lockdown, we had verified the physical documents to the extent possible, however the Company has made available the documents / information electronically which we could not verify physically.

For **DMK Associates**
Company Secretaries

(**Deepak Kukreja**)
B.COM, FCS, LL.B, ACIS (UK), IP
PARTNER
UDIN: F004140B000568814
C. P. No. 8265
M No. 4140

Date: 11 August 2020
Place: New Delhi

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 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 operations.

4. Composition of the CSR Committee:

Name of Committee Members	Designation	Category
Mr. Anil Kumar Mittal	Chairman	Executive & Chairman & Managing Director
Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
Mr. Alok Sabharwal*	Member	Independent Non-Executive Director
Mr. Ashwani Dua	Member	Independent Non-Executive Director

Name of Committee Members	Designation	Category
Ms. Priyanka Mittal	Member	Executive & Whole-Time Director
Mr. Vinod Ahuja*	Member	Independent Non-Executive Director

* Mr. Alok Sabharwal and Mr. Vinod Ahuja, Independent Non-Executive Directors were inducted to the Corporate Social Responsibility Committee w.e.f. 07 November 2019.

5. Average Net Profit of the Company for last three Financial Years: ₹ 65,087 lacs

6. Required CSR Expenditure (Two Percent of the amount as in item 5 above): ₹ 1,302 lacs.

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

As per Section 135 of the Companies Act, 2013, the Company was required to spend ₹ 1,302 lacs towards CSR activities out of which ₹ 188 lacs was utilized on the CSR activities specified in Schedule VII of the Companies Act, 2013.

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

During the financial year 2017-18, the Company had started the project for setting up the centralised kitchen for mid-day meal program for school children in Ghaziabad, Uttar Pradesh. Since last two years the Company had the several rounds of discussion with The Akshaya Patra Foundation in order to find out any solution for the commencement of the project, Considering the prolonged delay due to non-availability of critical approvals from the respective authorities and non-availability of land near thereto Ghaziabad, Uttar Pradesh the project for setting up the Kitchen in Ghaziabad, Uttar Pradesh was dropped.

In lieu of that and with the intent to serve the society at large, the Company has shown its own alternate parcel of land near to its Factory at Gautam Budh Nagar Unit to The Akshaya

Patra Foundation for setting up the centralised kitchen for mid-day meal program with the capacity to serve 20,000 school childrens which is acceptable to them. The Company is aggressively working with the Akshaya Patra Foundation for Setting up the Centralized Kitchen in Gautam Budh Nagar, Uttar Pradesh and is expecting to commence the project in the financial year 2020-21 itself. This inadvertent delay in the project of The Akshaya Patra Foundation had led to non-utilization of major CSR funds during the year 2019-20. We are hopeful for the completion of the project during the year 2020-21.

Further, 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 will be conducted. In order to implement this CSR project the Company met various CSR consultants of repute during the year. The Company is in the process for finalizing this project as well.

Considering the overall status of CSR Projects, as on date the Company has various CSR Projects which inter-alia includes the Akshaya Patra kitchen project, the project for setting up a World Class Grain Milling and Skill Development Centre. Apart from the above the Company is continuously working on supporting the community at large in order to fight with COVID-19 pandemic.

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 utilize on the existing projects and identification of new 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 2020-21 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 the allocable amount on CSR activities.

8. Details of CSR spent during the financial year:

- Amount spent during the year:** ₹ 188 lacs.
- Amount unspent, if any:** ₹ 1,114 lacs.
- Manner in which the amount spent during the financial year is detailed below:**

(Amount in ₹ lacs)

CSR PROJECTS IDENTIFIED IN THE YEAR 2018-19 AND 2019-20 AND SUCCESSFULLY COMPLETED								
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		
1	Project for Sponsoring Scholarship for providing Education to the Students*	Promoting Education including Special Education	Sangrur, Punjab	0.30	0.23	-	0.23	Direct
2.	Village Development Activity#	Rural Development Activity	Sonepat, Haryana	140.00	142.52	-	157.38	Direct

(Amount in ₹ lacs)

CSR PROJECTS IDENTIFIED IN THE YEAR 2018-19 AND 2019-20 AND SUCCESSFULLY COMPLETED								
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		
3.	Project for Promoting Sports	Promotion of National and Rural Sports	Sangrur, Punjab	10.00	9.97	-	9.97	Direct
4.	Project of Ladli Foundation Trust for Promoting healthcare	Promoting Healthcare	Delhi	5.00	5.00	-	5.00	Implementing Agency-Trust
5.	Project of Rotary Club of Bombay Worli for Promoting healthcare	Promoting Healthcare	Mumbai	5.00	5.00	-	5.00	Implementing Agency-Trust
6.	Project of Shakti Foundation for Promoting healthcare	Promoting Healthcare	Chennai	20.00	20.00	-	20.00	Implementing Agency-Trust
7.	Project of Rajiv Gandhi Cancer Institute and Research Centre for Promoting healthcare	Promoting Healthcare	Delhi	5.00	5.00	-	5.00	Implementing Agency-Society
TOTAL				185.30	187.72	-	202.58	

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

#The Budgeted amount is excluding taxes.

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

Place: Noida, Uttar Pradesh
Date: 11 August 2020

Anil Kumar Mittal
 Chairman & Managing Director
 DIN-00030100

Annexure-7

BUSINESS RESPONSIBILITY REPORT

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 – 110 006
4. Website	www.krblrice.com
5. E-mail	investor@krblindia.com
6. Financial year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	<p>Agri Division-Group: 106 & Group: 011</p> <p><u>Group: 106</u></p> <p><u>Rice, Rice Products and Other By-products</u> (Class: 1061, Sub-Class: 10612 - Rice milling)</p> <p><u>Quinoa</u> (Class: 1061, Sub-Class: 10614 - Grain milling other than wheat, rice and dal)</p> <p><u>Seed</u> (Class: 1061, Sub-Class: 10619 - Other Grain milling and processing)</p> <p><u>Glucose</u> (Class: 1062, Sub-Class: 10623 - Manufacture of glucose, glucose syrup, maltose etc.)</p> <p><u>Group: 011</u> Chia Seed and Flax Seed (Class: 0111, Sub-Class: 01119- Other Oil Seeds)</p> <p>Energy Division- Group: 351 Solar Power Plant (Class: 3510, Sub-Class: 35105- Electric power generation using Solar Energy)</p> <p><u>Wind Power Plant</u> (Class: 3510, Sub-Class: 35106 - Electric power generation using other non-conventional sources)</p>

8. List three key products/services that the Company manufactures/ provides	<p>KRBL is India's Largest Rice producer, with a 131 year old heritage, having national as well as international presence.</p> <p>1) Rice- India Gate, Unity, Nur Jahan</p> <p>2) Solar Power Plant</p> <p>3) Wind Power Plant</p>
9. Number of locations where business activities are undertaken by the Company	<p>Agri division: Manufacturing facilities: Gautam Budh Nagar, Uttar Pradesh Dhuri, Punjab</p> <p>Other facilities (grading, sorting and packaging): Gautam Budh Nagar, Uttar Pradesh Dhuri, Punjab Sonipat, Haryana Alipur, Delhi</p> <p>Energy Division:</p> <p>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)</p> <p>Solar Division: Madhya Pradesh (Rajgarh, Agar-Malwa, Sehore) Biomass - Dhuri, Gautam Budh Nagar</p> <p>Corporate Office-Noida-Uttar Pradesh</p> <p>Registered Office-Lahori Gate, Delhi</p>
10. Markets served by the Company Local/State/ National/International	<p>KRBL has a strong distributor network spread across India. KRBL exports to 82 countries and leads the basmati rice consuming market in the branded segment.</p>

Section B: Financial Details of the Company

1. Paid Up Equity Share Capital (₹): ₹ 2,354 lacs
2. Total Turnover (₹): ₹ 4,49,864 lacs
3. Total Profit after Taxes (₹): ₹ 55,152 lacs
and Other Comprehensive Income (₹)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)
The Company spent a total of ₹ 188 lacs on CSR activities during the financial year under review, representing 0.34% of Profit after Tax.
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 (Includes step down Wholly Owned Subsidiary) and K B Exports Private Limited, India.
2. Principle-wise (as per NVGs) BR Policy/Policies:

S.No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
(a)	Details of Compliances (Reply in Y/N)									
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	Y	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N
(b)	If the answer to the question at serial number 1 against any principle is 'No', please explain why: Not Applicable									

3. 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
4. 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 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 BR
 - a) Details of the Director and Business Responsibility Head responsible for implementation of the Business Responsibility Policy/Policies
 - DIN : 00030100
 - Name : Mr. Anil Kumar Mittal
 - Designation : Chairman & Managing Director
 - Telephone : +91-120-4060300
 - E-mail : investor@krblindia.com

2. 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 BR performance annually.

- 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 2019-20 and is available on Company's website www.krblrice.com under the link Investor Relations.

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 Anti-Bribery & Anti-Corruption Policy includes the Company's policy on Ethics, Bribery and Corruption which covers the Company and all its Vendors, Contractors, Suppliers, Associates along with other Stakeholders. Further, the Company has also established a mechanism called Vigil Mechanism (Whistle Blower Policy) to report unethical behaviour, malpractices, fraud and other incidents of misconduct. Under Whistle Blower Policy all the Directors, Employees and Business Associates can directly report the incidents of misconduct with the Chairman of Audit Committee. In addition to this, the Company is having a mechanism 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?

During this year, we have not received any 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	10,34,786 kwh
	Carbon Reduction	8,46,703 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?

Since the Company is extensively involved in rice processing, our major suppliers are farmers. In this regard, the KRBL have a policy for sustainable sourcing through which the Company chooses their farmers through strictly laid out procedure and engagement. And also 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 along with efficient utilization of materials like fertilizer and reduced use of pesticides. 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 procures rice only from local farmers since the Company works with farming communities and in the basmati rice growing regions around the places where it operates. In order to ensure that all the farmers harvest good quality grain, the Company provides them with the superior quality seeds that are a result of extensive research and development. Apart from this, the Company also 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 appropriate prices for their agricultural produce. KRBL ensures that the farmers that it works along with are a part of its CSR activities too. Further, the Company has also 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 products and waste?

Yes, KRBL has a mechanism in place to recycle waste and ensures that none of its operational by-products go to waste. The Company 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 Company'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 2234 Employees as on 31 March 2020.
- 2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.**
We have 710 Contractual Employees as on 31 March 2020.
- 3. Please indicate the number of permanent women employees.**
We have 74 permanent Women Employees as on 31 March 2020.
- 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?**
Not Applicable
- 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 2019-2020, 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, 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. 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 and sewage lines etc. The Company has filed the environmental statement for the same.

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 and covers all its Employees, Suppliers, Farmers and Contractors associated with it. The Company has also extended 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 which includes reduction of environmental footprint and protection of environment at different levels. Further, 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 (by product generated at KRBL's facility) as fuel.

The Company is also 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?

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) And risk pertaining to Raw Material.

The Company has Environment Protection Policy which identified the environment risks and took 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. Also, if Yes, whether any Environmental Compliance Report is filed?

Yes, KRBL has a project in relation to Clean Development Mechanism for its Biomass Energy 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 Company's Dhuri as well as Ghaziabad Unit 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 CO2)	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 144.84 MW in 2019-2020.

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 Indian Basmati Farmers from past many decades. Even in the face of severe competition, the Company 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)?

Yes, KRBL is associated with various Indian Basmati 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, which 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 pertaining 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.

The Company has undertook 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 Unit Teams which undertakes CSR activities and initiatives. Further the Company is also doing CSR Project for setting up of Centralized Kitchen near to its Factory at Gautam Budh Nagar Unit in association with Akshaya Patra Foundation a Non-Profit Organisation (NPO).

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

Yes, the Company assessed 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 ₹ 188 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?

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 being 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

Place: Noida, Uttar Pradesh

Date: 11 August 2020

Anil Kumar Mittal
Chairman & Managing Director
DIN-00030100



REPORT ON CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE

"Good corporate governance, it's about being proper and prosper"

KRBL Limited ('KRBL' or 'the Company') believe that good corporate governance is all about ensuring that the Company is being 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.

For KRBL, 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 2020, the Board comprises of 10 (Ten) members, 6 (Six) of which are Independent Non-Executive Directors including 1 (One) Independent Woman Director, constituting 60% 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, 2 (Two) are Joint Managing Directors and 1 (One) is Whole Time Director. 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. Since the Chairperson of KRBL Limited Board is an Executive Director and Promoter as well, more than half of the Board of KRBL Limited comprises of Independent Non-Executive Directors.

B. ROTATION/REAPPOINTMENT OF DIRECTORS

Retirement by rotation and subsequent re-appointment

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and Article 126 of the Articles of the Association of the Company, two-thirds of the total number of directors shall be liable to retire by rotation and out of the two-thirds rotational directors, one-third of such directors shall retire from office every year. The directors to retire by rotation at every Annual General Meeting (AGM) shall be those who have been longest in office since their last appointment. Further pursuant to the provisions of Section 149(13) of the Companies Act, 2013, the retirement of directors by rotation shall not be applicable to the Independent Directors.

Accordingly, Mr. Anil Kumar Mittal (DIN: 00030100), Chairman & Managing Director of the Company, being longest in his office amongst the Directors liable to retire by rotation, retire from the Board by rotation this year and being eligible, has offered his candidature for re-appointment. This shall not constitute a break in his office as the Chairman & Managing Director of the Company.

Appointment of Independent Non-Executive Director

Pursuant to the provisions of Section 149, 150, 160 and Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and SEBI Listing Regulations, and taking into consideration the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company vide Resolution by Circulation dated 25 September 2019 had appointed Ms. Priyanka Sardana as an Additional Director under the category of Independent Non-Executive for a period of 5 (Five) consecutive years commencing from 25 September 2019 to 24 September 2024. In terms of Section 161 of the Companies Act, 2013, Ms. Priyanka Sardana holds office from 25 September 2019 upto the date of the forthcoming Annual General Meeting and is eligible for appointment. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors had recommended the appointment of Ms. Priyanka Sardana as an Independent Non-Executive Director for a period of 5 (Five) consecutive years commencing from 25 September 2019 to 24 September 2024, for the approval of the shareholders in its forthcoming Annual General Meeting.

There was a slight delay in the appointment of Woman Independent Director on the Board which was duly filled by the Company w.e.f 25 September 2019, by appointment of Ms. Priyanka Sardana as a Woman Independent Director, since the Company was looking for the best suitable person who possesses relevant knowledge and experience in the field of its operations and can positively contribute to the functioning of the Company.

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 Companies Act, 2013 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 Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and are 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.

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 2019-20:

Brief Information about Directors		Attendance record during Financial Year 2019-20			Directorship/Membership /Chairmanship as on 31 March 2020		
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 2020	Number of Committee Positions held in all Companies** as on 31 March 2020	
		Held	Attended			Chairman	Member
Executive Directors							
Mr. Anil Kumar Mittal	00030100	4	4	Yes	15	1	1
Mr. Arun Kumar Gupta	00030127	4	4	Yes	15	1	1
Mr. Anoop Kumar Gupta	00030160	4	4	Yes	15	-	3
Ms. Priyanka Mittal	00030479	4	4	Yes	2	-	1
Independent Non-Executive Directors							
Mr. Ashwani Dua	01097653	4	1	Yes	5	2	4
Mr. Alok Sabharwal	03342276	4	3	Yes	1	-	1
Mr. Devendra Kumar Agarwal	06754542	4	4	Yes	1	1	1
Ms. Priyanka Sardana***	00049811	4	2	NA	3	-	-
Mr. Shyam Arora	00742924	4	3	Yes	2	-	3
Mr. Vinod Ahuja	00030390	4	4	Yes	15	-	4

*This includes Directorships in all Companies, (Listed, Unlisted Public and Private Limited Companies incorporated in India) including KRBL Limited.

** 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, CSR Committee and Risk Management Committee were also taken into consideration.

*** Ms. Priyanka Sardana was appointed as an Additional Director under the category of Independent Non-Executive w.e.f. 25 September 2019. Further Ms. Priyanka Sardana had attended both the meetings held after her tenure.

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 20 (Twenty) 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 10 (Ten).

In compliance with Regulation 17A of the SEBI Listing Regulations, the Board Members of the Company does not serve as a Director in more than 7 (Seven) 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 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

Pursuant 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 commencing from 14 September 2019 to 13 September 2024 (except Mr. Alok Sabharwal and Ms. Priyanka Sardana). The tenure of Mr. Alok Sabharwal has been fixed for a period of 5 (Five) consecutive years commencing from 11 August 2016 to 10 August 2021 and the tenure of Ms. Priyanka Sardana has been fixed for a period of 5 (Five) consecutive years commencing from 25 September 2019 to 24 September 2024.

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 weblink <http://www.krbllrice.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 28 January 2020, 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 2020, at M-31A, 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 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; and
- Any other relevant information.

The policy on the familiarization programs for Independent Directors has been uploaded on the Company's website at the weblink <http://www.krbllrice.com/Familiarization-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 in 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 Schedule V 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	Mr. Alok Sabharwal	Mr. Ashwani Dua	Mr. Devendra Kumar Agarwal	Ms. Priyanka Mittal	Ms. Priyanka Sardana	Mr. Shyam Arora	Mr. Vinod Ahuja
Experience in leading well-governed organizations*	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Experience of crafting Business Strategies**	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Finance and Accounting Experience***	✓		✓		✓	✓	✓			✓
Experience of large Companies and understanding of the changing regulatory landscape****	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

*** Experience in leading well-governed organizations** – Experience in leading well-governed organizations, with an understanding of organizational 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 well-governed organization along with good 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

The Non-Executive Directors of the Company do not hold any Equity Shares. Further the Company is not having any convertible instruments.

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, 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 uphold ethical standards of integrity and probity, 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, Key Policies, 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 implement changes, whenever 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 of 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, systems for Risk Management, Financial and Operational Control and Compliance with the law and relevant standards.

- Oversees the process of disclosure and communications.

- Monitors Board evaluation framework.

- Aligned Key Managerial Personnel and remuneration of Board of Directors with the long term interests of the Company and its Shareholders.

- Company has well established Committees of the Board of Directors and their mandate in which composition and working procedures have been well defined.

• **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. And takes into account the interests of stakeholders.

- The Board is able to exercise objective independent judgment on Corporate Affairs.
- Board considers assigning a task to sufficient number of Non-Executive Board Members, capable of exercising Independent Judgment when 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 fulfill 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. Their wide knowledge in the 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 and Mr. Arun Kumar Gupta, 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.

3. BOARD MEETINGS AND PROCEDURES

A. BOARD MEETINGS

Company's Corporate Governance 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 Section 173(1) of the Companies Act, 2013 and Regulation 17(2) 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 resolutions by Circulation as permitted under Companies Act, 2013.

B. BOARD PROCEDURE

The Meetings of Board of Directors and Committees of Board are governed with the structured agenda. The Agenda is prepared in consultation with the Chairman of the Board/Committees of Board and other Board/Committee Members. The Agenda for the Meetings of the Board/Committees of Board together with the appropriate supporting documents are circulated well in advance to all the Board/Committee members. Detailed presentations are also made to the Board/Committee Members 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/Committee Members to enable them to discharge their responsibilities for the strategic supervision of the Company. The Board/Committee Members also review periodical compliances of all laws, rules and regulations. At the Board/Committees Meeting, the members have full freedom to express their opinion and decisions are taken after detailed deliberations. Members of the Senior Management team are also invited to attend the Board/Committees Meetings as and when required, which provides additional inputs to the items being discussed at the Board/Committees Meetings.

C. DETAILS OF BOARD MEETINGS HELD AND ATTENDED BY THE DIRECTORS DURING FINANCIAL YEAR 2019-20:

S. No.	Date of Board Meetings	Board Strength	Number of Directors Present	% of attendance
1.	Wednesday, 15 May 2019	9	7	77.78
2.	Thursday, 01 August 2019	9	8	88.89
3.	Monday, 04 November 2019	10	9	90.00
4.	Tuesday, 28 January 2020	10	9	90.00

In terms of Section 173(1) of the Companies Act, 2013 and Regulation 17(2) 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 (In individual capacity) as on 31 March 2020 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 of the Company are not holding any shares in the Company as on 31 March 2020.

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

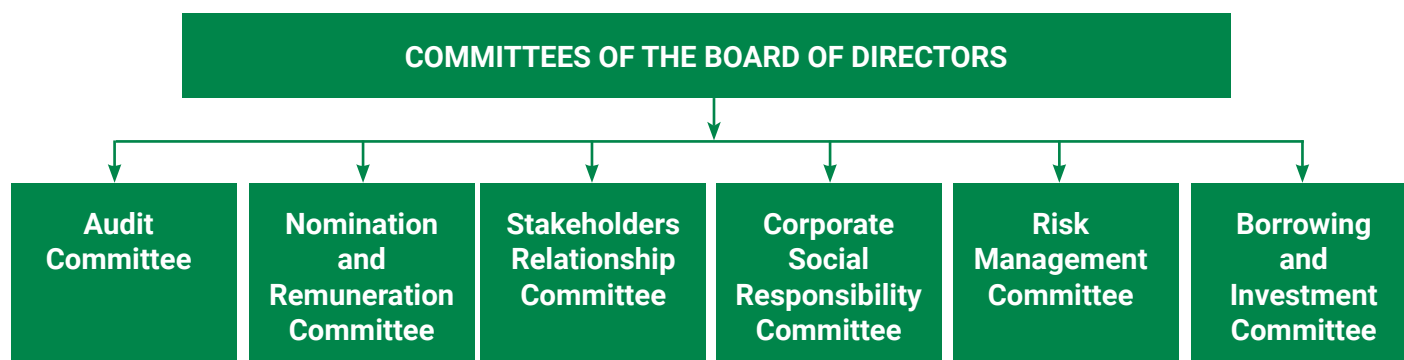
I. Composition of the Committee

As on 31 March 2020, the Audit Committee of KRBL comprises of following Members:

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

The Members of Audit Committee of the Company 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, Duties and Responsibilities of the Audit Committee of KRBL Limited includes the following:

- 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.
- Reviewing with the management, performance of Statutory Auditors and Internal Auditors.
- The recommendation for appointment, remuneration and terms of appointment of Auditors of the Company.
- Review and monitor the Auditor's independence, 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 the 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.
- 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.
- Recommendation to Board, the appointment, re-appointment and remuneration of Statutory Auditors.
- Approval for payment to Statutory Auditors for any other services rendered by them.
- Reviewing with the Management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement and in the Board's Report in terms of Section 134 (5) of the Companies Act, 2013.
 - Changes, if any, in accounting policies, 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 Related Party Transactions.
 - Qualifications in the Audit Report.
- Reviewing with the Management, the quarterly Financial Statements before submission to the Board for approval.
- Approval or any subsequent modification of transactions of the Listed Entity with Related Parties.
- 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 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.
- 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 Policy.
- Approval for 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 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 crores (Rupees One Hundred Crores) or 10% of the asset size of the Subsidiary, whichever is lower including existing loans/advances.

The Audit Committee of KRBL Limited reviews the following information:

- Management Discussion and Analysis of financial condition and result of operations;
- 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 Auditors;
- Internal Audit Reports relating to internal control weakness; and
- The appointment, removal and terms of remuneration of the Internal Auditor.

III. Meetings and Attendance

During the financial year 2019-20, 4 (Four) meetings of Audit Committee were held. Details of Audit Committee Meetings held and attended by Members during the financial year 2019-20 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Wednesday, 15 May 2019	5	3	60.00
2.	Thursday, 01 August 2019	5	5	100.00
3.	Monday, 04 November 2019	5	4	80.00
4.	Tuesday, 28 January 2020	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. Anoop Kumar Gupta	Member	4	4	100.00
3.	Mr. Ashwani Dua	Member	4	1	25.00
4.	Mr. Shyam Arora	Member	4	3	75.00
5.	Mr. Vinod Ahuja	Member	4	4	100.00

B. NOMINATION AND REMUNERATION COMMITTEE

I. Composition of the Committee

As on 31 March 2020, the Nomination and Remuneration Committee of KRBL comprises of following Members:

Name	Designation	Category
Mr. Ashwani Dua	Chairman	Independent Non-Executive Director
Mr. Shyam Arora	Member	Independent Non-Executive Director
Mr. Vinod Ahuja	Member	Independent Non-Executive Director

The primary objective of the Nomination and Remuneration Committee is to screen and 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, Duties and Responsibilities of the Nomination and Remuneration Committee of KRBL Limited includes the following:

- 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 for the Directors, Key Managerial Personnel and Senior Management Personnel of KRBL.
- Formulate the criteria for evaluation of performance of Independent Directors and the Board of Directors.
- To evaluate the performance of the Members of the Board and provide necessary report to the Board for further evaluation and to determine 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 devise a policy on diversity of Board of Directors.
- 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 determine 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 and recommend to the Board for approval, all remunerations, in whatever form, payable to Directors, Key Managerial Personnel and Senior Management.
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- 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.

III. MEETINGS AND ATTENDANCE

During the financial year 2019-20, 4 (Four) meetings of Nomination and Remuneration Committee were held. Details of Nomination and Remuneration Committee Meetings held and attended by Members during the financial year 2019-20 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Wednesday, 15 May 2019	3	2	66.67
2.	Thursday, 01 August 2019	3	3	100.00
3.	Monday, 04 November 2019	3	2	66.67
4.	Tuesday, 28 January 2020	3	2	66.67

The attendance details of the Nomination and Remuneration Committee Members are as follows:

S. No.	Name	Position	Meetings held	Meetings attended	% of attendance
1.	Mr. Ashwani Dua	Chairman	4	2	50.00
2.	Mr. Shyam Arora	Member	4	3	75.00
3.	Mr. Vinod Ahuja	Member	4	4	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 and Senior Management Personnel 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 KMPs and Senior Management other than Directors is recommended by Nomination and Remuneration Committee and approved by the Board of Directors of the Company.

The Non-Executive Directors are paid with the sitting fee upto the limit as specified under the Companies Act, 2013 read with SEBI Listing Regulations.

The Nomination and Remuneration policy of KRBL Limited is available on the Company's website at the weblink <http://www.krbllimited.com/policy-guidelines/nomination-remuneration-policy.pdf>

V. Remuneration of Directors

I. Remuneration to Non-Executive Directors

The Independent Non-Executive Directors are being paid with the sitting fees for attending Board Meetings. Considering the active participation of Independent Non-Executive Directors, the Board of Directors in their meeting held on 01 August 2019, had increased their sitting fees from ₹ 25,000 (Rupees Twenty Five Thousand Only) to ₹ 50,000 (Rupees Fifty Thousand Only) effective from 01 August 2019 plus actual reimbursement of out of pocket expenses incurred by them for attending Board Meetings.

Details of Sitting Fees paid to the Independent Non-Executive Directors during the Financial Year 2019-20 are as follows:

(Amount in ₹ lacs)		
Name of the Directors	Sitting Fees Paid FY 2019-20* Board Meeting	No. of shares held as on 31 March 2020
Mr. Ashwani Dua	0.50	Nil
Dr. Alok Sabharwal	1.25	Nil
Mr. Devendra Kumar Agarwal	1.75	Nil
Ms. Priyanka Sardana [^]	1.00	Nil
Mr. Shyam Arora	1.50	Nil
Mr. Vinod Ahuja	1.75	Nil

* The same is excluding GST.

[^] Ms. Priyanka Sardana was appointed as an Additional Director w.e.f. 25 September 2019.

The Company has also taken a Directors & Officers Liability insurance policy in order to provide protection to Directors and Officers from liability arising from actions connected to their corporate responsibilities.

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 2019-20 are as follows:

(₹ in lacs)

Name & Designation of Director	Salaries	Perquisites	Total
Mr. Anil Kumar Mittal Chairman & Managing Director	119.06	0.40	119.46
Mr. Arun Kumar Gupta Joint Managing Director	119.06	18.26	137.32
Mr. Anoop Kumar Gupta Joint Managing Director	119.06	0.40	119.46
Ms. Priyanka Mittal Whole Time Director	75.00	5.55	80.55

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

I. Composition of the Committee

As on 31 March 2020, the Stakeholders Relationship Committee of KRBL comprises of following Members:

Name	Designation	Category
Mr. Ashwani Dua	Chairman	Independent Non-Executive Director
Mr. Shyam Arora	Member	Independent Non-Executive Director
Mr. Vinod Ahuja	Member	Independent Non-Executive Director

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 Role, Duties and Responsibilities of the Stakeholders Relationship Committee of KRBL Limited includes the following:

- To approve or deal with applications related to transmission, transposition and mutation of Share Certificates including duplicate, split, sub-division and consolidation of Share Certificates.
- Resolving the grievances of the security holders 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 2019-20, 4 (Four) meetings of Stakeholders Relationship Committee were held. Details of Stakeholders Relationship Committee Meetings held and attended by Members during the financial year 2019-20 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Wednesday, 15 May 2019	3	2	66.67
2.	Thursday, 01 August 2019	3	3	100.00
3.	Monday, 04 November 2019	3	2	66.67
4.	Tuesday, 28 January 2020	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	2	50.00
2.	Mr. Shyam Arora	Member	4	3	75.00
3.	Mr. Vinod Ahuja	Member	4	4	100.00

IV. INVESTORS GRIEVANCE REDRESSAL

Pursuant to the provisions of Regulation 13 of SEBI Listing Regulations, KRBL Limited has submitted with the recognized Stock Exchange(s) on a quarterly basis, within twenty one days from the end of each quarter, the 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 but one complaint was received by the Company during the year, which was resolved within the specified time. No complaints were outstanding as on 31 March 2020. No requests for Transfer/Transmission and for Dematerialization were pending for approval as on 31 March 2020. The Registrar and Share Transfer Agent (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 weblink <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 to Board the amount of expenditure to be incurred on such activities and to monitor the CSR Policy of the Company from time to time.

I. Composition of the Committee

As on 31 March 2020, the CSR Committee of KRBL comprises of following 6 (Six) Members out of which 3 (Three) are Executive Directors and 3 (Three) are Independent Non-Executive Directors:

Name	Designation	Category
Mr. Anil Kumar Mittal	Chairman	Executive & Chairman & Managing Director
Mr. Anoop Kumar Gupta	Member	Executive & Joint Managing Director
Mr. Alok Sabharwal*	Member	Independent Non-Executive Director
Mr. Ashwani Dua	Member	Independent Non-Executive Director
Ms. Priyanka Mittal	Member	Executive & Whole Time Director
Mr. Vinod Ahuja*	Member	Independent Non-Executive Director

* Mr. Alok Sabharwal and Mr. Vinod Ahuja, Independent Non-Executive Directors were inducted to the Corporate Social Responsibility Committee w.e.f. 07 November 2019.

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 Role, Duties and Responsibilities of the CSR Committee of KRBL Limited includes the following:

- To 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 to the Board the amount of expenditure to be incurred on the activities referred in the CSR policy.
- To monitor the CSR Policy of the Company from time to time.
- To prepare transparent monitoring mechanism for ensuring implementation of the projects, programmes, activities proposed to be undertaken by the Company.
- To monitor and oversee the implementation of the Company's CSR policies and practices to ensure compliance with the applicable legal and regulatory requirements.
- To evaluate and enhance the Company's CSR performance and make recommendation to the Board for improvement.
- To review and endorse the Company's Annual CSR Report for Board's approval for public disclosure.
- To contribute towards better society and a cleaner Environment.
- To 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.

The Company has formulated the CSR Policy in line with Schedule VII of the Companies Act, 2013. The same is available on the Company's website at the weblink <http://www.krblice.com/policy-guidelines/policy-corporate-social-responsibility.pdf>

III. Meeting and Attendance

During the financial year 2019-20, 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 2019-20 are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Saturday, 06 July 2019	4	3	75.00
2.	Thursday, 07 November 2019*	6	4	66.67
3.	Monday, 27 January 2020	6	5	83.33

* Mr. Alok Sabharwal and Mr. Vinod Ahuja, Independent Non-Executive Directors were inducted to the Corporate Social Responsibility Committee w.e.f. 07 November 2019.

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.	Ms. Priyanka Mittal	Member	3	1	33.33
4.	Mr. Ashwani Dua	Member	3	1	33.33
5.	Mr. Alok Sabharwal	Member	3	2	66.67
6.	Mr. Vinod Ahuja	Member	3	2	66.67

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 2020, 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. Raman Sapra, Company Secretary, acts as Secretary to the Risk Management Committee.

II. 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 Role, Duties and Responsibilities of the Risk Management Committee of KRBL Limited includes the following:

- To review and approve the Risk Management Policy and associated frameworks, processes and practices including cyber security of the Company.
- To ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.
- To evaluate significant risk exposures of the Company and assess Management's actions to mitigate the exposures in a timely manner.
- To form and delegate authority to sub-committees when appropriate.
- To obtain advice and assistance from Internal or External Legal, Accounting or other Advisors.
- The Committee shall have access to any internal information necessary to fulfill its oversight role.

III. Meeting and Attendance

During the Financial Year 2019-20, 1 (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.	Thursday, 27 February 2020	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 2020, 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 Role, Duties and Responsibilities of the Borrowing and Investment Committee of KRBL Limited includes the following:

- To approve and recommend to the Board wherever necessary, all investment and borrowings proposals and execution of instruments in relation thereto.
- To approve and recommend to the Board wherever necessary, 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.
- To ensure that the Company is taking appropriate measures to achieve prudent balance between investments and borrowings.
- To form and delegate authority to sub-committees when deem appropriate. The Committee shall make regular reports to the Board.
- To obtain advice and assistance from internal or external legal, accounting or other advisors.
- The Committee shall have access to any internal information necessary to fulfill its oversight role.

III. Meeting and Attendance

During the Financial Year 2019-20, 4 (Four) Meeting of the Borrowing and Investment Committee were held. Meeting and Attendance details of Borrowing and Investment Committee Meetings are as follows:

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
1.	Wednesday, 30 October 2019	4	4	100.00
2.	Saturday, 07 December 2019	4	4	100.00
3.	Tuesday, 28 January 2020	4	4	100.00

S. No.	Date of Committee Meetings	Committee Strength	Number of Members Present	% of attendance
4.	Saturday, 21 March 2020	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	4	4	100.00
2.	Mr. Arun Kumar Gupta	Member	4	4	100.00
3.	Mr. Anoop Kumar Gupta	Member	4	4	100.00
4.	Mr. Rakesh Mehrotra	Member	4	4	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 10% 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. The same is available on the Company's website at the weblink: <http://www.krbllrice.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
26 th AGM-2019	11.00 A.M. Friday 13 September 2019 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	<ul style="list-style-type: none"> - Re-appointment of Mr. Devendra Kumar Agarwal (DIN: 06754542) as an Independent Non-Executive Director. - Re-appointment of Mr. Ashwani Dua (DIN: 01097653) as an Independent Non-Executive Director. - Re-appointment of Mr. Shyam Arora (DIN: 00742924) as an Independent Non-Executive Director. - Re-appointment of Mr. Vinod Ahuja (DIN: 00030390) as an Independent Non-Executive Director. - Re-appointment of Mr. Anil Kumar Mittal (DIN: 00030100) as Chairman & Managing Director of the Company and revision in remuneration. - Re-appointment of Mr. Arun Kumar Gupta (DIN: 00030127) as Joint Managing Director of the Company and revision in remuneration. - Re-appointment of Mr. Anoop Kumar Gupta (DIN: 00030160) as Joint Managing Director of the Company and revision in remuneration.
25 th AGM- 2018	11.00 A.M. Monday 20 August 2018 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	<ul style="list-style-type: none"> - No Special Resolution was passed in AGM.
24 th AGM- 2017	11.00 A.M. Tuesday 26 September 2017 Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi-110 003	<ul style="list-style-type: none"> - No Special Resolution was passed in AGM.

B. SPECIAL RESOLUTION PASSED THROUGH POSTAL BALLOT DURING THE FINANCIAL YEAR 2019-20

During the Financial Year 2019-20, 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

All Related Party Transactions entered into by the Company were in the ordinary course of business and at arm's length price. Further the same were not having any potential conflict with the interest of the Company. Also, there were no transactions with Related Parties which qualify as Material Related Party Transactions under SEBI Listing Regulations.

The Company has disclosed the Related Party Transactions as per Indian Accounting Standard Ind AS 24 forming part of Note 40 to the Standalone Financial Statements.

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 available on the Company's website at the weblink <http://www.krblice.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 are disclosed in Note 2 to the Financial Statements.

D. STATUTORY COMPLIANCE, PENALTIES AND STRICTURES

Your Company has complied with all applicable provisions of the SEBI Listing Regulations and other applicable regulations and guidelines issued by SEBI and Stock Exchanges. Further 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. The Company has also established a system through which Directors, Employees, Business Associates may report via e-mail or via physical mode the unethical behavior, malpractices, wrongful conduct, fraud or violation of Company's code of conduct without any 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 same is available on the Company's website at the weblink [http://www.krblice.com/policy-guidelines/Vigil-Mechanism-\(Whistle-Blower%20Policy\).pdf](http://www.krblice.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 fees to them.

H. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

The disclosure regarding the appointment of Directors is given under the head Board of Directors, forming part of the Report on Corporate Governance. The relevant details are also forming part of Notice calling AGM of the Company.

I. RISK MANAGEMENT

The Company from time to time apprises the Board of Directors of the Company with the material risks, concerns and its mitigation plans, related to the Company and the Industry in which the Company operates

J. CORPORATE SOCIAL RESPONSIBILITY

The detailed Annual Report on Corporate Social Responsibility is disclosed as **Annexure-6** in the Directors' Report section forming part 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 and 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 on prevention of Sexual Harassment at the workplace (Policy on POSH). The same is available on the Company's website at the weblink <http://www.krblice.com/policy-guidelines/SEXUAL%20HARASSMENT%20POLICY.pdf>

A statement giving details of Sexual Harassment Complaints during the year 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 the Report on Corporate Governance.

8. MEANS OF COMMUNICATION

FINANCIAL RESULTS AND ANNUAL REPORTS ETC.

The extracts of 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.

The full format of the Quarterly Financial Results is 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.krblice.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.krblice.com under the link Investor Relations.

9. GENERAL SHAREHOLDER'S INFORMATION

I. ANNUAL GENERAL MEETING

Day, Date & Time	: Wednesday, 30 September 2020, 12.00 Noon
Financial Calendar	: The Financial year of the Company start from 1 st April each year and ends on 31 st March of the following year.

II. FINANCIAL REPORTING

Financial Year	01 April to 31 March
For the Financial Year 2019-20 results were announced on:	
1 st Quarter ended 30 June 2019	01 August 2019
2 nd Quarter and Half Year ended 30 September 2019	04 November 2019
3 rd Quarter ended 31 December 2019	28 January 2020
4 th Quarter and Year ended 31 March 2020	09 June 2020

For the Financial Year 2020-21, results are likely to be announced on: (Tentative and subject to change)

1 st Quarter ended 30 June 2020	By Second week of August 2020
2 nd Quarter and Half Year ended 30 September 2020	By Last week of October 2020
3 rd Quarter ended 31 December 2020	By Last week of January 2021
4 th Quarter and Year ended 31 March 2021	By First week of May 2021

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 same is available on the Company's website at the weblink <http://www.krblice.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 that effect forms a part of this report.

Declaration as required under Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

All Board of Directors, Senior Management personnel and other employees of the Company have affirmed compliance with the KRBL Code of Business Conduct and Ethics for the financial year ended 31 March 2020.

Anil Kumar Mittal

Noida, Uttar Pradesh Chairman & Managing Director
11 August 2020 DIN: 00030100

11. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING AND CODE OF PRACTICE AND PROCEDURE FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Pursuant to the Regulation 9 of 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, KRBL Limited is having the Code of Conduct to Regulate, Monitor and Report Trading by Insiders.

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 same is available on the Company's website at the weblink <http://www.krblice.com/codes/Code-of-Fair-Disclosure.pdf>

12. DATE OF BOOK CLOSURE

The dates of Book Closure shall be from Wednesday, 23 September 2020 to Wednesday, 30 September 2020 (both days inclusive).

13. DIVIDEND

The Board of Directors of the Company vide resolution by circulation dated 27 February 2020 have declared and paid an Interim Dividend of ₹ 2.80 (280%) per fully paid equity share of face value of ₹ 1 each aggregating to ₹ 6,591 lacs (Excluding Dividend Distribution Tax) for the Financial Year 2019-2020. The Interim Dividend was paid to those Shareholders whose names were provided by the Depositories as on the closure of business hours on 07 March 2020, being Record Date fixed for the purpose. The Interim Dividend declared by the Board of Directors shall be considered as total dividend for the year ended 31 March 2020.

14. REGISTRAR AND SHARE TRANSFER AGENT

The Company has appointed M/s. Alankit Assignments Limited, having its office at Alankit Heights, 4E/2, Jhandewalan Extension, New Delhi-110055 as its Registrar and Share Transfer Agent (RTA) for transfer of shares to both the Depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the changes made in provisions of Regulation 40(1) of SEBI Listing Regulations, the transfer of securities shall not be processed unless the securities are held in dematerialized form with effect from 01 April 2019. Further SEBI vide amendment dated 08 June 2018 and amended Regulation 40 of SEBI Listing Regulations has mandated all transfers of securities in dematerialized form only w.e.f. 01 April 2019.

The Stakeholders Relationship Committee reviews the share transmissions 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, 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 2019-20 has been paid to both the Depositories.

During the year under review 15,250 shares of the Company covered in 12 requests were converted into Dematerialized form and 20 shares of the Company, which were in physical form, were transferred to the demat account of IEPF Authority. As on 31 March 2020, 23,52,09,530 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, A Wing 4 th Floor, Kamala Mills Compound, Lower Parel, Mumbai-400 013 Telephone: 1800-222-990 E-mail: info@nsdl.co.in Website: www.nsdl.co.in	Marathon Futurex, A-Wing 25 th Floor, N.M. Joshi Marg, Lower Parel, Mumbai- 400 013 Telephone: 1800 22 5533 E-mail: heldesk@cdslindia.com Website: www.cdslindia.com

16. SHARE TRANSFER SYSTEM

All communications regarding share certificates, change of address, dividends etc. should be addressed to Registrar and Share Transfer Agent of the Company. The Company 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 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 the certificate of compliance for share transfer/transmission formalities as required under Regulation 40(9) and 40(10) of SEBI Listing Regulations, from a Company Secretary in whole time practice and filed the same with the Stock Exchanges as well on half yearly basis and also placed before the Stakeholders Relationship Committee Members and Board of Directors of the Company for noting, comments and advise.

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.

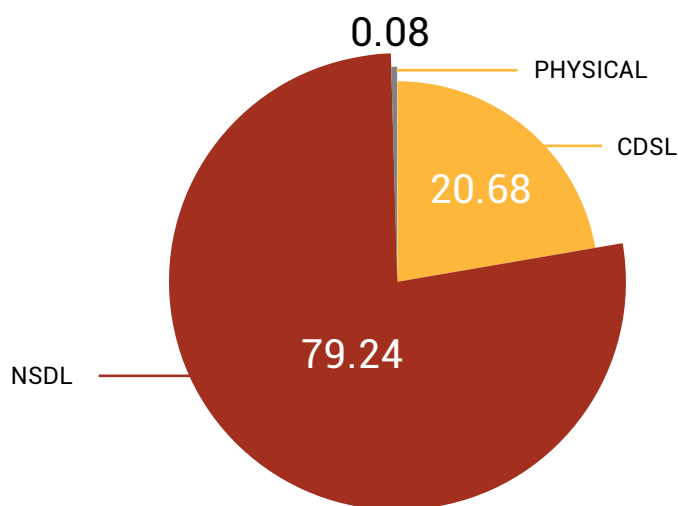
II. BSE LIMITED (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001
Website: www.bseindia.com
Stock Code: 530813

Your Company has paid the Annual listing fees to NSE and BSE for the Financial Year 2019-20.

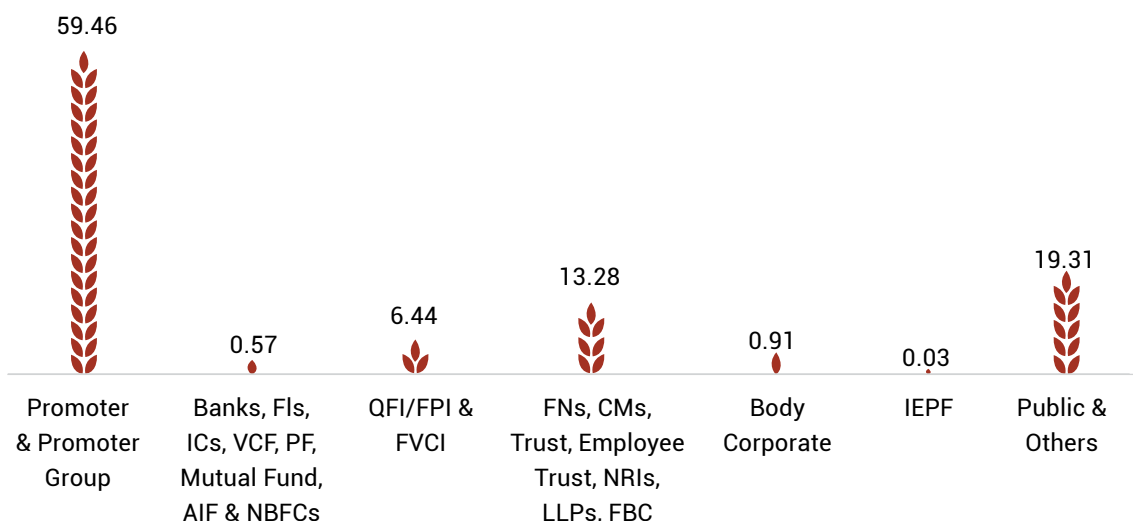
18. DISTRIBUTION OF SHAREHOLDING AS ON 31 MARCH 2020

Number of Shares held (₹ 1 each Fully Paid-up)	Folios		Shares of ₹ 1 each Fully Paid-up	
	Numbers	%	Numbers	%
1 – 50	14,103	38.77%	2,85,191	0.12%
51 – 100	4,718	12.97%	4,15,621	0.18%
101 – 500	10,614	29.18%	33,23,691	1.41%
501 – 1000	3,716	10.22%	27,74,042	1.18%
1001 – 5000	2,507	6.89%	53,66,892	2.28%
5001 – 10000	314	0.87%	22,87,819	0.97%
10001 – 50000	294	0.80%	60,22,116	2.56%
50001 – 100000	41	0.12%	30,37,998	1.29%
100001 & Above	65	0.18%	21,18,76,522	90.01%
Total	36,372	100.00%	23,53,89,892	100.00%

19. SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM AS ON 31 MARCH 2020 (IN %)**20. CATEGORY OF SHAREHOLDING AS ON 31 MARCH 2020**

Category	Number of Shares held	%
Promoter & Promoter Group	13,99,51,712	59.46%
Banks, FIs, Insurance Companies (ICs), Venture Capital Fund (VCF), Provident Fund (PF), Mutual Fund, Alternate Investment Fund (AIF) & NBFCs	13,45,567	0.57%
Qualified Foreign Investor (QFI), Foreign Portfolio Investor (FPI) & Foreign Venture Capital Investor (FVCI)	1,51,53,930	6.44%
Foreign Nationals (FNs), Clearing Members (CMs), Trust, Employee Trust, NRIs, LLPs, Foreign Body Corporate (FBC)	3,12,57,306	13.28%
Body Corporate	21,45,296	0.91%
Investor Education and Protection Fund (IEPF)	62,700	0.03%
Public and Others	4,54,73,381	19.31%
Total	23,53,89,892	100.00%

Category of Shareholders (%)



21. TOP TEN SHAREHOLDERS (OTHER THAN PROMOTERS) AS ON 31 MARCH 2020

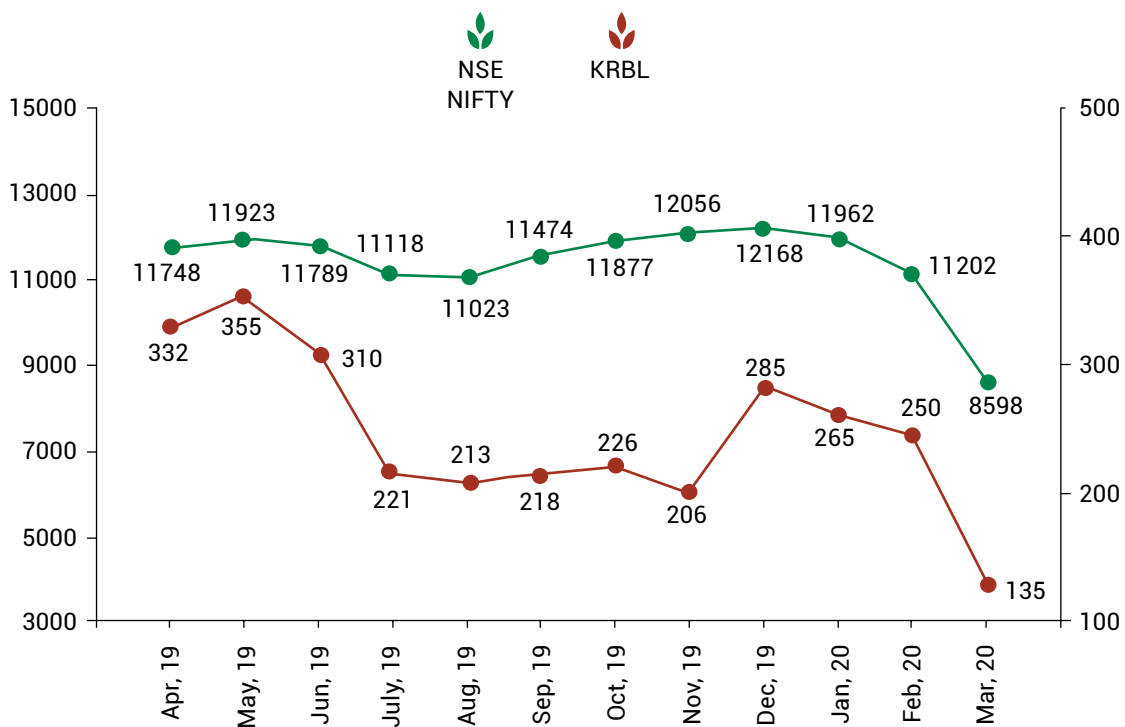
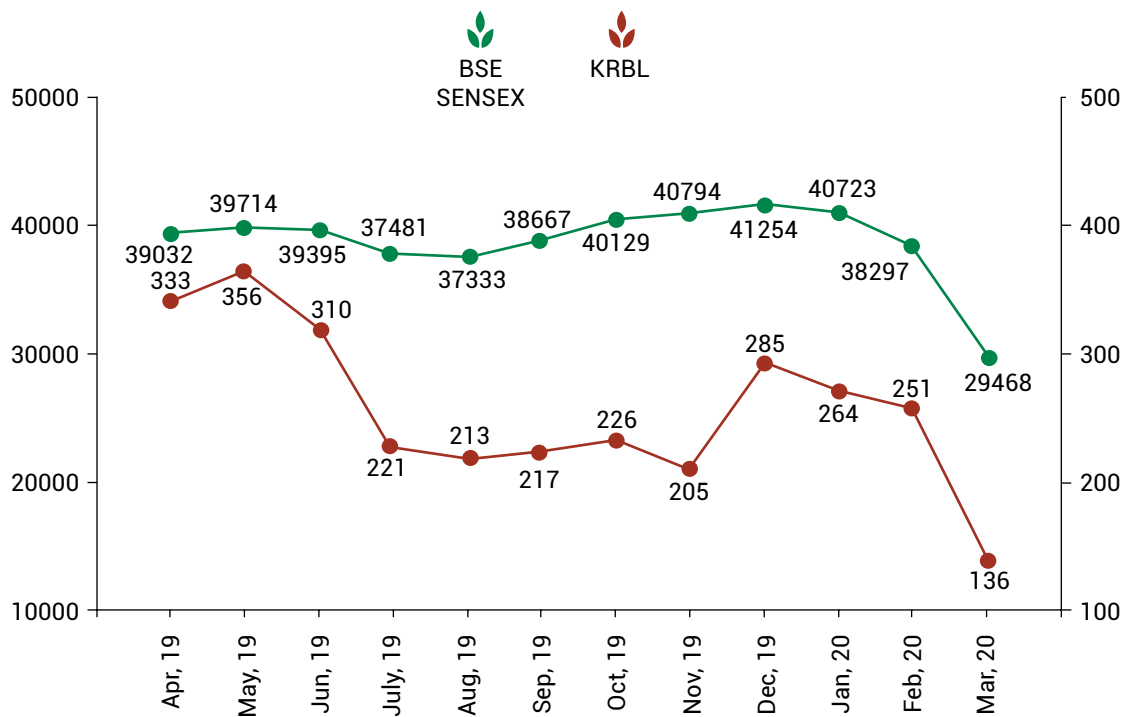
S. No.	Name	Number of Shares
1.	Reliance Commodities DMCC	2,29,00,000
2.	Joint Director of Enforcement, Central Region	1,07,44,891
3.	Anil Kumar Goel	65,11,201
4.	Kotak Mahindra (International) Limited	54,64,635
5.	Som Nath Aggarwal	36,64,678
6.	Abdullah Ali Balsharaf	35,88,330
7.	Seema Goel	28,17,000
8.	Vanguard Total International Stock Index Fund, A Series of Vanguard International Equity Index Fund	15,74,363
9.	Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Fund	15,04,132
10.	Reliance Capital Trustee Company Limited, A/c Nippon India Growth Fund	12,08,861

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, 2019	356	320	17,24,406	5,870	355	319	1,49,509	509
May, 2019	361	311	21,58,430	7,320	365	313	1,96,477	666
June, 2019	354	298	12,86,452	4,121	359	298	1,22,743	390
July, 2019	319	197	1,03,70,628	25,501	319	197	12,84,815	3,119
August, 2019	251	211	30,75,942	7,125	251	210	2,40,151	555
September, 2019	246	208	19,96,952	4,566	245	208	1,50,005	346
October, 2019	235	188	17,03,652	3,667	235	187	2,13,785	443
November, 2019	233	186	28,59,445	5,909	237	187	2,26,504	468
December, 2019	293	201	95,51,500	24,787	293	201	7,12,701	1,866
January, 2020	307	252	65,58,048	18,496	307	253	4,02,433	1,130
February, 2020	317	210	34,80,024	9,971	317	239	3,24,658	919
March, 2020	275	92	95,29,692	13,853	274	91	4,96,346	784

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 34,28,594 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 17,14,297 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 as required pursuant to Circular No. D&CC/FITTC/CIR-16/2002 31 December 2002, issued by the SEBI and Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018 (as amended) is submitted to the Stock Exchanges on quarterly basis and is also placed before the Stakeholders Relationship Committee Members and Board of Directors of the Company for noting, comments and advise.

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 2011-12 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
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
13 September 2019	2018-19	20 October 2026
27 February 2020	2019-20 (Interim)	04 April 2027

Attention is drawn that the Unclaimed Final Dividend for the Financial Year 2012-13 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

Pursuant to the provisions of Regulation 17(7) read with Part A of Schedule II of SEBI Listing Regulations, the Company placed before the Board of Directors on Quarterly basis, the quarterly details of Foreign Exchange Exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

During the year 2019-20, 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 38 to the Standalone Financial Statements.

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 the certificate from Mr. Deepak Kukreja, Proprietor, Deepak Kukreja & 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) 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) 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 Chandio & 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 2019-20 are as below:

Particulars	Amount (₹ in lacs)
Statutory Audit (including fees for limited reviews)	41
Tax Audit	8
Out of pocket expenses	4
Total	53

32. RATINGS

During the financial year 2019-20 the Company is holding various ratings, which are as follows:

- **ICRA:** In August 2019, "ICRA" has reviewed and reaffirmed [ICRA] AA-@ (pronounced as ICRA double A minus under rating watch with negative implications) rating for Fund Based Working Capital Limits and Term Loans Limits and [ICRA] A1+@ (pronounced as ICRA A One Plus under rating watch with negative implications) for Non-Fund Based Limits of KRBL Limited.
- **ICRA:** In August 2019 and November 2019, "ICRA" has also reviewed and reaffirmed [ICRA] A1+@ (pronounced as ICRA A One Plus under rating watch with negative implications) rating for Commercial Paper (CP) programme of KRBL Limited.
- **CARE:** In August 2019 and November 2019, "CARE" has given the [CARE] A1+ (pronounced as CARE A One Plus; under rating watch with negative implications) rating for Commercial Paper (CP) of KRBL Limited.

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

Within the next few days from the announcement of the audited/unaudited, quarterly/half yearly/annual financial results, the Company generally organizes investor conference calls and the media interactions with the Management, where the Management responds to the various queries of stakeholders at large.

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
Telephone: +91-11-23968328
E-mail: investor@krblindia.com
CIN: L0111DL1993PLC052845

35. REGISTERED OFFICE & ADDRESS FOR CORRESPONDENCE REGISTERED OFFICE

5190, Lahori Gate,
Delhi-110 006
Telephone: +91-11-23968328
Fax: +91-11-23968327
E-mail: investor@krblindia.com
Website: www.krblprice.com
CIN: L0111DL1993PLC052845

ADDRESS FOR CORRESPONDENCE CORPORATE OFFICE

C-32, 5th & 6th Floor,
Sector 62, Noida, Gautam Budh Nagar,
Uttar Pradesh - 201 301
Telephone: +91-120-4060300
Fax: +91-120-4060398

36. PLANT LOCATIONS

- 9th Milestone, Post-Dujana, Bulandshahr Road, Dist. Gautambudh Nagar, Uttar Pradesh-203 207.
- Village Bhasaur, (Dhuri), Distt. Sangrur, Punjab-148 024.
- Village Akbarpur Barota, Distt. Sonapat, Haryana-131 104
- 29/15-29/16, Village Jindpur, G. T. Karnal Road, Alipur, Delhi-110 036.
- Plot Number 258-260, Extended Lal Dora, Alipur, Delhi-110 036.

37. ADDRESS OF REDRESSAL AGENCIES TO LODGE THE GRIEVANCES

MINISTRY OF CORPORATE AFFAIRS

'A' Wing, Shastri Bhawan, Rajendra Prasad Road,
New Delhi – 110 001
Telephone: +91-11-23389602
Website: www.mca.gov.in

SEBI

Plot No.C4-A, 'G' Block, Bandra-Kurla Complex,
Bandra (East), Mumbai – 400 051, Maharashtra
Telephone: +91-22-26449000 / 40459000
Fax: +91-22-26449019-22 / 40459019-22
Telephone: +91-22-26449950 / 40459950
Toll Free Investor Helpline: 1800-266-7575
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
Telephone: +91-22-26598100/8114
Fax: +91-22-26598120
Website: www.nseindia.com

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001
Telephone: +91-22-22721233/34,
+91-22-66545695 (Hunting)
Fax: +91-22-22721919
E-mail: corp.comm@bseindia.com
Website: www.bseindia.com

DEPOSITORIES

National Securities Depository Limited (NSDL)

Trade World, A Wing, 4th Floor,
Kamala Mills Compound,
Lower Parel, Mumbai – 400 013
Telephone: 1800-222-990
E-mail: info@nsdl.co.in
Website: www.nsdl.co.in

Central Depository Services (India) Limited (CDSL)

Marathon Futurex, A-Wing, 25th Floor,
NM Joshi Marg Lower Parel,
Mumbai 400 013
Telephone: 1800-225-533
E-mail: helpdesk@cdslindia.com
Website: www.cdslindia.com

REGISTRAR & SHARE TRANSFER AGENT

M/s. Alankit Assignments Limited
Alankit House
4E/2, Jhandewalan Extension
New Delhi-110 055
Telephone: +91-11-42541234 / 23541234
Fax: +91-11-42541201
E-mail: info@alankit.com
Website: www.alankit.com

For and on behalf of the Board of Directors

Anil Kumar Mittal

Place: Noida, Uttar Pradesh **Chairman & Managing Director**
Date: 11 August 2020 **DIN-00030100**

PRACTICING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by KRBL Limited ('the Company') for the year ended on 31 March 2020, 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 2020.

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

Date: 11 August 2020
Place: New Delhi

(**Deepak Kukreja**)
B.COM, FCS, LL.B, ACIS (UK), IP
PARTNER
UDIN: F004140B000570739
C. P. No. 8265
M No. 4140

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 2020 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 2020 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 2019-20.
 - ii. Significant changes in accounting policies during the year 2019-20 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: 09 June 2020

Anil Kumar Mittal

Chairman & Managing Director

Rakesh Mehrotra

Chief Financial Officer



STANDALONE FINANCIALS

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Independent Auditor's Report

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 2020, 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 standalone 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 of the Company as at 31 March 2020, and its profit (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 Matters

4. We draw attention to:
 - a. Note 41 to the standalone financial statement, wherein it is stated that the Commissioner of Income Tax (Appeals), New Delhi, vide its order

dated 11 March 2020, has granted partial relief to the Company from an income tax demand received in the financial year ended 31 March 2019 and that the Company is in the process of filing an appeal with the Hon'ble Income Tax Appellant Tribunal for the remaining matters which have been sustained by the Commissioner of Income Tax (Appeals), New Delhi. Based on the legal assessment of the outcome of the Company's appeal against the aforesaid remaining income-tax demand, the management is of the view that no adjustment is required in the standalone Financial statement.

- b. Note 41 to the standalone financial statement, wherein it is stated that a portion of land parcels and building thereupon owned by the Company as identified in the aforesaid note has been attached by the Directorate of Enforcement ("ED"), which is being contested by the Company. The Company had filed an appeal with the Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal had ordered to restore the possession in favour of the Company, while, the aforesaid attachment would continue till the conclusion of the matter. The matter is being contested in the Hon'ble High Court of Delhi by both the parties as detailed in the aforesaid note. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the standalone financial statement.

Our opinion is not modified in respect of above matters.

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.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>Revenue recognition – Sale of Goods</p> <p>Refer Note 2(g) in the Summary of significant accounting policies and other explanatory information</p> <p>The Company recognised an amount of ₹ 4,49,864 lacs revenue for the year ended 31 March 2020, as disclosed in Note 23 to the standalone financial statements.</p> <p>Revenue for the Company primarily comprises of revenue from sale of manufactured goods (rice) and by products.</p> <p>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 having varying terms of contracts and the volume of the sales made to them.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>Our audit work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of each revenue stream, particularly of sale of rice and by 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 includes ratio analysis, product mix analysis, region wise analysis; • 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, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors. Further, reconciling revenue recorded during the year with statutory returns; • Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, to the relevant approvals and the supporting documents; • Evaluated disclosures made in the financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.
<p>Inventory existence and valuation</p> <p>Refer Note 2(f) in the Summary of significant accounting policies and other explanatory information.</p> <p>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.</p>	<p>Our audit work included, but was not limited to the following procedures:</p> <p><u>Existence:</u></p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process of inventory management and inventory physical verification performed subsequent to year-end; • Evaluated the design effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness;

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
<p>The Company held inventories amounting to ₹ 2,85,242 as at 31 March 2020. 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, silos, and storage bags. High quantity of inventory makes inventory physical verification an extensive procedure for the management, at the year end.</p> <p>The valuation of finished rice and by products is a comprehensive exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> • Allocable overheads and their absorption rates; • Determination of net realisable value of by-products such as husk, bran, etc, and • Determination of net realisable value of the different variety of finished product. <p>Due to outbreak of the COVID-19, there has been a lockdown enforced in the country near year end and several restrictions were imposed by the government on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques as further described in our audit procedures.</p> <p>Accordingly, existence and valuation of the year-end inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.</p>	<ul style="list-style-type: none"> • Reviewed the instructions given by senior management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/charts, identification of damaged inventory, if any, etc.; • Obtained 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; • Appointed an independent firm of Chartered Accountants ('Independent CA firm') for providing direct assistance in carrying out physical verification of the inventory on a sample basis subsequent to the balance sheet date and supervised and reviewed the work performed by them. • Verified movement of the recounted inventory, on sample basis, between the period between the date of stock take and 31 March 2020 with the supporting documents which includes, purchase invoice, internal transfer document for production for manufactured goods, sales invoice, dispatch register, gate inward/outward register, etc. to substantiate the existence of inventory as at the reporting date; <p><u>Valuation:</u></p> <ul style="list-style-type: none"> • Obtained an 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 allocable overheads and their absorption rate, 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.

Independent Auditor's Report

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 standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

8. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance 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.

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 is 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 with reference to financial statements in place and the operating effectiveness of such controls;

Independent Auditor's Report

- 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.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. 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.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, 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 accompanying standalone financial statements;
 - 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 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 9 June 2020 as per Annexure B expressed unmodified opinion, and;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of

Independent Auditor's Report

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 2020;
- 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 2020;
- 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 2020, 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

UDIN: 20504774AAAACQ3351

Place: New Delhi

Date: 9 June 2020

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 2020

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 2020 (₹ in lacs)	844	153
Net block on 31 March 2020 (₹ in lacs)	844	150

- (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 2020 (Cont'd)

Name of the statute	Nature of dues	Amount (₹ in lacs)	Amount paid under Protest (₹ in lacs)	Period to which the amount relates (Financial year)	Forum where dispute is pending
Punjab value Added Tax Act, 2005	Value Added Tax	3,199	-	2009 - 2010	Hon'ble Punjab and Haryana High Court Chandigarh
Punjab value Added Tax Act, 2005	Value Added Tax	1,708	641	2005-2007 and 2010-2014	Vat Tribunal, Chandigarh.
Punjab value Added Tax Act, 2005	Value Added Tax	684	185	2014 - 2017	Deputy Excise and Taxation Commissioner, Patiala
Maharashtra value added Tax Act, 2002	Value Added Tax	39	39	2014-2016	Deputy Commissioner of Sales Tax (Appeal), Mumbai
Uttar Pradesh value added Tax Act, 2008	Value Added Tax	2	1	2017 - 2018	Deputy Commissioner of Sales Tax, Greater Noida
Uttar Pradesh value added Tax Act, 2008	Value Added Tax	2	2	2013 - 2014	Additional Commissioner Grade-2 (Appeal), Noida
Income-tax Act, 1961	Income-tax	9,884	21,900	2009 to 2016	Income Tax Appellate Tribunal*

* Company is in process of filing an appeal before the Hon'ble Income Tax Appellate Tribunal.

- (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

UDIN: 20504774AAAACQ3351

Place: New Delhi

Date: 9 June 2020

Annexure B to the Independent Auditor's Report of even date to the members of KRBL Limited standalone financial statements for the year ended 31 March 2020

Annexure B

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements 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 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A Company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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

Annexure B to the Independent Auditor's Report of even date to the members of KRBL Limited standalone financial statements for the year ended 31 March 2020 (Cont'd)

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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to

financial statements and such controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504774

UDIN: 20504774AAAACQ3351

Place: New Delhi

Date: 9 June 2020

Standalone Balance sheet

as at 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	88,428	92,856
Capital work in progress	3(a)	1,214	59
Right of use assets	4	8,138	-
Other intangible assets	3(b)	143	101
Financial assets			
- Investments	5	427	427
- Loans	6	929	316
- Other financial assets	7	14	6
Other non-current assets	8	24,973	11,749
Sub total non-current assets		1,24,266	1,05,514
Current assets			
Inventories	9	2,85,242	3,12,885
Financial assets			
- Investments	5	584	765
- Trade receivables	10	23,020	39,729
- Cash and cash equivalents	11	1,345	316
- Other bank balances	12	3,801	91
- Loans	6	16	35
- Other financial assets	7	1,134	1,016
Other current assets	13	1,936	2,313
Sub total current assets		3,17,078	3,57,150
TOTAL ASSETS		4,41,344	4,62,664
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,354	2,354
Other equity	15	3,09,503	2,69,391
Sub total shareholder's fund		3,11,857	2,71,745
Liabilities			
Non current liabilities			
Financial liabilities			
- Borrowings	16	1,957	3,324
- Lease liabilities	4	6,965	-
Provisions	17	733	565
Deferred tax liabilities (net)	18	14,588	14,673
Sub total non-current liabilities		24,243	18,562
Current liabilities			
Financial liabilities			
- Borrowings	19	46,270	1,38,151
- Trade payables	20		
- Total outstanding due to micro enterprises and small enterprises		439	688
- Total outstanding dues of creditors other than enterprises and small enterprises		38,053	21,729
- Lease liabilities	4	615	-
- Other financial liabilities	21	15,994	8,591
Other current liabilities	22	2,066	2,602
Provisions	17	493	287
Current tax liabilities (net)		1,314	309
Sub total current liabilities		1,05,244	1,72,357
TOTAL EQUITY AND LIABILITIES		4,41,344	4,62,664

The accompanying notes form an integral part of these standalone financials statements

1 - 47

This is the Standalone Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No. 504774

Place: New Delhi

Date: 9 June 2020

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

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020

Standalone Statement of Profit and Loss

for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	23	4,49,864	4,11,957
Other income	24	2,226	1,490
Total income		4,52,090	4,13,447
Expenses			
Cost of materials consumed	25	3,03,592	3,16,761
Purchase of stock-in-trade	26	1,212	1,165
Changes in inventories of finished goods and stock-in-trade	27	17,340	(28,623)
Employee benefits expenses	28	8,235	7,419
Finance costs	29	6,244	6,756
Depreciation and amortisation expense	30	7,282	6,438
Other expenses	31	32,308	30,207
Total expenses		3,76,213	3,40,123
Profit before tax		75,877	73,324
Tax expense	34		
Current tax		20,021	23,016
Deferred tax charge		(85)	1,471
MAT credit entitlement		-	(1,490)
Total tax expense		19,936	22,997
Profit for the year		55,941	50,327
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(224)	6
Tax on above		59	(2)
Items that will be reclassified to profit or loss			
Loss on Cash flow hedge reserve		(848)	-
Tax on above		224	-
Other comprehensive (loss) / income for the year		(789)	4
Total comprehensive income for the year		55,152	50,331
Earnings per share (face value of ₹ 1 each)	32		
- Basic (in ₹)		23.76	21.38
- Diluted (in ₹)		23.76	21.38
The accompanying notes form an integral part of these standalone financials statements 1 - 47			

This is the Standalone Profit and Loss referred to in our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No. 504774

Place: New Delhi

Date: 9 June 2020

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020

Standalone Cash Flow Statement

for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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

Standalone Cash Flow Statement

for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
D Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	1,029	(3,553)
Cash and cash equivalents-opening balance	316	3,869
Cash and cash equivalents at the year end	1,345	316
E Cash and cash equivalents (refer note 11)		
Cash in hand	72	79
Balances with banks	1,273	237
	1,345	316

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 flows 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: New Delhi
Date: 9 June 2020

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

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Raman Sapra
Company Secretary
Membership No. F9233
Place: Noida
Date: 9 June 2020

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366
Place: Noida
Date: 9 June 2020

Standalone Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital (refer note 14)

(All amounts stated in ₹ lacs, unless otherwise stated)

Equity shares of ₹ 1 each, fully paid up	Number of shares	Amount
As at 01 April 2018	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2019	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2020	23,53,89,892	2,354

B. Other equity (refer note 15)

Particulars	Reserve and surplus					Other comprehensive income	Total
	Retained earnings	General reserve	Securities premium	Capital reserve	Capital redemption reserve	Cash flow hedge reserve	
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
Balance as at 01 April 2019	2,15,527	44,050	9,655	82	77	-	2,69,391
Profit for the year	55,941	-	-	-	-	-	55,941
Other comprehensive income for the year:-							
Remeasurement of defined benefit obligations (net of tax)	(165)	-	-	-	-	-	(165)
Cash flow hedge reserve (net of tax)	-	-	-	-	-	(624)	(624)
Total comprehensive income as at 31 March 2020	2,71,303	44,050	9,655	82	77	(624)	3,24,543
Transaction with owners							
Dividends paid (refer note 44)	(12,476)	-	-	-	-	-	(12,476)
Dividend distribution tax paid	(2,564)	-	-	-	-	-	(2,564)
Transferred to general reserve ¹	(7,500)	-	-	-	-	-	(7,500)
Transferred from profit and loss account ¹	-	7,500	-	-	-	-	7,500
Balance as at 31 March 2020	2,48,763	51,550	9,655	82	77	(624)	3,09,503

1. The Company has voluntarily transferred amount of ₹ 7,500 lacs (31 March 2019 ₹ 7,000 lacs) from retained earning to general reserve.

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No. 504774

Place: New Delhi

Date: 9 June 2020

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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 110 006. The shares of the Company are listed in India on National Stock Exchange of India Ltd. and BSE Limited.

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, contract 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, however during the year, the Company has adopted hedge accounting, as mentioned in para j below.

The financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 9 June 2020.

(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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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.

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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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

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.

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

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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 Benefit

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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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, 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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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 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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

f) Hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable

to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

k. Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

I. 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.

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

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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.

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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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.

t. Dividend to shareholders

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

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

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.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(vi) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

3(a) 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 01 April 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)	-	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
Additions	134	319	2,361	8	26	189	3,037	1,213
Disposals/capitalised (refer note H)	(84)	-	(1,589)	(3)	(3)	(1,749)	(70)	(58)
Balance as at 31 March 2020	6,326	20,717	1,22,229	1,833	496	3,361	1,54,962	1,214
Accumulated depreciation								
Balance as at 01 April 2018	-	4,080	47,644	921	276	1,847	54,768	-
Additions	-	748	5,178	129	57	287	6,399	-
Transfer (refer note C)	-	119	-	-	-	-	119	-
Disposals (refer note I)	-	(11)	(252)	(19)	(1)	(185)	(468)	-
Balance as at 31 March 2019	-	4,936	52,570	1,031	332	1,949	60,818	-
Additions	-	848	4,932	126	54	282	6,242	-
Disposals (refer note H)	-	-	(475)	(3)	(3)	(45)	(526)	-
Balance as at 31 March 2020	-	5,784	57,027	1,154	383	2,186	66,534	-
Net carrying amount								
Balance as at 31 March 2019	6,276	15,462	68,887	797	141	1,293	92,856	59
Balance as at 31 March 2020	6,326	14,933	65,202	679	113	1,175	88,428	1,214

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 16 and 19 for information on property, plant and equipment pledged as security by the Company.

C During the previous year ended 31 March 2019, the Company started operating a warehouse at Kandla, erstwhile given on cancellable operating lease, for the purpose of its business. Consequently, such investment property had been reclassified as building included in above note.

D Out of the total land parcels amounting to ₹ 6,326 lacs (31 March 2019 : ₹ 6,276 lacs) as mentioned in above note, 52 land parcels amounting to ₹ 761 lacs (31 March 2019 : ₹ 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. During the year the Company has executed and registered the General Power of Attorney, 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 (31 March 2019 : ₹ 83 lacs) of which title deeds are in the name of KB Overseas, the erstwhile firm merged with the Company.

F Buildings amounting to ₹ 150 lacs (31 March 2019 : ₹ 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 The Company during the year has sold one of its wind turbine generator and corresponding land (pending registration as at the reporting date) since the power purchase agreement for the same was not executed due to technical difficulties. However the Company has already transferred the control to the said customer and accordingly, the same has been recorded as sale of the said plant and machinery and corresponding land.

I Rounded off to zero.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

3(b) Other Intangible assets

Particulars	Patents, trademark and design	Computer software	Total
Gross carrying amount			
Balance as at 01 April 2018	22	269	291
Additions	-	20	20
Disposals	-	-	-
Balance as at 31 March 2019	22	289	311
Additions	37	31	68
Disposals	-	-	-
Balance as at 31 March 2020	59	320	379
Accumulated amortisation			
Balance as at 01 April 2018	18	162	180
Additions	-	30	30
Disposals	-	-	-
Balance as at 31 March 2019	18	192	210
Additions	4	22	26
Disposals	-	-	-
Balance as at 31 March 2020	22	214	236
Net carrying amount			
Balance as at 31 March 2019	4	97	101
Balance as at 31 March 2020	37	106	143

4 Leases

A Right of use assets

Particulars	As at 31 March 2020
Gross carrying amount	
Opening gross carrying amount	-
Additions	9,152
Balance at the end of the year	9,152
Accumulated depreciation	
Opening accumulated depreciation	-
Additions	1,014
Balance at the end of the year	1,014
Net carrying amount at the end of the year	8,138

B Lease Liabilities

Particulars	As at 31 March 2020
Non-current	6,965
Current	615
	7,580

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

C Lease related disclosures

The Company has leases mainly for the land and buildings. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. There are no variable lease payments included in the agreement.

i. Extension and termination options

Extension and termination options are included in all leases. These terms are used to maximise operational flexibility in terms of managing contracts.

ii. Lease payments not included in measurement of lease liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020
Amount of leases which are for short term of 12 months or less	60

iii. The following are amounts recognised in profit or loss with respect to leasing arrangements:

Particulars	31 March 2020
Depreciation on right of use assets	1,014
Interest expense on lease liabilities	675

iv. Total cash outflow in respect of leases in the year amounts to ₹ 1,239 lacs.

v. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 38.

D Adoption of Ind AS 116 - Leases

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with relevant interpretations. The adoption of this new standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as having a remaining lease term of less than 12 months from the date of initial application.

The Company has adopted revised reporting i.e. Ind AS 116 with effect from 1 April 2019 using "Modified Retrospective Approach". There is no impact of adoption of Ind AS 116 on the retained earnings of the Company on transition date as the Company has availed practical expedients available in the revised reporting standard for transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, the Company has applied the optional exemption to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to Ind AS 116 the weighted average incremental borrowing rate was applied to lease liabilities recognised under Ind AS 116.

Practical expedients:

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- reliance on previous assessments on whether leases are onerous,
- the accounting for operating leases with a remaining lease term of less than 12 months as at 01 April 2019 as short-term leases,
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C of Ind-AS 17 *Determining whether an Arrangement contains a Lease*.

E The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised as at 01 April 2019:

Particulars	31 March 2019
Total operating lease commitments disclosed at 31 March 2019 (refer sub point "F" below)	8,304
Different treatment of extension option under agreement and others	6,782
Total lease obligation as on 01 April 2019	15,086
Discounted using incremental borrowing rate	6,942
Total lease liabilities recognised under Ind AS 116 at 01 April 2019	8,144

F Disclosure under Ind AS 17 for the year ended 31 March 2019:

Operating leases - Assets taken on lease

Minimum lease payments in relation to non- cancellable operating leases are payable as follows:

Particulars	31 March 2019
Within one year	954
Later than one year but not later than five years	3,124
Later than five years	4,226

5 Investments

A Non-current

Particulars	As at 31 March 2020	As at 31 March 2019
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 2019 - 1,800 equity shares)]		
K B Exports Private Limited	210	210
[21,00,000 equity shares of ₹ 10 each, (31 March 2019 - 21,00,000 equity shares)]		
	427	427
Aggregate amount of unquoted investments	427	427
Aggregate amount of impairment in the value of investments	-	-

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

B Current

Particulars	As at 31 March 2020	As at 31 March 2019
Investment carried at fair value through profit or loss		
Investments in equity instruments - quoted, fully paid-up		
NHPC Limited	176	219
[8,82,712 equity shares of ₹ 10 each, (31 March 2019 - 8,82,712 equity shares)]		
Coal India Limited	107	181
[76,437 equity shares of ₹ 10 each, (31 March 2019 - 76,437 equity shares)]		
Power Grid Corporation of India Limited	171	213
[1,07,667 equity shares of ₹ 10 each, (31 March 2019 - 1,07,667 equity shares)]		
Shipping Corporation of India Limited	91	92
[2,42,265 equity shares of ₹ 10 each, (31 March 2019 - 2,42,265 equity shares)]		
MOIL Limited	39	60
[37,846 equity shares of ₹ 10 each, (31 March 2019 - 37,846 equity shares)]		
	584	765
Aggregate amount of quoted investments at cost	957	957
Aggregate amount of quoted investments at market value	584	765
Aggregate decrease in fair market value/impairment	373	192

6 Loans

A Non-current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good unless otherwise stated)		
Security deposits ¹	923	309
Loan to employees	6	7
	929	316
Notes		
1. Deposit given to the Company in which director of Company is a director or a member: KRBL Infrastructure Limited	681	223

B Current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Loan to employees	16	35
	16	35
Notes		
No loans are due from firms or private companies in which any director is partner, director or a member.		

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

7 Other financial assets

A Non-current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Fixed deposits ¹	14	6
	14	6

Notes

1 Liened as security issued to the various government authorities of ₹ 14 lacs (31 March 2019 ₹ 6 lacs).

B Current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Income receivable	1,134	1,016
	1,134	1,016

8 Other non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Capital advance	180	174
Balance with statutory authorities (including taxes/duty paid under protest) ²	24,771	10,376
Pre-payments ¹	22	1,199
	24,973	11,749

Notes:

1. Pre-payments includes prepaid lease rentals of ₹ nil (31 March 2019 ₹ 1,199 lacs).

2. As at 31 March 2019, an amount of ₹ 50 lacs has been reclassified from cash and cash equivalent.

9 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	1,23,593	1,33,799
Finished goods ¹	1,52,043	1,69,599
Stock-in-trade	818	793
Packing material, consumables and others	7,197	7,041
Stores and spares	1,591	1,653
	2,85,242	3,12,885

Notes:

1. Includes goods in transit of ₹ 3,613 lacs (31 March 2019 ₹ 8,417 lacs).

2. Refer note 25, 26 and 27 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 product ₹ 3,052 lacs (31 March 2019 ₹ 5,341 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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

10 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	23,020	39,729
Trade receivables which have significant increase in Credit Risk	-	-
Less: Allowance for expected credit loss	-	-
	23,020	39,729

11 Cash and cash equivalents¹

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks in current accounts	1,273	237
Cash in hand	72	79
	1,345	316

Note:

1. There is no restriction in repatriation of cash and cash equivalents.

12 Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
Unclaimed dividends- earmarked balances with banks ¹	824	42
Deposits with original maturity more than 3 months and less than 12 months ²	2,977	49
	3,801	91

Note:

1. It includes Demand drafts/Cheques not realised because of lockdown due to Covid-19.
2. As at 31 March 2020, the deposits of ₹ 2,977 lacs (31 March 2019 ₹ 49 lacs) are restricted as they are held as margin money deposits against the facilities extended to the Company by bank.

13 Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Balance with statutory authorities	319	76
Advances to suppliers	410	1,011
Pre-payments ¹	1,138	1,190
Other receivables	69	36
	1,936	2,313

Note:

1. Pre-payments includes prepaid lease rentals of ₹ Nil (31 March 2019 ₹ 81 lacs).

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

14 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
30,00,00,000 (31 March 2019 - 30,00,00,000) equity shares of ₹ 1 each	3,000	3,000
	3,000	3,000
Issued and subscribed¹		
23,62,44,892 (31 March 2019 - 23,62,44,892) equity shares of ₹ 1 each	2,362	2,362
	2,362	2,362
Fully paid-up¹		
23,53,89,892 (31 March 2019 - 23,53,89,892) equity shares of ₹ 1 each	2,354	2,354
	2,354	2,354

Note

1. Difference between the issued and 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 2020		As at 31 March 2019	
	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 vide circular resolution dated 27 February 2020 had declared and paid Interim dividend @ 280 % i.e. ₹ 2.80 per equity share of face value of ₹ 1 each (31 March 2019 - ₹ 2.50 per share). Further the board of directors vide resolution dated 09 June 2020 have considered the said interim dividend as final dividend for the year ended 31 March 2020.

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 2020		As at 31 March 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
1. Anil Mittal Family Trust	4,30,49,796	18.29%	4,25,45,864	18.07%
2. Arun Kumar Gupta Family Trust	4,17,97,646	17.76%	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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(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. 04 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.

15 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Retained earnings	2,48,763	2,15,527
(ii) General reserve	51,550	44,050
(iii) Securities premium	9,655	9,655
(iv) Capital reserve	82	82
(v) Capital redemption reserve	77	77
(vi) Cash flow hedge reserve	(624)	-
	3,09,503	2,69,391

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.

(vi) Cash flow hedge reserve

The cash flow reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

16 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Secured term loan from banks (refer note below)		
Ruppee loans	3,301	4,668
	3,301	4,668
Less: Current maturities of non-current borrowings (refer note 21)	1,344	1,344
	1,957	3,324

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 2019 - ₹ 18,405 lacs) in the form of term loan facilities taken from various banks under consortium.

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 2020	As at 31 March 2019
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 2019 - prevailing MCLR +0.25% per annum) and Repayable in 28 quarterly instalments of ₹ 336 lacs each, starting from December 2015.	3,301	4,668
	3,301	4,668

17 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
A Non-current provision for employee benefits		
Provision for compensated absences (refer note 35 C)	733	565
	733	565
B Current provision for employee benefits		
Provision for gratuity (refer note 35B)	353	120
Provision for compensated absences (refer note 35C)	140	167
	493	287

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

18 Deferred tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities		
Property, plant and equipment and intangible assets	14,952	14,987
Right to use assets	1,883	-
	<u>16,835</u>	<u>14,987</u>
Deferred tax assets		
Lease liabilities	(1,908)	-
Provision for employee benefit expenses	(220)	(256)
Others	(119)	(58)
	<u>(2,247)</u>	<u>(314)</u>
	<u>14,588</u>	<u>14,673</u>

Note:

Refer note 34C for the movement in deferred tax

19 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Secured		
Working capital facilities from bank		
- Rupee loan (refer note B (i) and (ii) below)	17,478	91,435
- Foreign currency loan (refer note B (iii) below)	21,830	22,572
	<u>39,308</u>	<u>1,14,007</u>
Unsecured		
Loan from bank (refer note C (i) below)	-	20,000
Loans from related parties (refer note C (ii) below)	6,962	4,144
	<u>6,962</u>	<u>24,144</u>
	<u>46,270</u>	<u>1,38,151</u>

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 ₹ 1,75,400 lacs (31 March 2019 - ₹ 1,75,400 lacs) in the form of loan and other facilities taken from various banks under consortium.

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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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.

During the year ended 31 March 2020, the Company has created subservient charge by way of hypothecation in favour of HDFC Bank Limited and created mortgage on its movable and immoveable properties located at various locations for an amount of ₹ 20,000 lacs.

B. Details of repayment of the current borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
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.	174	44,435
(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 Cooperative Rabobank U.A. which as per MIBOR along with spread.	17,304	47,000
(iii) PCFC - foreign currency 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.	21,830	22,572
C. Unsecured:		
(i) Demand loans from banks - rupee loan		
The Company has obtained short-term working capital loan from HDFC Bank Limited, one of consortium bank, and is payable after the stipulated period. The facilities carries interest at MCLR along with spread.	-	20,000
(ii) Loans from related parties		
The Company has obtained loans from directors which are interest free and repayable on demand..	6,962	4,144

20 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding due to micro enterprises and small enterprises	439	688
Total outstanding due of creditors other than micro enterprises and small enterprises	8,055	8,908
Acceptances	29,998	12,821
	38,492	22,417

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(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 2020	As at 31 March 2019
(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	439	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.	-	-
	439	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.

21 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of non-current borrowings (refer note 16)	1,344	1,344
Interest accrued but not due on borrowings	965	639
Employees related payables	873	847
Security deposits	40	38
Expenses payable	11,948	5,680
Unclaimed dividend ¹	824	43
	15,994	8,591

Note:

1. It includes Demand drafts/Cheques not realised because of lockdown due to Covid-19. Further the same is not due for deposit to Investor Education and Protection Fund.

22 Other current liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Advance from customers	1,328	1,941
Statutory dues payable	738	661
	2,066	2,602

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

23 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from sale of finished goods		
Export	2,08,459	1,84,351
Domestic	2,26,915	2,12,204
Revenue from sale of stock in trade		
Domestic	1,668	2,009
Sale of electricity		
Export	-	72
Domestic	11,371	12,788
Other operating revenue		
Liquidated damages received ¹	638	-
Scrap sales	813	533
	4,49,864	4,11,957

Note:

1. Liquidity damages received by the Company from its vendor for non execution of contract terms.
Refer note 33, for disaggregation of revenue from operations and other disclosures.

24 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income	709	655
Rental income	-	17
Dividend income	38	30
Net gain on redemption and fair valuation of investments through profit and loss	-	289
Foreign exchange gain, net	840	-
Profit on sale of property, plant and equipment	6	135
Liabilities/provisions no longer required written back	45	134
Other non operating income	588	230
	2,226	1,490

25 Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Paddy	2,08,342	1,95,852
Semi finished rice	78,720	1,02,106
Packing and other consumables	16,339	18,351
Amount of opening stock-in-trade used as raw material for production (refer note 27C)	191	452
	3,03,592	3,16,761

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

26 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Seeds	1,212	1,165
	1,212	1,165

27 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A Opening stock		
Finished goods	1,69,599	1,40,808
Stock-in-trade	793	1,413
	1,70,392	1,42,221
B Closing stock		
Finished goods	1,52,043	1,69,599
Stock-in-trade	818	793
	1,52,861	1,70,392
C Amount of opening stock-in-trade used as raw material (refer note 25)	(191)	(452)
	17,340	(28,623)

28 Employee benefits expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries wages and bonus	7,431	6,698
Contribution to provident and other funds (refer note 35)	499	449
Gratuity and compensated absences (refer note 35)	129	126
Staff welfare expenses	176	146
	8,235	7,419

29 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on:-		
- Term loans	333	566
- Cash credit/working capital facility	5,143	5,102
- On Leases	675	-
Net loss on foreign currency transactions and translation	-	883
Other borrowing costs	93	205
	6,244	6,756

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

30 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment	6,242	6,399
Depreciation on investment property	-	9
Depreciation on right of use assets	1,014	-
Amortisation on intangible assets	26	30
	7,282	6,438

31 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	2,213	1,771
Consumption of stores and spares	971	995
Repairs and maintenance:-		
- Plant and machinery	2,854	2,438
- Buildings	409	360
- Others	75	83
Fumigation	490	469
Freight inward	1,482	1,564
Travelling and conveyance	466	419
Communication expense	82	90
Rent	60	1,124
Legal and professional expense (refer note A)	705	473
Fees, rates and taxes	1,597	1,076
Vehicle running and maintenance	210	216
Insurance	276	320
Printing and stationery	117	102
Testing and inspection	659	420
Donation and charity	75	26
Clearing, forwarding and freight charges	10,049	9,162
Sales and business promotion	1,028	322
Advertisement	5,337	4,275
Meeting and seminar expense	285	157
Commission and brokerage	1,040	898
Corporate social responsibility expenses (refer note 36)	188	17
Security service charges	324	313
Sub-contractual expense	595	557
Net loss on foreign currency transactions and translation	-	1,160
Balances written off	130	1,083
Other miscellaneous expenses	591	317
	32,308	30,207

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

A Auditors' remuneration (excluding Goods and services tax)¹

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit (including fees for limited reviews)	41	36
Tax audit	8	-
Reimbursement of expenses	4	1
	53	37

1. Auditor remuneration for the previous year doesn't includes the remuneration paid by Company to the erstwhile joint auditors.

32 Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity shareholders	55,941	50,327
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
Basic / Diluted earnings per share in ₹	23.76	21.38

33 Disaggregation of revenue from operations

A Revenues by Geography

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rice and other related products		
- within India	2,28,583	2,14,213
- other than India	2,08,459	1,84,351
	4,37,042	3,98,564
Electricity		
- within India	11,371	12,788
- other than India	-	72
	11,371	12,860
Liquidated damages received		
- within India	638	-
	638	-
Sale of scrap		
- within India	813	533
	813	533

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

B Revenues by offerings

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of goods		
- Rice	4,17,475	3,79,112
- Paddy	229	1,036
- Seeds	1,668	2,008
- Others	560	248
By products		
- Husk	1,679	2,191
- Bran products	5,061	5,987
- Furfural oil	643	1,685
- Doil cake	5,235	3,772
- Glucose	515	332
- Others	3,977	2,193
	4,37,042	3,98,564
Sale of electricity	11,371	12,860
Sale of scrap	813	533
Liquidated damages received	638	-

C Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	4,62,987	4,20,917
Less: Trade discounts, volume rebates, etc	13,123	8,960
Sale of products	4,49,864	4,11,957

D Contract balances

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
- Contract assets ¹	1,134	1,016
- Contract liabilities ²	1,328	1,941

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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

E Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance of contract liabilities	1,941	590
Addition in balance of contract liabilities for current year	1,328	1,941
Amount of revenue recognised against opening contract liabilities	1,941	590
Closing balance of contract liabilities	1,328	1,941
Opening balance of contract assets	1,016	1,348
Addition in balance of contract assets for current year	1,134	1,016
Amount of billing recognised against opening contract assets	1,016	1,348
Closing balance of contract assets	1,134	1,016

34 Income tax

A Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Enacted income tax rate applicable to the Company (refer sub-note E below)	25.17%	34.94%
Profit before tax	75,877	73,324
Less: Profit of the eligible units exempt under 80IA of the Income-tax Act, 1961	-	7,899
Taxable profit of the Company	75,877	65,425
Expected tax expenses	19,097	22,860
Tax effect of:		
Non deductible expenses (net)	136	57
Changes in the tax assumptions for claiming deduction under 80IA of the Act on eligible projects and others, including creation of MAT entitlement (Refer sub-note E below)	4,894	(27)
Impact due to change in the tax rates (Refer sub-note E below)	(4,106)	93
Others	(85)	14
Total income tax expense in the Statement of Profit and Loss	19,936	22,997

B The major components of income tax expense for the period end are:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of Profit and Loss section		
Current income tax		
Current tax	20,021	23,016
Deferred tax	(85)	1,471
MAT credit entitlement	-	(1,490)
	19,936	22,997

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Other comprehensive income section

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Tax expense on the items recognised in other comprehensive income during the year		
Remeasurement of defined benefit plans	59	(2)
Loss on Cash flow hedge reserve	224	-
	283	(2)

C Movement of temporary differences

I

Particulars	Balance as at 01 April 2019	Recognised in Statement of Profit and Loss during the year	Balance as at 31 March 2020
Deferred tax liabilities			
Property, plant and equipment and intangible assets	14,987	(35)	14,952
Right to use assets	-	1,883	1,883
Deferred tax assets			
Lease liabilities	-	(1,908)	(1,908)
Provision for employee benefit expenses	(256)	36	(220)
Others	(58)	(61)	(119)
	14,673	(85)	14,588

II

Particulars	Balance as at 01 April 2018	Recognised in Statement of Profit and Loss during the year	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

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

D Movement in MAT credit entitlement

	For the year ended 31 March 2019
MAT credit entitlement	
Opening	-
Add: MAT credit entitlement	1,490
Less: MAT credit availed	(1,490)
Closing	-

E The Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 ("Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in quarter ended 30 September 2019, which had resulted in lower tax rate of 25.17% as compared to 34.94% on the taxable profits, computed without any exemption/incentives under the different provisions of the Act. Consequent to such change, the accumulated deferred tax liabilities (net) has been remeasured, which has resulted in a onetime additional charge of ₹ 788 lacs recognised in the Statement of Profit and loss for the year ended 31 March 2020.

F The Company doesn't have any carry forward losses at the year end.

35 Employee benefit obligations

A Defined contribution plans

Particulars	As at 31 March 2020	As at 31 March 2019
Employer's contribution to provident fund	393	324
Employer's contribution to employees state insurance	106	126
	499	450

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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 2020	As at 31 March 2019
a. Amounts to be recognised		
Present value of obligation	(1,519)	(1,126)
Fair value of plan assets	1,166	1,006
Net (liability) recognised	(353)	(120)
Current liability	(353)	(120)
Non- current liability	-	-
b. Changes in present value of defined benefit obligation:		
Defined benefit at the beginning of the year	1,126	1,025
Current service cost	120	114
Interest cost	88	81
Remeasurements-actuarial gain/loss -due to change financial assumptions	169	12
Remeasurements-actuarial gain/loss -due to experience	61	(8)
Benefits paid	(45)	(98)
Present value of benefit obligation at the end of the year	1,519	1,126
c. Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,006	875
Expected return on plan assets	79	69
Contributions made	120	150
Benefits paid	(45)	(98)
Return on plan assets, excluding interest income	6	10
Fair value of plan assets at the end of the year	1,166	1,006
d. Expenses recognized in Statement of profit or loss		
Current service cost	120	114
Expense for the year ended	129	126
e. Recognized in other comprehensive income		
Remeasurements-actuarial gain/loss on obligation for the period	230	4
Return on plan assets, excluding interest income	(6)	(10)
Net income at the end of the period	224	(6)
f. Actuarial assumptions		
Discount rate	6.82%	7.78%
Expected rate of return on plan assets	6.82%	7.78%
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	1,166	1,006
h. The Company expects to contribute ₹ 382 lacs to gratuity fund in the next financial year.		

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 2020	As at 31 March 2019
Discount rate		
1% increase	(176)	(125)
1% decrease	213	151
Future salary increase		
1% increase	200	143
1% decrease	(170)	(121)
Employee turnover rate		
1% increase	17	28
1% decrease	(21)	(32)

j. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
Within next 12 months	139	125
Between 1-5 years	184	139
Beyond 5 years	4,117	3,549

C Other long term benefit plans

Other long term benefit plans represents the compensated absences provided to the employees of the Company.

a. Amounts to be recognised

Particulars	As at 31 March 2020	As at 31 March 2019
Current liability	733	565
Non- current liability	140	167

b. Changes in present value of other long term benefit plans:

Particulars	As at 31 March 2020	As at 31 March 2019
Defined Benefit at the beginning of the year	732	590
Current Service Cost	61	39
Interest Cost	57	46
Remeasurements-actuarial loss -due to change financial assumptions	151	124
Benefits paid	(128)	(67)
Present value of benefit obligation at the end of the year	873	732

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

c. Expenses recognised in Statement of Profit and Loss

Particulars	As at 31 March 2020	As at 31 March 2019
Current Service Cost	61	39
Interest Cost	57	46
Actuarial Losses	151	124
Expense for the year ended	269	209

d. Actuarial valuation has been done with the following assumptions

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.82%	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%

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 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the Company during the year	1,302	1,098
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	-
2. On purpose other than 1 above	188	17

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 borrowings 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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

The Company's net debt to total equity ratio is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current borrowings	1,957	3,324
Current borrowings	46,270	1,38,151
Current maturities of non-current borrowings	1,344	1,344
Less: Cash and cash equivalents	(1,345)	(316)
Net debt	48,226	1,42,503
Equity share capital	2,354	2,354
Other equity	3,09,503	2,69,391
Total equity	3,11,857	2,71,745
Net debt to total equity ratio	0.15	0.52

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.

Credit risk management:

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. 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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

However, the Company during the year identified few balances of amounting to ₹ 130 lacs of the trade receivable which were subject to dispute and will not be realisable and hence, has been credit impaired.

The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables. Further, Credit risk in respect of other receivables and loans, mainly comprise of security deposit, unbilled revenue and interest accrued on deposits which are managed by the Company, by way of assessing financial condition and current economic trends. The Company considers the probability of default associated with the other receivable and loan is very low at the year respective year end and thus would not require any provision.

Mostly the trade receivables which are long aged at the year end are DISCOM companies and as per past experience, there has been no credit loss on account of customer's inability to pay i.e. there has been no material bad debts in past and therefore, no provision is generally made on this account. Thus, trade receivables compositely of both the segment of the Company, historical experience of collecting receivables supported by the level of default is very low, therefore, an impairment analysis is being performed at each reporting date on an individual basis for customers and if required necessary loss allowance is recognised.

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 2020	As at 31 March 2019
Loans	945	350
Trade receivables	23,020	39,729
Other financial assets	1,148	1,022
Total	25,113	41,101

Summary of the Company's exposure to credit risk by age of the outstanding from various customers/trade receivables is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Not past due	15,262	20,775
Past due 0-30 days	1,808	16,802
Past due 31-120 days	1,959	775
Past due 120 days-one year	3,175	1,022
More than one year	816	355
Total	23,020	39,729

The following table gives details in respect of percentage of revenue generated from top customer:

Particulars	As at 31 March 2020	As at 31 March 2019
Top one customer	20.77%	18.40%
* Revenue from top customer amounting to ₹ 93,443 lacs (31 March 2019 - 75,789 lacs) pertains to Agri Segment.		

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 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.

For the year ended 31 March 2020

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 years
Non-current borrowings	3,301	-	672	672	1,957	-
Current borrowings	39,308	39,308	-	-	-	-
Loan from related party	6,962	6,962	-	-	-	-
Trade payables	38,492	-	38,492	-	-	-
Lease liabilities (including interest payable)	7,580	-	632	632	1,243	10,808
Other financial liabilities	14,650	864	13,786	-	-	-

For the year ended 31 March 2019

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 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	-	-	-

(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;
- interest rate risk;
- price risk; and
- foreign currency risk

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 nil Outstanding Forward contracts as at 31 March 2020 and 31 March 2019.

(i) Derivative Instruments

Foreign currency exposure recognized by the Company that have not been hedged by a derivative instrument are as under:

Particulars	₹ in lacs		USD in lacs		AED in lacs		GBP in lacs		EURO in lacs	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Financial assets										
Trade receivables	5,429	7,049	72	102	-	-	-	-	-	-
Cash and cash equivalents	1,075	133	14	2	-	-	-	-	-	-
Financial liabilities										
Trade payables ¹	224	23	2	0	-	-	1	-	0	-
Borrowings	21,830	22,572	288	326	-	-	-	-	-	-
Advance from customers	567	429	7	6	1	1	-	-	-	-

(ii) Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	USD		AED		GBP		EURO	
	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease
31-03-2020 (₹ in lacs) ¹	(801)	801	(1)	1	(4)	4	0	0
31-03-2019 (₹ in lacs)	(791)	791	(1)	1	-	-	-	-

1. Rounded off to zero.

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 2020	31 March 2019
Variable rate borrowings	42,609	1,38,675

Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax	31 March 2020	31 March 2019
100 bps increase-decrease in profits	213	693
100 bps decrease-increase in profits	213	693

Sensitivity is calculated based on the assumption that amount outstanding as at reporting dates (after considering repayments) were utilised for the whole financial year.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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.

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 2020	31 March 2019
Sensex increase by 5%	29	38
Sensex decrease by 5%	(29)	(38)

6. Foreign currency risk

Effective from 1 April 2019, the Company has designated certain forward contracts and borrowings as eligible hedging instruments for hedge of foreign currency forecast sales. Pursuant to this, the effective portion of change in value of the hedging instruments has been recognised in 'cash flow hedge reserve' in other comprehensive income. Such amount is reclassified to profit or loss as and when the forecast transaction occurs or the hedges are no longer effective.

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, AED, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company's policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Company's policy is to hedge the risk of changes in foreign currency. The Company uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Company designate both change in spot and forward element of forward contracts and change in spot of PCFCs to hedge exposure in foreign currency risk on highly probable forecast sales.

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position

For the year ended 31 March 2020								
Type of hedge and risks	Notional amount	Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Assets Liabilities								
Cash flow hedge								
Foreign currency risk								
(i) Pre-shipment credit in foreign currency (PCECs)	USD 288	USD -	USD 21,830	June 2020 - September 2020	1:1	USD 72.72	(1,308)	USD (1,305)

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

(b) Disclosure of effects of hedge accounting on financial performance

Type of hedge and risks	For the year ended 31 March 2020			
	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Pre-shipment credit in foreign currency (PCFCs)	USD 1,305	USD 3	USD (457)	Revenue

The Company's hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arising in the hedges have been disclosed in above table.

(c) Movements in cash flow hedging reserve

Particulars	Total
As at 1 April 2019	-
Add: Changes in value of PCFCs	1,305
Less: Amount reclassified to profit or loss	(457)
Less: Deferred tax relating to above (net)	(224)
As at 31 March 2020	624

B Fair value disclosure

1. Fair value measurement of Financial Instruments

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost ¹	FVTPL	FVOCI	Amortised cost ¹
Financial Assets						
Investments (other than in subsidiary) ²	584	-	-	765	-	-
Loans	-	-	945	-	-	350
Cash and cash equivalents	-	-	1,345	-	-	316
Other bank balances	-	-	3,801	-	-	91
Trade receivables	-	-	23,020	-	-	39,729
Other financial assets	-	-	1,148	-	-	1,022
Total	584	-	30,259	765	-	41,508

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost ¹	FVTPL	FVOCI	Amortised cost ¹
Financial liabilities						
Borrowings	-	-	49,571	-	-	1,42,819
Trade payables	-	-	38,492	-	-	22,417
Lease liabilities	-	-	7,580	-	-	-
Other financial liabilities	-	-	14,650	-	-	7,247
Total	-	-	1,10,293	-	-	1,72,483

- The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets, borrowings, trade payables, lease liabilities 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.

- 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.

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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

(A) Financial instruments valued at fair value through profit and loss

Particulars	31 March 2020		31 March 2019	
	Level 1	Level 2	Level 1	Level 2
Financial Assets				
Investments (other than in subsidiary)	584	-	765	-
Total	584	-	765	-

(B) Financial instruments valued at amortised cost

Particulars	31 March 2020	31 March 2019
	Level 3	Level 3
Financial assets		
Loans	945	350
Cash and cash equivalents	1,345	316
Other bank balances	3,801	91
Trade receivables	23,020	39,729
Other financial assets	1,148	1,022
Total	30,259	41,508
Financial liabilities		
Borrowings	49,571	1,42,819
Trade payables	38,492	22,417
Lease liabilities	7,580	-
Other financial liabilities	14,650	7,247
Total	1,10,293	1,72,483

3. 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.

The fair valuation of investments in quoted equity shares is based on the current bid price of respective investments as at the balance sheet date.

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 & solar power plant.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 2020	For the year ended 31 March 2019
1.	Segment revenue		
(a)	Agri	4,37,855	3,99,097
(b)	Energy	20,151	21,457
	Total segment revenue	4,58,006	4,20,554
	Inter segment revenue - Energy	(8,142)	(8,597)
	Net segment revenue	4,49,864	4,11,957
2.	Segment results		
(a)	Agri	74,447	71,787
(b)	Energy	7,854	8,181
	Total segment results (before finance costs and tax)	82,301	79,968
	Less: Finance costs	5,911	6,200
	Less: Other unallocable expenditures (net of unallocable incomes)	513	444
	Total profit before tax	75,877	73,324
3.	Segment assets		
(a)	Agri	3,75,410	3,96,608
(b)	Energy	65,934	66,056
	Total segment assets	4,41,344	4,62,664
4.	Segment liabilities		
(a)	Agri	63,496	32,565
(b)	Energy	3,775	5,190
(c)	Unallocable	62,216	1,53,164
	Total segment liabilities	1,29,487	1,90,919
5.	Segment revenue - Geographical information:		
(a)	Agri		
	India	2,29,396	2,14,746
	Rest of the world	2,08,459	1,84,351
	Sub-total (a)	4,37,855	3,99,097

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
(b)	Energy		
	India	20,151	21,385
	Rest of the world	-	72
	Sub-total (b)	20,151	21,457
	Total (a)+(b)	4,58,006	4,20,554
	Inter-segment revenue - Energy	(8,142)	(8,597)
	Total	4,49,864	4,11,957

F Information about Major Customers

Refer Note 38 (Credit Risk)

40 Related party transactions

A Related parties and their relationships

(a) Subsidiaries

K B Exports Private Limited
 KRBL DMCC, Dubai
 KRBL LLC, a subsidiary of KRBL DMCC, Dubai

(b) Key Managerial Personnel's (KMPs):

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

(c) Additional related parties (KMPs) as per the Companies Act 2013 with whom transactions have taken place during the year:

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
 Ms. Priyanka Sardana

(e) Employee benefit plans where there is significant influence:

KRBL Limited Employees Group Gratuity Trust

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(f) Relatives of KMPs*:

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
Mr. Ashish Mittal	Son of Mr. Anil Kumar Mittal
Mrs. Neha Singh	Daughter of Mr. Arun Kumar Gupta
Mr. Kunal Gupta	Son of Mr. Arun Kumar Gupta
Mrs. Rashmi Gupta	Daughter of Mr. Anoop Kumar Gupta
Mr. Akshay Gupta	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	Son of Mr. Anoop Kumar Gupta
Anil Kumar Mittal HUF	Mr. Anil Kumar Mittal is Karta of Anil Kumar Mittal HUF
Arun Kumar Gupta HUF	Mr. Arun Kumar Gupta is Karta of Arun Kumar Gupta HUF
Anoop Kumar Gupta HUF	Mr. Anoop Kumar Gupta is Karta of Anoop Kumar Gupta HUF

(g) Enterprises over which KMPs are able to exercise significant influence*:

Khushi Ram Behari Lal	Partnership Firm in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Partners.
Adwet Warehousing Private Limited	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.
KRBL Foods Limited	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
KRBL Infrastructure Limited	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
Holistic Farms Private Limited	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.

(h) Trust/Society over which KMPs are able to exercise significant influence*:

Anil Mittal Family Trust	Trust in which Mr. Anil Kumar Mittal, Mrs. Anil Kumar Mittal, Mr. Ashish Mittal and Ms. Priyanka Mittal are beneficiaries.
Arun Kumar Gupta Family Trust	Trust in which Mr. Arun Kumar Gupta and Mr. Kunal Gupta are beneficiaries.
Anoop Kumar Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.
Binita Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta and Ms. Binita Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.

* This includes only those parties with whom Company had related party transactions.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

B Transactions and balances with related parties

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
I. Transactions entered during the year								
i Purchase of goods¹								
Khushi Ram Behari Lal	15	2	-	-	-	-	-	-
ii Sale of goods¹								
Khushi Ram Behari Lal	885	781	-	-	-	-	-	-
iii Arrangement fees paid								
KRBL LLC	-	-	92	71	-	-	-	-
KRBL DMCC	-	-	25	49	-	-	-	-
iv Rent paid¹								
Mr. Anil Kumar Mittal	-	-	-	-	2	2	-	-
Mr. Arun Kumar Gupta	-	-	-	-	6	6	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	6	6	-	-
KRBL Infrastructure Limited	293	199	-	-	-	-	-	-
KRBL Foods Limited	651	651	-	-	-	-	-	-
Adwet Warehousing Private Limited	150	25	-	-	-	-	-	-
Holistic Farms Private Limited	48	-	-	-	-	-	-	-
Mrs. Anulika Gupta	-	-	-	-	-	-	16	12
Mrs. Binita Gupta	-	-	-	-	-	-	2	2
Mrs. Preeti Mittal	-	-	-	-	-	-	2	2
Mr. Ashish Mittal	-	-	-	-	-	-	17	13
Anoop Kumar Gupta HUF	-	-	-	-	-	-	14	10
v Expense incurred (on behalf of Company by others)/by Company for others								
Khushi Ram behari lal	3	2	-	-	-	-	-	-
KRBL LLC	-	-	(6)	(4)	-	-	-	-
KRBL DMCC	-	-	(385)	(447)	-	-	-	-
vi Remuneration on account of salary and perquisites²								
Mr. Anil Kumar Mittal	-	-	-	-	119	109	-	-
Mr. Arun Kumar Gupta	-	-	-	-	137	109	-	-

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
B Transactions and balances with related parties (cont'd)								
Mr. Anoop Kumar Gupta	-	-	-	-	119	109	-	-
Ms. Priyanka Mittal	-	-	-	-	81	56	-	-
Mr. Ashok Chand	-	-	-	-	-	10	-	-
Mr. Raman Sapra	-	-	-	-	15	14	-	-
Mr. Rakesh Mehrotra	-	-	-	-	85	79	-	-
Mr. Ashish Mittal	-	-	-	-	-	-	26	22
Mr. Kunal Gupta	-	-	-	-	-	-	26	22
Mr. Akshay Gupta	-	-	-	-	-	-	26	22
Mr. Ayush Gupta	-	-	-	-	-	-	26	22
vii Electricity charges paid								
KRBL Infrastructure Limited	19	78	-	-	-	-	-	-
viii Repair and Maintenance paid								
KRBL Infrastructure Limited	68	13	-	-	-	-	-	-
ix Sitting fees paid								
Mr. Vinod Ahuja	-	-	-	-	-	-	2	1
Mr. Ashwani Dua	-	-	-	-	-	-	0	0
Mr. Shyam Arora	-	-	-	-	-	-	2	1
Mr. Devendra Kumar Agarwal	-	-	-	-	-	-	2	1
Mr. Alok Sabharwal	-	-	-	-	-	-	1	1
Ms. Priyanka Sardana	-	-	-	-	-	-	1	-
x Dividend paid								
Anil Mittal Family Trust	2,267	979	-	-	-	-	-	-
Arun Kumar Gupta Family Trust	2,201	950	-	-	-	-	-	-
Anoop Kumar Gupta Family Trust	2,059	894	-	-	-	-	-	-
Binita Gupta Family Trust	12	-	-	-	-	-	-	-
Anil Kumar Mittal HUF	-	-	-	-	-	-	191	83
Arun Kumar Gupta HUF	-	-	-	-	-	-	257	112

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
B Transactions and balances with related parties (cont'd)								
Anoop Kumar Gupta HUF	-	-	-	-	-	-	387	168
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
xi Advance given								
Mr. Raman Sapra ³	-	-	-	-	-	0	-	-
Mr. Rakesh Mehrotra	-	-	-	-	-	1	-	-
xii Advances adjusted against salary								
Mr. Raman Sapra ³	-	-	-	-	-	0	-	-
Mr. Rakesh Mehrotra ³	-	-	-	-	1	0	-	-
xiii Borrowings- Unsecured loans availed								
Mr. Anil Kumar Mittal	-	-	-	-	3,458	1,792	-	-
Mr. Arun Kumar Gupta	-	-	-	-	2,094	2,423	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	1,775	3,721	-	-
Ms. Priyanka Mittal	-	-	-	-	-	436	-	-
xiv Borrowings- Unsecured loans repaid								
Mr. Anil Kumar Mittal	-	-	-	-	1,376	2,243	-	-
Mr. Arun Kumar Gupta	-	-	-	-	1,566	2,195	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	1,566	4,258	-	-

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Balances outstanding at the year end (cont'd)								
Ms. Priyanka Mittal	-	-	-	-	-	402	-	-
xv Interest paid								
Khushi Ram Behari Lal	154	34	-	-	-	-	-	-
xvi Discount allowed on sale of goods								
Khushi Ram Behari Lal	43	49	-	-	-	-	-	-
xvii Advance received against supply of goods								
Khushi Ram Behari Lal	2,162	2,568	-	-	-	-	-	-
xviii Advance received against supply of goods returned back								
Khushi Ram Behari Lal	2,300	645	-	-	-	-	-	-
II Balances outstanding at the year end								
i Unsecured borrowings-Current								
Mr. Anil Kumar Mittal	-	-	-	-	2,424	342	-	-
Mr. Arun Kumar Gupta	-	-	-	-	1,794	1,266	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	2,711	2,502	-	-
Ms. Priyanka Mittal	-	-	-	-	34	34	-	-
ii Advance received from customers								
Khushi Ram Behari Lal	588	1,418	-	-	-	-	-	-
iii Receivable (payable)								
KRBL Infrastructure Limited	(14)	-	-	-	-	-	-	-
KRBL LLC	-	-	(15)	(16)	-	-	-	-
KRBL DMCC	-	-	(191)	(79)	-	-	-	-
iv Receivable on account of Security deposit/Prepaid Lease								
KRBL Infrastructure Limited	971	971	-	-	-	-	-	-

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Subsidiary Companies		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
v Employee related payables								
Mr. Anil Kumar Mittal	-	-	-	-	7	2	-	-
Mr. Arun Kumar Gupta	-	-	-	-	3	2	-	-
Mr. Anoop Kumar Gupta	-	-	-	-	6	2	-	-
Ms. Priyanka Mittal	-	-	-	-	3	2	-	-
Mr. Raman Sapra	-	-	-	-	1	1	-	-
Mr. Rakesh Mehrotra	-	-	-	-	1	3	-	-
Mr. Ashish Mittal	-	-	-	-	-	-	2	1
Mr. Kunal Gupta	-	-	-	-	-	-	1	1
Mr. Akshay Gupta	-	-	-	-	-	-	1	1
Mr. Ayush Gupta	-	-	-	-	-	-	1	1
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	-	-	-	-	0	1	-	-
Mr. Ashish Mittal ³	-	-	-	-	-	-	(0)	(0)
Mr. Ayush Gupta ³	-	-	-	-	-	-	0	(0)

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 2020, the outstanding amount of loan is ₹ 39,308 lacs (31 March 2019 ₹ 1,14,007 lacs) 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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(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 2020	As at 31 March 2019
Income tax matters ¹	9,884	1,26,920
Indirect taxes ²	7,501	7,501
Enforcement directorate investigation matter ³	1,532	-
Other matters	1,115	613
	20,032	1,35,034

¹ The Company had received demand notices under section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, amounting to ₹ 75,744 lacs and interest thereon ₹ 51,176 lacs, against which Company had filed appeals with CIT (Appeals), New Delhi. During the quarter and year ended 31 March 2020, CIT(Appeals) granted partial relief on certain matters in favor of the Company, vide orders dated 11 March 2020, and correspondingly, income tax demand has been reduced by ₹ 69,612 lacs and interest thereon by ₹ 47,424 lacs respectively. The Company is in the process of filing appeals before Income Tax Appellate Tribunal ('ITAT') for remaining matters confirmed by CIT(Appeals) in respect of income tax demand of ₹ 6,132 lacs and interest thereupon of ₹ 3,752 lacs, shown under contingent liabilities. As at 31 March 2020, the Company had already paid ₹ 21,900 lacs, under protest against the demand. The management, based on legal assessment, is confident that it has a favorable case and the remaining demand shall also be deleted at the ITAT level.

² Indirect taxes includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003.

³ The Enforcement Directorate ("ED") had provisionally attached a portion of land parcels and building thereupon, situated at Dhuri, Tehsil Sangrur District of Punjab, to the extent of value of ₹ 1,532 lacs in connection with its money laundering investigation vide order dated 3 July 2019. The Adjudicating Authority vide their order dated 12 December 2019 has confirmed the said attachment. The Company filed an appeal with Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal ordered to restore the possession in favor of the Company, however, aforesaid attachment may continue till the conclusion of the matter. Against the order of Appellate Tribunal, the ED has filed an appeal before Hon'ble High Court of Delhi, which is pending for hearing. As at 31 March 2020, the possession of the said land parcels and building has not been restored physically to Company and therefore, the Company has filed an application with Hon'ble High Court of Delhi on 29 May 2020, for execution of the Appellate Tribunal order. The Company based upon the legal assessments, is confident that it has a favorable case and the said attachment shall be vacated.

*. The 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 Capital commitments

Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment (net of advances)	727	1,320

42 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from 01 April 2001, the Company is required to use certain specified methods in computing arm's length price of international 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.

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

43 Research and development expenditure

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue expenditure	528	523

44 Dividends

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A Dividend declared and paid during the year		
Final dividend and interim dividend declared and paid for the financial year ended 31 March 2019 and 31 March 2020 at ₹ 2.50 per share and at ₹ 2.80 per share respectively (For the year ended 31 March 2018 : ₹ 2.30 per share)	12,476	5,414
Dividend distribution tax on final dividend	2,564	1,102
B Proposed dividends on equity shares not recognised as liability		
Proposed dividends for the year ended 31 March 2020 ₹ Nil (For the year ended 31 March 2019 : ₹ 2.50 per share)	-	5,885
Dividend distribution tax on proposed dividend	-	1,210
C Remittance in foreign currency on account of dividend		
Number of shareholders to whom final dividend for the financial year 2018-19 and financial year 2017-18 remitted in foreign currency	5	5
Number of shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency	4	-
Number of equity shares held by the shareholders to whom final dividend for the financial year 2018-19 and financial year 2017-18 remitted in foreign currency	3,18,38,330	3,18,38,330
Number of equity shares held by the shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency	2,75,88,330	-
Amount of dividend paid (₹ in lacs)	1,568	732
Year to which the dividend relates	2018-19 & 2019-20	2017-18

45 Assets pledged as security

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current assets		
First charge		
Property, plant and equipments including capital work in progress	87,915	92,915
Intangible assets	143	101
Total non-current assets pledged as security	88,058	93,016
Current assets		
First charge		
Pari-passu		
Inventories	2,85,242	3,12,885
Financial assets (current and non-current)	31,270	42,701
Other assets (current and non-current)	26,909	14,062
Total current assets pledged as security	3,43,421	3,69,648
Total assets pledged as security	4,31,479	4,62,664

Summary of the Standalone significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

46 Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Non-current borrowings		
Opening balance	4,668	8,111
Repayment	1,367	3,443
Closing balance	3,301	4,668
Current borrowings		
Opening balance	1,38,151	1,16,414
Movement (net)	(92,732)	22,192
Net (gain)/loss on foreign currency transactions and translation	851	(455)
Closing balance	46,270	1,38,151
Lease liabilities (As per Ind AS 116)		
Opening balance	-	-
Non cash proceeds	8,144	-
Payment of lease liabilities	564	-
Closing balance	7,580	-
Finance cost		
Interest Accrued as at 01 April	639	164
Expenses incurred	6,244	6,756
Expenses paid	5,895	6,281
Interest Accrued as at 31 March	988	639

47 The outbreak of Coronavirus (Covid-19) has severely impacted business globally including India. On 24 March 2020, Government of India ("GOI") has declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses, though essential category business were allowed to operate adhering to the guidelines issued by GOI.

As the nature of business, performed by the Company falls under the essential category and the Company continued to operate its manufacturing facilities and distribute its products in accordance with the said guidelines. Though, there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. Further, the management of the Company has also assessed the impact of the situation on the capital, profitability, liquidity positions etc., and based on its assessment, the pandemic doesn't have any material impact on the standalone financial results of the Company. The management will continue to closely monitor any material change to future economic conditions and would take necessary actions accordingly.

This is the Summary of the standalone significant accounting policies and other explanatory information referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Rohit Arora
Partner
Membership No. 504774

Place: New Delhi
Date: 9 June 2020

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

Anil Kumar Mittal
Chairman and Managing Director
DIN-00030100

Raman Sapra
Company Secretary
Membership No. F9233
Place: Noida
Date: 9 June 2020

Anoop Kumar Gupta
Joint Managing Director
DIN-00030160

Rakesh Mehrotra
Chief Financial Officer
Membership No. 84366
Place: Noida
Date: 9 June 2020



CONSOLIDATED FINANCIALS

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Independent Auditor's Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2020

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 Holding Company' or the '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 2020, 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 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 of the Group, as at 31 March 2020, and their consolidated profit (including other comprehensive income), 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 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 of the Other Matter section below is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

4. We draw attention to:
 - a. Note 41 to the consolidated financial statements, wherein it is stated that the Commissioner of Income Tax (Appeals), New Delhi, vide its order dated 11 March 2020, has granted partial relief to the Company from an income tax demand received in the financial year ended 31 March 2019 and that the Company is in the process of filing an appeal with the Hon'ble Income Tax Appellant Tribunal for the remaining matters which have been sustained by the Commissioner of Income Tax (Appeals), New Delhi. Based on the legal assessment of the outcome of the Company's appeal against the aforesaid remaining income-tax demand, the management is of the view that no adjustment is required in the consolidated financial statements.
 - b. Note 41 to the consolidated financial statements, wherein it is stated that a portion of land parcels and building thereupon owned by the Company as identified in the aforesaid note has been attached by the Directorate of Enforcement ("ED"), which is being contested by the Company. The Company had filed an appeal with the Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal had ordered to restore the possession in favour of the Company, while, the aforesaid attachment would continue till the conclusion of the matter. The matter is being contested in the Hon'ble High Court of Delhi by both the parties as detailed in the aforesaid note. Based on the legal assessment of the outcome of the aforesaid matter, the management is of the view that no adjustment is required to the Consolidated financial statements.

Our opinion is not modified in respect of above matters.

Key Audit Matters

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 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.

Independent Auditor's Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2020

6. We have determined the matter 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
<p>Revenue recognition – Sale of Goods</p> <p>Refer Note 2(g) in the Summary of significant accounting policies and other explanatory information</p> <p>The Group recognised an amount of ₹ 4,49,902 lacs revenue for the year ended 31 March 2020, as disclosed in Note 23 to the financial statements.</p> <p>Revenue for the Company primarily comprises of revenue from sale of manufactured goods (rice) and by products.</p> <p>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 having varying terms of contracts and the volume of the sales made to them.</p> <p>Due to the above factors, we have identified testing of revenue recognition as a key audit matter.</p>	<p>Our audit work included, but was not limited to, the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process of each revenue stream, particularly of sale of rice and by 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 includes ratio analysis, product mix analysis, region wise analysis; • 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, reviewed the subsequent collection of payment and proof of deliveries document of such selected debtors. Further, reconciling revenue recorded during the year with statutory returns; • Tested, on sample basis, manual journal entries recorded in revenue accounts, credit notes and claims, to the relevant approvals and the supporting documents; • Evaluated disclosures made in the financial statements for revenue recognition from sale of goods for appropriateness in accordance with the accounting standards.
<p>Inventory existence and valuation</p> <p>Refer Note 2(f) in the Summary of significant accounting policies and other explanatory information.</p> <p>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.</p>	<p>Our audit work included, but was not limited to the following procedures:</p> <p><u>Existence:</u></p> <ul style="list-style-type: none"> • Obtained an understanding of the management's process of inventory management and inventory physical verification performed subsequent to year-end; • Evaluated the design effectiveness of controls over inventory management process/ inventory physical verification and tested key controls for their operating effectiveness;

Independent Auditor's Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2020

Key audit matter	How our audit addressed the key audit matter
<p>The Company held inventories amounting to ₹ 2,85,242 lacs as at 31 March 2020. 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, silos, and storage bags. High quantity of inventory makes inventory physical verification an extensive procedure for the management, at the year end.</p> <p>The valuation of finished rice and by products is a comprehensive exercise and is carried out manually. The valuation process involves estimation around determination of –</p> <ul style="list-style-type: none"> • Allocable overheads and their absorption rates; • Determination of net realisable value of by-products such as husk, bran, etc., and • Determination of net realisable value of the different variety of finished product. <p>Due to outbreak of the COVID-19, there has been a lockdown enforced in the country near year end and several restrictions were imposed by the government on travel and movement considering public health and safety measures which resulted into complexities for us to observe the physical verification of inventory conducted by the management. This necessitated using alternate audit techniques as further described in our audit procedures.</p> <p>Accordingly, existence and valuation of the year-end inventory balance, which is significant with respect to the total assets held by the Company, is considered to be one of the areas which required significant auditor attention owing to the complexity and judgements involved in the process of physical count and valuation.</p>	<ul style="list-style-type: none"> • Reviewed the instructions given by senior management to stock count teams, including ensuring proper segregation of stock, use of calibration scales/charts, identification of damaged inventory, if any, etc.; • Obtained 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; • Appointed an independent firm of Chartered Accountants ('independent CA firm') for providing direct assistance in carrying out physical verification of the inventory on a sample basis subsequent to the balance sheet date and supervised and reviewed the work performed by them; • Verified movement of the recounted inventory, on sample basis, between the period between the date of stock take and 31 March 2020 with the supporting documents which includes, purchase invoice, internal transfer document for production for manufactured goods, sales invoice, dispatch register, gate inward/outward register, etc. to substantiate the existence of inventory as at the reporting date; <p><u>Valuation:</u></p> <ul style="list-style-type: none"> • Obtained an 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 allocable overheads and their absorption rate, to prior years and enquired reasons for any significant variations, • Checked net realisable value of rice and 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.

Independent Auditor's Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2020

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 accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. 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 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 to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend 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 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 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 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;

Independent Auditor's Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2020

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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; and
 - 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.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
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. We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets of ₹ 1,507 lacs, and net assets of ₹ 1,419 lacs, as at 31 March 2020, total revenues of ₹ 435 lacs and net cash outflows amounting to ₹ 11 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, are 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 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 on the consolidated financial statements, in so far as it relates to the balances and affairs of such subsidiaries, located outside India, are based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Independent Auditor's Report on the Consolidated Financial Statements of KRBL Limited for the year ended 31 March 2020

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.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act, based on our audit and on the consideration of the report of the other auditor, referred to in paragraph 16, on separate financial statements of the subsidiaries, we report that the Holding Company, 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. Further, we report that a subsidiary Company, covered under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary Company.
18. 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 statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) with respect to the adequacy of the internal financial controls with reference to financial statements 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 as 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, did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
 - 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 2020; 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

UDIN: 20504774AAAACP3269

Place: New Delhi

Date: 9 June 2020

Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited on the consolidated financial statements for the year ended 31 March 2020

Annexure A

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements 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 2020, we have audited the internal financial controls with reference to financial statements of the Holding Company, which is a Company covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

Annexure A to the Independent Auditor's Report of even date to the members of KRBL Limited on the consolidated financial statements for the year ended 31 March 2020

external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to financial statements 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 with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2020,

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 internal financial controls with reference to financial statements in so far as it relates to one subsidiary Company and, which is Company covered under the Act, whose financial statements reflect total assets of ₹ 296 lacs and net assets of ₹ 295 lacs as at 31 March 2020, total revenues of ₹ 1 lacs and cash outflows (net) amounting to ₹ 1 lacs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary Company 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 internal financial controls with reference to financial statements for the Holding Company, and its subsidiary Company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary Company, is based solely on the reports of the auditors of such Company. 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 auditor.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No.: 504774

UDIN: 20504774AAAACP3269

Place: New Delhi

Date: 9 June 2020

Consolidated Balance Sheet

as at 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	88,740	93,172
Capital work in progress	3(a)	1,214	59
Right of use assets	4	8,138	-
Investment property	3(c)	908	833
Goodwill		16	16
Other intangible assets	3(b)	143	101
Financial assets			
- Loans	6	929	321
- Other financial assets	7	14	6
Other non-current assets	8	24,973	11,749
Sub total non-current assets		1,25,075	1,06,257
Current assets			
Inventories	9	2,85,242	3,12,939
Financial assets			
- Investments	5	584	765
- Trade receivables	10	23,020	39,729
- Cash and cash equivalents	11	1,443	425
- Other bank balances	12	3,812	102
- Loans	6	22	35
- Other financial assets	7	1,157	1,041
Other current assets	13	1,936	2,321
Sub total current assets		3,17,216	3,57,357
TOTAL ASSETS		4,42,291	4,63,614
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,354	2,354
Other equity	15	3,10,410	2,70,316
Equity attributable to the owners of the Holding Company		3,12,764	2,72,670
Non-controlling interest		89	88
Sub total shareholder's fund		3,12,853	2,72,758
Liabilities			
Non current liabilities			
Financial liabilities			
- Borrowings	16	1,957	3,324
- Lease liabilities	4	6,965	-
Provisions	17	733	565
Deferred tax liabilities (net)	18	14,588	14,673
Sub total non-current liabilities		24,243	18,562
Current liabilities			
Financial liabilities			
- Borrowings	19	46,270	1,38,151
- Trade payables	20		
- Total outstanding due to micro enterprises and small enterprises		439	688
- Total outstanding dues of creditors other than enterprises and small enterprises		37,917	21,691
- Lease liabilities	4	615	-
- Other financial liabilities	21	16,081	8,566
Other current liabilities	22	2,066	2,602
Provisions	17	493	287
Current tax liabilities (net)		1,314	309
Sub total current liabilities		1,05,195	1,72,294
TOTAL EQUITY AND LIABILITIES		4,42,291	4,63,614

The accompanying notes form an integral part of these standalone financials statements

1 - 48

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

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No. 504774

Place: New Delhi

Date: 9 June 2020

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
Income			
Revenue from operations	23	4,49,902	4,12,049
Other income	24	2,251	1,515
Total income		4,52,153	4,13,564
Expenses			
Cost of materials consumed	25	3,03,592	3,16,761
Purchase of stock-in-trade	26	1,212	1,165
Changes in inventories of finished goods and stock-in-trade	27	17,395	(28,558)
Employee benefits expenses	28	8,562	7,702
Finance costs	29	6,244	6,758
Depreciation and amortisation expenses	30	7,288	6,446
Other expenses	31	32,105	29,991
Total expenses		3,76,398	3,40,265
Profit before tax		75,755	73,299
Tax expense	34		
Current tax		20,021	23,016
Deferred tax charge		(85)	1,471
MAT credit entitlement		-	(1,490)
Total tax expense		19,936	22,997
Profit for the year		55,819	50,302
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans		(224)	6
Tax on above		59	(2)
Items that will be reclassified to profit or loss			
Foreign currency translation		104	91
Loss on Cash flow hedge reserve		(848)	-
Tax on above		224	-
Other comprehensive (loss) / income for the year		(685)	95
Total comprehensive income for the year		55,134	50,397
Profit attributable to:			
Owners of the parent		55,818	50,302
Non-controlling interest ¹		1	0
Other comprehensive income attributable to:			
Owners of the parent		(685)	95
Non-controlling interest ¹		0	0
Earnings per share (face value of ₹ 1 each)	32		
- Basic (in ₹)		23.71	21.37
- Diluted (in ₹)		23.71	21.37

1. Rounded off to zero

The accompanying notes form an integral part of these consolidated financials statements

1 - 48

This is the Consolidated 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: New Delhi

Date: 9 June 2020

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020

Consolidated Cash Flow Statement

for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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

Consolidated Cash Flow Statement

for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
D Net increase/(decrease) in cash and cash equivalents during the year (A+B+C)	1,018	(3,517)
Cash and cash equivalents-opening balance	425	3,942
Cash and cash equivalents at the year end	1,443	425
E Cash and cash equivalents (refer note 11)		
Cash in hand	72	79
Balances with banks	1,371	346
	1,443	425

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: New Delhi

Date: 9 June 2020

For and on behalf of the Board of Directors of KRBL Limited

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020

Standalone Statement of Changes in Equity

for the year ended 31 March 2020

A. Equity share capital (refer note 14)

(All amounts stated in ₹ lacs, unless otherwise stated)

Equity shares of ₹ 1 each, fully paid up	Number of shares	Amount
As at 01 April 2018	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2019	23,53,89,892	2,354
Movement during the year	-	-
As at 31 March 2020	23,53,89,892	2,354

B. Other equity (refer note 15)

Particulars	Reserve and surplus					Other comprehensive income		Total
	Retained earnings	General reserve	Securities premium	Capital reserve	Capital redemption reserve	Foreign currency translation reserve	Cash flow hedge reserve	
Balance as at 01 April 2018	1,77,718	37,050	9,655	82	77	1,853	-	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 as at 31 March 2019	2,28,024	37,050	9,655	82	77	1,944	-	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	44,050	9,655	82	77	1,944	-	2,70,316
Balance as at 01 April 2019	2,14,508	44,050	9,655	82	77	1,944	-	2,70,316
Profit for the year	55,819	-	-	-	-	-	-	55,819
Other comprehensive income for the year:-								
Remeasurement of defined benefit obligations (net of tax)	(165)	-	-	-	-	-	-	(165)
Movement in foreign currency translation reserve during the year	-	-	-	-	-	104	-	104
Cash flow hedge reserve (net of tax)	-	-	-	-	-	-	(624)	(624)
Total comprehensive income as at 31 March 2020	2,70,162	44,050	9,655	82	77	2,048	(624)	3,25,450
Transaction with owners								
Dividends paid (refer note 44)	(12,476)	-	-	-	-	-	-	(12,476)
Dividend distribution tax paid	(2,564)	-	-	-	-	-	-	(2,564)
Transferred to general reserve ¹	(7,500)	-	-	-	-	-	-	(7,500)
Transferred from profit and loss account ¹	-	7,500	-	-	-	-	-	7,500
Balance as at 31 March 2020	2,47,622	51,550	9,655	82	77	2,048	(624)	3,10,410

1. The Company has voluntarily transferred amount of ₹ 7,500 lacs (31 March 2019 ₹ 7,000 lacs) from retained earning to general reserve.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For Walker Chandio & Co LLP

For and on behalf of the Board of Directors of KRBL Limited

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Rohit Arora

Partner

Membership No. 504774

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020

Place: New Delhi

Date: 9 June 2020

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

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 National Stock Exchange of India Ltd. and BSE Limited.

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, contract 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') or ('the Company'), its subsidiaries ('the Holding Company and its subsidiaries together referred to as 'the Group').

Subsidiaries comprises of following: -

Name of the Subsidiaries	Country of incorporation	Shareholding as at 31 March 2020	Shareholding as at 31 March 2019
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.

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, however during the year, the Company has adopted hedge accounting, as mentioned in para j below.

The Consolidated financial statements for the year ended 31 March 2020 were authorized and approved for issue by the Board of Directors on 09 June 2020.

(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 2020. 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 of the three elements of control. Consolidation of a subsidiary

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

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 2020.

The Consolidated financial statements have been prepared on the following basis:

The Consolidated 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 Subsidiaries 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.

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

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

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".

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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

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

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

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.

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.

Dividend income

Dividend is recognised when the Company's right to receive the payment is established,

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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

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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, 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

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

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 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.

f) **Hedge accounting Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as forward contracts to hedge its foreign currency risks and interest rate risks and non-derivative financial liabilities to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Foreign currency risk of non-derivative financial liabilities used for hedging is measured using spot rates.

Any gains or losses arising from changes in the fair value of derivatives and change in foreign currency risk component of non-derivative financial liabilities are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedged item affects profit or loss. For the purpose of hedge accounting, hedges are classified as cash flow hedges where Company hedges its

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

exposure to variability in cash flows that is attributable to foreign currency risk and interest rate risk associated with recognised liabilities in the financial statements.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the group's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they continue to be highly effective throughout the financial reporting periods for which they are designated.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

k. Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset.
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and;
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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

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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 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

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

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 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

t. Dividend to shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders'

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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 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.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(vi) Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 01 April 2020.

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(All amounts stated in ₹ lacs, unless otherwise stated)

3(a) 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 01 April 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	45
Transfer (Refer note C)	-	520	-	-	-	-	520	-
Disposals/capitalised	-	(71)	(295)	(23)	(1)	(215)	(605)	(211)
Foreign currency translation difference (refer note I 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
Additions	134	319	2,361	8	26	189	3,037	1,213
Disposals/capitalised (refer note H)	(84)	-	(1,589)	(3)	(3)	(1,749)	(1,749)	(58)
Foreign currency translation difference (refer note I below)	-	-	-	0	0	2	2	-
Balance as at 31 March 2020	6,611	20,717	1,22,229	1,847	510	3,398	1,55,312	1,214
Accumulated depreciation								
Balance as at 01 April 2018	-	4,080	47,644	927	280	1,861	54,792	-
Additions	-	748	5,178	131	58	292	6,407	-
Transfer (Refer note C)	-	119	-	-	-	-	119	-
Disposals (refer note I)	-	(11)	(252)	(19)	(1)	(185)	(468)	-
Foreign currency translation difference (refer note I below)	-	-	-	(0)	(0)	(0)	(0)	-
Balance as at 31 March 2019	-	4,936	52,570	1,039	337	1,968	60,850	-
Additions	-	848	4,932	127	56	285	6,248	-
Disposals (refer note H)	-	-	(475)	(3)	(3)	(45)	(526)	-
Foreign currency translation difference (refer note I below)	-	-	-	(0)	(0)	(0)	(0)	-
Balance as at 31 March 2020	-	5,784	57,027	1,163	390	2,208	66,572	-
Net carrying amount								
Balance as at 31 March 2019	6,561	15,462	68,887	803	150	1,309	93,172	59
Balance as at 31 March 2020	6,611	14,933	65,202	684	120	1,190	88,740	1,214

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 16 and 19 for information on property, plant and equipment pledged as security by the Company.

C During the previous year ended 31 March 2019, the holding Company started operating a warehouse at Kandla, erstwhile given on cancellable operating lease, for the purpose of its business. Consequently, such investment property has been reclassified as building included in above note.

D Out of the total land parcels amounting to ₹ 6,611 lacs (31 March 2019 : ₹ 6,561 lacs) as mentioned in above note, 52 land parcels amounting to ₹ 761 lacs (31 March 2019 : ₹ 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 holding Company. The holding 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. During the year the holding Company has executed and registered the General Power of Attorney, 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 (31 March 2019 : ₹ 83 lacs) of which title deeds are in the name of KB Overseas, the erstwhile firm merged with the holding Company.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

- F** Buildings amounting to ₹ 150 lacs (31 March 2019 : ₹ 153 lacs) are pending registration in the name of the holding Company.
- G** Capital work-in-progress mainly comprise of plant and machinery which are under installation at the premises of the holding Company.
- H** The holding Company during the year has sold one of its wind turbine generator and corresponding land (pending registration as at the reporting date) since the power purchase agreement for the same was not executed due to technical difficulties. However the holding Company has already transferred the control to the said customer as at 31 March 2020 and the same has been recorded as sale of the said plant and machinery and corresponding land.
- I** Rounded off to zero.

3(b) Other Intangible assets

Particulars	Patents, trademark and design	Computer software	Total
Gross carrying amount			
Balance as at 01 April 2018	22	269	291
Additions	-	20	20
Disposals	-	-	-
Balance as at 31 March 2019	22	289	311
Additions	37	31	68
Disposals	-	-	-
Balance as at 31 March 2020	59	320	379
Accumulated amortisation			
Balance as at 01 April 2018	18	162	180
Additions	-	30	30
Disposals	-	-	-
Balance as at 31 March 2019	18	192	210
Additions	4	22	26
Disposals	-	-	-
Balance as at 31 March 2020	22	214	236
Net carrying amount			
Balance as at 31 March 2019	4	97	101
Balance as at 31 March 2020	37	106	143

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

3(c) Investment property

Particulars	As at 31 March 2020	As at 31 March 2019
Gross carrying amount		
Opening gross carrying amount	833	1,281
Additions	-	-
Transfer (refer note A below)	-	(520)
Foreign currency translation difference	75	72
Balance at the end of the year	908	833
Accumulated depreciation		
Opening accumulated depreciation	-	110
Additions	-	9
Transfer (refer note A below)	-	(119)
Balance at the end of the year	-	-
Net carrying amount at the end of the year	908	833

Notes:

- A One of the subsidiary of the Company has building situated at Dubai, United Arab Emirates, which is classified as investment property.

Further, during the previous year ended 31 March 2019, the holding Company started operating the kandla property as a warehouse for the purpose of its own business. Consequently, such investment property had been reclassified as building as mentioned in note 3(a).

B

Particulars	As at 31 March 2020	As at 31 March 2019
Amount recognized in statement of profit and loss for investment property		
Rental income derived from investment property	25	30
Direct operating expenses (including repairs and maintenance) generating rental income	-	3
Profit arising from investment property before depreciation	25	27
Less: Depreciation	-	9
Profit arising from investment property	25	18

C

Particulars	As at 31 March 2020	As at 31 March 2019
Fair value of investment property at United Arab Emirates, same as of the carrying value	908	833

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

4 Leases

A Right of use assets

Particulars	As at 31 March 2020
Gross carrying amount	
Opening gross carrying amount	-
Additions	9,152
Balance at the end of the year	9,152
Accumulated depreciation	
Opening accumulated depreciation	-
Additions	1,014
Balance at the end of the year	1,014
Net carrying amount at the end of the year	8,138

B Lease Liabilities

Particulars	As at 31 March 2020
Non-current	6,965
Current	615
	7,580

C Lease related disclosures

The Company has leases mainly for the land and buildings. With the exception of short-term leases, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability. There are no variable lease payments included in the agreement.

i. Extension and termination options

Extension and termination options are included in all leases. These terms are used to maximise operational flexibility in terms of managing contracts.

ii. Lease payments not included in measurement of lease liability

The Company has elected not to recognise a lease liability for short term leases (leases of expected term of 12 months or less). Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of the lease liability is as follows:

Particulars	31 March 2020
Amount of leases which are for short term of 12 months or less	60

iii. The following are amounts recognised in profit or loss with respect to leasing arrangements:

Particulars	31 March 2020
Depreciation on right of use assets	1,014
Interest expense on lease liabilities	675

iv. Total cash outflow in respect of leases in the year amounts to ₹ 1,239 lacs.

v. Maturity of lease liabilities

The lease liabilities are secured by the related underlying assets. The maturity analysis of lease liabilities are disclosed in note 38.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

D Adoption of Ind AS 116 - Leases

Ind AS 116 'Leases' replaces Ind AS 17 'Leases' along with relevant interpretations. The adoption of this new standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as having a remaining lease term of less than 12 months from the date of initial application.

The Company has adopted revised reporting i.e. Ind AS 116 with effect from 01 April 2019 using "Modified Retrospective Approach". There is no impact of adoption of Ind AS 116 on the retained earnings of the Company on transition date as the Company has availed practical expedients available in the revised reporting standard for transition.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months, the Company has applied the optional exemption to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to Ind AS 116 the weighted average incremental borrowing rate was applied to lease liabilities recognised under Ind AS 116.

Practical expedients:

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics,
- reliance on previous assessments on whether leases are onerous,
- the accounting for operating leases with a remaining lease term of less than 12 months as at 01 April 2019 as short-term leases,
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C of Ind-AS 17 Determining whether an *Arrangement contains a Lease*.

E The following is a reconciliation of total operating lease commitments at 31 March 2019 (as disclosed in the financial statements to 31 March 2019) to the lease liabilities recognised as at 01 April 2019:

Particulars	31 March 2019
Total operating lease commitments disclosed at 31 March 2019 (refer sub point "F" below)	8,304
Different treatment of extension option under agreement and others	6,782
Total lease obligation as on 01 April 2019	15,086
Discounted using incremental borrowing rate	6,942
Total lease liabilities recognised under Ind AS 116 at 01 April 2019	8,144

F Disclosure under Ind AS 17 for the year ended 31 March 2019:

Operating leases - assets taken on lease

Minimum lease payments in relation to non- cancellable operating leases are payable as follows:

Particulars	31 March 2019
Within one year	954
Later than one year but not later than five years	3,124
Later than five years	4,226

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

5 Investments

A Current

Particulars	As at 31 March 2020	As at 31 March 2019
Investment carried at fair value through profit or loss		
Investments in equity instruments - quoted, fully paid-up		
NHPC Limited	176	219
[8,82,712 equity shares of ₹ 10 each, (31 March 2019 - 8,82,712 equity shares)]		
Coal India Limited	107	181
[76,437 equity shares of ₹ 10 each, (31 March 2019 - 76,437 equity shares)]		
Power Grid Corporation of India Limited	171	213
[1,07,667 equity shares of ₹ 10 each, (31 March 2019 - 1,07,667 equity shares)]		
Shipping Corporation of India Limited	91	92
[2,42,265 equity shares of ₹ 10 each, (31 March 2019 - 2,42,265 equity shares)]		
MOIL Limited	39	60
[37,846 equity shares of ₹ 10 each, (31 March 2019 - 37,846 equity shares)]		
	584	765
Aggregate amount of quoted investments at cost	957	957
Aggregate amount of quoted investments at market value	584	765
Aggregate decrease in fair market value/impairment	373	192

6 Loans

A Non-current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured, considered good unless otherwise stated)		
Security deposits ¹	923	314
Loan to employees	6	7
	929	321
Notes		
1. Deposit given to the Company in which director of Company is a director or a member: KRBL Infrastructure Limited	681	223

B Current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Loan to employees	22	35
	22	35
Notes		
No loans are due from firms or private companies in which any director is partner, director or a member.		

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

7 Other financial assets

A Non-current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Fixed deposits ¹	14	6
	14	6

Notes

1. Liened as security issued to the various government authorities of ₹ 14 lacs (31 March 2019 ₹ 6 lacs).

B Current

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Income receivable	1,134	1,016
Other receivables	23	25
	1,157	1,041

8 Other non-current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Capital advance	180	174
Balance with statutory authorities (including taxes/duty paid under protest) ²	24,771	10,376
Pre-payments ¹	22	1,199
	24,973	11,749

Notes:

1. Pre-payments includes prepaid lease rentals of ₹ nil (31 March 2019 ₹ 1,199 lacs).

2. As at 31 March 2019, an amount of ₹ 50 lacs has been reclassified from cash and cash equivalent.

9 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
Raw materials	1,23,593	1,33,799
Finished goods ¹	1,52,043	1,69,653
Stock-in-trade	818	793
Packing material, consumables and others	7,197	7,041
Stores and spares	1,591	1,653
	2,85,242	3,12,939

Notes:

1. Includes goods in transit of ₹ 3,613 lacs (31 March 2019 ₹ 8,417 lacs).

2. Refer note 25, 26 and 27 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 product ₹ 3,052 lacs (31 March 2019 ₹ 5,341 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.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

10 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good	23,020	39,729
Trade receivables which have significant increase in Credit Risk	-	-
Less: Allowance for expected credit loss	-	-
	23,020	39,729

11 Cash and cash equivalents¹

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks in current accounts	1,371	346
Cash in hand	72	79
	1,443	425

Note:

1. There is no restriction in repatriation of cash and cash equivalents.

12 Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
Unclaimed dividends- earmarked balances with banks ¹	824	42
Deposits with original maturity more than 3 months and less than 12 months ²	2,988	60
	3,812	102

Note:

1. It includes Demand drafts/Cheques not realised because of lockdown due to Covid-19.
2. As at 31 March 2020, the deposits of ₹ 2,977 lacs (31 March 2019 ₹ 49 lacs) are restricted as they are held as margin money deposits against the facilities extended to the Company by bank.

13 Other current assets

Particulars	As at 31 March 2020	As at 31 March 2019
(Unsecured- considered good unless otherwise stated)		
Balance with statutory authorities	319	81
Advances to suppliers	410	1,011
Pre-payments ¹	1,138	1,190
Other receivables	69	39
	1,936	2,321

Note:

1. Pre-payments includes prepaid lease rentals of ₹ Nil (31 March 2019 ₹ 81 lacs).

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

14 Equity share capital

Particulars	As at 31 March 2020	As at 31 March 2019
Authorised		
30,00,00,000 (31 March 2019 - 30,00,00,000) equity shares of ₹ 1 each	3,000	3,000
	3,000	3,000
Issued and subscribed¹		
23,62,44,892 (31 March 2019 - 23,62,44,892) equity shares of ₹ 1 each	2,362	2,362
	2,362	2,362
Fully paid-up¹		
23,53,89,892 (31 March 2019 - 23,53,89,892) equity shares of ₹ 1 each	2,354	2,354
	2,354	2,354

Note

1. Difference between the issued and 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 2020		As at 31 March 2019	
	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 vide circular resolution dated 27 February 2020 had declared and paid Interim dividend @ 280 % i.e. ₹ 2.80 per equity share of face value of ₹ 1 each (31 March 2019 - ₹ 2.50 per share). Further the board of directors vide resolution dated 09 June 2020 have considered the said interim dividend as final dividend for the year ended 31 March 2020.

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 2020		As at 31 March 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
1. Anil Mittal Family Trust	4,30,49,796	18.29%	4,25,45,864	18.07%
2. Arun Kumar Gupta Family Trust	4,17,97,646	17.76%	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.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(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. 04 March 2013 to 11 February 2014, the Company had bought back and extinguished 77,22,048 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.

15 Other equity

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Retained earnings	2,47,622	2,14,508
(ii) General reserve	51,550	44,050
(iii) Securities premium	9,655	9,655
(iv) Capital reserve	82	82
(v) Capital redemption reserve	77	77
(vi) Cash flow hedge reserve	(624)	-
(vii) Foreign currency translation reserve	2,048	1,944
	3,10,410	2,70,316

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.

(vi) Cash flow hedge reserve

The cash hedge flow reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges.

(vii) 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. ₹ 104 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.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

16 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current		
Secured term loan from banks (refer note below)		
Rupee loans	3,301	4,668
	3,301	4,668
Less: Current maturities of non-current borrowings (refer note 21)	1,344	1,344
	1,957	3,324

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 2019 - ₹ 18,405 lacs) in the form of term loan facilities taken from various banks under consortium.

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 2020	As at 31 March 2019
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 2019 - prevailing MCLR +0.25% per annum) and Repayable in 28 quarterly instalments of ₹ 336 lacs each, starting from December 2015.	3,301	4,668
	3,301	4,668

17 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
A Non-current provision for employee benefits		
Provision for compensated absences (refer note 35 C)	733	565
	733	565
B Current provision for employee benefits		
Provision for gratuity (refer note 35B)	353	120
Provision for compensated absences (refer note 35C)	140	167
	493	287

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

18 Deferred tax liabilities (net)

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax liabilities		
Property, plant and equipment and intangible assets	14,952	14,987
Right to use assets	1,883	-
	16,835	14,987
Deferred tax assets		
Lease liabilities	(1,908)	-
Provision for employee benefit expenses	(220)	(256)
Others	(119)	(58)
	(2,247)	(314)
	14,588	14,673

Note:

Refer note 34C for the movement in deferred tax

19 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
Current		
Secured		
Working capital facilities from bank		
- Rupee loan (refer note B (i) and (ii) below)	17,478	91,435
- Foreign currency loan (refer note B (iii) below)	21,830	22,572
	39,308	1,14,007
Unsecured		
Loan from bank (refer note C (i) below)	-	20,000
Loans from related parties (refer note C (ii) below)	6,962	4,144
	6,962	24,144
	46,270	1,38,151

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 ₹ 1,75,400 lacs (31 March 2019 - ₹ 1,75,400 lacs) in the form of loan and other facilities taken from various banks under consortium.

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.

During the year ended 31 March 2020, the Company has created subservient charge by way of hypothecation in favour of HDFC Bank Limited and created mortgage on its movable and immovable properties located at various locations for an amount of ₹ 20,000 lacs.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

B. Details of repayment of the current borrowings

Secured:

Particulars	As at 31 March 2020	As at 31 March 2019
(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.	174	44,435
(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 Cooperative Rabobank U.A. which as per MIBOR along with spread.	17,304	47,000
(iii) PCFC - foreign currency 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.	21,830	22,572
C. Unsecured:		
(i) Demand loans from banks - rupee loan The Company has obtained short-term working capital loan from HDFC Bank Limited, one of consortium bank, and is payable after the stipulated period. The facilities carries interest at MCLR along with spread.	-	20,000
(ii) Loans from related parties The Company has obtained loans from directors which are interest free and repayable on demand.	6,962	4,144

20 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding due to micro enterprises and small enterprises	439	688
Total outstanding due of creditors other than micro enterprises and small enterprises	7,919	8,870
Acceptances	29,998	12,821
	38,356	22,379

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Note:

A Detail of dues of Micro Enterprises 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 2020	As at 31 March 2019
(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	439	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.	-	-
	439	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.

21 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Current maturities of non-current borrowings (refer note 16)	1,344	1,344
Interest accrued but not due on borrowings	965	639
Employees related payables	873	847
Security deposits	40	39
Expenses payable	12,035	5,654
Unclaimed dividend ¹	824	43
	16,081	8,566

Note:

1. It includes Demand drafts/Cheques not realised because of lockdown due to Covid-19. Further the same is not due for deposit to Investor Education and Protection Fund.

22 Other current liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Advance from customers	1,328	1,941
Statutory dues payable	738	661
	2,066	2,602

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

23 Revenue from operations

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue from sale of finished goods		
Export	2,08,497	1,84,443
Domestic	2,26,915	2,12,204
Revenue from sale of stock in trade		
Domestic	1,668	2,009
Sale of electricity		
Export	-	72
Domestic	11,371	12,788
Other operating revenue		
Liquidated damages received ¹	638	-
Scrap sales	813	533
	4,49,902	4,12,049

Note:

1. Liquidity damages received by the Company from its vendor for non execution of contract terms.
Refer note 33, for disaggregation of revenue from operations and other disclosures.

24 Other income

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest income	709	656
Rental income	25	42
Dividend income	38	30
Net gain on redemption and fair valuation of investments through profit and loss	-	289
Foreign exchange gain, net	840	-
Profit on sale of property, plant and equipment	6	135
Liabilities/provisions no longer required written back	45	134
Other non operating income	588	229
	2,251	1,515

25 Cost of materials consumed

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Paddy	2,08,342	1,95,852
Semi finished rice	78,720	1,02,106
Packing and other consumables	16,339	18,351
Amount of opening stock-in-trade used as raw material for production (refer note 27C)	191	452
	3,03,592	3,16,761

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

26 Purchase of stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Seeds	1,212	1,165
	1,212	1,165

27 Changes in inventories of finished goods and stock-in-trade

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A Opening stock		
Finished goods	1,69,653	1,40,919
Stock-in-trade	793	1,413
	1,70,446	1,42,332
B Closing stock		
Finished goods	1,52,043	1,69,653
Stock-in-trade	818	793
	1,52,861	1,70,446
C Amount of opening stock-in-trade used as raw material (refer note 25)	(191)	(452)
D Others	1	8
	17,395	(28,558)

28 Employee benefits expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries wages and bonus	7,758	6,981
Contribution to provident and other funds (refer note 35)	499	449
Gratuity and compensated absences (refer note 35)	129	126
Staff welfare expenses	176	146
	8,562	7,702

29 Finance costs

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest expense on:-		
- Term loans	333	566
- Cash credit/working capital facility	5,143	5,103
- On Leases	675	-
Net loss on foreign currency transactions and translation	-	883
Other borrowing costs	93	206
	6,244	6,758

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

30 Depreciation and amortisation expense

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Depreciation on property, plant and equipment	6,248	6,407
Depreciation on investment property	-	9
Depreciation on right of use assets	1,014	-
Amortisation on intangible assets	26	30
	7,288	6,446

31 Other expenses

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Power and fuel	2,213	1,771
Consumption of stores and spares	971	995
Repairs and maintenance:-		
- Plant and machinery	2,854	2,438
- Buildings	424	376
- Others	75	83
Fumigation	490	469
Freight inward	1,482	1,564
Travelling and conveyance	471	421
Communication expense	89	96
Rent	60	1,124
Legal and professional expense (refer note A)	734	490
Fees, rates and taxes	1,602	1,081
Vehicle running and maintenance	210	216
Insurance	295	339
Printing and stationery	117	103
Testing and inspection	659	420
Donation and charity	75	26
Clearing, forwarding and freight charges	10,073	9,177
Sales and business promotion	1,073	365
Advertisement	5,349	4,275
Meeting and seminar expense	285	157
Commission and brokerage	668	557
Corporate social responsibility expenses (refer note 36)	188	17
Security service charges	324	313
Sub-contractual expense	595	557
Net loss on foreign currency transactions and translation	-	1,160
Balances written off	130	1,083
Other miscellaneous expenses	599	318
	32,105	29,991

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

A Auditors' remuneration (excluding Goods and services tax)¹

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statutory audit (including fees for limited reviews)	41	36
Tax audit	8	-
Reimbursement of expenses	4	1
	53	37

1. Auditor remuneration for the previous year doesn't includes the remuneration paid by Company to the erstwhile auditors.

32 Earnings per share

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Profit attributable to equity shareholders	55,819	50,302
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
Basic / Diluted earnings per share in ₹	23.71	21.37

33 Disaggregation of revenue from operations

A Revenues by Geography

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Rice and other related products		
- within India	2,28,583	2,14,213
- other than India	2,08,497	1,84,443
	4,37,080	3,98,656
Electricity		
- within India	11,371	12,788
- other than India	-	72
	11,371	12,860
Liquidated damages received		
- within India	638	-
	638	-
Sale of scrap		
- within India	813	533
	813	533

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

B Revenues by offerings

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Sale of goods		
- Rice	4,17,513	3,79,204
- Paddy	229	1,036
- Seeds	1,668	2,008
- Others	560	248
By products		
- Husk	1,679	2,191
- Bran products	5,061	5,987
- Furfural oil	643	1,685
- Doil cake	5,235	3,772
- Glucose	515	332
- Others	3,977	2,193
	4,37,080	3,98,656
Sale of electricity	11,371	12,860
Sale of scrap	813	533
Liquidated damages received	638	-

C Reconciliation of revenue from sale of products with the contracted price

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Contracted price	4,63,025	4,21,009
Less: Trade discounts, volume rebates, etc	13,123	8,960
Sale of products	4,49,902	4,12,049

D Contract balances

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
- Contract assets ¹	1,157	1,041
- Contract liabilities ²	1,328	1,941

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.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

E Movement in contract assets and contract liabilities

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Opening balance of contract liabilities	1,941	590
Addition in balance of contract liabilities for current year	1,328	1,941
Amount of revenue recognised against opening contract liabilities	1,941	590
Closing balance of contract liabilities	1,328	1,941
Opening balance of contract assets	1,041	1,348
Addition in balance of contract assets for current year	1,157	1,041
Amount of billing recognised against opening contract assets	1,041	1,348
Closing balance of contract assets	1,157	1,041

34 Income tax

A Reconciliation of effective tax rate

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Enacted income tax rate applicable to the Company (refer sub-note E below)	25.17%	34.94%
Profit before tax	75,755	73,299
Add: Loss from foreign operation not taxable	123	25
Less: Profit of the eligible units exempt under 80IA of the Income-tax Act, 1961	-	7,899
Taxable profit of the Company	75,877	65,425
Expected tax expenses	19,097	22,860
Tax effect of:		
Non deductible expenses (net)	136	57
Changes in the tax assumptions for claiming deduction under 80IA of the Act on eligible projects and others, including creation of MAT entitlement (Refer sub-note E below)	4,894	(27)
Impact due to change in the tax rates (Refer sub-note E below)	(4,106)	93
Others	(85)	14
Total income tax expense in the Statement of Profit and Loss	19,936	22,997

B The major components of income tax expense for the period end are:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Statement of Profit and Loss section		
Current income tax		
Current tax	20,021	23,016
Deferred tax	(85)	1,471
MAT credit entitlement	-	(1,490)
	19,936	22,997

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Other Comprehensive Income Section

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Tax expense on the items recognised in other comprehensive income during the year		
Remeasurement of defined benefit plans	59	(2)
Loss on Cash flow hedge reserve	224	-
	283	(2)

C Movement of temporary differences

I

Particulars	Balance as at 01 April 2019	Recognised in Statement of Profit and Loss during the year	Balance as at 31 March 2020
Deferred tax liabilities			
Property, plant and equipment and intangible assets	14,987	(35)	14,952
Right to use assets	-	1,883	1,883
Deferred tax assets			
Lease liabilities	-	(1,908)	(1,908)
Provision for employee benefit expenses	(256)	36	(220)
Others	(58)	(61)	(119)
	14,673	(85)	14,588

II

Particulars	Balance as at 01 April 2018	Recognised in Statement of Profit and Loss during the year	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

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

D Movement in MAT credit entitlement

Particulars	For the year ended 31 March 2019
MAT credit entitlement	
Opening	-
Add: MAT credit entitlement	1,490
Less: MAT credit availed	(1,490)
Closing	-

- E The Company had exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 ("Act") as introduced by the Taxation Laws (Amendment) Ordinance, 2019 in quarter ended 30 September 2019, which had resulted in lower tax rate of 25.17% as compared to 34.94% on the taxable profits, computed without any exemption/incentives under the different provisions of the Act. Consequent to such change, the accumulated deferred tax liabilities (net) has been remeasured, which has resulted in a onetime additional charge of ₹ 788 lacs recognised in the Statement of Profit and loss for the year ended 31 March 2020.

35 Employee benefit obligations

A Defined contribution plans

Particulars	As at 31 March 2020	As at 31 March 2019
Employer's contribution to provident fund	393	324
Employer's contribution to employees state insurance	106	126
	499	450

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.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 2020	As at 31 March 2019
a. Amounts to be recognised		
Present value of obligation	(1,519)	(1,126)
Fair value of plan assets	1,166	1,006
Net (liability) recognised	(353)	(120)
Current liability	(353)	(120)
Non- current liability	-	-
b. Changes in present value of defined benefit obligation:		
Defined benefit at the beginning of the year	1,126	1,025
Current service cost	120	114
Interest cost	88	81
Remeasurements-actuarial gain/loss -due to change financial assumptions	169	12
Remeasurements-actuarial gain/loss -due to experience	61	(8)
Benefits paid	(45)	(98)
Present value of benefit obligation at the end of the year	1,519	1,126
c. Change in fair value of plan assets		
Fair value of plan assets at the beginning of the year	1,006	875
Expected return on plan assets	79	69
Contributions made	120	150
Benefits paid	(45)	(98)
Return on plan assets, excluding interest income	6	10
Fair value of plan assets at the end of the year	1,166	1,006
d. Expenses recognized in Statement of profit or loss		
Current service cost	120	114
Interest expense (net)	9	12
Expense for the year ended	129	126
e. Recognized in other comprehensive income		
Remeasurements-actuarial gain/loss on obligation for the period	230	4
Return on plan assets, excluding interest income	(6)	(10)
Net income at the end of the period	224	(6)
f. Actuarial assumptions		
Discount rate	6.82%	7.78%
Expected rate of return on plan assets	6.82%	7.78%
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%

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
g. Investment details		
Insurance Fund	1,166	1,006
h. The Company expects to contribute ₹ 382 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 2020	As at 31 March 2019
Discount rate		
1% increase	(176)	(125)
1% decrease	213	151
Future salary increase		
1% increase	200	143
1% decrease	(170)	(121)
Employee turnover rate		
1% increase	17	28
1% decrease	(21)	(32)

j. Maturity profile of defined benefit obligation

Particulars	As at 31 March 2020	As at 31 March 2019
Within next 12 months	139	125
Between 1-5 years	184	139
Beyond 5 years	4,117	3,549

C Other long term benefit plans

Other long term benefit plans represents the compensated absences provided to the employees of the Company.

a. Amounts to be recognised

Particulars	As at 31 March 2020	As at 31 March 2019
Current liability	733	565
Non- current liability	140	167

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

b. Changes in present value of other long term benefit plans:

Particulars	As at 31 March 2020	As at 31 March 2019
Defined Benefit at the beginning of the year	732	590
Current Service Cost	61	39
Interest Cost	57	46
Remeasurements-actuarial loss -due to change financial assumptions	151	124
Benefits paid	(128)	(67)
Present value of benefit obligation at the end of the year	873	732

c. Expenses recognised in Statement of Profit and Loss

Particulars	As at 31 March 2020	As at 31 March 2019
Current Service Cost	61	39
Interest Cost	57	46
Actuarial Losses	151	124
Expense for the year ended	269	209

d. Actuarial valuation has been done with the following assumptions

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	6.82%	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 employee benefit as per their respective requirements. In the opinion of the management, the impact of this deviation is not considered material.

36 Corporate social responsibility

In accordance with the provisions of section 135 of the Companies Act, 2013, the Board of Directors of the holding Company had constituted CSR Committee. The details for CSR activities is as follows.

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Gross amount required to be spent by the holding Company during the year	1,302	1,098
b) Amount spent during the year on the following		
1. Construction / Acquisition of any asset	-	-
2. On purpose other than 1 above	188	17

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

37 Capital management

The holding 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 holding 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 borrowings 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 2020	As at 31 March 2019
Non-current borrowings	1,957	3,324
Current borrowings	46,270	1,38,151
Current maturities of non-current borrowings	1,344	1,344
Less: Cash and cash equivalents	(1,443)	(425)
Net debt	48,128	1,42,394
Equity share capital	2,354	2,354
Other equity	3,10,410	2,70,316
Total equity	3,12,764	2,72,670
Net debt to total equity ratio	0.15	0.52

38 Financial instruments

The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the Group is exposed to and how the Group 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	The Group presently does not make significant investments in equity shares, except for entities where it exercises control or joint control or significant influence.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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:

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large and diverse. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The Group 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 Group at the year end.

However, the holding Company during the year identified few balances of amounting to ₹ 130 lacs of the trade receivable which were subject to dispute and will not be realisable and hence, has been credit impaired.

The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables. Further, Credit risk in respect of other receivables and loans, mainly comprise of security deposit, unbilled revenue and interest accrued on deposits which are managed by the Group, by way of assessing financial condition and current economic trends. The Group considers the probability of default associated with the other receivable and loan is very low at the year respective year end and thus would not require any provision.

Mostly the trade receivables which are long aged at the year end are DISCOM companies and as per past experience, there has been no credit loss on account of customer's inability to pay i.e. there has been no material bad debts in past and therefore, no provision is generally made on this account. Thus, trade receivables compositely of both the segment of the Group, historical experience of collecting receivables supported by the level of default is very low, therefore, an impairment analysis is being performed at each reporting date on an individual basis for customers and if required necessary loss allowance is recognised.

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 2020	As at 31 March 2019
Loans	951	356
Trade receivables	23,020	39,729
Other financial assets	1,171	1,048
Total	25,142	41,133

Summary of the Group exposure to credit risk by age of the outstanding from various customers/trade receivables is as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Not past due	15,262	20,775
Past due 0-30 days	1,808	16,802
Past due 31-120 days	1,959	775
Past due 120 days-one year	3,175	1,022
More than one year	816	355
Total	23,020	39,729

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

The following table gives details in respect of percentage of revenue generated from top customer:

Particulars	As at 31 March 2020	As at 31 March 2019
Top one customer	20.77%	18.40%
* Revenue from top customer amounting to ₹ 93,443 lacs (31 March 2019 - ₹ 75,789 lacs) pertains to Agri Segment.		

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.

For the year ended 31 March 2020

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 years
Non-current borrowings	3,301	-	672	672	1,957	-
Current borrowings	39,308	39,308	-	-	-	-
Loan from related party	6,962	6,962	-	-	-	-
Trade payables	38,356	-	38,356	-	-	-
Lease liabilities (including interest payable)	7,580	-	632	632	1,243	10,808
Other financial liabilities	14,737	864	13,873	-	-	-

For the year ended 31 March 2019

Particulars	Carrying amount	On demand	6 months or less	6-12 months	1-2 years	More than 2 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	81	7,141	-	-	-

(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;
- interest rate risk;
- price risk; and
- foreign currency risk

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 nil Outstanding Forward contracts as at 31 March 2020 and 31 March 2019.

(i) Derivative Instruments

Foreign currency exposure recognized by the Group that have not been hedged by a derivative instrument are as under:

Particulars	₹ in lacs		USD in lacs		AED in lacs		GBP in lacs		EURO in lacs	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Financial assets										
Trade receivables	5,429	7,049	72	102	-	-	-	-	-	-
Cash and cash equivalents	1,173	242	14	2	5	4	-	-	-	-
Financial liabilities										
Trade payables ¹	224	23	2	0	-	-	1	-	0	-
Borrowings	21,830	22,572	288	326	-	-	-	-	-	-
Advance from customers	567	429	7	6	1	1	-	-	-	-

(ii) Foreign currency risk sensitivity:

A change of 5% in foreign currency would have following impact on profit before tax

Particulars	USD		AED		GBP		EURO	
	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease	5% increase	5% decrease
31-03-2020 (₹ in lacs) ¹	(801)	801	4	(4)	(4)	4	0	0
31-03-2019 (₹ in lacs)	(789)	789	3	(3)	-	-	-	-

1. Rounded off to zero.

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 2020	31 March 2019
Variable rate borrowings	42,609	1,38,675

Interest rate sensitivity

A change of 100 bps in interest rates would have following Impact on profit before tax	31 March 2020	31 March 2019
100 bps increase- decrease in profits	213	693
100 bps decrease- increase in profits	213	693

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 2020	31 March 2019
Sensex increase by 5%	29	38
Sensex decrease by 5%	(29)	(38)

6. Foreign currency risk

Effective from 01 April 2019, the Group has designated certain forward contracts and borrowings as eligible hedging instruments for hedge of foreign currency forecast sales. Pursuant to this, the effective portion of change in value of the hedging instruments has been recognised in 'cash flow hedge reserve' in other comprehensive income. Such amount is reclassified to profit or loss as and when the forecast transaction occurs or the hedges are no longer effective.

The Group is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US Dollar, AED, GBP and Euro. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the holding Company functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group policy is to hedge all material foreign exchange risk associated with highly probable forecast sales transactions denominated in foreign currencies. The Group policy is to hedge the risk of changes in foreign currency. The Group uses combination of pre-shipment credit in foreign currency (PCFC) and forward contracts (derivative instruments) to hedge its exposure in foreign currency risk. The Group designate both change in spot and forward element of forward contracts and change in spot of PCFCs to hedge exposure in foreign currency risk on highly probable forecast sales.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial position

For the year ended 31 March 2020								
Type of hedge and risks	Notional amount	Carrying amount of hedging instrument		Maturity dates	Hedge ratio	Average strike price	Change in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
Assets Liabilities								
Cash flow hedge								
Foreign currency risk								
(i) Pre-shipment credit in foreign currency (PCFCs)	USD 288	USD -	USD 21,830	June 2020 - September 2020	1:1	USD 72.72	(1,308)	USD (1,305)

(b) Disclosure of effects of hedge accounting on financial performance

For the year ended 31 March 2020				
Type of hedge and risks	Change in the value of hedging instrument in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of reclassification and hedge ineffectiveness
Cash flow hedge				
Foreign currency risk				
(i) Pre-shipment credit in foreign currency (PCFCs)	USD 1,305	USD 3	USD (457)	Revenue

The Group hedging policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument.

For PCFCs, hedge effectiveness is measured by comparing change in the discounted spot restatement of hypothetical derivative with change in the value of actual hedging instrument i.e. PCFC.

In hedges of foreign currency forecast sales, ineffectiveness mainly arises because of Change in timing of hedged item from that of the hedging instrument and cost of hedging. The ineffectiveness arising in the hedges have been disclosed in above table.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

(c) Movements in cash flow hedging reserve

Particulars	Total
As at 01 April 2019	-
Add: Changes in value of PCFCs	1,305
Less: Amount reclassified to profit or loss	(457)
Less: Deferred tax relating to above (net)	(224)
As at 31 March 2020	624

B Fair value disclosure

1. Fair value measurement of Financial Instruments

	31 March 2020			31 March 2019		
	FVTPL	FVOCI	Amortised cost ¹	FVTPL	FVOCI	Amortised cost ¹
Financial Assets						
Investments (other than in subsidiary) ²	584	-	-	765	-	-
Loans	-	-	951	-	-	356
Cash and cash equivalents	-	-	1,443	-	-	425
Other bank balances	-	-	3,812	-	-	102
Trade receivables	-	-	23,020	-	-	39,729
Other financial assets	-	-	1,171	-	-	1,048
Total	584	-	30,397	765	-	41,660
Financial liabilities						
Borrowings	-	-	49,571	-	-	1,42,819
Trade payables	-	-	38,356	-	-	22,379
Lease liabilities	-	-	7,580	-	-	-
Other financial liabilities	-	-	14,737	-	-	7,222
Total	-	-	1,10,244	-	-	1,72,420

- The management assessed that fair values of cash and cash equivalents, other bank balances, trade receivables, other financial assets, borrowings, trade payables, lease liabilities 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 Group 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.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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 Group 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 2020		31 March 2019	
	Level 1	Level 2	Level 1	Level 2
Financial Assets				
Investments (other than in subsidiary)	584	-	765	-
Total	584	-	765	-

(B) Financial instruments valued at amortised cost

	31 March 2020	31 March 2019
	Level 3	Level 3
Financial assets		
Loans	951	356
Cash and cash equivalents	1,443	425
Other bank balances	3,812	102
Trade receivables	23,020	39,729
Other financial assets	1,171	1,048
Total	30,397	41,660
Financial liabilities		
Borrowings	49,571	1,42,819
Trade payables	38,356	22,379
Lease liabilities	7,580	-
Other financial liabilities	14,737	7,222
Total	1,10,244	1,72,420

3. 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

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

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.

The fair valuation of investments in quoted equity shares is based on the current bid price of respective investments as at the balance sheet date.

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 & 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 2020	For the year ended 31 March 2019
1.	Segment revenue		
(a)	Agri	4,37,893	3,99,189
(b)	Energy	20,151	21,457
	Total segment revenue	4,58,044	4,20,646
	Inter segment revenue - Energy	(8,142)	(8,597)
	Net segment revenue	4,49,902	4,12,049
2.	Segment results		
(a)	Agri	74,325	71,763
(b)	Energy	7,854	8,181
	Total segment results (before finance costs and tax)	82,179	79,944
	Less: Finance costs	5,911	6,201
	Less: Other unallocable expenditures (net of unallocable incomes)	513	444
	Total profit before tax	75,755	73,299

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

S. No.	Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
3.	Segment assets		
(a)	Agri	3,76,357	3,97,558
(b)	Energy	65,934	66,056
	Total segment assets	4,42,291	4,63,614
4.	Segment liabilities		
(a)	Agri	63,446	32,502
(b)	Energy	3,775	5,190
(c)	Unallocable	62,217	1,53,164
	Total segment liabilities	1,29,438	1,90,856
5.	Segment revenue - Geographical information:		
(a)	Agri		
	India	2,29,396	2,14,746
	Rest of the world	2,08,497	1,84,443
	Sub-total (a)	4,37,893	3,99,189
(b)	Energy		
	India	20,151	21,385
	Rest of the world	-	72
	Sub-total (b)	20,151	21,457
	Total (a)+(b)	4,58,044	4,20,646
	Inter-segment revenue - Energy	(8,142)	(8,597)
	Total	4,49,902	4,12,049

F Information about Major Customers

Refer Note 38 (Credit Risk)

40 Related party transactions

A Related parties and their relationships

(a) Key Managerial Personnel's (KMPs):

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

(b) Additional related parties (KMPs) as per the Companies Act 2013 with whom transactions have taken place during the year:

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
Ms. Priyanka Sardana

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(d) Employee benefit plans where there is significant influence:

KRBL Limited Employees Group Gratuity Trust

(e) Relatives of KMPs*:

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
Mr. Ashish Mittal	Son of Mr. Anil Kumar Mittal
Mrs. Neha Singh	Daughter of Mr. Arun Kumar Gupta
Mr. Kunal Gupta	Son of Mr. Arun Kumar Gupta
Mrs. Rashmi Gupta	Daughter of Mr. Anoop Kumar Gupta
Mr. Akshay Gupta	Son of Mr. Anoop Kumar Gupta
Mr. Ayush Gupta	Son of Mr. Anoop Kumar Gupta
Anil Kumar Mittal HUF	Mr. Anil Kumar Mittal is Karta of Anil Kumar Mittal HUF
Arun Kumar Gupta HUF	Mr. Arun Kumar Gupta is Karta of Arun Kumar Gupta HUF
Anoop Kumar Gupta HUF	Mr. Anoop Kumar Gupta is Karta of Anoop Kumar Gupta HUF

(f) Enterprises over which KMPs are able to exercise significant influence*:

Khushi Ram Behari Lal	Partnership Firm in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Partners.
Adwet Warehousing Private Limited	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.
KRBL Foods Limited	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
KRBL Infrastructure Limited	Public Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta, Mrs. Preeti Mittal, Mrs. Anulika Gupta & Mrs. Binita Gupta are Directors.
Holistic Farms Private Limited	Private Limited Company in which Mr. Anil K. Mittal, Mr. Arun K. Gupta & Mr. Anoop K. Gupta are Directors.

(g) Trust/Society over which KMPs are able to exercise significant influence*:

Anil Mittal Family Trust	Trust in which Mr. Anil Kumar Mittal, Mrs. Anil Kumar Mittal, Mr. Ashish Mittal and Ms. Priyanka Mittal are beneficiaries.
Arun Kumar Gupta Family Trust	Trust in which Mr. Arun Kumar Gupta and Mr. Kunal Gupta are beneficiaries.
Anoop Kumar Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.
Binita Gupta Family Trust	Trust in which Mr. Anoop Kumar Gupta and Ms. Binita Gupta, Mr. Akshay Gupta and Mr. Ayush Gupta are beneficiaries.

* This includes only those parties with whom Company had related party transactions.

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

B Transactions and balances with related parties

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
I Transactions entered during the year						
i Purchase of goods¹						
Khushi Ram Behari Lal	15	2	-	-	-	-
ii Sale of goods¹						
Khushi Ram Behari Lal	885	781	-	-	-	-
iii Rent paid¹						
Mr. Anil Kumar Mittal	-	-	2	2	-	-
Mr. Arun Kumar Gupta	-	-	6	6	-	-
Mr. Anoop Kumar Gupta	-	-	6	6	-	-
KRBL Infrastructure Limited	293	199	-	-	-	-
KRBL Foods Limited	651	651	-	-	-	-
Adwet Warehousing Private Limited	150	25	-	-	-	-
Holistic Farms Private Limited	48	-	-	-	-	-
Mrs. Anulika Gupta	-	-	-	-	16	12
Mrs. Binita Gupta	-	-	-	-	2	2
Mrs. Preeti Mittal	-	-	-	-	2	2
Mr. Ashish Mittal	-	-	-	-	17	13
Anoop Kumar Gupta HUF	-	-	-	-	14	10
iv Expense incurred (on behalf of Company by others)/by Company for others						
Khushi Ram behari lal	3	2	-	-	-	-
v Remuneration on account of salary and perquisites²						
Mr. Anil Kumar Mittal	-	-	119	109	-	-
Mr. Arun Kumar Gupta	-	-	137	109	-	-
Mr. Anoop Kumar Gupta	-	-	119	109	-	-
Ms. Priyanka Mittal	-	-	81	56	-	-
Mr. Ashok Chand	-	-	-	10	-	-
Mr. Raman Sapra	-	-	15	14	-	-
Mr. Rakesh Mehrotra	-	-	85	79	-	-
Mr. Ashish Mittal	-	-	-	-	26	22
Mr. Kunal Gupta	-	-	-	-	26	22
Mr. Akshay Gupta	-	-	-	-	26	22
Mr. Ayush Gupta	-	-	-	-	26	22
vi Electricity charges paid						
KRBL Infrastructure Limited	19	78	-	-	-	-
vii Repair and Maintenance paid						
KRBL Infrastructure Limited	68	13	-	-	-	-

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
B Transactions and balances with related parties (cont'd)						
viii Sitting fees paid						
Mr. Vinod Ahuja	-	-	-	-	2	1
Mr. Ashwani Dua	-	-	-	-	0	0
Mr. Shyam Arora	-	-	-	-	2	1
Mr. Devendra Kumar Agarwal	-	-	-	-	2	1
Mr. Alok Sabharwal	-	-	-	-	1	1
Ms. Priyanka Sardana	-	-	-	-	1	-
ix Dividend paid						
Anil Mittal Family Trust	2,267	979	-	-	-	-
Arun Kumar Gupta Family Trust	2,201	950	-	-	-	-
Anoop Kumar Gupta Family Trust	2,059	894	-	-	-	-
Binita Gupta Family Trust	12	-	-	-	-	-
Anil Kumar Mittal HUF	-	-	-	-	191	83
Arun Kumar Gupta HUF	-	-	-	-	257	112
Anoop Kumar Gupta HUF	-	-	-	-	387	168
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. Rashmi Gupta ³	-	-	-	-	0	0
Mrs. Preeti Mittal ³	-	-	-	-	0	0
x Advances given						
Mr. Raman Sapra ³	-	-	-	0	-	-
Mr. Rakesh Mehrotra	-	-	-	1	-	-
xi Advances adjusted against salary						
Mr. Raman Sapra ³	-	-	-	0	-	-
Mr. Rakesh Mehrotra ³	-	-	1	0	-	-
xii Borrowings- Unsecured loans availed						
Mr. Anil Kumar Mittal	-	-	3,458	1,792	-	-
Mr. Arun Kumar Gupta	-	-	2,094	2,423	-	-
Mr. Anoop Kumar Gupta	-	-	1,775	3,721	-	-
Ms. Priyanka Mittal	-	-	-	436	-	-

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
B Transactions and balances with related parties (cont'd)						
xiii Borrowings-Unsecured loans repaid						
Mr. Anil Kumar Mittal	-	-	1,376	2,243	-	-
Mr. Arun Kumar Gupta	-	-	1,566	2,195	-	-
Mr. Anoop Kumar Gupta	-	-	1,566	4,258	-	-
Ms. Priyanka Mittal	-	-	-	402	-	-
xiv Interest paid						
Khushi Ram Behari Lal	154	34	-	-	-	-
xv Discount allowed on sale of goods						
Khushi Ram Behari Lal	43	49	-	-	-	-
xvi Advance received against supply of goods						
Khushi Ram Behari Lal	2,162	2,568	-	-	-	-
xvii Advance received against supply of goods returned back						
Khushi Ram Behari Lal	2,300	645	-	-	-	-
II Balances outstanding at the year end						
i Unsecured borrowings-Current						
Mr. Anil Kumar Mittal	-	-	2,424	342	-	-
Mr. Arun Kumar Gupta	-	-	1,794	1,266	-	-
Mr. Anoop Kumar Gupta	-	-	2,711	2,502	-	-
Ms. Priyanka Mittal	-	-	34	34	-	-
ii Advance received from customers						
Khushi Ram Behari Lal	588	1,418	-	-	-	-
iii Receivable (payable)						
KRBL Infrastructure Limited	(14)	-	-	-	-	-
iv Receivable on account of Security deposit/Prepaid Lease						
KRBL Infrastructure Limited	971	971	-	-	-	-
v Employee related payables						
Mr. Anil Kumar Mittal	-	-	7	2	-	-
Mr. Arun Kumar Gupta	-	-	3	2	-	-
Mr. Anoop Kumar Gupta	-	-	6	2	-	-
Ms. Priyanka Mittal	-	-	3	2	-	-
Mr. Raman Sapra	-	-	1	1	-	-
Mr. Rakesh Mehrotra	-	-	1	3	-	-
Mr. Ashish Mittal	-	-	-	-	2	1
Mr. Kunal Gupta	-	-	-	-	1	1
Mr. Akshay Gupta	-	-	-	-	1	1
Mr. Ayush Gupta	-	-	-	-	1	1

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	Enterprises/Trusts over which significant influence is exercised by KMPs		Key Managerial Personnels (KMPs)		Other Related Parties	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
II Balances outstanding at the year end (cont'd)						
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	-	-	0	1	-	-
Mr. Ashish Mittal ³	-	-	-	-	(0)	(0)
Mr. Ayush Gupta ³	-	-	-	-	0	(0)

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 2020, the outstanding amount of loan is ₹ 39,308 lacs (31 March 2019 ₹ 1,14,007 lacs) 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.

41 Contingent liabilities and commitments

A Contingent liabilities

(i) Claims against the Company not acknowledged as debts*	As at 31 March 2020	As at 31 March 2019
Income tax matters ¹	9,884	1,26,920
Indirect taxes ²	7,501	7,501
Enforcement directorate investigation matter ³	1,532	-
Other matters	1,115	613
	20,032	1,35,034

¹. The Company had received demand notices under section 153A/143(3) of the Income-tax Act, 1961, with respect to assessment years 2010-11 to 2016-17, amounting to ₹ 75,744 lacs and interest thereon ₹ 51,176 lacs, against which Company had filed appeals with CIT (Appeals), New Delhi. During the quarter and year ended 31 March 2020, CIT(Appeals) granted partial relief on certain matters in favor of the Company, vide orders dated 11 March 2020, and correspondingly, income tax demand has been reduced by ₹ 69,612 lacs and interest thereon by ₹ 47,424 lacs respectively. The Company is in the process of filing appeals before Income Tax Appellate Tribunal ('ITAT') for remaining matters confirmed by CIT(Appeals) in respect of income tax demand of ₹ 6,132 lacs and interest thereupon of ₹ 3,752 lacs, shown under contingent liabilities. As at 31 March 2020, the Company had already paid ₹ 21,900 lacs, under protest against the demand. The management, based on legal assessment, is confident that it has a favorable case and the remaining demand shall also be deleted at the ITAT level.

². Indirect taxes includes the matters related to mandi fee levied under the Agricultural Produce Market Committee Act, 2003.

³ The Enforcement Directorate ("ED") had provisionally attached a portion of land parcels and building thereupon, situated at Dhuri, Tehsil Sangrur District of Punjab, to the extent of value of ₹ 1,532 lacs in connection with its money laundering investigation vide order dated 03 July 2019. The Adjudicating Authority vide their order dated 12 December 2019 has confirmed the said attachment. The Company filed an appeal with Appellate Tribunal, PMLA (Government of India), New Delhi, ("Appellate

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Tribunal") and vide its order dated 17 January 2020, the Appellate Tribunal ordered to restore the possession in favor of the Company, however, aforesaid attachment may continue till the conclusion of the matter. Against the order of Appellate Tribunal, the ED has filed an appeal before Hon'ble High Court of Delhi, which is pending for hearing. As at 31 March 2020, the possession of the said land parcels and building has not been restored physically to Company and therefore, the Company has filed an application with Hon'ble High Court of Delhi on 29 May 2020, for execution of the Appellate Tribunal order. The Company based upon the legal assessments, is confident that it has a favorable case and the said attachment shall be vacated.

*. The 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 Commitments

Estimated amount of contracts remaining to be executed, to the extent not provided for:

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment (net of advances)	727	1,320

42 Transfer pricing

As per the international transfer pricing norms introduced in India with effect from 01 April 2001, the holding Company is required to use certain specified methods in computing arm's length price of international 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 holding 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

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenue expenditure	528	523

44 Dividends

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
A Dividend declared and paid during the year		
Final dividend and interim dividend declared and paid for the financial year ended 31 March 2019 and 31 March 2020 at ₹ 2.50 per share and at ₹ 2.80 per share respectively (For the year ended 31 March 2018 : ₹ 2.30 per share)	12,476	5,414
Dividend distribution tax on final dividend	2,564	1,102
B Proposed dividends on equity shares not recognised as liability		
Proposed dividends for the year ended 31 March 2020 ₹ Nil (For the year ended 31 March 2019 : ₹ 2.50 per share)	-	5,885
Dividend distribution tax on proposed dividend	-	1,210
C Remittance in foreign currency on account of dividend		
Number of shareholders to whom final dividend for the financial year 2018-19 and financial year 2017-18 remitted in foreign currency	5	5
Number of shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency	4	-
Number of equity shares held by the shareholders to whom final dividend for the financial year 2018-19 and financial year 2017-18 remitted in foreign currency	3,18,38,330	3,18,38,330

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Number of equity shares held by the shareholders for remittance of interim dividend for the financial year 2019-20 in foreign currency	2,75,88,330	-
Amount of dividend paid (₹ in lacs)	1,568	732
Year to which the dividend relates	2018-19 & 2019-20	2017-18

45 Assets pledged as security

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current assets		
First charge		
Property, plant and equipments including capital work in progress	87,915	92,915
Intangible assets	143	101
Total non-current assets pledged as security	88,058	93,016
Current assets		
First charge		
Pari-passu		
Inventories	2,85,242	3,12,885
Financial assets (current and non-current)	31,270	42,701
Other assets (current and non-current)	26,909	14,062
Total current assets pledged as security	3,43,421	3,69,648
Total assets pledged as security	4,31,479	4,62,664

46 Reconciliation of liabilities arising from financing activities:

Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Non-current borrowings		
Opening balance	4,668	8,111
Proceeds	-	-
Repayment	1,367	3,443
Net loss on foreign currency transactions and translation	-	-
Closing balance	3,301	4,668
Current borrowings		
Opening balance	1,38,151	1,16,414
Movement (net)	(92,732)	22,192
Net (gain)/loss on foreign currency transactions and translation	851	(455)
Closing balance	46,270	1,38,151
Lease liabilities (As per Ind AS 116)		
Opening balance	-	-
Non cash proceeds	8,144	-
Payment of lease liabilities	564	-
Closing balance	7,580	-
Finance cost		
Interest Accrued as at 01 April	639	164
Expenses incurred	6,244	6,758
Expenses paid	5,895	6,283
Interest Accrued as at 31 March	988	639

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts stated in ₹ lacs, unless otherwise stated)

47 Additional information as required for preparation of consolidated financial statements to Schedule III to the Act: 31 March 2020

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	3,11,857	1,124	295	(424)	3,12,853
Share in profit and loss after tax					
- as % of consolidated profit and loss	100%	0%	0%	0%	100%
- Amount	55,941	(122)	0	-	55,819
Share in other comprehensive income					
- as % of consolidated other comprehensive income	115%	-15%	0%	0%	100%
- Amount	(789)	104	-	-	(685)
Share in total comprehensive income					
- as % of consolidated total comprehensive income	100%	0%	0%	0%	100%
- Amount	55,152	(18)	0	-	55,134

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%	13%	0%	0%	100%
- Amount	50,331	66	0	-	50,397

Summary of the Consolidated significant accounting policies and other explanatory information for the year ended 31 March 2020

- 48** The outbreak of Coronavirus (Covid-19) has severely impacted business globally including India. On 24 March 2020, Government of India ("GOI") has declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses, though essential category business were allowed to operate adhering to the guidelines issued by GOI.

As the nature of business, performed by the Company falls under the essential category and the Company continued to operate its manufacturing facilities and distribute its products in accordance with the said guidelines. Though, there have been some operational difficulties due to lock down imposed in various regions, the impact on overall operations have not been significant. Further, the management of the Company has also assessed the impact of the situation on the capital, profitability, liquidity positions etc., and based on its assessment, the pandemic doesn't have any material impact on the financial results of the Company. The management will continue to closely monitor any material change to future economic conditions and would take necessary actions accordingly.

This is the Summary of the consolidated 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: New Delhi

Date: 9 June 2020

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

Anil Kumar Mittal

Chairman and Managing Director

DIN-00030100

Raman Sapra

Company Secretary

Membership No. F9233

Place: Noida

Date: 9 June 2020

Anoop Kumar Gupta

Joint Managing Director

DIN-00030160

Rakesh Mehrotra

Chief Financial Officer

Membership No. 84366

Place: Noida

Date: 9 June 2020



NOTES

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